

## ABSTRACT

### **An Effect of Marketing Relationship on Loyalty through Customer Trust and Commitment at BRI "Pahlawan" Surabaya**

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The objective of the recent research was to (1) find out and analyze an effect of switching cost on the relationship commitment among commercial credit customers of BRI "Pahlawan" Surabaya; (2) the effect of relationship benefit on relationship commitment; (3) the effect of social bonding on relationship commitment; (4) the effect of social bonding on the trust; (5) the effect of communication on the trust; (6) the effect of bank reputation on the customer trust; (7) the effect of the customer trust on the relationship commitment; (8) the effect of relationship commitment on the customer loyalty; and (9) to investigate and analyze the effect of the trust on the customer loyalty at BRI "Pahlawan" Surabaya.

The population included all 347 commercial credit customers (small and middle scale businesses) at BRI "Pahlawan" Surabaya, providing that each customer received at least once commercial credit. The sample was taken on the basis of *simple random sampling* technique and the final sample covered 170 customers. The data collected were analyzed using *Structural Equation Modeling* (SEM) with *Software* AMOS 4.01.

The results showed that (1) the customer loyalty was significantly influenced by the social bonding, communication, reputation and trust; (2) The switching cost produced a significant effect on the customers' relationship commitment; (3) The relationship benefit resulted in a significant impact on the relationship commitment; (4) The social bonding had no significant effect on the relationship commitment; (5) The social bonding was significantly related to the customer trust; (6) The communication was significantly correlated with the customer trust; (7) The bank reputation generated a significant effect on the customer trust; (8) The trust was significantly associated with the relationship commitment; (9) The relationship commitment produced a significant influence on the customer loyalty; (10) The trust brought about a significant effect on the customer loyalty; and (11) Altogether results indicated that relationship marketing played a vital role in the business world, particularly in the banking to achieve *lifetime value* from the customers.

**Key words:** Switching cost, relationship benefit, social bonding, communication, reputation, trust, relationship commitment, loyalty