

## Efforts to Increase Customer Loyalty Forex Trading Judging from the Elements of Trust and Relationships Emotional

Mhd Ismail Magfur<sup>1\*</sup>, Nasib<sup>1</sup>, Debora Tambunan<sup>1</sup>,  
Ester Hervina Sihombing<sup>2</sup>, Widy Hastuty HS<sup>2</sup>

### ABSTRACT

This study aims to determine the effect of trust and emotional relationships partially and simultaneously on customer loyalty in forex trading at the European Rexchanger Trading Company Graha Medan. The research approach used is quantitative research. The population in this study consisted of all customers of the European Rexchanger company Graha Medan Branch, amounting to 2700 people. The sampling technique used was accidental sampling where 96 regular customers at Rexchanger Europe Graha Medan Branch. Questionnaires were selected in this study as a data collection technique. The results of this study partially positive effect on customer trust and emotional relationships partially a positive effect on customer trust. Simultaneous test results (Test f) trust and emotional relationships have a positive and significant effect on customer loyalty in Forex trading. The result of the determination test is that 72.7% of the variation in the dependent variable, namely Trust and Emotional Relationships, has a contribution to customer loyalty in Forex trading. While the remaining 28.3% is influenced by other variables outside the variables studied.

**Keywords:** Trust, Emotional Relationship, Loyalty

**DOI :** <https://doi.org/10.30596/ijbe.v3i2.9370>

**JEL Classification :** M31, B27



International Journal of Business Economics (IJBE). This is an open access article under the CC-BY-SA license <https://creativecommons.org/licenses/by-sa/4.0/>

### Cite this article as:

Magfur, M.I., Nasib., Tambunan, D., Sihombing, E. H., & HS. W. H. (2022). Efforts to Increase Customer Loyalty Forex Trading Judging from the Elements of Trust and Relationships Emotional. *International Journal of Business Economics (IJBE)*, 3(2), 94-101.

<sup>1</sup> Universitas Mahkota Tricom Unggul

Gedung Jati junction Lt. 24 Jl. Perintis Kemerdekaan No. 3 Medan, Indonesia

<sup>2</sup> Superior Polytechnic LP3M, Medan, Indonesia

\*Corresponding: ismailmagfur16@gmail.com

## INTRODUCTION

Rexchanger Europe Graha Ltd is an official company in the forex business that distributes Investor orders to the world currency market. Rexchanger Europe Graha Ltd was established in 2008 and has faithfully become a partner of Investors to get the main goal, namely profit. Rexchanger Europe Graha Ltd's vision and mission are to be Salt and Light in the Forex world. In God We Trust, In Rexchanger Europe Graha We Trade. Currently, Rexchanger Graha Europe is developing its business by opening branch offices in several big cities, one of which is Medan. The presence of Rexchanger Graha Europe in the city of Medan provides investment options for the public to buy portfolio products that have been provided in the forex market.

Currently, there is a lot of discussion among millennials about forex trading transactions, where forex trading itself is a foreign currency exchange transaction. This term is better known as foreign exchange or foreign exchange in Indonesian. The occurrence of this foreign currency exchange is none other than because of the need for such foreign currency, such as traveling abroad, shopping for goods from abroad, and so on. The following is data on the number of forex transactions per day in the global market, quoted from the official website of the Bank of International Settlement (BIS).

**Table 1.** Data on the Number of Forex Transactions Per Day in the Global Market

No	Year	Billion Dollars (\$)
1	2016	5.067
2	2017	5.096
3	2018	6.872
4	2019	7.563
5	2020	9.856

*Source: Bank of International Settlement (BIS) 2021*

Based on the table above, the data on the number of forex transactions per day on the global market obtained from the official website of the Bank of International Settlement (BIS) shows that the foreign exchange market is the largest and fastest trading market in the world (high-speed trading) with a volume of USD 7.1 trillion/day. Almost all businesses have to do with foreign exchange, in the real sector such as services, trade, industry and in portfolios such as the money market, capital market and futures market, so that the foreign exchange market has the greatest impact on the economy of a country and can determine the good or bad of a government. . The high profit offered by the broker makes most consumers oriented to get rich quick by transacting forex trading. This is where the company's credibility is needed to provide services to customers and prospective customers so that they can trust the company and decide on forex trading transactions in the company.

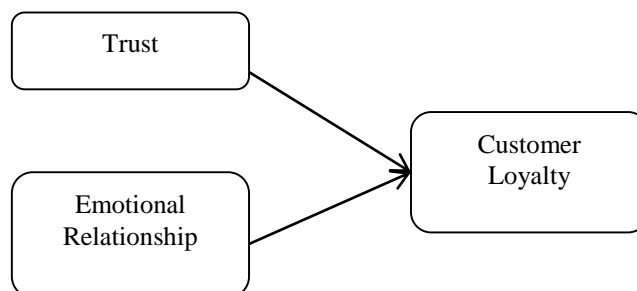
Customer loyalty is a psychological character formed by ongoing satisfaction related to the emotions formed with service providers that lead to willing and consistent relationships, so that loyalty occurs when a customer feels satisfaction with a product or service obtained based on previous experience that makes the customer commit to repurchase the product or service in the same place (Srivastava, 2015). Loyalty of a customer is considered an asset that must be maintained (Septiarini, 2020). Companies that have loyal customers will benefit more in increasing the company's profitability (Lismawati, 2020). Customers who have good loyalty certainly don't need to worry about the product or service they choose (Fadly, 2021).

The trust of a customer will be seen from consistent actions, especially in determining products or services (Ruslim, 2021). The higher the degree of customer trust, the higher the satisfaction felt and the impact the customer will be loyal to the company (S. Z. R. D. A. H. Nasib, 2021). Good experience and information will foster customer confidence in a product or service, this is because the experience in the form of customer memory for a product or service can help a person's confidence (Lubis, 2020). If the experience they experience is pleasing and satisfying to the customer. In this case, the element of trust is a key factor for companies to grow customer loyalty (HS, 2021). This trust makes a consumer feel confident about the product he chooses. Because the trust that exists in a consumer will be very difficult when influenced by other brand products. Where consumers must first learn whether the product is safe for consumption. There are many negative or bad cases of the impact of consumer misunderstanding of a product that causes a threat to the health of the consumer itself (Syaifullah, 2021). The results of previous research stated that when a company is able to maximize the trust that exists in a customer, it will have an impact on customer loyalty (Naveed, 2017)(Antiwi, 2019)(Adawiyah, 2020).

*H1: Trust affects customer loyalty*

Emotional connection provides an impetus for customers to establish a strong bond of need with the company (Hardati, 2020). Expectations of the needs desired by customers should be understood by the company. so that it will make the emotional bond even better between the customer and the company (Wahab, 2021). If the emotional relationship between customers and the company is getting better, which is indicated by a quick response to complaints, they can be trusted. So that customers will feel cared for and will make customers loyal (Widhiastuti, 2021). Previous research studies have shown that emotional connection can increase customer loyalty (Gunawan, 2020)(Shahin, 2020)(Casielles, 2021).

*H2: Emotional relationship affects customer loyalty*



**Figure 1.** Theoretical Thinking Framework

## **METHODS**

The type in this research is quantitative. The population in this study consisted of all customers of the European Rexchanger Graha Medan Branch, amounting to 2700 people. To determine the sample in this study, purposive sampling method was used, where the researcher took a sample by assessing several characteristics of the sample members that were adjusted based on certain considerations. So with the purposive sampling method researchers can get samples that match predetermined criteria such as: The sample is a customer of the European Rexchanger Graha Medan Branch for more than 1 year, The sample makes forex trading transactions more than five times a year, The sample has invited friends or family to transact forex trading on Rexchanger.

To determine the number of samples in this study, the authors use :  $n = \frac{N}{1+N e^2}$ , Where

$n = 2700 / 1 + 2700 (0,1^2)$ ;  $n = 2700 / 1 + 27$ ;  $n = 2700/28 = 96,42$  if rounded to 96 respondents

Data collection techniques using a questionnaire with a Likert scale. Before analyzing the results of the respondents' answers, the validity and reliability were first tested. Then the data continued on regression analysis and hypothesis testing.

## RESULTS AND DISCUSSION

**Table 1.** Validity Test Results

<b>Statement</b>	<b>r<sub>hitung</sub></b>	<b>r<sub>tabel</sub></b>	<b>Information</b>
X1P1	0.764	0,2006	Valid
X1P2	0.499	0,2006	Valid
X1P3	0.425	0,2006	Valid
X1P4	0.631	0,2006	Valid
X1P5	0.707	0,2006	Valid
X1P6	0.590	0,2006	Valid
X1P7	0.630	0,2006	Valid
X1P8	0.665	0,2006	Valid
X1P9	0.714	0,2006	Valid
X2P1	0.619	0,2006	Valid
X2P2	0.500	0,2006	Valid
X2P3	0.729	0,2006	Valid
X2P4	0.597	0,2006	Valid
X2P5	0.551	0,2006	Valid
X2P6	0.663	0,2006	Valid
X2P7	0.570	0,2006	Valid
X2P8	0.647	0,2006	Valid
X2P9	0.640	0,2006	Valid
YP1	0.443	0,2006	Valid
YP2	0.374	0,2006	Valid
YP3	0.698	0,2006	Valid
YP4	0.514	0,2006	Valid
YP5	0.534	0,2006	Valid
YP6	0.619	0,2006	Valid
YP7	0.500	0,2006	Valid
YP8	0.729	0,2006	Valid

From the table above, it is known that the validity of the questions for trust, emotional relationships and customer loyalty are all valid because the validity value is greater than r table (0.2006). Where the test of all statement items for trust, emotional relationships and customer loyalty has a value greater than 0.206. Thus it can be concluded that all statement items of trust, emotional relationship and customer loyalty are declared valid and can be used in further research.

**Table 2.** Instrument Reliability Test Results

Variabel	Cronbach Alpha	Alpha level	Information
Trust	0,879	0.6	Reliabel
Emotional Relationship	0.873	0.6	Reliabel
Customer loyalty	0.743	0.6	Reliabel

Based on the table above, it is known that the Cronbach Alpha value for all variables for trust, emotional relationships and customer loyalty is > 0.6. Based on the Cronbach Alpha value for the variables for trust, emotional relationships and customer loyalty. So it can be stated that the three variables, namely for trust, emotional relationships and customer loyalty are reliable.

**Table 3. Multiple Regression Analysis Test**

Model	Coefficients <sup>a</sup>				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta			
(Constant)	5.324	1.786			2.982	.004
1 X1	.479	.083	.563		5.762	.000
X2	.271	.083	.320		3.275	.001

Based on the table above, the multiple linear regression equations in this study are:  $Y = 5.324 + 0.479X_1 + 0.271X_2 + e$ . In this regression model, the listed constant value of 5.324 can be interpreted if the independent variable in the model is assumed to be equal to zero, on average the variables outside the model will increase customer loyalty by 5.319 by one unit or in other words if the trust variable and emotional relationship is not improved, then customer loyalty is still at 5,324 units. The value of the regression coefficient b1 of 0.479 in this study can be interpreted that if Trust has increased by one unit, it will increase customer loyalty by 0.479 units. The value of the regression coefficient 2 of 0.271 in this study can be interpreted that if the Emotional Relationship has increased by one unit, it will increase customer loyalty by 0.271 units.

## Discussion

### The Effect of Trust on Customer Loyalty

The results of the analysis show that trust has an effect on customer loyalty in Forex trading at Europe Graha with the value of the test results  $t = 5.762 > t$  table 1.985. Consumer commitment to the product is a belief in using a product which includes recommendations and trust. These results are also supported and in line with the research conducted Wasiman, (2021); Nasib, (2021); Septiarini, (2020) which states that trust has a positive and significant effect on customer loyalty. In building trust between the company and its customers, Rexchanger Europe Graha has taken several approaches such as becoming a registered forex trading company in the trading industry, showing accurate analysis results so that it will not harm customers, providing training to new agents before dealing directly with customers so that they can deliver product information. more accurate and inform you about product prices in real time. Some of the things above that the company has done to build customer loyalty, based on questionnaires distributed to 96 customers, the answers are dominated by strongly agree, meaning that customers are currently loyal to the company and are willing to use the products provided by

Erpa Graha and customers as a form of loyalty are willing to recommend Europe Graha to family and closest friends.

### **The Effect of Emotional Relationships on Customer Loyalty**

The results of the analysis show that Emotional Relationships have an effect on customer loyalty in Forex trading at Europe Graha with the value of the test results  $t = 3.275 > t\text{-table } 1.985$ . Emotional connection is closeness that is not just physical closeness, but closeness that has mutually beneficial qualities for each individual. A good emotional relationship must be based on; familiarity, comfort, trust, friendliness, responsibility and intensity of regular meetings. In this case, the emotional relationship in question is about how the relationship that occurs between the customer and the European Forex trading agent Graha. The results of this study are in line with research conducted by Woosnam, (2021); Allan, (2020); Nurazizah, (2021) which states that emotional relationships have a positive and significant effect on customer loyalty. The findings show that the European agent Graha is able to recognize the emotions of its customers by approaching and maintaining the customer's emotions. So that customers feel happy to transact Forex in Europe Graha, customers think that Europe Graha is able to provide accurate information about trading, besides that Graha European agents also provide good service to customers. many customers recommend to others to make forex trading transactions through Europe Graha because these customers already feel there is a good relationship that makes these customers feel comfortable. Customers are also happy because the European agent Graha maintains good communication with customers such as asking for news or informing the latest updates about forex trading so that the emotional relationship between agents and customers is maintained and closer.

For European Rexchangers Graha loyalty is often associated with an emotional bond between the customer and the company. This emotional bond arises as a result of special treatment from the company that makes these customers comfortable, loyal, and loyal so that they do not mind transferring their funds from other companies and switching to European rexchangers Graha or by providing recommendations to friends, family, or coworkers. to buy and transact forex trading either gold or shares in Europe Graha. To maintain customer loyalty, Europe Graha must increase satisfaction by maintaining good communication with customers, receiving customer complaints quickly, providing solutions regarding trading questions asked by customers and always keeping in touch with customers.

### **CONCLUSION**

Based on the results and discussion, it can be concluded that trust and emotional relationships have a positive and significant effect on customer loyalty. The most dominant variable that has the strongest influence on customer loyalty is trust. It can be stated that it is very important for companies to maintain the level of customer loss through the ability to foster a sense of trust in customers and build emotional bonds between customers and the company's products or services. Furthermore, the authors thank all parties who have been able to work together so that this research is achieved according to the target.

### **REFERENCES**

- Adawiyah, I. D. S. R. (2020). The Effect of Convenience and Trust to Purchase Decision and Its Impact to Customer Satisfaction. *International Journal of Business and Economics Research*, 9(4), 269–269. <https://doi.org/10.11648/j.ijber.20200904.23>
- Allan, T. N. H. N. N. A. M. (2020). Influence of Emotional Marketing on Brand Loyalty Among Females in the Field of Cosmetics: Mediating Role of Customer Satisfaction.

- International Journal of Management (IJM)*, 11(9), 1245–1260.  
<https://doi.org/10.34218/IJM.11.9.2020.120>
- Antiwi, S. K. S. S. F. E. A. R. B. A. O. (2019). Brand Trust and Brand Loyalty: A Moderation and Mediation Perspective. *Current Journal of Applied Science and Technology*, 38(4), 1–17. <https://doi.org/10.9734/cjast/2019/v38i430376>
- Casielles, S. C.-M. R. V. azquez. (2021). Building Consumer Loyalty Through E-Shopping Experiences: The Mediating Role Of Emotions. *Journal of Retailing and Consumer Services*, 60(October 2020), 1–10. <https://doi.org/10.1016/j.jretconser.2021.102481>
- Fadly, A. T. S. W. (2021). Pengaruh Komunikasi Pemasaran, Kepercayaan dan Penanganan Keluhan Terhadap Loyalitas Nasabah Tabungan di PT BPR Syariah Mitra Mentari Sejahtera Ponorogo. *Etihad: Journal of Islamic*, 1(1), 51–65. Retrieved from <http://jurnal.iainponorogo.ac.id/index.php/etihad/article/view/2857>
- Gunawan, E. (2020). the Influence of Emotional Branding Towards Brand Loyalty on Hijab Fashion Retailer in Manado. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 8(4), 300–309. <https://doi.org/10.35794/emba.v8i4.30768>
- Hardati, N. H. S. S. R. N. (2020). Pengaruh Nilai Pelanggan, Kualitas Pelayanan Dan Kedekatan Emosional Terhadap Loyalitas Nasabah (Studi Kasus Pada Nasabah BRI Kantor Kas Unisma). *Jiagabi*, 9(2), 330–337.
- HS, N. H. L. P. R. K. Z. R. D. W. H. (2021). Increasing Brand Trust through Marketing Communication and Its Impact on School principal's Loyalty. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, 4(2), 2208–2216. <https://doi.org/10.33258/birci.v4i2.1913>
- Lismawati. (2020). *Pengaruh Emotional Branding, Experiential Marketing Dan Kepercayaan Terhadap Loyalitas Pelanggan (Studi Pada PT. Alfa Scorpii Binjai)*. Universitas Pembangunan Panca Budi.
- Lubis, I. L. S. C. N. Z. F. Z. R. D. D. S. (2020). The Role of Switching Barrier to Become Intervening Variables between Brand Image and Trust on User Loyalty Halal Labeled Cosmetics. *International Journal of Advanced Science and Technology*, 29(3), 13352–13359.
- Nasib, M. (2021). The Effort to Increase Loyalty through Brand Image, Brand Trust, and Satisfaction as Intervening Variables. *Society*, 9(1), 277–288. <https://doi.org/10.33019/society.v9i1.303>
- Nasib, S. Z. R. D. A. H. (2021). Meningkatkan Keputusan Pembelian Melalui Kualitas Produk, Promosi dan Kepercayaan pada PT. Weedo Niaga Global. *Ekuivalensi*, 7(1), 48–57.
- Naveed, W. A. S. A. H. (2017). Impact of Brand Image , Brand Trust and Advertisement on Consumer Loyalty & Consumer Buying Behavior. *European Academic Research*, IV(10), 8496–8518.
- Nurazizah, D. F. F. D. F. (2021). Pengaruh Emotional Marketing Terhadap Loyalitas Nasabah Tabungan Di PT. Bank BJB Syariah. *Jurnal Fakultas Ilmu Keislaman*, 2(1), 10–15.
- Ruslim, M. T. T. S. (2021). Pengaruh Komunikasi Dan Citra Merek Terhadap Loyalitas Merek Dengan Kepercayaan Sebagai Mediasi. *Jurnal Manajerial Dan Kewirausahaan*, III(1), 236–244.
- Septiarini, R. T. R. S. G. J. bin A. T. S. H. T. W. D. F. (2020). The Moderating Effects of Gender between Patient Intimacy, Trust, and Loyalty. *International Journal of Innovation, Creativity and Change*, 12(10), 1–16.
- Shahin, S. S. M. O. (2020). Service Quality Perspectives in Telecommunication Sector: Trust and Loyalty Investigation. *Revista Amazonia Investiga*, 9(28), 394–403. <https://doi.org/10.34069/ai/2020.28.04.44>

- Srivastava, M. (2015). Influencers of Customer Satisfaction - Customer Loyalty Relationship: A Conceptual Research Model. *IMJ*, 7(1), 54–65.
- Syaifullah, N. D. T. (2021). *Perilaku Konsumen (Studi Dalam Pemilihan Perguruan Tinggi*. Yogyakarta: Nuta Media.
- Wahab, A. (2021). Pengaruh Kepemimpinan Dan Kecerdasan Emosional Terhadap Loyalitas Pegawai Pada Sekretariat Dewan Perwakilan Rakyat Daerah (DPRD) Kabupaten Donggala. *Jurnal Ekonomi Trend*, 8(1), 1–13. <https://doi.org/10.31970/trend.v8i1.181>
- Wasiman, N. S. A. M. Z. F. (2021). Do Purchase or Do no Purchase ? Customer Purchasing Decisions By Using OVO Application. In *Proceedings of the 2nd Annual Conference on Blended Learning, Educational Technology and Innovation (ACBLETI 2020) Do* (Vol. 560, pp. 386–389).
- Widhiastuti, M. Y. R. H. (2021). Kualitas Pelayanan, Faktor Emosional dan Persepsi Harga Terhadap Loyalitas Konsumen melalui Kepuasan Konsumen. *PHILANTHROPY: Journal of Psychology*, 5(1), 109–130. <https://doi.org/10.26623/philanthropy.v5i1.3303>
- Woosnam, A. D. A. T. A. U. D. S. K. M. (2021). Place-Oriented or People-Oriented Concepts for Destination Loyalty: Destination Image and Place Attachment versus Perceived Distances and Emotional Solidarity. *Journal of Travel Research*, 1–24. <https://doi.org/10.1177/0047287520982377>