

## **THE INFLUENCE OF CUSTOMERS PERSPECTIVES AND PREFERENCES ON THE CUSTOMER-ORIENTED BANK MARKETING MIX STRATEGIES**

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### **ABSTRACT**

*This study examines the influences of the customers' perspectives and preferences on the customer-oriented marketing mix strategies implemented by the PT Bank Pembangunan Daerah Bali. The result showed that the customers' perspective exerts a significant influence on the design of the marketing strategy, the customers' preferences have a significant influence on the design of the marketing strategy, and the design of the marketing strategy has a beneficial influence upon the marketing mix strategy. The results of the test supported the theory on the marketing strategy process. The theory espoused that the activities to adopt the customers' perspectives and preferences, in order to find out about their wants and needs, and the activities to devise a marketing strategy design, and the activities to implement the marketing mix strategy, should be treated as integrated activities because the three of them were one unified and comprehensive marketing strategy. The study provides the management of this Bank with a source of inspiration to be more pro-active in managing customer-oriented marketing strategies. It can be achieved by conducting a more integrated marketing activities based on a marketing strategy process. This marketing strategy should also be developed in BPD all across Indonesia as a strategic response to create a sustainable competitive edge in the increasingly competitive world of today's banking sector.*

**Key words:** *Customers' Perspectives, Customers' Preferences, Marketing Strategy.*

## **PENGARUH PERSPEKTIF PELANGGAN DAN PREFERENSI TERHADAP STRATEGI BAURAN PEMASARAN BANK BERORIENTASI PELANGGAN**

### **ABSTRAK**

*Penelitian ini menguji pengaruh perspektif pelanggan dan preferensi pada strategi bauran pemasaran berorientasi pelanggan dilaksanakan oleh PT Bank Pembangunan Daerah Bali. Hasil penelitian menunjukkan bahwa perspektif pelanggan memberikan pengaruh yang signifikan pada desain dari strategi pemasaran, preferensi pelanggan memiliki pengaruh signifikan pada desain dari strategi pemasaran, dan desain dari strategi pemasaran memiliki pengaruh yang menguntungkan pada strategi bauran pemasaran. Hasil uji mendukung teori pada proses strategi pemasaran, bahwa kegiatan untuk mengadopsi perspektif dan preferensi pelanggan, dalam rangka untuk mencari tahu tentang keinginan dan kebutuhan, dan kegiatan untuk merancang desain strategi pemasaran, dan kegiatan untuk melaksanakan strategi bauran pemasaran, harus diperlakukan sebagai kegiatan terpadu karena ketiganya adalah salah satu strategi pemasaran terpadu dan komprehensif. Studi memberikan inspirasi kepada manajemen Bank untuk lebih pro-aktif dalam mengelola strategi pemasaran berorientasi pelanggan, dengan kegiatan pemasaran yang lebih terintegrasi berdasarkan proses strategi pemasaran. Strategi pemasaran ini juga harus dikembangkan di BPD seluruh Indonesia sebagai respon strategis untuk menciptakan keunggulan kompetitif yang berkelanjutan dalam dunia yang semakin kompetitif sektor perbankan saat ini.*

**Kata Kunci:** *Customers' Perspectives, Customers' Preferences, Marketing Strategy.*

## INTRODUCTION

In the global era, the business is very complex as marked by economic recovery, a large-scale of outsourcing, migration of jobs to developing countries, greater attention to business ethics, soaring government budget deficits, continued increased globalization, rising unemployment, a member of the European Union more than doubled, as well as fierce competition in almost all industries (David 2005). Besides that, the global economy is continuously pressing the company to increase its competitiveness. By producing goods or services which give any value to its customers (customer value), the competitiveness of enterprises can increase the probability of earnings above the average. Cravens (2003) states that the best value to customers can be given if the company implements market-oriented marketing strategies. Companies which are market-oriented marketing strategies continuously seek new information (information acquisition) about customers, competitors and the market in order to deliver the best value to customers.

PT Bank BPD Bali, in order to survive in the competitive banking business, they should implement market-oriented marketing strategy. This strategy is appropriate based on the research results stated by Nurcahya (2003) indicating that the current PT Bank BPD Bali is in a position of growth and strategy used is concentration through vertical integration strategy, which is to expand the scope of the bank's operations. In an effort to achieve that goal, the first thing to do is to conduct a market analysis, which examines the perspectives and preferences of the Bank's customers in order to know the desires and needs of customers in the present and hope in the future, so as to satisfy the customer. The Assessment of Bank customers' perspective is done by integrating a variety of theories and findings of previous studies that focus on the customer such as: customer relationship, customer satisfaction, customer expectations, customer acquisition and customer value previously studied partially, and then the study is seen as inte-

grated as the core customer and customer value. Customer value consists of several factors, namely: functional value, social value, emotional value, epistemic value and conditional value (Chen et al. 2005).

Various theories and findings from previous studies are not fully granted to be applied in order to increase the Bank's market share, as there are various factors that influence the attitudes, behaviors and responses/perceptions of bank customers in Bali. In this connection, it is important to study the various factors that influence bank customers' preferences, so that a variety of social and cultural uniqueness in Bali related to consumer behaviors. Balinese life is heavily influenced by social relationships, kinship, *Banjar* were very influential on decision to purchase product/service banking, adopted in the process of bank marketing strategy. This is in accordance with the opinion of Kotler et al. (2006) stating that customer preferences are influenced by social, cultural, personal and psychological which include, among others: the value of customer preferences (customers like and dislike), custom client (customer use behavior), the life style of customers (customer lifestyle).

The results of the analysis of the Bank's perspective and preferences will determine the design of a marketing strategy consisting of: segmentation strategy (segmentation), in each segment consists of customers who have similar needs and desires of the products/services of the bank so that it becomes a better target for Bank providing in accordance with the expected value. Further, it defines target market strategy (targeting) by selecting one or more segments of the market with the aim to find the most favorable relationship between the expected value in every segment of the market by the Bank's capability to meet them. Market positioning strategy (positioning) is a marketing mix strategy that is used by the Bank to determine its position on competition in the banking business in Bali Customers' perspective. Zeithaml (2003) stated in the companies' services including the banking, 7P marketing

mix include elements namely: product strategy and services (products and services), price, promotion, place, process, people and physical evidence.

The Originality/value of this study is to present a comprehensive study on the marketing strategy by integrating the perspectives and preferences of customers of PT Bank BPD Bali into the design of marketing strategies, so as to implement a unique marketing mix strategies according to the attitudes, behavior and perception/response of bank customers in Bali . This research concerns the following problems: (1). Does the customer's perspective and preferences affect the design of the bank's marketing strategy (segmentation, targeting, positioning)? (2) Does the design of the bank's marketing strategy affect the strategy of the marketing mix?

Thus, the objectives are as follows: First, it analyzes the effect of the perspectives and preferences on the bank's customers for designing marketing strategies (segmentation, targeting, positioning). Secondly, it also analyzes the effect of marketing strategies on marketing mix design strategies.

## **THEORETICAL FRAMEWORK AND HYPOTHESIS**

### **Definition and Functions of the Bank**

According to the Law of the Republic of Indonesia Number 7 of 1992 concerning Banking as amended by Act No. 10 of 1998, a bank is a business entity which collects funds from the public in the form of deposits and distribute to the public in the form of credit or any other forms in order to improve the standard of living of many people. Types and bank business: According to the Law of the Republic of Indonesia Number 7 of 1992 concerning Banking as amended by Act No. 10 of 1998, banks are composed of: (1) Banks, (2) Rural Bank.

PT Bank BPD Bali is a commercial bank, which is described in the Law of the Republic of Indonesia Number 7 of 1992 concerning Banking as amended by Act No.

10 of 1998, Article 5, paragraph 2, that commercial banks can specialize to perform specific activities or give greater attention to the particular activity. This bank in carrying on business as a commercial bank is to provide financing for the implementation of development efforts in the region in the framework of national development by way of: (a) provide loans for investment, expansion and renewal of local development projects, both organized by the local governments and firms mix between public and private sectors, (b) the Bank acts as a credit to local government projects, (c) the Bank also serves as the holder of local government coffers.

### **The Concept of Marketing Strategy**

Cravens (2003) stated that in order to excel in competition at the always turbulent business environment of today, it takes market-oriented marketing strategies (market-driven strategies) that can anticipate all wants and needs of consumers.

### **The Process of Market-Oriented Marketing Strategy**

In the effective marketing strategy, it requires the various stages of analysis consisting of:

**The first stage:** Analysis of the market. This analysis is required primarily to determine: (a) the needs and wants of customers from one or more of the products that can satisfy the needs of the buyer, (b) the potential buyer desires to be nil for the purchase of products that can satisfy the needs and wants of customers. In this research, variable used for market analysis are: customer's perspectives (customer core, customer value) and customers preferences (value preferences, living habits, and lifestyle).

**Step two:** Determine marketing design strategy consisting of segmentation, positioning strategy and target market, build marketing relationships, and to develop and produce new products.

**Market Segmentation Analysis.** The purposes of market segmentation are to determine the differences in the needs and

want of the buyer and identify the groups or sub-groups according to the product market interests. Buyers have similar needs in each segment to be a better target for the organization to provide value to the buyer in accordance with what he wanted.

#### ***Target Strategies and Market Position.***

The purpose of the strategy is to select the target market or organization where the management can provide services in the market products/services developed from the mature markets, diversity of needs and wants of the buyer, the size of the company compared to the competition, organizational resources and priorities and sales volume.

Strategic positioning (positioning) is a combination of product strategy, value-chain, pricing and promotional strategies used by companies to determine the position of the brand in a buyer's perspective that sets it apart from competitors and are key in meeting the needs and wants of the target market.

**Stage Three:** Develop Marketing Program include: development of marketing mix strategies, as well as the implementation of value to the target buyer.

**Strategic Brand Management** products strategies include: (1) develops a plan of new products; (2) managing the program for the success of the product, (3) decide what to do to solve the problem of products, such as cost reduction or improving the product. Strategic brand products include: (1) build brand value/equity, (2) managing the organization's brand to boost system performance.

**Value-chain, Price, and Promotion Strategies:** (1) Distribution Channel, the components of the marketing mix that is always used to connect producers with the end-user households. The right decision for the distribution channel will be able to improve positioning buyers to the brand, (2), play an important role in positioning the product or service. Customer reaction to alternative prices, production costs, price competition, ethical factors, influence the management in determining the price, (3)

Advertising, Sales promotion, sales force, direct marketing and public relations, to communicate with customers, partners and distribution channels to drive targeted buyers increase the purchasing process.

#### **Research Framework**

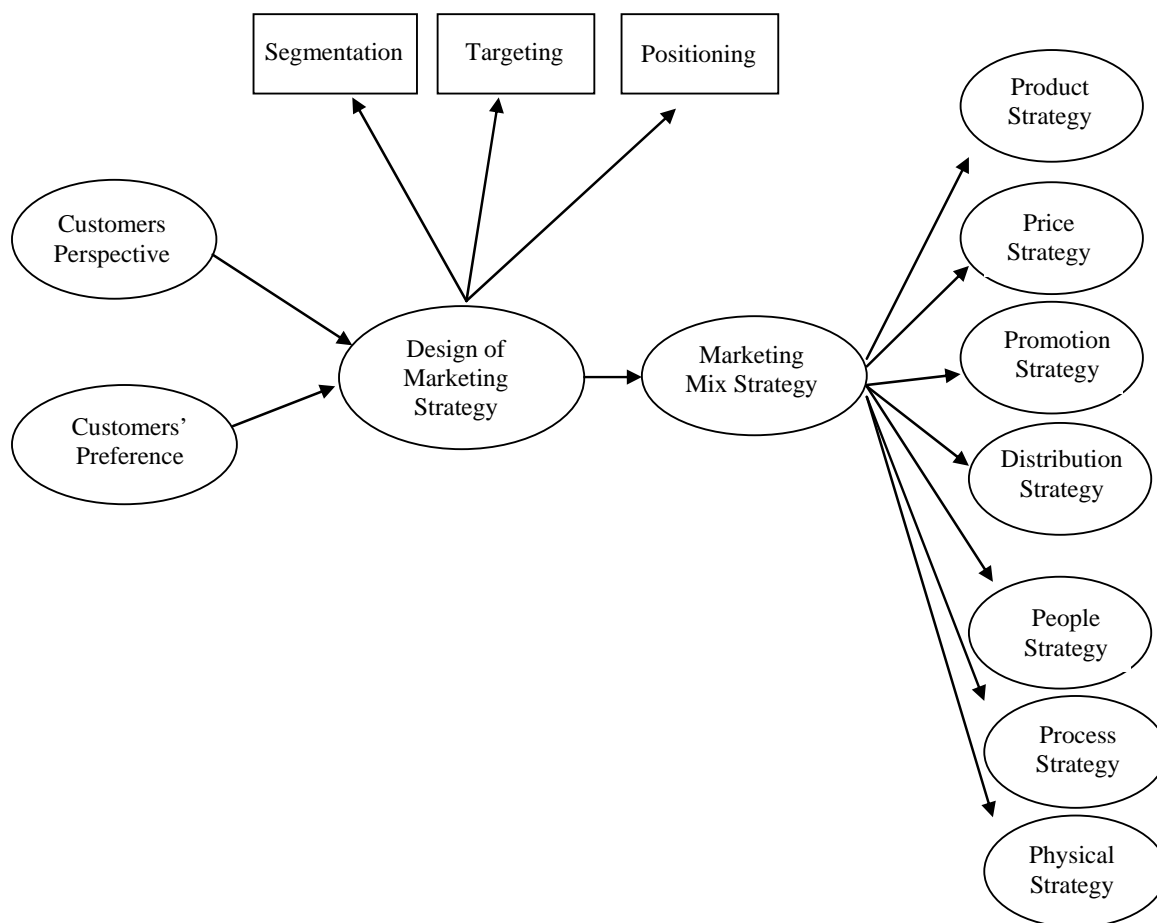
##### **Theoretical Framework Model**

This is based on a theoretical model of the marketing strategy, by integrating the perspectives and preferences of the customer into the design of marketing strategies to implement the strategy market-oriented marketing mix. Some references to build the research model were derived from the following:

- a. David W. Cravens and Nigel F. Piercy (2003), particularly on the theoretical model of the marketing strategy is the basic idea of this research.
- b. Previous studies that focus on the customer, were integrated into the research and customer core value as a dimension of Perspective and Customer Preferences, included: the customer relationship (Chris-mardani 2004), customer satisfaction (Osman et al. 2009), customer expectation and perception retail bank (Ganes, P et al. 2009), merger and acquisition of the banking industry (Olajide 2010), customer value of commercial bank (Chen et al. 2005), the preferences of customers (Kotler et al. 2006) and customer segmentation banking (Durkin 2004).

The process is formed into the research model as in Figure 1, Figure 2, and Figure 3. Figure 1 shows the relationship between the variables that constituted this research paradigm. First, the relationship between a customer perspective and customer preferences designed a marketing strategy, a causal relationship. Second, the relationship between the designs of marketing strategy with marketing mix was a causal relationship; Figure 2 shows the dimensions of the Customer Perspective consisting of Customer Core and Customer Value. Dimensions of Customer Core included several indicators, namely: Customer Relationship, Customer Satisfac-

**Figure 1**  
**Model of Theoretical Framework**



**Source:** David W. Cravens and Nigel F Piercy (2003) and Previous studies that focus on the customer.

tion, Customer Expectation and Customer Acquisition. Dimensions of Customer Value consisted of indicators: Functional Value, Social Value, Emotional Value, epistemic Value, and Conditional Value; figure 3 shows the indicator of Customer Preferences consisting of Value of interest, Habits and Lifestyle.

### Hypothesis

There are three hypotheses as the following.

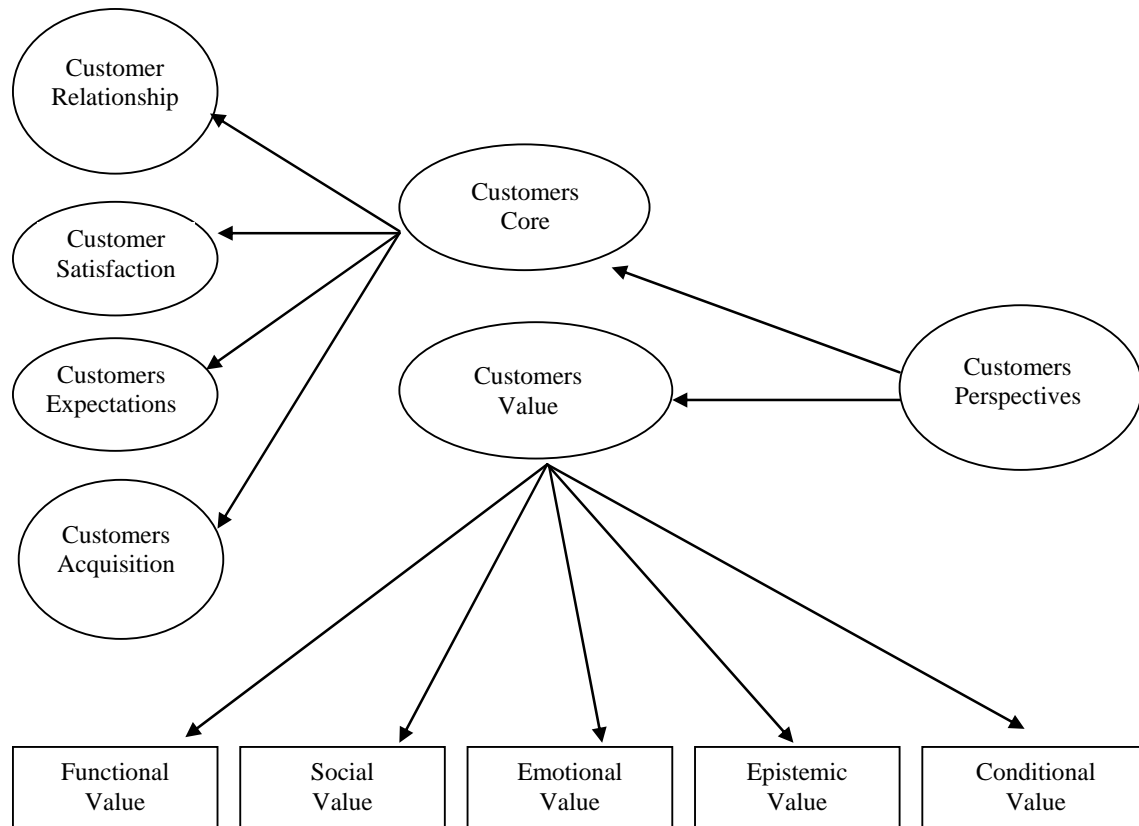
- Customer Perspective PT Bank BPD Bali has a significant direct effect on the design of marketing strategies,
- Bank customer preference has a significant direct influence on the design of marketing strategies,
- The design of marketing strategies bank has a significant direct effect of the marketing mix strategy.

### RESEARCH METHOD

This study analyzes the relationship between variables that are relational research. Besides that, it also collects information using a questionnaire from a sample selected from the population, so the study included survey research. The study also aimed to explain the causal relationships between variables through hypothesis testing, so this research was conclusive research (Malhotra 2004).

It has population that is all customers of PT Bank BPD Bali who have saving accounts, current accounts, deposits and loans (credits). Then, the sample was taken by means of judgmental sampling technique, classifying customers into customers and customers' individual institutions. Customer agencies are grouped by segment: The provincial government and district or city, Village Credit Institutions (LPD), Nonprofit

**Figure 2**  
**The Dimension of Customers' Perspectives**



Institutions and Companies. The number of samples was defined as the respondent bank consisting of 175 respondents: 68 respondents' individual customers and customer organizations 107 respondents. The sample of respondents were determined in proportion of customers who had savings accounts, current accounts, deposits and loans as a loyal customer of this bank across Bali.

The data are primary data collected directly from the customer's bank using a Likert scale questionnaire. The research variables: the customer perspective (X1) was the customer's perception of the extent to which banks made an effort to build relationships with customers, customer satisfaction, meeting the expectations of customers, attract new customers and provide the best value to customers. Customer perspective had two dimensions: customer core (X1.1) and customer value (X1.2). Customer core (X1.1), namely: customer perceptions about the extent to which the bank was trying to build relationships with customers, customer

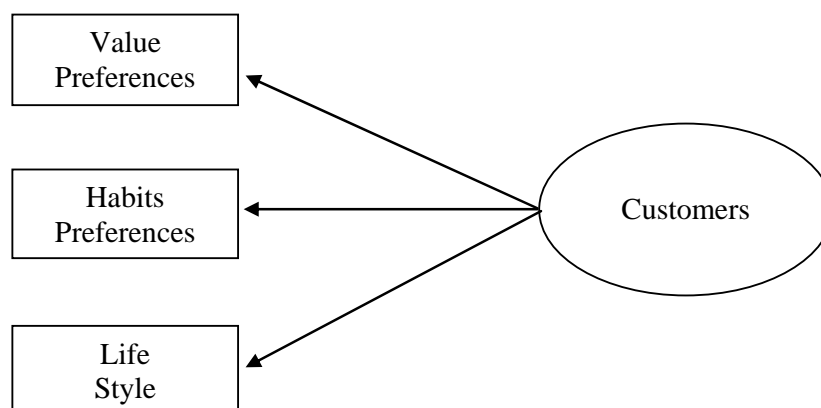
satisfaction, meeting the expectations of customers, attract new customers.

The indicators, namely: customer relationship, customer satisfaction, customer expectation and customer acquisition. Customer Value (X1.2) was the customer's perception of the economic value received when using the products/services of the bank. The indicators: Functional value, value Social, Emotional value, epistemic value, conditional value.

Customer preferences (X2) was the customer's perception of the value of preferences, habits, life style which they obtained from the product/service of this bank. Design Marketing Strategy (Y1) is the customer's perception of the extent to which these banks had attempted to define market segmentation, target market and positioning effectively in order to produce the best value for customers.

Marketing mix strategy (Y2): customer perceptions about the extent to which banks had made efforts to implement customer-

**Figure 3**  
**The Indicators of Customers' Preferences**



oriented marketing mix strategies, indicators: product/service, price, promotion, distribution, bank employee, process, physical evidence. All data are analyzed by using Structural Equation Model (SEM), based on the assumed linear causal relationship.

#### DATA ANALYSIS AND DISCUSSION

Changes on the status of PT Bank Bali Regional Development of Non-Foreign Banks to Open Banks had also received approval from the Senior Deputy Governor of Bank Indonesia Number: 6/32/KEP. DGS/2004 dated 11 November 2004.

Operations of PT Bank BPD Bali; Networking Office and Automated Teller Machine (ATM): Bank Operations had been spread all over the province of Bali in Denpasar Headquarters and Branch Offices and Branch Offices and Cash Offices in all regencies/cities in Bali. The bank also continued to add Automated Teller Network with facilities ATM BERSAMA, thus extending the reach of withdrawal throughout Indonesia with the ease of transactions such as cash withdrawals, bill payments and Telkom Hello Cards, Sympathy credit purchases and U.S. Card, payment of taps and electricity bills, transfers between accounts PT Bank BPD Bali, transfer along with 34 banks in Indonesia.

The number of ATM until May 2007 has a total of 37 ATMs spreading across Bali. Products and Services: Bank's products include: (a) Product Deposits: Demand depos-

its, time deposits and savings (Sibapa, Simpeda), (b) Credit Products: Credit own funds, such as investment loans, working capital loans, consumer loans, credit Resilience Food (CTF), Credit Capital Madani, such as: Primary Cooperative Credit for Members (KKPA), Credit to Small and Micro Entrepreneurs (KPKM), Credit Business Development Independent Family Welfare (Purse), Loan Programs, such as mortgage loans (KPR), Revolving Loan Fund, KUKDAS Credit, Credit Control Environmental Pollution, (c) other banking services: save deposit box, bank guarantees, collection, transfer money and forex trading.

#### Description of Respondents

The results of survey research were conducted on a sample of customers of PT Bank BPD Bali throughout the month September 2006 to January 2007 generating customer profiles as follows:

**Individual Customer Profile:** Most of the individual customers were still very productive with the job status of the majority of civil servants/state and private. The education level of respondents was minimal individual SMA/SMK followed by Academy/Diploma and the largest proportion of graduate level education (SI), whereas the educated S2/S3 was only a small fraction. Most of the private respondents were already married, the have the number of children an average of one to two people with average

income of Rp. 1 million-Rp. 3 million.

Most of the Bank's individual customers have been a customer for over a year. They first obtain product or bank service, most of the information on the family or friends, information from bank employees concerned and newspaper ads/magazines. Types of accounts owned mostly savings, followed by demand deposits and loans, while still relatively small. The transaction mostly done was savings, followed by loans, while demand deposits and time deposits was still relatively few, mostly in the form of regular transactions/fill in a form, use the ATM while still slightly.

**Customer Profile Agency:** The sample are bank institutions, the majority of the segments of the company, followed by a segment of Village Credit Institutions, the Provincial, District or Municipal and Nonprofit Institutions. The number of employees of this institution was as large customers ranging from 1-19 people and 20-99 people, while having employees 100 people or more were still little. A customer agency most of the information about products/services from bank employees, followed by information from family or friends, and that comes from advertising was still very small. Most of these banks had been a customer for over a year, with most of the accounts held in the form of savings, followed by credit/loans, current accounts and the smallest deposits. The transaction mostly done was savings, followed by current accounts, credit/loans and deposits of the smallest, most done with cash transactions, followed by giro check.

### **The Instrument of Validity and Reliability Testing Results**

The results of confirmatory factor analysis of the indicator variable loading factor are between 0.446-1.107, GFI values range between 0.950-1.000 and construct reliability between 0.76482 - 0.830419, so that it is valid research and reliable.

### **Confirmatory Factor Analysis Results**

Customer Value was a stronger form dimen-

sions variable Customer Perspective with loading factor with dimensions of 1.034 compared with the loading factor Customer Core 0.547. The indicators of the most powerful forms Conditional value Customer value was the lowest while the Emotional value.

Further, Use Behavior was the most powerful indicator of customer preferences affected the loading factor Lifestyle 1.107 followed by a loading factor of Lifestyle 0.602 and the smallest value of the loading factor favorite 0.470.

The targeting indicator was an indicator that strongly influenced the design of Strategic Marketing with 1.010 followed by a loading factor loading factor Segmentation by 0.786, while the weakest was the loading factor Positioning 0.507. The strategy process was the most powerful indicator of Marketing Mix Strategies affect the loading factor of 0.769 was followed by a loading factor Promotion Strategy 0.759. Physical Evidence Strategy was an indicator of the weakest influence Strategy Marketing Mix with loading factor of 0.446 was followed by a Strategy Product/Services to the loading factor 0.559.

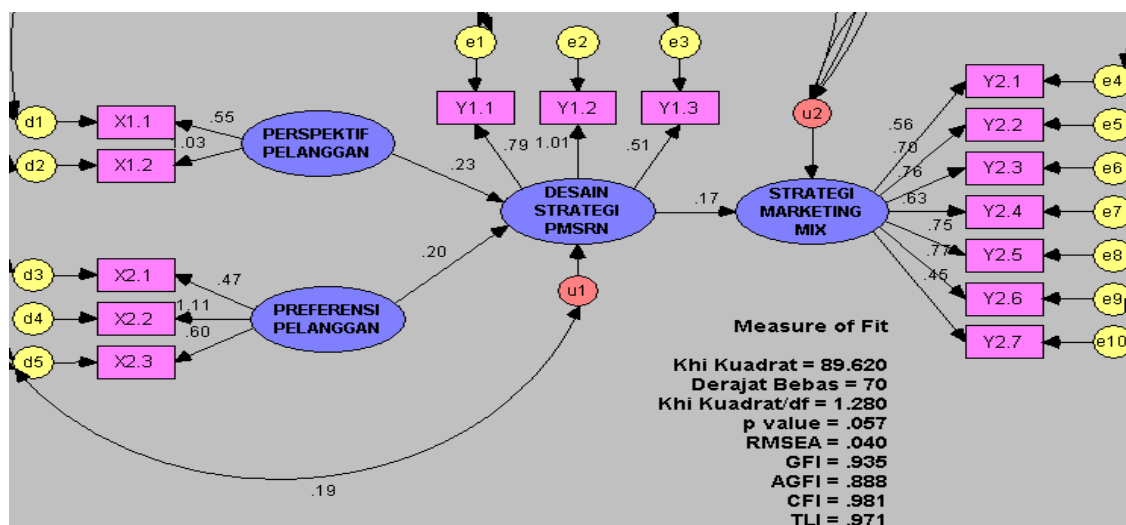
### **SEM Assumptions**

#### **Test Data Outliers**

The result of the Mahalanobis distance indicated that there were small observation outliers. Given the results of the descriptive analysis of all indicators had minimum 1 and maximum 5, were within the limits specified score, the observational data that outliers were not discarded. Normality Test Data: The results showed that the data are not multivariate normal distribution ( $cr = 21\ 738$ ; Zvalue for  $\alpha = 0.05$  was 1.96, and if  $cr > Zvalue$  not normally distributed).

Referring to the Central Limit Theorem (Central Limit Theorem) when the sample size was greater, then the obtained statistics would approach a normal distribution. This study  $n = 175$  Central Limit Theorem meets. Linearity Test: Testing the assumption of linearity using the Curve Fit with reference

**Figure 4**  
**The Diagram of the Path Result of SEM Analysis on the Final Term**



Source : Research Result.

to the principle of parsimony. Linearity test results showed all the relationships among the variables contained in the structural model was linear, so the assumption of linearity was proved.

**SEM Analysis Results:** SEM Analysis of Final Stage: The analysis result and test p value was Chi Square 0.057 >  $\alpha = 0.05$  so that is good and decent models used for verification of research hypotheses. The calculation result RMSEA = 0.040 ( $\leq 0.08$ ), GFI = 0.935 ( $\geq 0.90$ ), AGFI = 0.888 ( $\geq 0.90$ ), CFI = 0.981 ( $\geq 0.94$ ), Chi Square/df = 1.280 ( $\leq 2$ ), indicating the overall model is good (See Figure 4).

### Hypothesis Testing Results

Hypothesis testing was done by T test on each of the direct influence of the partial path. The results of testing hypotheses are showed in Table 1.

Based on Table 1, the test results of the hypothesis are such as Hypothesis 1: Customer Perspective (X1) significantly affects Marketing Strategy Design (Y1) is accepted. The path coefficient Direct effect is 0.226 and the p value is 0.080, meaning that there was a significant positive effect of the Customer Perspective on Marketing Strategy Design; Hypothesis 2: Customer Preferences (X2) significantly affect Marketing Strategy

Design (Y1) is also accepted. The path coefficient direct effect is 0.202 and p value is by 0.002 meaning that there was a very significant positive effect of customer preference.

### Design Marketing Strategy

Hypothesis 3: Design Strategies Marketing (Y1) significantly affects the Marketing Mix Strategy (Y2) is accepted. The path coefficient direct effect is 0.175 and p value is by 0.023, meaning that there was a very significant positive influence of the design of the Strategy on Marketing Strategy Marketing Mix.

### Confirmatory Factor Analysis of the Customer Perspectives

The analysis shows a dimension Customer Value has a stronger influence than the dimensions of the Customer Perspective Customer Core. The indicator that has strong effect on the Customer Value is Conditional Value, while the lowest Emotional Value. These results indicated a similarity with the results of Chen et al. (2005) specifically for Conditional Value indicators were also an indicator of the strong influence Customer Value. It meant that there were similarities in the behavior of bank customers Taipei, Taiwan with bank customers in Bali, especially customers of PT Bank BPD Bali,

**Table 1**  
**Results of Hipothesis Test**

	Independent Variable	Dependent Variable	Path Coefficient <i>Direct Effect</i>		
			SStd.	P-value	Note
<b>H<sub>1</sub></b>	X1 (Customers' Perspective)	Y1 (Design of Marketing Strategy )	0.226	0.080	Significant
<b>H<sub>2</sub></b>	X2 (Customers' Preferences)	Y1 (Design of Marketing Strategy)	0.202	0.002	Very Significant
<b>H<sub>3</sub></b>	Y1 (Marketing Strategy Design)	Y2 (Marketing Mix Strategy)	0.175	0.023	Very Significant

Source : Research result.

which considered very important that bank employees always looking, quality of products/services better and more enjoyable quality of service.

On the other hand, the results of this study also there is a difference, especially for Emotional Value indicators based on research results Chen et al. (2005) it was at the third position after the Conditional Value and epistemic Value as an indicator of the most powerful influence Customer Value. These findings indicate the general commercial banks in Taipei, Taiwan was superior in providing a sense of pride to its customers due to the factors of brand image, reputation and lifestyle that could be provided through the products/services it offers, compared to that could be provided by the Bank this. This result should be a concern that banks paid more attention to factors of Emotional Value in offering products or services of the bank to its customers. This was in line with the opinion of W. Chan Kirn and Rene'e Mauborne (2005) which states to be able to deliver innovative value to customers' perceiving the Emotional Value should be more than others. Customer Core was lower dimensions affect customer perspective and among the indicators that made up the Customer Core, proved Customer Satisfaction was the weakest indicators affecting Customer Core. These findings indicate that the bank did not give enough attention to customer satisfaction. These results should get the attention of the bank in order to more inten-

sively manage the factors that affect customer satisfaction, namely: (1) Employee competence, (2) Reliability, (3) Product innovation (4) pricing, (5) Physical evidence, (6) Convenience.

#### **Confirmatory Factor Variables Analysis of Customer Preferences**

Habit (Use Behavior) was an indicator of the most powerful influence customer preferences followed by Lifestyle (Lifestyle), while the weakest were passions Value (Like and Dislike). Habit Factor (Use Behavior) was the most powerful aspects influencing customer preferences, indicating that the bank had been able to adopt the habits of life of the Balinese people generally were more colored by the social and cultural life and religious ceremonies by providing facilities Deposits Bali Dwipa (SIBAPA).

The uniqueness of Bali Dwipa Deposit was due within SIBAPA prize draw held one year/one time, the bank offered Punia funds for indigenous villages where the winners and the winners of the first resident of Rp. 19,000,000 (nineteen million rupiahs). Value passions were the weakest factor influencing customer preferences, indicating that the bank should pay more attention again factors passions value customers, namely: prompt, precise and satisfying, the process was faster, more appropriate credit and business support customers, competitive interest rates, expansion of feature Shared ATM and other E-Banking products and ensure customer confidentiality.

### **Confirmatory Factor Analysis of Marketing Strategy Design**

Targeting was the most powerful indicator that influenced the Design Strategic Marketing followed by Segmentation, while the weakest was positioning. These research findings were specifically related to the targeting strategy, according to the bank's core business oriented finance sector risk was small and safe, so the bank's target market better prioritize construction projects the provincial and district/city across Bali, the MSME sector, as well as the financing of individual civil servants and employees of the provincial government of Bali and the clerks of district/city throughout Bali.

Bank's core business-oriented SME sector is also supported by the results of the analysis of the respondent's description of institutions, where the majority (66.36%) customers samples institution/bank company was a small business with a number of employees between 1-19 people and were classified by the number of medium-sized enterprises employees between 20 - 99 people is at 19.63%. Thus, the customer agency/company's bank which was small and medium enterprises (SMEs) was equal to 85.99%, while those classified as major effort by the number of employees 100 people or more for only 14.01%.

The research results also show that the bank's positioning strategy had the least influence the design of marketing strategies, bank marketing strategy design means it should run better, by giving priority to Strategies market positioning (positioning), namely by developing competitive advantages, such as special abilities (specialized expertise) in serving the Bali Provincial Government and district/city governments all over Bali, Village Credit Institutions (LPD) throughout Bali. In addition the bank was specifically had improved positioning strategy as a foreign bank, with diversified treasury products, such as: foreign currency transfer services payment, Letter of Credit (L/C) international and demand deposits/deposits in foreign currency needed by

customers exporters, especially the Bali handicraft exporters to facilitate its exported transactions.

Such strategy above is appropriate because there is a transaction based on a descriptive analysis of the most commonly performed by customer agencies/companies bank on another bank, which was in other transactions amounted to 10.71% of them, including the transfer of foreign exchange transactions were carried out by customers such as Bali handicraft exporters: exporters of handicrafts silver, Balinese traditional house.

### **Confirmatory Factor Analysis of Marketing Mix**

The strategy process is the most powerful indicator influencing Strategy Marketing Mix, followed by Strategy Promotion Strategy and People, while the weakest is the strategy followed by Physical Evidence Strategy Product/Services. Physical Evidence Strategy was an indicator of the weakest influence Strategy Marketing Mix that banks should manage the physical evidence better especially regarding particular bank branch office locations in the district to make it more convenient and comfortable in serving customers.

### **Hypothesis Testing**

The results show that there is a significant and positive influence of the customer's perspective on design marketing strategies. This means that in determining the design of marketing strategy, the bank should really pay attention to the customer's perspective, the perceptions of customer cores consisting of: customer relationship, customer satisfaction, customer expectation and customer acquisition and customer value. Customer perspective is important to note because the results of the descriptive analysis showed that there were several factors that are perceived by the customer's bank received less attention in particular to the core customer, which was related to aspects of customer acquisition despite a very small percentage (1%).

Besides that, it also indicates the bank should pay more attention to further the factors that influenced customer acquisition, namely: satisfaction of customer relationships, working relationships with others through the promotion of word of mouth from satisfied customers, adapt the organization to be more efficient in providing customer satisfaction and attention customer loyalty. The results of descriptive analysis also showed that there were several factors that were perceived by customers was less and less attention from the bank which was primarily for Customer dimension value, which was associated with Emotional aspects percentage value with 13%, followed by aspects of epistemic value is also 13%, Social aspects of value by 8% and Functional aspects of value and conditional value each at 1%.

The above findings indicate that the bank was less able to provide the maximum value to its customers Emotional aspects, which gave a sense of pride because of the brand image, reputation and lifestyle embodied in the products/services they offer. The same things happens on aspects of epistemic value, where banks were less noticed aspects of customer satisfaction due to the innovation and uniqueness of the product/service of this bank. In addition the bank was also paying less attention to social aspects of the value, which is associated with indirect benefits that can be felt by the family and friends of the bank's customers. Another aspect which was also perceived as less attention which was the bank's value and Conditional Functional value although a relatively small percentage (1%).

The results of hypothesis testing also shows that customer preferences are very significant positive effect on Marketing Strategy Design. The results of these findings meant that in determining Design Marketing Strategies, the bank should really pay attention to clientele preferences, the customer's perception of the value preferences, habits and lifestyle. Customer preferences was very important to note that given the

results of descriptive analysis shows that there were several factors that were perceived by the customer's bank received less attention despite a relatively small percentage, ie: their lifestyle with a percentage of 3%, followed by 2% and the Value Habit preference of 1%. These results suggest that banks should pay more attention to the factors desired by the customer in accordance with the style of life, such as: easy to make transactions via ATM and Credit Card Together, efficient, fast process and could promote the business.

The aspects that still need to be considered related to customers living habits include: Balinese living habits in general are more characterized by social and cultural life as well as religious ceremonies. The aspects that still needed to be improved to value customer passions include: building a comfortable, prompt, precise and satisfactory credit supporting the customer's business, competitive interest rates, ATM VQ features and ensure customer confidentiality.

The test results also show that the design hypothesis Marketing Strategies has a positive and significant effect on Strategy Marketing Mix. These findings suggested that in determining Strategy Marketing Mix, the bank should be really consider their marketing strategy, which is related to market segmentation, target market and market positioning. These three aspects were important to note because the results of the descriptive analysis shows, there were several factors that were perceived by the customer received less attention by the banks, particularly the aspects of market segmentation, there were about 3% of the bank's customers expressed less attention to aspects of market segmentation, followed by aspects of the target 2% and the market aspects of market position was also 2%.

The results of these findings meant that in determining Strategy Marketing Mix, the bank should pay attention to which market segments were poorly maximum service from this bank, causing its performance in each segment was lacking. Thus the bank's

Strategic Marketing Mix maximally focused on market segments that were under-served, so the performance of the bank in these segments of the market could be improved. This strategy was important since bank would be faced with increasing competition and regulations that were often not profitable, so the dependence largely to the government segment Provincial/District/City no longer effective. The strategy should be done by this bank proactively managing future Strategy Marketing Mix customer orientation, in an attempt to find new customers to target market segments that focus on individuals and other institutions segments, namely: Nonprofit Institutions and the company that was still under-served.

### **CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS**

Conclusions: (1) Customer Value was the dimension has a stronger influence than the dimensions of the Customer Perspective Customer Core. Use Behavior was an indicator that strongly influences the customer preferences followed by Lifestyle, whereas indicators passions Value (Like and Dislike) has the weakest influence customer preferences, (2) Targeting was the most powerful indicator influencing marketing strategies design followed by Segmentation, while the most Positioning was weak, (3) the strategy process was the most powerful indicator influencing Strategy Marketing Mix, followed by a promotional strategy and people strategy, whereas indicators of physical evidence and the product was an indicator of the weakest influence Strategy Marketing Mix, (4) The results of hypothesis testing show that Customer Perspective has positive and significant effect on the design of marketing strategies; Customer preferences highly-significantly influenced on the design of marketing strategies; Marketing Strategy Design very positive significantly effected on Marketing Mix Strategy.

Implications: This supports the third hypothesis of the theory by David W. Cravens and Nigel F. Piercy (2003) on the marketing

strategy especially on the marketing strategy, in which the activities to adopt the perspectives and preferences of customers in an effort to find out what is needed and wanted. This is done by determining the design and implementation of the marketing strategy marketing mix strategy should be an integrated activity not partial, because they constitute a comprehensive marketing strategy.

Suggestion: This bank should be proactive in managing the marketing strategy of market orientation in an effort to find new customers outside the government segment Province or Regency or City, with a target market segment focused on individuals and institutions segments./ These are such as Nonprofit Institutions and the company that were still under-served. This strategy should also be developed by regional development banks in Indonesia as a strategic response to create a sustainable competitive advantage in the banking business competition intensifies today.

In this study, it is important to note aspects of Customer Acquisition, in an effort to find new customers. Another aspect that also need attention this bank are: customer satisfaction factors, so much improved, factors Customer Value with emphasis on aspects of Emotional Value, Customer Preferences primarily related to passions Value, Positioning aspect to develop its position as a foreign bank, by doing diversification of treasury products, such as: foreign currency transfer services, Letter of Credit (L/C) international and demand/foreign currency deposits. Another factor that also needed to be improved was the strategy of physical evidence, particularly the location of bank branches in the district to be more comfortable in serving its customers.

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