THE ANTECEDENTS OF RELATIONAL BENEFITS EXPECTED BY SME'S TO THEIR BANK (A DEMOGRAPHIC FINDING)

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Abstract: The purpose of this research is to seek antecedent factors forming benefit expected by SME's bank customers on having their credit services. The data were collected using questionnaires spread to 150 respondents in three different areas: big city, urban and sub urban. The data were then analyzed using factors analysis to seek factors determining relationship benefit that is expected by SME's customer and if any determining variables can differentiate benefit expected between SME's bank customers in big city, urban and rural areas. The limitations of this study are the models are tested only in East Java area banking sectors, with a big city is represented by Surabaya, an urban area is represented by Sidoarjo and Gresik, while sub-urban is represented by Mojokerto, Jombang, Kediri and some areas in Madura. The findings of this research showed that there were different factors determining benefit based on the area. The result of this study provides strategic options for the banking industry to develop their SME's market share based on areas. The future researcher suggested to explores another factor determines relational benefit by SME'S customer and its bank. Expanding the area of research is also believed to improve the research so it could be more thoroughly.

Keywords: relationship marketing, benefits, small medium enterprises, big city, urban, sub-urban.

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Since it was established in 2005 as the year of International Microcredit, the share of Micro, Small and Medium Enterprises (SME) loans continues to increase. In 2012 alone, the MSME credit tray in East Java showed a figure of 69.985.4 billion, and this number continued to increase and showed an increase in credit tray to 84.325.3 billion in 2013 (Bank Indonesia, 2013).

More complete, if it is reviewed regionally, MSME loan disbursement shows a quite interesting phenomenon. The largest MSME lending was in the Surabaya City area, which recorded 41.09% of the total East Java MSME loans, followed by Malang, Kediri, Jember, and Banyuwangi cities. This disparity in lending shows that the regions around Surabaya City have not been able to optimize their credit distribution optimally. The Sidoarjo, Gresik, Mojokerto,

Jombang, and several areas in Madura are only able to channel between 1-3% of total loans in East Java (Bank Indonesia, 2013).

The difference in the proportion of development in regional credit distribution shows that not all regions in East Java can attract MSME customers. The city area represented by the city of Surabaya is listed as the region that has the most MSME customers. While the surrounding areas which are satellite cities of Surabaya or commonly referred to as urban areas and surrounding suburban areas show the opposite phenomenon.

Theoretically, urban areas are defined as areas that are the center of economic, political, and have shopping complexes, settlements, offices, stations, bus and taxi terminals, markets, schools, places of entertainment and recreation while urban areas are areas that have an atmosphere of modern life and livelihood and provide carrying capacity of city life and act as small centres in the industrial sector that function as production cities. While sub-urban is a residential and manufacturing area (factory) with a relatively small community group and lives close to these cities (Djaldjoeni, 2003).

The difference in the development of credit distribution also shows differences in the character of consumers in each region. This is certainly a particular concern from the banking sector, considering that the MSME market share is a promising market share. Therefore, banks launch new strategies that are considered capable of attracting and retaining their customers. To increase customer loyalty, many banks introduce innovative products and services (Meidan, 1996). Meanwhile, according to Molina, Martin-Consuegra, Esteban (2007), service quality and customer satisfaction are key elements for the success of financial business in increasing competition and changing market conditions.

Some literature states that long-term relationships can also be obtained from benefits that are both obtained by customers and banks. The benefits that customers get from their banks will be an added value in the service experience they receive more than what is provided by the main products they use (Zineldin, 2006). In terms of banking itself, it is important to commit to continuing to build, de-

velop and maintain relationships with partners that give them substantial benefits (Morgan & Hunt, 1994). In line with this, Hennig-Thurau (2000), also states that the benefits obtained from these relationships are directly related to the level of commitment consumers feel towards the bank.

In Indonesia alone, several surveys were conducted to find out the benefits expected by customers from their banks. This is done because in several studies found interrelated relationships between the benefits obtained by customers and loyalty. One survey conducted to see this link was made at the Bali Regional Development Bank (BPD) in 2012. The survey results show that the benefits of trust and social benefits have a significant effect on satisfaction and loyalty (Semadi, 2012). Trust benefits are described as psychological benefits that customers will get related to their trust in the bank, so they can reduce the fear of possible operational risks while social benefits refer to personal relationships between customers and bank employees (Molina, et al., 2007).

The relational benefits that customers expect in establishing relationships with banks are an important component in relationship marketing strategy. Several studies show that relationship marketing strategy has succeeded in making banks that implement it gain a competitive advantage. Relationship marketing itself is related to efforts to create, maintain and improve relationships with consumers and other business partners as an effort to maintain and increase the consumer base of a company and increase profits (Gronroos, 1994). Moreover, currently in the marketing of service products including banking service products, there has been a paradigm shift, because marketing is not merely intended to deliver products, but also to establish close relations with customers (Arafat, 2006).

Considering the phenomena that have been described, the effort to assess the benefits expected by SMEs in credit services other than the credit itself by banks is very important. The differences in the development of credit in urban areas, urban and sub-urban areas are also important to be studied further, given the growth of SMEs that are increasingly spreading to remote areas.

METHOD

Relationship marketing is a marketing concept that is formed by several variables, one of which is benefits. Therefore, the research variables examined are limited by the variable benefits expected by SME customers to the bank. Also, this research is also limited to three different regions, namely urban, urban, and sub-urban areas. The purpose of this restriction is to find out whether there are differences in the factors that shape the quality and benefits expected by SMEs from banks, of the three regions. The urban area will be represented by a Small or Medium Business in the Surabaya area. While the urban area will be represented by a Small Business or Medium Business in the area of Gresik and Sidoarjo. Whereas for Small or Medium Enterprises in the sub-urban areas will be represented by SMEs in Mojokerto, Jombang, Kediri and several regions in Madura.

In this study, the benefit variable and the factors that shape it were developed from Molina, et al. (2007), which states that there are three variable benefits expected by customers in establishing relationships with banks, namely social benefits, trust benefits and special treatment benefits.

Table 1   Grid development of expected benefit variable customers

Variable	Indicator	Source
Social benefits	M1 Employees know their customers well M2 Customers feel familiar with employees M3 Employees know the customer's name M4 Customers establish friendships with employees	Molina, *et al.* (2007)
Benefits of Trust	M5 The bank has a good reputation in the eyes of customers M6 Employees can provide information about credit clearly M7 Employees can provide information about credit accurately M8 The Bank can give a sense of trust to customers about the quality of services they provide M9 Banks can provide services in accordance with the agreement M10 Bank employees can provide trust to customers M11 Banks can overcome credit problems faced by customers	
Benefits of Special Treatment	M12 Employees provide faster service M13 Banks provide better interest rates to certain customers M14 Employees provide different additional services to certain customers M15 Employees give priority to certain customers when the queue occurs	

The population in this study are SMEs (SME owners) who are bank customers in urban areas, namely Surabaya and the urban and sub-urban areas represented by Sidoarjo and Gresik, as well as Mojokerto, Jombang, Kediri and several regions in Madura. While the sampling technique was done purposively, namely SME owners who had used credit services and were taking credit for at least 6 months and actively engaged in banking relations. While to determine the minimum number of samples from an unknown population, the writer will use the following formula (Cahyono, 1996).

$$n = \frac{Z^2 \alpha\, P\,(Q)}{d^2}$$

The sample size formula above is a systematic random sampling formula with an unlimited population. Where n is the number of samples sought, Zα is the value of table Z with a certain α, P (Q) is proportions, while d is the amount of error tolerance. In this study, Zα, which is a predetermined standard value, is Zα = 1,960. Because P (Q) is unknown then P (Q) = 0.5. Errors that can still be accepted by the author are 10% (d = 0.10). Thus the minimum number of samples that can be taken in this study are:

$$n = \frac{1{,}960^2 \times 0{,}5 \times 0{,}5}{0{,}1^2} = 96{,}04 = 96$$

The minimum number of samples produced in the above calculation is 96 samples. But in this study, the author will take a sample of 150 samples of SMEs by dividing as many as 50 samples for representation per sampling area. In this study, to find out what factors shape the benefits of the relationships expected by SME customers in three different regions, descriptive analysis and factor analysis are used. Factor analysis is used to summarize the information in the initial variable into a new set of dimensions or factors by determining the structure through data summarization or data reduction.

Factor Analysis Model:
$X1 = Ai1F1 + Ai2F2 + Ai3F3 + ...AimFim + ViUi$
Where :
X1 = ii standard variable
Ai1 = Standard multiple regression coefficient of variable i on the common factor i
F = Common factor
Vi = Standard multiple regression factor of variable i on the common factor i.
Ui = Unique factor for variable i
M = Many common factors

RESULTS

Before conducting the research, a questionnaire trial was conducted to 30 respondents in the population studied. This is done so that the questionnaire which is a measurement instrument can measure in accordance with the objectives of the study and have high reliability. In this study, out of a total of 500 questionnaires distributed to respondents, 230 questionnaires were returned, 150 questionnaires could be used in this study because they were able to represent research topics based on the respondent's area. Of the total 150 respondents, each of the 50 respondents represented each region and scale of business. There were a total of 50 respondents for Surabaya who were representatives of urban areas, with some small and medium businesses each of 25 respondents. For urban areas, respondents were from Sidoarjo and Gresik, with a total of 32 respondents from Sidoarjo and 18 respondents from Gresik. Of the total 50 respondents who came from these urban areas, 26 of them had small businesses, while 24 others were respondents with the medium business category. For sub-urban areas, 50 respondents were represented by 28 respondents from Mojokerto, 5 respondents from Kediri and Jombang, and 17 respondents from several regions in Madura, namely Sampang and Pamekasan. Of the 50 questionnaires collected, 29 respondents were categorized as having small businesses, and 21 respondents were categorized as having medium businesses. Data obtained from 150 respondents indicated that almost all SME customers in urban, urban and sub-urban areas were customers of non-government banks. Meanwhile, if viewed from the type of bank based on region and the average visit each month, overall a total of 55 respondents (37%) were customers of government banks which in this study were BRI and BNI, while 95 other respondents (63%) were commercial bank customers. For the number of visits made in a month by respondents, it showed varied results. A total of 49 respondents or 32.67% visited more than 3 times a month. Respondents who visited 1 time a month were 42 respondents (28%), 40 respondents made visits twice a month (26.67%), and those who visited 3 times were 19 respondents (12.67%). The survey results also obtained information that customers who visit banks most often are SME customers in urban areas, while customers with the least frequency of visits to banks are sub-urban SME

customers. This data is important because in identifying the factors that shape the quality of the relationship and the benefits sought by the customer, the intensity of the customer in dealing with the employee who handles credit and the bank as a whole is an important factor underlying them in seeing the relationship itself.

Factor Analysis

In the first stage, an analysis will be carried out to determine the factors that shape the benefits of the relationship expected by the SME owner to the credit service bank. Factor analysis carried out in this study, illustrated through the following steps:

Conduct Inter-Correlation Analysis between Variables

This analysis is done to determine whether factor analysis can be done or not. For this reason, Barlett's test of sphericity is used to test the hypothesis that the variables are not correlated in one population. From Bartlett's test results are obtained as illustrated in Table 2 below:

Table 2 Bartletts Test Results

Region		Bartlett's Test of Sphericity	Sig
City	Benefits	476.018	.000
Urban	Benefits	895.374	.000
Sub-urban	Benefits	498.084	.000

Kaiser Meyer Olkin's Calculation Results (KMO) regarding sample eligibility based on Table 3 below:

Table 3 Results of KMO Measurement

Region		KMO
City	Benefits	.846
Urban	Benefits	.856
Sub-urban	Benefits	.623

From the Bartlett test, it can be seen that the results are significant which means the correlation matrix has a significant correlation with some variables in the population. Also, the feasibility of the number of samples shown by the KMO value has met the requirements, which is above 0.50, so factor analysis can be used.

Conduct Factor Analysis

To get the main variables that are thought to form the benefits of the relationship expected by SME customers, the principal component analysis method is used to determine the main factors that form the variable benefits expected by SMEs for the banking credit services they do, based on lattice- grid forming variable benefits expected by SME customers described earlier. The main factor will be maintained in the analysis. The results of a complete factor analysis show 4 main factors shape the benefits expected by SMEs in their relationship with the bank. The results of the factor analysis are presented in Table 4 below:

Table 4 Analysis of the forming factors of the benefits variable expected by SME customers

	City	Urban	Sub-Urban
Determinants of Benefits Expected by SMEs in Obtaining Credit Services	1. Bank services	1. The closeness of relations with employees	1. Clarity and accuracy of credit information
	2. Additional priorities and services	2. Service guarantee	2. The closeness of relations with employees
	3. The closeness of relations with employees	3. Better interest rates and additional services	3. Better interest rates
	4. -	4. -	4. Additional priorities and services

DISCUSSION

From the results of the research above, information was obtained that there were differences in the three sampling regions. In urban areas, bank services are the main benefits expected by SME customers when taking credit for a certain period. Urban communities expect that they will get services according to the agreement, including getting help when experiencing problems. These findings, in line with the findings of previous studies, that the benefits of the trust are the most desirable benefits for customers in dealing with banks (Thurau, et al., 2002, Dagger, et al., 2011, Molina, 2007, and Yen, et al., 2014). Also, this is also in accordance with the characteristics of urban communities that have high mobility and base their social relations based on interests, as well as access to diverse banking services (Eko, 2008). This has led to services in accordance with the agreement and the ability of banks to deal with problems that are most expected by SME customers in urban areas.

While in urban areas, the close relationship with employees is the main benefit expected by SME customers. Also, they hope that when they take credit services, they can establish friendships with employees who serve them. This is slightly different from the findings of previous studies. In a study conducted by Molina, et al. (2007), social benefits which are a large framework of the closeness of relations between customers and employees, only have a small effect on satisfaction. In other words, social benefits are not the main thing expected by customers. In his research, Molina, et al. (2007), stated that guarantee of service is the main benefit desired by customers. Other research from the tourism sector as well as other industrial sectors that require intense contact, also shows that social benefits are the second factor after the trust benefits expected by customers / customers (Yen, et al., 2014 and Srihadi & Setiawan, 2015). urban areas that show that social interaction is a benefit that SME customers want and is indeed slightly different from the characteristics of urban society as it has been known as an individualistic society. However, Sorokin and Zimmerman in Eko (2008), stated that urban society has many social contact patterns and tends to vary.

Suburban communities have their definition of the benefits they want to get when taking credit services at a bank. They hope to get clear and accurate information. This is because in the urban area the number of lending banks to SMEs is still minimal so that the information they get is also lacking.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the results of the analysis and discussion, it can be concluded that 10 factors determine the benefits expected by SME customers in taking credit services at banks in urban, urban and sub-urban areas. Factors that determine the expected benefits of SME customers in urban areas are (1) Bank services, (2) Additional priorities and services, (3) Relationship with employees. The percentage that can be explained by the factor is 68.224%. While for urban areas the factors that determine the expected benefits of SME customers in taking credit services are: (1) Hospitality and guarantee of services, (2) Bank interior and employee dexterity, (3) Affordable interest and service quality. The percentage that can be explained by factors is 83.390%. For sub-urban areas, the factors that determine the expected benefits of SME customers are (1) Clarity and accuracy of credit information, (2) Proximity to employee relations, (3) Better interest rates, (4) Additional priorities and services. The percentage that can be explained by a factor is 72.144%.

Theoretically, this study is still limited to interpersonal and environmental factors used in research. Previous research which examined the determinants of benefits was very large, but those who examined specifically on the provision of banking credit services to SME players based on their area were very few so that the theoretical basis and previous research that was almost the same as this study were very limited.

Technically, the spread of data in the field by researchers was perceived as having limited time

constraints from both researchers and respondents. Also, the extent of regional coverage in this study makes the distribution of questionnaires to respondents with a more diverse background less than optimal.

Recommendation

For further research, it is expected to be able to explore other factors that determine the quality of the relationship between SME customers and banks and the benefits expected by SME customers in taking credit services, with a wider range of areas so that more comprehensive results are obtained. Specifically, further research is expected to research variables that have not been explored in this study, for example, the relationship between the determinants of relationship quality and benefits to satisfaction, commitment and loyalty. Also, it can also explore further the determinants of relationship quality and the expected benefits of SME customers from credit service provider banks based on their business scale and based on the demographic characteristics of respondents so that the research will become more information-rich.

IMPLICATIONS

Based on the results of the analysis of the research and the implications of the analysis of banking marketing policies, the researcher advises by considering the differences in respondents' characteristics between regions, when associated with marketing strategies, the marketing mix is the right tool for banks in implementing their marketing strategies. Marketing mix consists of 7 main elements, namely product (product), price (price), promotion (promotion), place (place), people (people), process (process), customer service (customer service).

The implications of the marketing strategy recommended for the bank industry in urban areas are:
1) Offering clear or uncomplicated credit products or services, especially in terms of procedures for obtaining credit services.
2) Promotions that must be carried out by banks with emphasis on speed and ease of credit.
3) Prices or in this case are loan interest rates,

not the main concern of SME customers in urban areas
4) Employee performance including dexterity and friendliness are important things for customers in this region.

To maximize the marketing of banking credit services to SME customers in urban areas when associated with the marketing mix, the implications of the marketing strategy are:
1) Providing services in the process of submitting credit to credit services, and ensuring that services received by customers in accordance with the agreement are the main things that banks must have to be able to compete in an increasingly fierce competition climate.
2) Affordable interest rates because this is important for SME customers in urban areas
3) Promotion strategies are carried out by placing information boards in banks, leaflets and brochures that provide a brief and clear description of credit services because SME customers in this region want clear and solid information.

For suburban areas, the mix of marketing strategies that are tightly linked to the characteristics of customers in this region are:
1) Recruit employees who can provide complete and accurate information given the limited information held by SME customers in this region.
2) Ease of access to products and credit service procedures offered, because of the pattern of management of SMEs in sub-urban areas that tend to be modest, which hinders access to banking credit services.
3) Providing affordable interest rates.

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