

The Power of Customer Relationship Management (CRM) In Increasing Trust And Loyalty of Customers At Bank Rakyat Indonesia (BRI) Unit of Tanjung Selor Town, North Kalimantan Province

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Abstract: *This study aims to determine the effect of customer relationship management (CRM) on customer trust and loyalty at the Bank Rakyat Indonesia (BRI) Unit of TanjungSelorTown. Using a quantitative approach with Structural Equation Modeling (SEM) analysis. The questionnaire was distributed to 100 customers as respondents. Using a likert scale measurement with a purposive sampling technique. The results showed that, CRM has no significant negative effect on customer loyalty with a coefficient of -0.11 with $P = 0.148 (> 0.05)$. CRM has a significant positive effect on customer trust with a coefficient of 0.75 with $P = *** (<0.05)$. Furthermore, customer trust also has a significant positive effect on customer loyalty with a coefficient of 0.79 with $P = 0.010 (<0.05)$. This shows that CRM implemented at the BRI Unit of TanjungSelor Town has not been able to directly influence the strengthening of customer loyalty. However, because CRM directly has a significant influence on customer trust, then customer trust also has a significant influence on customer loyalty, then indirectly the influence of CRM on customer loyalty through intervening variables customer trust has a significant influence. This shows that, the better the implementation of CRM will increase customer loyalty if customer trust also increases. The CRM variable affects the variation of data on the variable customer trust by 57%. The remaining 43% is influenced by other factors outside of this study. CRM variables and customer trust affect data variation on customer loyalty variables by 51%. The remaining 49% is influenced by other factors outside of this study.*

Keywords: *Customer Relationship Management (CRM), Customer Trust, and Customer Loyalty*

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I. Introduction

Since five years officially being the capital of North Kalimantan (a new province since 2013), the town of TanjungSelor has experienced rapid development. A small town that is still being fought for to change status from a subdistrict town to a municipality (as a condition to become a provincial capital town) has a significant impact, especially in the economic sector. Along with its status as the capital of the new province, the population continues to grow rapidly. Infrastructure development, such as office buildings, hotels, roads, airports, ports, dams, settlements, etc., is being carried out intensively. Many offices from government, private and national and foreign companies were established in this town. Some have status as head office, branch or representative.

This development provides a great opportunity for the growth of various business transactions to meet the needs of a growing number of people and institutions. The impact of the increase in business transactions provides greater business opportunities in the financial services sector so that the number of business people in this sector continues to increase.

The small town of TanjungSelor which has an area of 1,271.81 km² with a population of around 30,486 people (BPS, 2017). Since the last five years has a growing number of bank and non-bank financial institutions. Based on observations, there are four public banks and rural credit banks operating in this small city. No fewer than ten non-bank financial institutions, such as leasing institutions and active savings and loan cooperatives, compete for customers. This has increased the level of competition for customers among financial institutions.

In order to win the increasingly tighter financial services business competition, researchers believe that, Customer Relationship Management (CRM) can be used as a company instrument to build strategic relationships with its customers. By using this instrument the company will be able to build trust and understand what customers want most. Thus the company can create the right marketing programs in order to make customers loyal.

One of the arguments used by researchers in the application of CRM as an instrument is the explanation from Pambudi (2014) which states that CRM is customer relationship management which is used as a strategy by many companies to establish good relations with their customers, where companies will know what is expected and needed customers so that there will be an emotional bond that is able to create close and open business relationships and two-way communication or reciprocity between them. Thus customer loyalty can be strengthened so that it is not easy to move to other products or other brands, especially the products and brands of competing companies. Therefore, researchers believe that CRM can be one of the strategic instruments for the company. The implementation of a customer-based marketing strategy can adopt CRM as a reliable instrument.

In this modern era, banking services are increasingly needed by the wider community. The number of customers from time to time continues to increase. Considering bank customers are heterogeneous, individually causing many differences in mindset and lifestyle. This challenge requires banks to be able to develop customer-based strategies. Individually, banks must be familiar with the characteristics of their customers so they are able to provide services that meet their expectations. Such treatment is believed to be able to increase customer trust so that loyalty can be maintained.

The importance of building trust in order to gain customer loyalty is in line with the arguments put forward by Rousseau and others in Akbar and Parvez (2009) as follows. One aspect that must be considered by the bank is to keep loyal customers loyal.

Banking business is one business or type of service business based on the principle of trust. If the customer has high trust in the company, the customer will be a loyal customer to the company. Trust is an important capital in increasing customer loyalty, especially in building long-term relationships, so that trust plays an important role in the sustainability of the company for the future.

Customer trust is largely determined by the bank's performance, including in providing services. Therefore, banks are required to be able to give a good impression on customers, namely to provide satisfaction through maximum service performance, banks must show excellent service quality so that customers feel comfortable and foster trust. The better the quality and service provided by the bank to its customers, the more loyal customers will be to the bank. But on the contrary, if the bank has a reputation or poor service quality, such as having many cases and few profits, this will result in a decrease in the level of customer confidence in the bank.

Bank Rakyat Indonesia (BRI) is one of the largest commercial banks in Indonesia, which always maintains customer trust through providing sincere service. Not a few customers have the trust and loyalty to the bank.

BRI has many branches throughout Indonesia. One of the branches that is owned is in TanjungSelor, the capital of North Kalimantan Province which is located at Teratai street number 4. From this branch of BRI, several auxiliary office units were set up around the Province of North Kalimantan. One of the unit offices is the BRI Unit of TanjungSelor town located on KolonelSoetadjistreetof TanjungSelor. This unit was founded in 1991. The BRI office was chosen by researchers as the research location.

Customer loyalty that has been successfully built then will continue to be maintained and considered by the bank. Because, loyal customers will not only add to the benefits of ongoing transaction activities. But indirectly it will also help banks promote their products and a sense of trust in the bank to the closest people. Customers who have been loyal like this are believed to be difficult to turn to other banks.

Based on the background of the phenomenon and theoretical arguments, the title of this research is the Power of Customer Relationship Management (CRM) in Increasing Customer Trust and Loyalty at the Bank Rakyat Indonesia (BRI) Unit of the TanjungSelorTown of North Kalimantan Province.

II. Objectives

1. To find out the effect of Customer Relationship Management (CRM) on customer trust in Bank Rakyat Indonesia (BRI) Unit of TanjungSelor Town.
2. To find out the effect of Customer Relationship Management (CRM) on customer loyalty at the Bank Rakyat Indonesia (BRI) Unit of TanjungSelor Town.
3. To find out the influence of customer trust on customer loyalty at the Bank Rakyat Indonesia (BRI) Unit of TanjungSelor Town.
4. To find out the indirect effect of Customer Relationship Management (CRM) on customer loyalty through intervening variable customer trust in the Bank Rakyat Indonesia (BRI) Unit of the Town of TanjungSelor.

III. Literature Review

3.1. Customer Relationship Marketing (CRM)

There are several definitions of CRM proposed by experts. Among others, such as the opinion, Kotler and Armstrong (2012) define Customer Relationship Management as the overall process of building and

maintaining profitable customer relationship by delivering superior customer value and satisfaction. That is, customer relationship management is the overall process of building and maintaining profitable customer relationships by conveying customer value and satisfaction.

According to Gordon in Imasari and Mursalin (2011), "CRM is a series of strategies and processes that create new and mutual value for individual customers, build a preference for their organization and improve business as a result of a lifeline of association with their customers." There are four Key strategic capabilities in CRM are: technology (technology that supports CRM), people (skills, abilities, and attitudes of people who manage CRM), processes (processes used by companies to access and interact with customers in creating new values and satisfaction), knowledge and understanding (the approach used by companies to add value to consumer data so that they gain knowledge in deepening a relationship.) In the CRM concept the company places great emphasis on efforts to always establish good relationships in the long term with consumers.

Alma (2010), states that customer relations or Customer Relationship Management (CRM) is a process in obtaining, maintaining and improving profitable customer relationships with the aim of creating customer value, so that customers are satisfied and maximize profits for companies to obtain in order to gain competitive advantage (Comperative Advantage), pay attention to product quality in order to provide excellent satisfaction for customers.

According to Buttle (2007), Customer Relationship Management (CRM) is a core strategy in business that integrates internal processes and functions with all external networks to create and realize value for target consumers profitably.

Some of the results of previous empirical studies show that CRM has a correlation of positive influence on customer loyalty. Like the survey conducted by Ningsih, et al (2016) on customers of PT. Astra International, Tbk -TSO AUTO 2000 Denpasar Branch, proves that Customer Relationship Management (CRM) has a significant effect on customer loyalty. That is, if Customer Relationship Management (CRM) is increased, it will have an impact on increasing customer loyalty. This is also the same as the results of research conducted by Setyaleksana, et al (2017). The survey was conducted at GraPARITelkomsel customers in Malang. The results of the study show that Customer Relationship Management (CRM) has a significant influence on customer loyalty.

The main objective of CRM is to build and maintain a customer base that has strong and profitable relationship commitment for the company (Tjiptono, 2004). Whereas according to Buttle (2007), the basic reason that drives companies to develop relationships with consumers is actually classic, namely economic motives. Companies will get many benefits if they can identify, satisfy and successfully retain consumers.

3.2.Customer Trust

Trust is defined by various experts. For example, by Moorman, et al in Mulyo and Ukudi (2007) it was defined as the desire to depend on trusted partners. Setiadi (2010) defines trust as a descriptive idea that someone has towards something. Whereas according to Sunarto (2009), consumer trust (Consumen Beliefs) is defined as knowledge held by consumers and all conclusions made by consumers about objects, attributes, and benefits. Objects can be products, people, companies and everything, where someone has trust and attitude, while attributes are characteristics or features that objects may or may not have. While the benefits are positive results that will be given attributes to consumers. Companies must realize that trust in objects, attributes and benefits shows consumer perceptions. Therefore, the trust of each consumer is different from each other.

Related to further explanation of trust, Barnes (2008), states that there are several important elements of trust, namely: a) Trust is the development, experience, and past actions, b) Character expected of the partner, such as being trustworthy and able reliable, c) Trust involves willingness to put themselves at risk, d) Trust involves feeling safe and confident in the partner. Lita (2009) explains some of the benefits of trust, including: a) Trust can encourage marketers to try to maintain the relationship that exists by working with trade partners, b) Trust rejects short-term choices and prefers the long-term benefits expected by retaining partners existing, c) Trust can encourage marketers to view attitudes that bring great risk wisely because they believe that their partners will not take the opportunity that can harm marketers.

Trust according to Jasfar (2009) is an adhesive that allows companies to trust others in organizing and using resources effectively in creating added value. Trust indicators consist of 3 components, namely: 1) Perception of Integrity, is the consumer's perception that the company follows acceptable principles such as keeping promises, behaving ethically and honestly, 2) Benevolence, which is based on the amount of trust in partnerships that have goals and motivations that are advantages for other organizations when new conditions arise, namely conditions where commitment is not formed, 3) Perception of competency (Competence), competence is the ability to solve problems faced by consumers and fulfill all the need, ability refers to the skills and characteristics that allow a group to have a dominant influence (Jasfar, 2009).

3.3.Customer Loyalty

One measure of success in marketing activities is that customers become loyal. That is, these customers become loyal customers and do not want to turn to other companies. For that every marketing activity in the end is to build customer loyalty.

Loyalty is the drive for behavior to make purchases repeatedly and to build customer loyalty to a product / service produced by a business entity (Musanto, 2004). According to Wulf, Schroeder and Labocci in Mulyo and Ukudi (2007), customer loyalty is the amount of consumption and frequency of purchases made by a consumer towards a company.

According to Tjiptono (2008), loyalty reflects the commitment of certain brands, while repurchase behavior is solely concerned with purchasing certain same brands repeatedly. The indicator that can be used to measure customer loyalty is repurchasing, the habit of consuming the brand, always liking the brand, trusting the brand, believing that the brand is the best, recommending the brand to others.

Indicators of customer loyalty according to Kotler and Keller (2006) are:

- a. Repeat Purchase, this indicator shows the loyalty of repurchases or periodic purchases of a product. Repeated purchases made by customers show an attachment and can measure the value of customer satisfaction with the company's products.
- b. Retention, loyalty to negative influences about the company. Customers whose loyalty is like this are not affected by the presence of other products that can be said to be much cheaper, more features.
- c. Referalls, referring to the total existence of the company. Customers in this situation are able and willing to recommend the company's products to the closest people around their environment.

According to Griffin (2003) there are four types of loyalty, including:

- a. Without loyalty

Customers do not develop loyalty to certain products or services. This usually happens when a customer considers the transaction to be a routine transaction and does not have a specific specification, for example someone who cuts hair in a changing place because he is looking for a haircut that is not in line and for him to cut hair is no different where . In general, companies must avoid targeting these types of buyers because they will never be loyal customers.

- b. Weak loyalty

Low engagement coupled with high repetitive purchases results in weak loyalty. Customers buy because of habits, this type of loyalty is most common in products that are often purchased. These buyers are vulnerable to switching to competing products that can show clear benefits.

- c. Hidden loyalty

The relatively high preference level combined with a low rate of repeat purchases shows hidden loyalty. If the customer has hidden loyalty, the influence of the situation and not the influence of the attitude that determines repeat purchases, the intended influence is for example an invitation from the surrounding people.

- d. Premium Loyalty

This loyalty is the most can be improved, occurs when there is a high level of attachment and a high rate of repeat purchases. This is the type of loyalty that is preferred for all customers in each company. At the highest level of preference, people are proud of finding and using certain products and like to share their knowledge with colleagues and family.

IV. Methodology

This study uses a quantitative approach. Tontowi (2016) explains, the process carried out in quantitative research is to test the theory (proposed hypothesis) which has previously been successfully built into a conceptual framework of research related to empirical facts that are the object of research.

Sampling uses the provisions of Roscoe (1975) in Sekaran (2006), namely, at least 10 times the number of indicators. In this study there were 10 indicators then multiplied by 10, so the number reached 100 people. Respondents in this study were BRI unit customers of Tanjung Selor City. The sampling technique used was purposive accidental sampling. Every customer who meets the research criteria who comes to the bank is asked to fill out a questionnaire until the minimum number of samples is met.

Measurements using a likert scale with a rating range of 1-5. Strongly disagree (SD) = 1. Disagree (D) = 2. Neutral (N) = 4. Agree (A) = 4. Strongly agree (SA) = 5. The analytical tool used is SEM (Structural Equation Modeling) with SPSS-AMOS 20 Software.

Hair (2006), the formation of structural equation models follows the following five steps, developing theory-based models, flow diagrams (path diagrams), evaluating criteria for goodness of fit, testing assumptions of SEM models, testing structural models: testing hypothesis research.

V. Findings And Discussion

5.1. Instrument Test Results

The results of the instrument test can be presented as in Table 1 below:

Table 1. Test of Validity and Reliability of Instruments

Customer Relationship Marekting/CRM (X)		Customer Trust (Y1)		Customer Loyalty (Y2)	
Indicators	Correlation	Indicators	Correlation	Indicators	Correlation
Technology	0.580	Integrity	0.455	Purchase	0.586
Human Resource (HR)	0.456	Goodness	0.509	Retention	0.542
Process	0.543	Competency	0.494	Referalls	0.663
Knowledge	0.648	Cronbach's Alpha= 0.673		Cronbach's Alpha= 0.762	
Cronbach's Alpha= 0.754					

Source: Primary Data Processed (2018)

All instruments have a correlation value above 0.3 and the Cronbach's Alpha value is more than 0,6 which indicates that all instruments are declared valid and reliable.

5.2. Descriptive Analysis Results

The results of the descriptive analysis can be presented as in table 2 below:

Table 2. Results of Descriptive Analysis

Variables / Indicators	Respondent's Answer Score										Average
	SD		D		N		A		SA		
	f	%	f	%	f	%	f	%	f	%	
Average Customer Relationship Marketing (CRM) Score											4.08
Technology	2	2,0	3	3,0	15	15,0	56	56,0	24	24,0	3,97
HR	0	0,0	3	3,0	5	5,0	61	61,0	31	31,0	4,20
Process	0	0,0	1	1,0	5	5,0	58	58,0	36	36,0	4,29
Knowledge	0	0,0	5	5,0	18	18,0	62	62,0	15	15,0	3,87
Average Customer Trust Score											3.82
Integrity	0	0,0	3	3,0	38	38,0	49	49,0	10	10,0	3,66
Goodness	0	0,0	2	2,0	30	30,0	56	56,0	12	12,0	3,78
Kompetency	0	0,0	1	1,0	19	19,0	56	56,0	24	24,0	4,03
Average Customer Loyalty Score											3.65
Purchase	0	0,0	2	2,0	32	32,0	46	46,0	20	20,0	3,84
Retention	0	0,0	9	9,0	43	43,0	37	37,0	11	11,0	3,50
Referalls	0	0,0	2	2,0	43	43,0	45	45,0	10	10,0	3,63

Source: Primary Data Processed (2018)

5.3. SEM Analysis Test Results

5.3.1 Normality

The assumption of multivariate normality was tested with the help of AMOS 20 software. The test results obtained the value of the critical ratio of 4.248 with a critical value Z untuk for 5% at 13.163. Because the absolute value of CR for multivariate is 4.248 <13.163, the assumption of multivariate normality is fulfilled.

5.3.2 Outliers

From the Mahalanobis distance table it can be seen that the most distant observation point is the 55th respondent with the value Md = 29,377. When compared with the value = 67.2564, the value of the 55th point Md <67.2564, it is concluded that all observation points are not outliers.

5.3.3 Linearity

The results of the linearity test are presented in the following Table 3:

Table 3. Test Results for Linearity Assumptions

Relationship Between Variables		Testing Results	Decision
Customer Relationship Management/CRM(X)	Customer Loyalty (Y2)	Sig all models <0.05 (significant linear models)	Linier
Customer Relationship Management/CRM (X)	Customer Trust (Y1)	Sig all models <0.05 (significant linear models)	Linier
Customer Trust (Y1)	Customer Loyalty (Y2)	Sig all models <0.05 (significant linear models)	Linier

Source: Primary Data Processed (2018)

5.3.4. Goodness of Fit Model

The goodness of fit model test results are presented as follows:

Cut-of value criteria Model Results

Table 4. Test Results for Goodness Of Fit Overall Models

Criteria	Cut-of value	Model Results	Description
Khi Kuadrat	Kecil	42.090	Good model
p-value	≥ 0.05	0.109	
CMIN/DF	≤ 2.00	1.315	Good model
GFI	≥ 0.90	0.923	Good model
AGFI	≥ 0.90	0.867	Poor model
TLI	≥ 0.95	0.951	Good model
CFI	≥ 0.95	0.965	Good model
RMSEA	≤ 0.08	0.056	Good model

Source: Primary Data Processed (2018)

5.3.5. Measurement Model (CFA)

The results of the measurement model in this study are presented in Table 5 below:

Table 5. Results of Measurement Model Testing

Variable Customer Relationship Management/ CRM (X)			
Indikator	Standardize	P-value	Description
X 1 = Technology	0.73	0.000	Significant
X 2 = Human Resource (HR)	0.47	0.000	Significant
X 3 = Process	0.57	0.000	Significant
X 4 = Knowledge	0.85	0.000	Significant
Variable Customer Trust (Y1)			
Indicators	Standardize	P-value	Description
X 5 = Integrity	0.61	0.000	Significant
X 6= Goodness	0.69	0.000	Significant
X 7= Competency	0.61	0.000	Significant
Variable Customer Loyalty (Y2)			
Indicators	Standardize	P-value	Description
X 8= Purchase	0.73	0.000	Significant
X 9= Retention	0.67	0.000	Significant
X10 = Referalls	0.78	0.000	Significant

Source: Primary Data Processed (2018)

3.6. Hypothesis Testing Results

The results of the hypothesis test are presented in the following Table 6 and Table 7:

Table 6. Structural Models of SEM Results: Direct Effects

Relationship Between Variables	Coefficient	P-value	Description
Customer Relationship Marketing/CRM (X) → Customer Loyalty(Y2)	-0.11	0.667 ^{ns}	Non Significant
Customer Relationship Marketing/CRM (X) → Customer Trust (Y1)	0.75	***	Significant
Customer Trust(Y1) → Customer Loyalty(Y2)	0.79	0.010	Significant

Source: Primary Data Processed (2018)

Table 7. SEM Structural Model Results: Indirect Effects

Indirect Effects	Direct Effect Coefficient	Direct Effect Coefficient	Indirect Influence Coefficient	Description
X → Y1 → Y2	X1 → Y1 = 0.75	Y1 → Y2 = 0.79	0.593	Significant

Source: Primary Data Processed (2018)

The results of SEM analysis can be presented as in Figure 1 below:

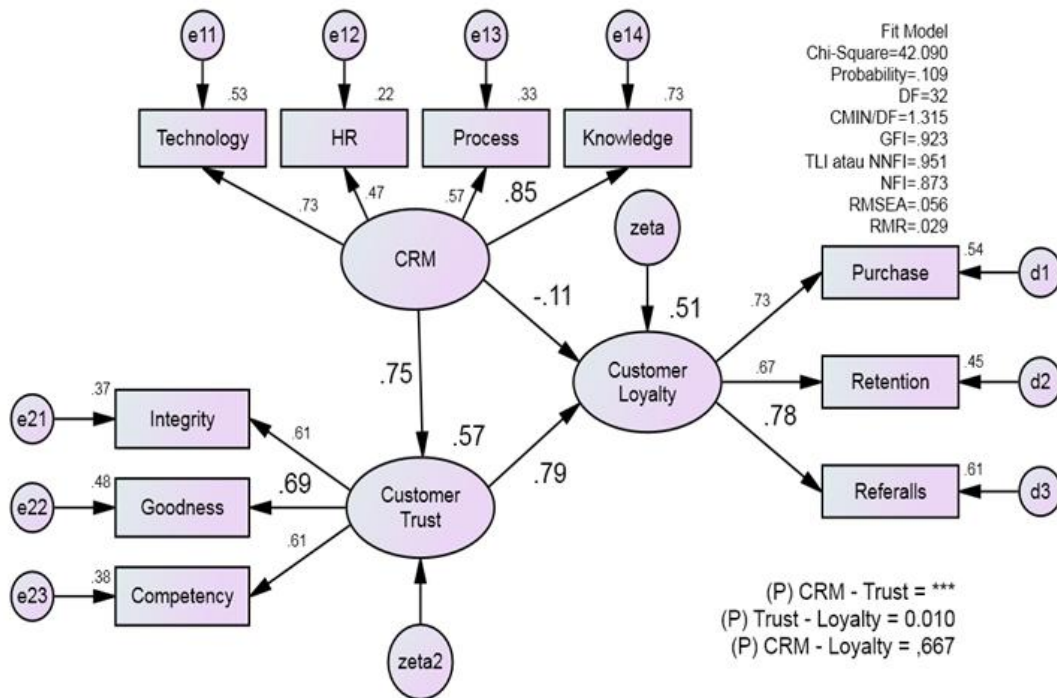


Figure 1. SEM Test Results

Source: Primary Data Processed (2018)

5.3. Discussion

5.3.1. Increasingly Strong Customer Relationship Marketing / CRM (X) will Increase Customer Trust (Y1)

Based on the results of the analysis, the coefficient of the relationship between Customer Relationship Management (X) and customer trust (Y1) is 0.75 with a p-value of 0.010. Because the <0.05 p-value value indicates that Customer Relationship Management has a significant positive effect on customer trust. Because the coefficient has a positive sign indicating a unidirectional relationship. This means that the higher the value of Customer Relationship Management, the higher the value of customer trust. Customer Relationship Management is in excellent performance qualification with an average value of 4.08. While the performance of customer trust is in good qualification, which is at an average value of 3.82.

Based on the results of analysis on the measurement model in SEM shows that Customer Relationship Management is measured by four aspects, namely; technology, human resource, process, and knowledge, where the fourth aspect is knowledge is the most important measure of Customer Relationship Management. This indicates that the high value of Customer Relationship Management is mainly seen from the knowledge of the bank regarding its customers.

Based on the results of the analysis on the measurement model in SEM shows that customer trust is measured using three aspects, namely, integrity, kindness, and competence, where the aspects of goodness are the most important as a measure of customer trust. This indicates that the high value of customer trust is mainly seen from the goodness of the bank towards customers.

From the results of the analysis states that the higher the value of Customer Relationship Management will have a positive effect on the higher the value of customer trust. This shows that if there is an improvement in Customer Relationship Management which is mainly seen from the knowledge of its customers, it will result in high customer trust, which is mainly seen from the goodness of the bank towards its customers.

The findings of this study related to the relationship between Customer Relationship Management and customer trust turned out to be in line and support the results of previous empirical research that was used as a reference in this study, namely research conducted by Bony et al (2017), Kartika and Kezia (2011).

5.4.2. Increasingly Strong Customer Relationship Marketing / CRM (X) Will Increase Customer Loyalty (Y2)

Based on the results of the analysis, the coefficient of the relationship between Customer Relationship Management (X) and customer loyalty (Y2) is -0.11 with p-value of 0.667. Because the value of p-value > 0.05 indicates that Customer Relationship Management has no significant negative effect on customer loyalty. Because the coefficient marked negative indicates the relationship is not in the same direction. The higher the

value of Customer Relationship Management, the higher the value of customer loyalty. This means that Customer Relationship Management has no effect on increasing customer loyalty.

Based on the results of the descriptive analysis, the performance of Customer Relationship Management is in very good qualification with an average value of 4.08. While the performance of customer loyalty is in good qualification, which is at an average value of 3.65.

Based on the results of the analysis of the measurement model in SEM shows that Customer Relationship Management is measured by four aspects, namely; technology, human resource, process, and knowledge, where aspects of knowledge are the most important as a measure of Customer Relationship Management. This indicates that the high value of Customer Relationship Management is mainly seen from the knowledge of the bank regarding its customers.

Based on the results of the measurement model analysis in SEM shows that customer loyalty is measured by three aspects, namely, purchase, retention, and referrals, where aspects of referrals are the most important as a measure of customer loyalty. This indicates that the high value of customer loyalty is mainly seen from the willingness of customers to recommend to others.

From the results of the analysis stated that the higher the value of Customer Relationship Management will negatively affect customer loyalty. This shows that if there is an improvement in Customer Relationship Management which is mainly seen from knowledge, it will not result in high customer loyalty, which is mainly seen from referrals or customer recommendations to other people to use Tanjung Selor Unit BRI services or products in the town.

The findings of this study related to the relationship between Customer Relationship Management and customer loyalty were not in line or did not support the results of previous empirical studies that were used as references in this study, namely research conducted by Bony et al (2017), Kartika and Kezia (2011).

5.4.3. Increasing Trust (Y1) Will Increase Customer Loyalty (Y2)

Based on the results of the analysis, the coefficient of the relationship between trust (Y1) and customer loyalty (Y2) is 0.77 with a p-value of *** (<0.001). Because the p-value <0.05 indicates that trust has a significant effect on customer loyalty. Because the coefficient is positive, indicating the relationship between these variables is in the same direction. That is, the higher the value of trust, the higher the value of customer loyalty. Based on the results of the descriptive analysis, trust performance is in good qualification with an average value of 3.82. While the performance of customer loyalty is also in good qualification, which is at an average value of 3.65.

Based on the results of the measurement model analysis in SEM shows that, trust is measured by three aspects, namely; integrity, kindness, and competence, where aspects of perception of goodness are the most important as a measure of trust. This indicates that the high value of trust can be seen from the perception of goodness by customers.

From the results of the analysis stated that the stronger the trust will have a positive effect on customer loyalty. This shows that if there is an improvement in trust which is mainly seen from the perception of kindness, it will result in high customer loyalty, which is mainly seen from referrals or customer recommendations to other people to use services or products of the city of Tanjung Selor BRI Bank.

The findings of this study related to the relationship between trust and customer loyalty turned out to be in line and support the results of previous empirical research that was used as a reference in this study, namely research conducted by Fitri and Basuki (2011), and Setiawan and Ukudi (2007).

5.4.4. Coefficient of Termination

Based on the results of the analysis show that, the influence of the CRM variable affects the variation of data on the variable customer trust by 57%. The remaining 43% is influenced by other factors outside of this study. CRM variables and customer trust affect data variation on customer loyalty variables by 51%. The remaining 49% is influenced by other factors outside of this study.

VI. Conclusion

Based on the previous discussion, the results of this study can be summarized as follows:

1. Customer Relationship Marketing (CRM) has a negative effect that is not significant to customer loyalty. CRM is in a very good qualifying performance while loyalty is in good qualification. CRM is mainly seen from the bank's knowledge of customers. While the main loyalty is seen from referrals (recommend to others).
2. Customer Relationship Marketing (CRM) has a positive effect on customer trust. CRM is in a very good qualification, while customer trust is in good quality. CRM is mainly seen from the bank's knowledge of customers. While the main customer trust can be seen from the goodness of the bank.

3. Customer trust affects customer loyalty. Trust and loyalty are in good qualification. Its main trust can be seen from the bank's kindness towards customers. While the main loyalty is seen from referrals (giving recommendations to others).
4. Indirectly Customer Relationship Marketing (CRM) through intervening variables customer trust has a positive effect on customer loyalty.

Suggestion

Based on the results of this study, suggestions can be made, so that CRM can have implications for increasing customer loyalty, the bank must develop programs that can increase customer trust, especially those related to the perception of the goodness of the bank towards its customers.

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