


# The Effect of Internet Banking, Product Advantages, and Customer Relationship Management on Customer Loyalty at Bank Syariah Indonesia Semarang City

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| Article History:   | Abstract   |
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| <p><b>Submitted:</b><br/>June 14<sup>th</sup>, 2024</p> <p><b>Revised:</b><br/>August 28<sup>th</sup>, 2024</p> <p><b>Accepted:</b><br/>August 29<sup>th</sup>, 2024</p> <p><b>Published:</b><br/>September 28<sup>th</sup>, 2024</p> <p><b>By:</b><br/>International Journal<br/>of Islamic Economics<br/>(IJIE)</p> <p><b>Copyright:</b><br/>©2024. Yanuar Wendy<br/>Wardana et al.</p>  <p>This article is licensed<br/>under the Creative<br/>Commons Attribution-<br/>Share Alike 4.0<br/>International License.<br/><a href="http://creativecommons.org/licenses/by-sa/4.0/">http://creativecommons.org/licenses/by-sa/4.0/</a></p> | <p><b>Introduction:</b> The growing significance of customer loyalty in the competitive landscape of Islamic banking underscores the need for Bank Syariah Indonesia to understand the key factors that influence it, particularly in Semarang City.</p> <p><b>Objective:</b> This research aims to analyze the effect of Internet banking, product advantages, and customer relationship management on customer loyalty at Bank Syariah Indonesia in Semarang City.</p> <p><b>Method:</b> A non-probability sampling technique was applied, explicitly utilizing the snowball sampling method, which started with a small initial group of respondents and expanded through referrals. The sample obtained in this research was 100 Bank Syariah Indonesia customers in Semarang City. The data were analyzed using various statistical tests, including validity and reliability checks, classical assumption tests (normality, multicollinearity, heteroscedasticity), and multiple linear regression with Statistical Package for the Social Sciences (SPSS) v.26.</p> <p><b>Result:</b> The findings show that Internet banking, product advantages, and customer relationship management positively and significantly affect customer loyalty. This study shows that Internet banking, product excellence, and customer relationship management significantly affect customer loyalty at Bank Syariah Indonesia Semarang City. These variables can explain 66.1% of the variance in customer loyalty, while other factors influence the remaining 33.9%.</p> <p><b>Implication:</b> The impact of this research provides strategic insights for Bank Syariah Indonesia or other banks to understand better and fulfill customer needs, which ultimately can increase customer loyalty and satisfaction in the long term.</p> <p><b>Keywords:</b> Customer Loyalty; Customer Relationship Management; Internet Banking; Product Advantages.</p> |

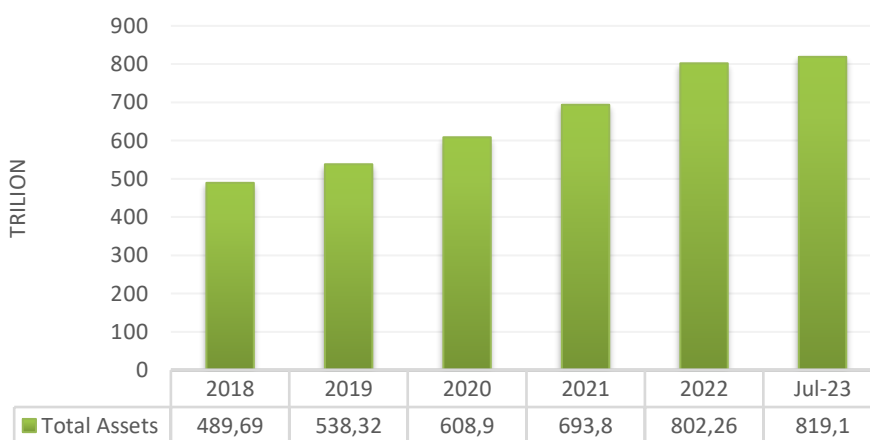
## A. Introduction

Islamic banks are financial institutions that carry out their role as intermediaries between capital owners and entrepreneurs. For this reason, Islamic banks are considered to have a significant role in economic growth (Amaliawiati et al., 2019; Muchlis, 2022; Sartono

et al., 2023). Islamic banks also work based on Islamic ethics and value systems, especially without interest (*riba*), free from speculative elements such as gambling (*maysir*), things that are unclear and doubtful (*gharar*), promoting the principle of justice, and only financing halal activities. This shows that in addition to banks that avoid interest (*riba*), Islamic banks also achieve the objectives of Islamic economics, namely the benefit or welfare of the people (A. Hassan et al., 2022; Saiti et al., 2017).

The development of Indonesia's Islamic banking industry sector is currently on a positive trend (Figure 1). Publications from the Indonesian Financial Services Authority (OJK) related to the performance of Islamic banking in July 2023 recorded total assets of IDR 819.10 trillion, or a growth of 13.5% (yoy), and the market share of national banking reached 7.30%. From a third-party fund perspective, funds have reached IDR 632.70 trillion or growing 10.57% (yoy). This shows that public trust in the Islamic banking sector is increasing. However, it is not yet comparable to the Muslim population in Indonesia; according to data from the Ministry of Religious Affairs Republic Indonesia, the Muslim population in 2022 will reach around 241.07 million people, equivalent to 86.93% of the total population in Indonesia. Therefore, Islamic banks must innovate to increase customer trust or loyalty. Bank Syariah Indonesia (BSI) has the largest market capitalization of Islamic banks in Indonesia, with IDR 80.26 trillion in 2023.

Figure 1. The Development of Islamic Banking Assets in 2018 - July 2023 (Trillion)



Source: OJK, 2024

Bank Syariah Indonesia's presence is essential in developing Indonesia's Islamic industry, especially after the merger between 3 large banks, BRI Syariah, BNI Syariah, and Bank Mandiri Syariah, into Bank Syariah Indonesia on 1 February 2021. In 2023, Bank Syariah Indonesia distributed financing up to IDR 207.70 trillion and raised third-party funds of IDR 261.49 trillion in 2022. In addition, BSI also recorded 251.68 million transactions through its e-channel (Automatic Teller Machine, Internet Banking, Mobile Banking). This achievement is also due to the merger of 3 banks into BSI, which has helped bring more complete service features, wider market reach, and better capitalization. This has contributed to BSI's commitment to digitalization and meeting the challenges of the times.

However, apart from the various factors that influence the improvement of Islamic banking performance in Indonesia, the involvement of Islamic bank customers is the main thing. Therefore, the bank needs to pay attention to the factors that affect the loyalty of Islamic banking customers. According to (Pratama & Ratnawati, 2022), loyal customers often have a sense of ownership of the company or brand to use products or services repeatedly and even recommend them to others. This repeated use not only ensures a steady stream of revenue for the bank but also contributes to the bank's reputation and trustworthiness in the market. Moreover, loyal customers act as brand ambassadors, recommending the bank's services to others within their community. In the case of Islamic banking, this is especially important, as word-of-mouth referrals carry significant weight among customers who prioritize religious compliance and ethical practices. Influencing loyal customers can attract new clients seeking reliable and Sharia-compliant financial solutions, expanding the bank's customer base.

Using Internet Banking, Product Advantages, and Customer Relationship Management as indicators to measure customer loyalty in Islamic banking is critical, especially in Bank Syariah Indonesia. As the Islamic banking sector experiences substantial growth, it still faces the challenge of fully engaging Indonesia's vast Muslim population, which comprises 86.93% of the total population. Internet banking plays a vital role in making Islamic banking more accessible and appealing, particularly to tech-savvy customers who demand convenience and efficiency in managing their finances in a Sharia-compliant manner (Furst et al., 2002). Product advantages rooted in Sharia principles and ethical integrity are crucial for differentiating Islamic banks from conventional ones and attracting and retaining a loyal customer base (Saghi-Zedek, 2016). Effective CRM further enhances this loyalty by fostering trust through personalized services catering to Muslim customers' specific needs and values (Ndubisi, 2007).

Based on Bank Indonesia regulation number 22/23/PBI/2020, internet banking is one of the banking services that allows customers to obtain information, communicate, and make transactions through the Internet network. As stated by (Erdawati & Febrianto, 2023), internet banking is one of the transaction methods in the banking world that uses Internet technology. According to Bank Indonesia data, in 2023, digital banking transactions in the country reached IDR 58.478,24 trillion. This further supports the idea that Islamic banks must innovate in digital services to increase customer loyalty, one of which is through Internet banking services. Adopting Internet banking is one of the steps for the banking sector to improve corporate services and information growth, and it can also cut operational costs (Rahi et al., 2020). There has been a legal product related to Internet banking in Indonesia: Bank Indonesia Regulation Number: 9/15/PBI/2007. With this, the foundation for Islamic banks to develop Internet banking services is strengthening.

Besides the Internet banking factor, the quality of Islamic banking products must be considered. Customers, especially loyal customers, are concerned about product advantages in decision-making (Pernamawati et al., 2024). Product advantages are the ability and benefits of a product not owned by competing products to benefits (Song & Parry, 1997). In product

terms, Islamic banking has several advantages over conventional banks. These advantages are based on Islamic values that are the operational basis of Islamic banking. In addition, customers are considered partners or bank investors entitled to receive investment returns from the bank (Muchlis, 2022). Customer results fluctuate proportionally, following the bank's results in managing customers' funds. In conventional banking, customers are considered creditors, and banks are debtors. By adhering to the savings and loan system, banks pay customers with a predetermined interest system without considering how much profit or loss the bank makes in managing customer funds. A system based on partnership and togetherness in profit and risk in Islamic banking can later realize an equitable and transparent economy. Moreover, in terms of business funding, Islamic banks also consider whether the business is halal or haram.

In an increasingly competitive situation, there are other things that Islamic banks must also pay attention to, such as customer relationship management (CRM). According to (Iriqat and Abu Daqar, 2017), customer relationship management is a series of processes by banks to build good customer relationships to increase customer satisfaction and loyalty. With the development of business, customer relationship management (CRM) has become an essential component in marketing strategy because the orientation of this method is on customer satisfaction. Satisfied customers will reuse the company's service products; with a good experience, they will recommend or tell others about it (Kotler & Armstrong, 2021). In other words, this customer relationship management method aims to maintain and increase customer loyalty. (Ali et al., 2023) and (Nguyen et al., 2018) state customer satisfaction affects customer loyalty. Furthermore, CRM has several central values or keys, including communication, trust, commitment, and problem-solving (Ndubisi, 2007). A good relationship will be established between the bank and the customer by fulfilling the primary key of CRM.

Previous research on the impact of Internet banking, product advantages, and customer relationship management on customer loyalty has revealed various findings that indicate inconsistencies. (Ali et al., 2023), (Lotko, 2022), (Pernamawati et al., 2024), and (Rahi et al., 2021) state that Internet banking has a significant effect on customer loyalty. According to (Nursiana, 2015), there is no effect between Internet banking and customer loyalty. (Nursiana, 2015; Saiti et al., 2017) state that product advantage has a significant impact on customer loyalty. Meanwhile, according to (Rahmawaty, 2015), there is no significant effect between product advantages and customer loyalty. (Hajiyan et al., 2015) and (Hassan et al., 2015) state that customer relationship management significantly affects customer loyalty. Meanwhile, (Pradana, 2018) states that CRM has no significant effect on customer loyalty. These inconsistencies highlight a research gap that warrants further investigation, particularly in the context of Bank Syariah Indonesia in Semarang. The urgency of this research lies in the need to clarify the impact of these three variables on customer loyalty, especially within Indonesia's rapidly growing Islamic banking sector.

Based on the description above, this research aims to comprehensively analyze the effect of Internet banking, product advantages, and customer relationship management

(CRM) on customer loyalty within the context of Bank Syariah Indonesia in Semarang City. The findings of this study are intended to offer valuable insights that can inform the development of targeted strategies for improving customer retention and satisfaction, thereby strengthening BSI's position in the competitive Islamic banking sector in Semarang City.

## B. Literature Review

Customer loyalty is a positive behavior that customers show towards an object and intend to continue using it for a long time (Mowen and Minor, 2000). According to (Oliver, 1999), customer loyalty is a commitment based on positive behavior reflected through consistent purchase or reuse of a brand, product, or service. (Shaw and Hamilton, 2016) explain that customer loyalty is formed on the experience of positive emotions that customers consistently feel. This way, loyalty is always related to the customer's behavior, which is formed on the perception of satisfaction with the product or service received. To maintain customer loyalty, Islam recommends maintaining relationships with various factions (not in the form of *aqidah*) by providing good service quality (Rahmawaty, 2015). Service providers must provide good service quality and maintain good customer relationships to create long-term relationships and establish customer loyalty. (Griffin, 2002) explains that there are four indicators of loyal customers: make a repeat purchase, refer to others, talk about positive things to others, and show immunity to the pull of competitors.

Internet banking is a bank service that uses the Internet or website as an intermediary for remote remittances, such as transferring funds between accounts and electronic bill payments (Furst et al., 2002). According to (Surendra Malviya, 2014), internet banking is a development of banking services to ease transactions using a secure website. The characteristics that utilize the Internet and can be accessed anywhere will significantly help customers make transactions without visiting the bank office. Customers only need to use a computer, laptop, tablet, or smartphone device connected to the internet network to link the device used and the bank system (Hou et al., 2016). During the development, (Sharma & Surendra Malviya, 2014) suggested several indicators in the service quality of Internet banking, namely safety reliability, transaction efficiency, customer support, service security, ease of use, performance, and service content.

- $H1_0$ : Internet Banking does not positively and significantly affect BSI customer loyalty in Semarang City.
- $H1_1$ : Internet Banking positively and significantly affects BSI customer loyalty in Semarang City.

Product advantages are superior or differentiators, based on their characteristics, compared to competitors (Song & Parry, 1997). According to (Broby, 2021), product advantages combine all product characteristics obtained from production, marketing, and maintenance that make products usable and meet customer expectations. (van der Cruijssen & Diepstraten, 2017) It suggests that to meet customers' expectations, innovation is related to the development of existing products and products that do not yet exist. (Kotler & Armstrong, 2021) explain that product advantage is the ability of a product to perform its functions, namely durability, reliability, accuracy, convenience of operation, and product repair. Song & Parry

(1997) proposed product advantage indicators based on quality, uniqueness, multifunctionality, and characteristics.

- $H2_0$  (Null Hypothesis): *Product Advantages do not positively and significantly affect BSI customer loyalty in Semarang City.*
- $H2_1$ : *Product Advantages positively and significantly affect BSI customer loyalty in Semarang City.*

Based on Armstrong, 2021), Customer Relationship Management (CRM) manages detailed information about each customer and other matters relating to customers to maximize customer loyalty. While (Griffin, 2002) claimed that CRM is a series of strategies and processes to create new value and build customer preferences to help maximize business profitability. In this measurement, there are four indicators used according to (Griffin, 2002), namely: technology (technology that supports CRM), people (skills, abilities, and behavior of people who manage CRM), process (the company's method of accessing and interacting with customers to satisfy each other), knowledge and insight (understanding current and future customer demands).

- $H3_0$ : *Customer Relationship Management does not positively and significantly affect BSI customer loyalty in Semarang City.*
- $H3_1$ : *Customer Relationship Management positively and significantly affects BSI customer loyalty in Semarang City.*

### C. Research Methodology

This research used the concept of quantitative research. Quantitative research is a research method based on the philosophy of positivism and is used to test previously established hypotheses (Sugiyono, 2021). The primary data was obtained by distributing closed-ended questionnaires with an interval scale (agree-disagree scale) 1-5 and literature studies based on articles, journals, books, and other sources on the research topic. The population in this research is comprised of active customers of Bank Syariah Indonesia in Semarang City. The sampling technique used was non-probability sampling, explicitly employing the snowball sampling method, resulting in 100 respondents. Snowball sampling begins with a small initial group and expands as existing participants refer new ones. This approach was chosen due to the confidential nature of the data and the unknown total number of potential respondents. This method ensures that even with the sensitive and undisclosed nature of the data, a sufficiently large sample size is achieved for the study.

The data obtained in this research underwent several analytical procedures to ensure its accuracy and reliability. First, validity and reliability tests were conducted to assess the measurement instruments based on specified indicators. Next, a series of classical assumption tests were performed, including the normality test to verify data distribution, the multicollinearity test to check for intercorrelation among independent variables, and the heteroscedasticity test to detect any inconsistencies in the variance of errors. The analysis also included multiple linear regression tests to explore relationships between variables and F-tests and T-tests to assess the overall model fit and the significance of individual predictors. Finally,

the regression coefficient test ( $R^2$ ) was utilized to determine the proportion of variance in the dependent variable explained by the independent variables (Ghozali, 2018).

## D. Results and Discussion

In this results section, we present the findings from various tests conducted as part of this study. The analysis begins with assessing the research instruments, including tests for validity and reliability, ensuring that the data collected is accurate and consistent. Following this, classical assumption tests were performed, encompassing the normality, multicollinearity, and heteroscedasticity tests, to verify that the data meets the necessary assumptions for regression analysis. Subsequently, multiple linear regression analysis was carried out to explore the relationships between the independent variables and customer loyalty. The results of this analysis were further evaluated using the F-test and t-test to test the hypotheses, with R-squared values also analyzed to determine the model's explanatory power. These steps provide a robust foundation for interpreting the impact of Internet banking, product advantages, and customer relationship management on customer loyalty within Bank Syariah Indonesia in Semarang City.

### Instrument Test

#### Validity Test

A validity test is an instrument used to determine whether an instrument (questionnaire) is valid. The decision is made by comparing the correlation coefficient value with the critical correlation coefficient value ( $r$  table) of 0.1966. The results of the validity test in this study are as follows:

**Table 1. Validity Test Results**

| Variable                         | Instrument | R-Count | Statement |
|----------------------------------|------------|---------|-----------|
| Internet Banking                 | X1.1       | 0.769   | Valid     |
|                                  | X1.2       | 0.808   | Valid     |
|                                  | X1.3       | 0.704   | Valid     |
|                                  | X1.4       | 0.673   | Valid     |
| Product Advantages               | X2.1       | 0.689   | Valid     |
|                                  | X2.2       | 0.734   | Valid     |
|                                  | X2.3       | 0.660   | Valid     |
|                                  | X2.4       | 0.791   | Valid     |
| Customer Relationship Management | X3.1       | 0.858   | Valid     |
|                                  | X3.2       | 0.791   | Valid     |
|                                  | X3.3       | 0.841   | Valid     |
|                                  | X3.4       | 0.830   | Valid     |
| Customer Loyalty                 | Y1.1       | 0.628   | Valid     |
|                                  | Y1.2       | 0.709   | Valid     |
|                                  | Y1.3       | 0.729   | Valid     |
|                                  | Y1.4       | 0.676   | Valid     |

Source: Primary data processed

Based on the validity test results, the instruments used in this study, which include Internet banking, product advantages, customer relationship management, and customer loyalty, can be declared valid. This conclusion is drawn from the table showing that all variables achieved values greater than 0.1966 (the r-table value). This indicates that the instruments are statistically valid for measuring the intended constructs in the research.

#### *Reliability Test*

Reliability test is a method used to measure the reliability of q questionnaire. The questionnaire can be reliable if the statements' answers are stable and consistent. The variable declared reliable is if it has a Cronbach Alpha value  $> 0.60$ . The following are the results of the reliability test in this research:

**Table 2. Reliability Test Results**

| Variable                         | Cronbach Alpha | Statement |
|----------------------------------|----------------|-----------|
| Internet Banking                 | 0.708          | Reliable  |
| Product Advantages               | 0.664          | Reliable  |
| Customer Relationship Management | 0.848          | Reliable  |
| Customer Loyalty                 | 0.619          | Reliable  |

Source: Primary data processed

From the table above, the variables of Internet banking, product advantages, customer relationship management, and customer loyalty are reliable, as all achieved Cronbach's Alpha values exceeding 0.60. This indicates that the questionnaire is consistent and dependable for measuring these constructs.

#### **Classical Assumption Test**

##### *Normality Test*

In this research, the normality test used the Kolmogorov-Smirnov method. The test results are shown in Table 3. The significance value of the normality test results of the Kolmogorov-Smirnov method of 0.200 is more significant than 0.05. This indicates that the data in this research are generally distributed because the results of the significance value are more critical than 0.05.

**Table 3. Normality Test Results**

| One-Sample Kolmogorov-Smirnov Test |                |                         |
|------------------------------------|----------------|-------------------------|
|                                    |                | Unstandardized Residual |
|                                    | N              | 100                     |
| Normal Parameters <sup>a,b</sup>   | Mean           | .0000000                |
|                                    | Std. Deviation | 1.00983517              |
| Most Extreme Differences           | Absolute       | .068                    |
|                                    | Positive       | .048                    |
|                                    | Negative       | -.068                   |
| Test Statistic                     |                | .068                    |
| Asymp. Sig. (2-tailed)             |                | .200 <sup>c</sup>       |



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a. Test distribution is normal

b. Calculate from data

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Source: Primary data processed

#### *Multicollinearity Test*

The multicollinearity test is conducted to test whether or not there is a correlation between independent variables in the regression model (Ghozali, 2018). Table 4 shows that all independent variables, including internet banking, product advantages, CRM, and customer loyalty, have a tolerance value of more than 0.10 and a VIF value of less than 10. Therefore, it can be concluded that there is no multicollinearity in the independent variables of the regression model.

**Table 4. Multicollinearity Test Results**

| Model              | Collinearity |       |
|--------------------|--------------|-------|
|                    | Statistic    |       |
|                    | Tolerance    | VIF   |
| Internet Banking   | .547         | 1.829 |
| Product Advantages | .478         | 2.091 |
| CRM                | .436         | 2.294 |

Source: Primary data processed

#### *Heteroskedasticity Test*

The heteroscedasticity test is conducted to test whether, in the regression model, there is an inequality of residual variance for all observations. In this research, the heteroskedasticity test was performed using the Glejser test method, as seen in Table 5.

**Table 5. Heteroskedasticity Test Results**

| Model              | Unstandardized |            | Standardized | t      | Sig.  |
|--------------------|----------------|------------|--------------|--------|-------|
|                    | Coefficients   |            | Coefficients |        |       |
|                    | B              | Std. Error | Beta         |        |       |
| (Constant)         | 1.445          | 0.588      |              | 2.458  | 0.016 |
| Internet Banking   | -0.001         | 0.043      | -0.002       | -0.015 | 0.988 |
| Product Advantages | -0.024         | 0,042      | -0.085       | -0.583 | 0.561 |
| CRM                | -0.015         | 0.044      | -0.052       | -0.342 | 0.733 |

Source: Primary data processed

Based on Table 5., none of the independent variables have a statistically significant effect on the dependent variable. This is because the significance value of each variable is more than 0.05. So, it can be concluded that in this research, there are no symptoms of heteroskedasticity.

#### **Multiple Linear Regression Analysis**

To determine the effect of independent variable relationships (internet banking, product advantages, customer relationship management) and the dependent variable

(loyalty). Researchers used multiple linear regression analysis through the SPSS 26 application with the following results.

**Table 6. Multiple Linear Regression Analysis Test Results**

| Coefficients <sup>a</sup> |                             |            |                           |       |       |
|---------------------------|-----------------------------|------------|---------------------------|-------|-------|
| Model                     | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.  |
|                           | B                           | Std. Error | Beta                      |       |       |
| (Constant)                | 3.740                       | 0.940      |                           | 3.977 | 0.000 |
| Internet Banking          | 0.264                       | 0.068      | 0.307                     | 3.874 | 0.000 |
| Product Advantages        | 0.241                       | 0.067      | 0.305                     | 3.604 | 0.000 |
| CRM                       | 0.258                       | 0.070      | 0.327                     | 3.685 | 0.000 |

a. Dependent Variable: Customer Loyalty

Source: Primary data processed

Based on table 6., the results of multiple linear regression equations are obtained as follows:

$$Y = 3.740 + 0.264X_1 + 0.241X_2 + 0.258X_3$$

The multiple linear regression equation above shows that Internet banking, product advantages, and customer relationship management positively affect customer loyalty at Bank Syariah Indonesia in Semarang City.

### Hypothesis Testing

#### F Test

The F test determines whether all independent variables used in the regression model analysis affect the dependent variable (Ghozali, 2018). The results of the F Test can be seen in Table 7.

**Table 7. F Test Results**

| ANOVA <sup>a</sup> |                |    |             |        |                   |
|--------------------|----------------|----|-------------|--------|-------------------|
| Model              | Sum of Squares | Df | Mean Square | F      | Sig.              |
| Regression         | 206.353        | 3  | 68.784      | 65.407 | .000 <sup>b</sup> |
| Residual           | 100.957        | 96 | 1.052       |        |                   |
| Total              | 307.310        | 99 |             |        |                   |

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Internet Banking, Product Advantages, Customers Relationship Management (CRM)

Source: Primary data processed

The results of this F test are in Table 7. The value of F count is 65.407, which is more significant than F table 2.70, and a significance value of 0.000, much smaller than 0.05. From this research, it can be interpreted that there is a substantial effect between Internet banking, product advantages, and customer relationship management on customer loyalty.

*R Test*

The coefficient of determination ( $R^2$ ) test is conducted to measure the ability of the independent variable to affect the dependent variable and to explain the variation of dependent variables (Ghozali, 2018). The results of the R test are as follows:

**Table 8. R Test Results**

| Model Summary   |                   |          |                   |                            |
|---|-------------------|----------|-------------------|----------------------------|
| Model   | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1   | .819 <sup>a</sup> | 0.671    | 0.661             | 1.025                      |
| a. Predictors: (Constant), Internet Banking, Product Advantages, Customer Relationship Management (CRM) |                   |          |                   |                            |
| b. Dependent Variable: Customer Loyalty   |                   |          |                   |                            |
| Sources: Primary data processed   |                   |          |                   |                            |

According to the test results above, an adjusted R Square value of 0.661 or 66.1% is generated. This means that the variables of Internet banking, product advantages, and customer relationship management contributed to or affected customer loyalty by 66.1%. At the same time, the remaining 33.9% are affected by other variables not included in this research.

*T Test*

Generally, the T-test shows how far the effect of one independent variable partially explains the dependent variable (Ghozali, 2018). The results of the T-test can be seen in Table 9.

**Table 9. T Test Results**

| Model                                   | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig.  |
|---|-----------------------------|------------|---------------------------|-------|-------|
|   | B                           | Std. Error | Beta                      |       |       |
|   | (Constant)                  | 3.740      | 0.940                     |       |       |
| Internet Banking                        | 0.254                       | 0.068      | 0.307                     | 3.874 | 0.000 |
| Product Advantages                      | 0.241                       | 0.067      | 0.305                     | 3.604 | 0.000 |
| CRM                                     | 0.258                       | 0.070      | 0.327                     | 3.685 | 0.000 |
| a. Dependent Variable: Customer Loyalty |                             |            |                           |       |       |
| Sources: Primary data processed         |                             |            |                           |       |       |

From the T-test results above, it can be explained as follows:

1. Testing Hipotesis 1 (H1): Internet Banking has a positive and significant effect on BSI customer loyalty in Semarang City

From the results, it is known that the t-value of the Internet banking variable is 3.874. which is greater than the t-table value of 1.66088, and the significance value is  $0.000 < 0.05$ . Based on these results, it can be stated that there is a significant effect between product

advantages and customer loyalty. So, hypothesis 1 is accepted.

2. Testing Hipotesis 2 (H2): Product Advantages have a positive and significant effect on BSI customer loyalty in Semarang City

It is known that the t-value of the Internet banking variable is 3.604, which is greater than the t-table value of 1.66088, and the significance value is  $0.000 < 0.05$ . Based on these results, it can be stated that there is a significant effect between product advantages and customer loyalty. So, hypothesis 2 is accepted.

3. Testing Hipotesis 3 (H3): CRM has a positive and significant effect on BSI customer loyalty in Semarang City

It is known that the t-value of the CRM variable is 3.685, which is greater than the t-table value of 1.66088, and the significance value is  $0.000 < 0.05$ . Based on these results, it can be stated that there is a significant effect between customer relationship management (CRM) and customer loyalty. So, hypothesis 3 is accepted.

#### *The Effect of Internet Banking on Customer Loyalty*

Based on the validity of hypothesis 2 (two), it is known that the Internet banking variable partially has a significant effect on customer loyalty at Bank Syariah Indonesia in Semarang City. However, the results of this research are the views of (Lotko, 2022), which state that there is a significant effect between Internet banking and customer loyalty and that the purpose of Internet banking services is to facilitate services for customers through available features. Suppose the features or facilities of Internet banking services can be improved to create and maintain customer loyalty. In that case, it can be maintained properly or even enhanced by Bank Syariah Indonesia in Semarang City, and the loyalty of Bank Syariah Indonesia customers in Semarang City will also increase.

The features of this Internet banking service can help facilitate customers in online transactions, which, in turn, will directly affect customer commitment. The commitment that is built must have a strong and maintained relationship so that increasing customer confidence in Internet banking service facilities will cause customer loyalty to be maintained. The result of customer loyalty to Internet banking services provided is a commitment to use these services continuously with the desire not to move or switch to another Internet banking service provider. This research also supports research conducted by (Rahi et al., 2021) and (Triyogo., 2022) that Internet banks positively and significantly affect customer loyalty. Other research conducted by (Ariono, 2020) claimed that Internet banking significantly affects customer loyalty.

#### *The Effect of Product Advantages on Customer Loyalty*

Based on the proof of hypothesis 1 (one), it is known that the product advantages variable partially has a significant effect on customer loyalty at Bank Syariah Indonesia in Semarang City. Thus, the results of this research align with (Ariyani, 2020) that product advantages have a positive and significant effect on customer loyalty. The products and services offered are essentially aimed at fulfilling customers' financial needs; to meet these

needs, banks must be creative and innovative in creating products and services to meet customers' needs. Product advantages are significant for Bank Syariah Indonesia amid the rapid development of the banking sector today. The rapid development of the banking sector makes competition more competitive in offering each of its product advantages. Therefore, product advantages are often an indicator customers use to assess a product or service. That way, Bank Syariah Indonesia must show the superiority of its products so that it can maintain or even increase customer loyalty. Other research conducted by (Nur'aeni et al., 2021) also stated that product advantages significantly affect customer loyalty.

#### *The Effect of Customer Relationship Management on Customer Loyalty*

Based on the proof of hypothesis 3 (three), it is known that the customer relationship management variable partially has a significant effect on customer loyalty of Bank Syariah Indonesia in Semarang City. The results of this research are research conducted by (Nur'aeni et al., 2021), which claimed that customer relationship management has a significant effect on customer loyalty, which means that customer loyalty will increase if there is an improvement in customer relationship management. Customers usually consider several things or indicators as material considerations when buying. Customer relationship management is essential in developing strategies to increase customer loyalty (Thendywinaryo et al., 2021). Therefore, Bank Syariah Indonesia in Semarang City needs to maintain or improve its customer relationship management strategy to increase customer loyalty. However, in the process, companies need to recognize better the customer's financial profile, transaction needs, level of readiness for investment risk, investment selection advice based on the customer's expectations and needs, and return non-investment. Other research conducted by (Rompas et al. 2020) and (Al-Diabat, 2022) also claimed that customer relationship management significantly affects customer loyalty.

#### **E. Conclusion**

Based on the results of the analysis and discussion of the effect of internet banking, product advantages, and customer relationship management on customer loyalty at Bank Syariah Indonesia in Semarang City with the 100 respondents processed through normality test, multicollinearity test, heteroskedasticity test, and multiple linear regression analysis, it is concluded that internet banking, product advantages, and customer relationship management have the same positive and significant effect on customer loyalty. Accordingly, each of these variables is equally able to increase customer loyalty. However, the  $R^2$  value in this research is relatively high, where the effect of the independent variable on the dependent is 66.1%, and the remaining 33.9% is affected by other variables. Therefore, future researchers should consider other variables not included in this research, such as complaint handling, brand, or satisfaction. BSI Bank practitioners should continue investing in and enhancing its Internet banking services, ensuring they remain user-friendly, secure, and reliable, as these are critical drivers of customer loyalty. Additionally, the bank should continuously innovate and improve its product offerings to provide distinct advantages that

resonate with customers' financial needs and values. Effective customer relationship management practices should also be prioritized, focusing on personalized customer interactions and relationship-building strategies that foster long-term loyalty.

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