

## **The Effect of Communication Effectiveness and Service Excellence in Achieving Customer Intimacy: Customer Knowledge as Moderating**

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### *Abstract*

*Customer intimacy is a business strategy that is implemented by giving high attention to the strategy of marketing relationships. In the long term, customer intimacy can positively impact a company. There are several ways to increase customer intimacy. Some of them are through effective communication, service excellence, and customer knowledge. Bank Syariah Indonesia is one of the banks that implement a service excellence strategy for customers, and even Bank Syariah Indonesia has won awards in the field of service excellence. The purpose of this survey is to determine the effect of effective communication and service excellence in increasing customer intimacy through the moderating of variable customer knowledge. This research uses quantitative methods. Sampling in this study used snowball sampling techniques, with a total sample of 100 customers. The results of this study indicate that communication effectiveness and service excellence have a significant effect on increasing customer intimacy, and communication effectiveness has no effect on customer intimacy with variable moderation customer knowledge, and service excellence has a significant positive effect on increasing customer intimacy with moderation variable customer knowledge. This research is expected to provide benefits for various parties in improving the quality of interaction between banks and customers, to create closer and more sustainable relationships, emphasizing the need to implement service excellence to create a positive customer experience and increase loyalty, and optimizing the use of customer knowledge to adjust service and communication strategies to suit customer needs better.*

*Keywords: communication effectiveness, service excellence, customer intimacy, customer knowledge*

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## 1. INTRODUCTION

Banking is a service industry, so relationships with customers, high levels of service, or even personal bonds between staff and consumers (attention and intimacy in working relationships) are the keys to success in increasing company value in the eyes of customers (Ganefi et al., 2021; Kuswandi et al., 2022; Octrina & Setiawati, 2019; Reavis, 2021). In building relationships with customers, the banking industry has a high level of service and perhaps even more personal relationships between employees and customers. Seeing this, Islamic banks should be able to create value that is different from conventional banking. Treacy and Wiersema (1996) explain that One of the efforts to convey the value of this bank is through Customer Intimacy. Customer intimacy is a service strategy that prioritizes strong bonds with consumers (Anantadjaya et al., 2015). Customer intimacy is "a strategy for segmenting and tailoring offerings to suit customer needs" (Krishnaraj, 2022). With the concept of Customer Intimacy, most companies will know the background of their customers so that they will feel comfortable because their needs can be met (Nafiah, 2021). Customer intimacy is achieved when the company can create a close bond and foster customer trust in the company, which in turn will have implications for customer loyalty through buyback (Åkesson, 2022).

In building intimate relationships with customers, the first step that can be taken is to emphasize Customer Knowledge as the most important competitive factor in building trust with customers. By involving the customer in the company's processes, the customer receives information not only between the customer and within the company but also between the customer and the company (Xie et al., 2016). In the long run, it helps companies achieve a sustainable competitive advantage over their competitors. Customer knowledge is one of the important steps for companies to collect, manage, and share customer knowledge about what is expected in the service process (Khodakarami & Chan, 2014). By treating customer knowledge as the main source of new knowledge and through effective management, companies can further improve their ability to operate and compete with competing companies (Gil-Gomez et al., 2020). There are several previous studies that discuss the relationship between customer knowledge and increasing customer intimacy in banking, including Liza Nora (2019), who explained that the more customer knowledge related to banking, the higher the level of customer intimacy can increase.

Customer knowledge is used to understand the needs and desires of future customers regarding how to serve and process delivery procedures so that it can help customers understand procedures when transacting quickly and accurately (Haider & Kayani, 2021; Marta et al., 2021). To achieve this, companies need to provide good service and be able to communicate effectively with customers (Nora, 2019b). Communication is vital in customer service activities. For companies in the service sector, such as banking, an employee will be considered able to communicate effectively when able to convey the correct information or banking products so that customers can clearly understand the information that has been conveyed. Morgan and Hunt (1994) declare that "The development of simple communication is a significant quality of a solid relationship." That is, easy-to-understand communication is an important quality of the closeness of a relationship (Venter, 2019). From this definition, it can be concluded that communication is said to be effective when the information conveyed is easily understood by consumers.

Communication is said to be effective if a communicator can provide the right information to consumers. As part of the quality of effective communication services, it is an important factor that causes consumers to trust to make transactions at the bank. This will lead to an increase in the relationship between customers and banks (Parajuli et al., 2020; Shrestha et al., 2019). This follows what Sharma (1999) said that commitment to consumer relationships is very important and is influenced by three forms, namely (1) communication effectiveness, (2) service quality, and (3) trust. Thus, to improve the relationship between customers and banks, effective communication must be created in the banking environment. Several previous studies discuss the relationship between effective communication and increasing customer intimacy in banking, including Liza Nora (2019), which explains that

In banking services, in addition to effective communication, building a bond between customers and banks is largely determined by customer perception of banking (Aprilliantoni, 2022; Binowo et al., 2023; Novita et al., 2021). The customer's impression of banking is the overall value of excellence (quality) of the product/service provided (Vitram et al., 2023). In this case, customer perception can be determined through the best service provided by the bank to customers (service excellence) (Gonu et al., 2023; Moghavvemi et al., 2018; Umer, 2016). The fierce competitive climate in the banking market makes service excellence a key preference in banking operations (Caussat, 2021; Khan, 2016; Zouari & Abdelhedi, 2021). By implementing a service excellence operational system, customers and consumers can feel interested and comfortable with the services provided. Then, they will decide to cooperate or make a purchase with the company (Ellitan et al., 2022; Naini et al., 2022; Yi et al., 2022).

PT Bank Syariah Indonesia Tbk (BSI) is the largest Islamic banking company in Indonesia and is a combination of state-owned Islamic banking SOEs. In 2021, PT. BSI accepts the Infobank Banking Service Excellence Award 2021 (Bank Syariah Indonesia (BSI), 2021). This award is based on the results of research to improve customer satisfaction, loyalty, and relationships with banks. In addition, PT. BSI also received other awards in the field of service, such as The Most Satisfying Sharia Bank in Customer Service, The Best Contact Center Indonesia Award 2024, and so on. This shows that BSI Bank has provided good service to customers. This is also evidenced by the increasing number of customers who joined, namely since the merger on February 1, 2021, to semester 1, 2024, the number of customers has increased by more than 20.5 million, thus making BSI bank the Islamic bank the largest number of customers in the world.

This study aims to determine the influence of effective communication and service excellence in achieving customer intimacy with customer knowledge moderation at Bank Syariah Indonesia KC Bojonegoro – East Java. Customer intimacy is a key goal for companies looking to create long-term relationships with customers, where a deep understanding of customer needs and preferences is key. This research is based on the concept that banks that can manage communication effectively and provide superior services will more easily build closeness with customers. In addition, the optimal use of customer knowledge can help banks adjust communication and service strategies to increase customer loyalty and satisfaction. This research is expected to provide benefits for various parties in improving the quality of interaction between banks and customers, creating closer and more sustainable relationships, emphasizing the need to implement service excellence to

create a positive customer experience and increase loyalty, and optimizing the use of customer knowledge to adjust service and communication strategies to better suit customer needs.

## **2. LITERATURE REVIEW**

### **2.1. Communication Effectiveness**

Every human behavior has communication potential, including facial expressions, body language, and especially pronunciation, both verbally and non-verbally. The word "communication" or communication comes from the Latin word *communis*, which means "same," *communico*, *communicatio*, or *communicare*, which means "to make the same" (to make common) (Yuniarti, 2015). Communication is the process of thinking and understanding conveyed between individuals or between organizations with individuals that refer to thought, meaning, or a message that is held in common. All forms of activity carried out by a person to convey his message to others is the purpose of communication. Then, if the message we mean is not by the arrest of our interlocutor, miscommunication occurs. Therefore, communication requires the clarity of the message, the completeness of the message, facial expressions, eye contact, posture, and appearance so that communication can be received by the recipient correctly and effective communication is achieved. Effective communication supports the success of a service provided by a company or organization to the community. Communication will always have something to do with marketing communication, which functions as one of the media that informs consumers about products and services owned by the company. Several things must be considered to build effective communication, including respect, empathy, audible, clarity, and humble (Mas & Haris, 2020).

### **2.2. Service Excellence**

Service Excellence means the best or excellent service. It is called very well or best because it is by applicable service standards or is owned by the service provider agency. Excellent service is a service that meets quality standards and follows customer expectations and satisfaction. According to Riyanto (2019), service has several dimensions or elements of service quality. There are six dimensions of excellent service, which can be explained as follows:

- a. Ability. Certain knowledge and skills are necessary to support an excellent service program, which includes the ability to master knowledge about the field of work occupied, develop motivation, and use public relations facilities as an instrument in fostering relationships within and outside the company.
- b. Attitude. That is the behavior, attitudes, and behaviors that must be highlighted by employees when dealing with customers.
- c. Appearance. The appearance of a bank employee, both physical and non-physical, can reflect the confidence and credibility of the company by consumers.
- d. Attention. Employees must be able to present full care for customers, both related to attention to customer needs and desires as well as an understanding of their suggestions and criticisms.

- e. Actions. Employees must be able to provide various real activities to provide excellent service to consumers.
- f. Accountability. An attitude of partiality to customers as a form of concern to avoid or minimize customer losses or dissatisfaction.

### **2.3. Customer Intimacy**

Intimacy with customers is a relationship process that works with customers to develop and improve the products or services presented by the company to meet the needs of its consumers (Hoffman, 2001). This process is accomplished using the following components: communication, customer engagement, social interaction, and compromise (Kotler et al., 2008). Companies that implement customer intimacy provide superior value to their customers and try to satisfy their customers. Customer intimacy can have an impact on the level of relationship commitment, repurchase intentions, and word-of-mouth customer discussions, and it can lead to advisory status with customers. Therefore, customer intimacy is a related goal and management task in a business. In the customer intimacy business strategy model, there are seven attributes, namely (Syahlevi et al., 2018):

- a. Segmented target market
- b. Offers tailored to customer needs
- c. Long-term loyalty strategy
- d. High barriers to entry
- e. Empowered frontline workers
- f. Develop collaborative solutions with customers
- g. Business decisions are made based on the total lifetime value of customers.

### **2.4. Customer Knowledge**

Consumer knowledge can influence purchasing decisions. What to buy, how much to buy, where to buy, and when to buy it all depend on the consumer's knowledge of these things. Customer knowledge is the collection of information available to consumers about different types of products and services, knowledge about those goods and services, information on their characteristics, and their capacity as consumers (Suwarman, 2002). Consumer Knowledge is knowledge of learning outcomes that are defined simply as information stored in memory (Setiadi, 2008). Meanwhile, Consumer knowledge is knowledge about the product name, product benefits, target group, price, and where the product is available (Nitisusastro, 2012). Based on some of the definitions above, consumer knowledge is all information a consumer has about various types of products and services, as well as other knowledge related to those products and services and consumer knowledge.

### **2.5. Hypothesis**

Customer Intimacy is the company's ability to offer exceptional value from its products or services by adjusting products or services to meet the special needs of consumers. In customer intimacy, each party conducts two-way communication so that there are no misunderstandings, they have a sense of understanding, and they have each other so that they can make a positive contribution between them. The results obtained from this relationship allow joint events that produce maximum results so that both benefit from each other "Win Together".

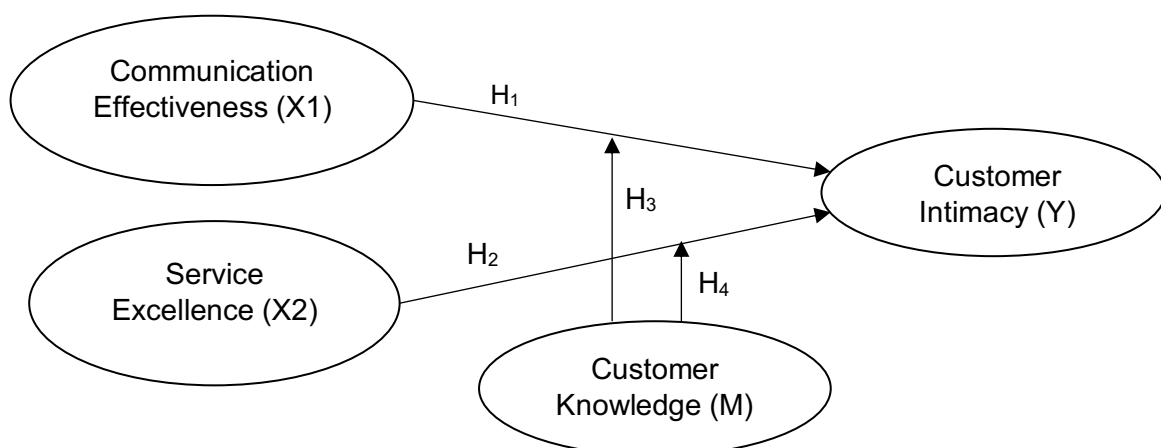
Customer intimacy is one of the marketing strategies in banking, emphasizing close relationships or good relations with its customers. Based on this, to achieve customer intimacy, banks must be able to build good relationships with their customers, including effective communication and service excellence. The term communication effectiveness and excellent service means attention to consumers, namely through providing the best service by providing easy access to every consumer need to realize customer satisfaction and have implications for consumer loyalty (Atmadjati, 2018). The function of implementing communication effectiveness and excellent service is that companies can serve consumers in a friendly, precise, and fast manner and can meet and satisfy the community according to their needs (Mukarom & Laksana, 2015). This is done to:

- a. Strengthening relationships with the community as consumers.
- b. Build and foster a sense of public trust in an agency.

Customer intimacy can be started by the company by building good communication, both in verbal and non-verbal forms, so that customers will feel comfortable with the services provided. By knowing what customers want and need, banks can provide a total solution to these customers. Knowledge is information that is stored in the memory of consumers. Knowledge is a key determinant of consumer behavior. Consumer knowledge is the total insurance set that is relevant to the consumer's function in the market. Because knowledge is the main determinant of consumer buying behavior, marketers can consider when consumers make a purchase.

Based on the description above, this study proposes the following hypothesis:

- H1:** Communication effectiveness has a significant influence on customer intimacy.
- H2:** Service excellence has a significant influence on customer intimacy
- H3:** Costumer Knowledge moderates the effect of Communication effectiveness in increasing customer intimacy
- H4:** Costumer Knowledge moderates the effect of Service excellence in increasing customer intimacy.



**Figure 1.** Research Model

### 3. METHODOLOGY

The method used in this study is a quantitative method with a Moderated Regression Analysis (MRA) approach. This study was conducted to see the effect of variable communication effectiveness and service excellence in achieving customer intimacy with moderation of customer knowledge variables. Customers of Bank Syariah Indonesia KC Bojonegoro – East Java represent the study's population. The sampling strategy utilized is snowball sampling. 100 customers became sample research. The results of filling out questionnaires by Bank Syariah Indonesia KC Bojonegoro – East Java customers is the major data source for this study. The indicators of the variables used in this research questionnaire are as follows:

**Table 1.** Indicators Of Variables

No.	Variables	Indicators	Source
<b>Independent Variables (Exogenous)</b>			
1.	Communication Effectiveness ( $X_1$ )	Respect, Empathy, Audible, Clarity, Humble	Jannah et al. (2018)
2.	Service Excellence ( $X_2$ )	Ability, Attitude, Appearance, Attention, Action, Accountability	Nurrahmawati et al. (2021)
<b>Dependent Variables (Endogenous)</b>			
3.	Customer Intimacy ( $Y$ )	Communication, Caring, Commitment, Comfort, Conflict Resolution	Osei (2017)
<b>Intervening Variables</b>			
4.	Customer Knowledge ( $Z$ )	Objective knowledge, Subjective knowledge, Specific knowledge, General Knowledge	Nora (2019a)

Source: Author (2024).

This study utilized data analysis and a moderated regression analysis (MRA) test. This MRA test explains whether the moderation variables in this study can strengthen or weaken the link between the independent variables (independent) and the dependent variable (dependent). The calculation model to see the influence of the independent variable on the dependent variable with the moderation variable is as follows:

$$(I) CI = \alpha + \beta_1 CE + \beta_2 SE + \varepsilon$$

$$(II) CI = \alpha + \beta_1 CE + \beta_2 SE + \beta_3 CK + \beta_4 CE * CK + \beta_5 SE * CK + \varepsilon$$

Information:

CI : Customer Intimacy ( $Y$ )

$\alpha$  : Constanta

$\beta_1$ -  $\beta_3$  : The direction of the regression coefficient

CE : Communication Effectiveness ( $X_1$ )

SE : Service Excellence ( $X_2$ )

CK : Customer Knowledge ( $M$ )

CE\*CK : The interaction between Communication Effectiveness and Customer Knowledge

SE\*CK : The interaction between Service Excellence and Customer Knowledge.

## 4. RESULT AND DISCUSSION

### 4.1. Result

#### 4.1.1. Descriptive Statistics

Descriptive statistics in this study were used to see the picture of the data. The results of descriptive statistics using IBM SPSS 25 can be seen in the table below:

**Table 2.** Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Communication Effectiveness	100	14	24	19.74	2.615
Service Excellence	100	16	28	22.93	3.072
Customer Intimacy	100	9	20	15.37	2.665
Customer Knowledge	100	6	16	13.10	2.389
Valid N (listwise)	100				

Source: Data processed (2024).

Based on the results of descriptive statistics in the table above, it may be observed that the average value of the variables Communication Effectiveness, Service Excellence, Customer Intimacy, and Customer Knowledge exceeds the standard deviation value. This means that the distribution of data on the variables used in this study is homogeneous. A standard deviation number lower than the mean value also implies that the distribution of data utilized is tiny or that there is no great enough variance in the study variable.

#### 4.1.2. Test Validity and Reliability

Validity tests are performed to verify the reliability of the research instrument utilized. An instrument is considered legitimate if the Pearson correlation value is positive and the correlation probability value (sig. (2-tailed)) is less than 0.05. The following are the findings of the validity test for the research instruments utilized in this study.

**Table 3.** Validity Test

Variable	Sig. (2-tailed)	Result
X1-1	0.000	Valid
X1-2	0.000	Valid
X1-3	0.000	Valid
X1-4	0.000	Valid
X1-5	0.000	Valid
X1-6	0.000	Valid
X2-1	0.000	Valid
X2-2	0.000	Valid
X2-3	0.000	Valid
X2-4	0.000	Valid
X2-5	0.000	Valid



Variable	Sig. (2-tailed)	Result
X2-6	0.000	Valid
X2-7	0.000	Valid
M-1	0.000	Valid
M-2	0.000	Valid
M-3	0.000	Valid
M-4	0.000	Valid
M-5	0.000	Valid
M-6	0.000	Valid
Y-1	0.000	Valid
Y-2	0.000	Valid
Y-3	0.000	Valid
Y-4	0.000	Valid
Y-5	0.000	Valid

Source: Data processed (2024).

Based on the test results above, it may be inferred that the instrument used to assess variables in this study is certified valid because the probability value of sig. (2-tailed) is less than 0.05.

The reliability test was performed using Cronbach's alpha calculation, which showed that the variable instruments used to measure the concept in this study were quite reliable. Instrument variables are known to be dependable when Cronbach's alpha value is greater than the  $r$  value of the table. The table's  $r$  value was obtained from  $n$  (number of respondents) – 2, so  $100 - 2 = 98$ . So based on the table  $r$ , the value of  $r$  table = 0.1966. The table below shows the reliability test results.

**Table 4. Reliability Test**

Cronbach's Alpha	N of Items
0.896	24

Source: Data processed (2024).

Based on the test results in the table above, Cronbach's alpha was 0.896, which is larger than 0.1966. This demonstrates that the instruments in this study have been proven to have a high level of dependability or that the data utilized can be trusted.

#### 4.1.3. Classical Assumption Test

Classical assumption testing aims to see if the results of the research variable data used have been free from problems of data normality, multicollinearity, heteroscedasticity, and autocorrelation. The following are the findings from evaluating classical assumptions for the research model employed in this study.

**Table 5. Classical Assumption Test**

Classical Assumption Test	Result	Conclusion
Normality Test (Asymp. Sig (2-tailed)<0,05.)	0.097	Normal Distribution
Multicollienarity Test (VIF<10.00)	X1: 1.165 X2: 1.567 M: 1.375	No Multicollinearity Occurs

Classical Assumption Test	Result	Conclusion
Heteroscedasticity Test (Sig>0.05)	X1: 0.680 X2: 0.163 M: 0.054	No Heteroscedasticity Occurs
Source: Data processed (2024).		

According to the table above, the data in these two research models are free from classical assumption problems. This means that the data used in this study met the criteria of BLUE (Best Linear Unbiased Estimator), namely unbiased, consistent, normally distributed, and efficient model estimation, so that model estimation can be used as a valid test tool.

#### 4.1.4. Model 1 Hypothesis Test

Decision-making for hypothesis testing in the model is when the probability level of the variable is less than 0.05. The hypothesis in this investigation is approved. Here are the findings of the model 1 hypothesis test.

**Table 6.** Model 1 Hypothesis Test

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
<b>1 (Constant)</b>	-0.529	1.752		-0.302	0.763
<b>x1_EK</b>	0.175	0.079	0.172	2.230	0.028
<b>x2_SE</b>	0.542	0.067	0.625	8.102	0.000

Note: The dependent variable is y\_CI. Source: Data processed (2024).

Based on the results of the hypothesis test above, it was obtained that the probability level of the variables of communication effectiveness and service excellence was smaller than 0.05, namely 0.028 and 0.000, respectively. This shows that the variables of communication effectiveness and service excellence have a significant effect on customer intimacy, so it can be concluded that H1 and H2 are approved.

#### 4.1.5. Model 2 Hypothesis Test

Decision-making for hypothesis testing in the model is when the probability level of the variable is less than 0.05. The hypothesis in this investigation is approved. Here are the findings of the model 2 hypothesis test

**Table 7.** Model 2 Hypothesis Test

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
<b>1 (Constant)</b>	14.088	0.513		27.436	0.000
<b>x1_EK</b>	0.022	0.018	0.021	1.235	0.220
<b>x2_SE</b>	-0.589	0.032	-0.679	-18.160	0.000
<b>m_CK</b>	-0.042	0.021	-0.037	-2.017	0.047
<b>x1m_EK*CK</b>	0.004	0.013	0.008	0.295	0.768
<b>x2m_SE*CK</b>	0.041	0.001	1.540	33.961	0.00

Note: The dependent variable is Customer Intimacy. Source: Data processed (2024).

According to the findings of testing the hypothesis for the moderation variable above, it was obtained that the probability level of variable interaction between the variable of communication effectiveness and customer knowledge is greater than 0.05, which is 0.768, it shows that the customer knowledge variable cannot moderate the relationship between communication effectiveness and customer intimacy significantly. Therefore, it may be argued that H3 is rejected. While the variable probability level of service excellence interaction and customer knowledge is smaller than 0.05, which is 0.000, it shows that customer knowledge can moderate the relationship between service excellence and customer intimacy significantly. Therefore, it may be argued that H4 is approved.

#### 4.1.6. Coefficient of Determination Test ( $R^2$ )

Determination testing serves to determine the proportion of the independent variables in the equation model under study that can explain the dependent variable. Regarding the coefficient of determination test results for the two model equations above, the following results were obtained:

**Table 8.** Coefficient of Determination Test ( $R^2$ )

Model Estimation	Coefficient of Determination Test	
	R Square	Adjusted R Square
Model 1	0.706	0.499
Model 2	0.804	0.646

Source: Data processed (2024).

The table shows the results of the coefficient of determination test. It was obtained that the Adjusted R Square level in the Equation 1 model was 0.499. The results showed that the variables of communication effectiveness and service excellence could affect customer intimacy by 49.9%, while 50.1% were influenced by other variables outside the study. Then, in the Equation 2 model, the result of the Adjusted R Square value is 0.646. The results show that the variables of communication effectiveness, service excellence, customer knowledge, communication effectiveness \* customer knowledge and service excellence \* customer knowledge can affect customer intimacy by 64.6%, while 35.4% is impacted by other circumstances beyond the research.

## 4.2. Discussion

### 4.2.1 The Influence of Communication Effectiveness on Customer Intimacy

The effectiveness of communication in this study is the first independent variable (X1), which consists of five indicators, namely respect, empathy, audible, clarity, and humble. The analytical test findings indicate a positive and significant effect on the effectiveness of communication in increasing customer intimacy. This shows that the hypothesis is accepted.

Effective communication as part of service quality is an important thing that causes consumers to believe in making transactions at the bank. The effectiveness of communication in the banking sector has contributed to increasing customer trust, as stated by Sharma (1999): "The more effective the communication, the greater the

trust in the mentor and the stronger the commitment in the relationship". When trust has been built, it will further have implications for increasing customer intimacy (Putri, 2022).

The use of call center services at Bank Syariah Indonesia is also one of the main media that connects customers with banks. Because each customer has varied demands when you engage call center services, this finally necessitates communication patterns with diverse conversations in dealing with customers served by call center representatives (Karliadi & Erawati, 2023). Because a distinct frame of mind influences whether or not the continuing discourse is understandable, paradigm barriers are difficulties generated by variations in perception between communicators and listeners about the messages employed in communication. This is due to diverse experiences and educational backgrounds. This makes the effectiveness of communication very important to achieve customer intimacy.

Based on the results of the questionnaire answers that have been distributed, the majority of BSI KC Bojonegoro – East Java customers gave a very satisfied assessment of clear indicators, respondent participation, and equality. This shows that through these indicators, customers feel that the communication carried out by BSI KC Bojonegoro – East Java employees can be said to be effective because the communication carried out can provide understanding and comfort and can make customers trust in banking. This study's findings are backed by earlier studies that describe the contribution of communication effectiveness to increase customer intimacy (Bonalmi et al., 2020; Fernandez, 2020; Saputra, 2019; Widijanto & Rachmat, 2019). As well as research conducted by Sharma & Patterson (1999), which investigates the influence of communication effectiveness and service quality on consumer trust and commitment.

#### **4.2.2 The Influence of Service Excellence on Customer Intimacy**

According to the test findings, the study shows that service excellence has a positive and significant impact on increasing customer intimacy. This shows that the hypothesis is accepted, meaning that there is a positive and significant influence between service excellence and increasing customer intimacy.

By looking at the global competition in the increasingly tight banking market accompanied by increasingly sophisticated technology, companies must provide value to customers by having customer intimacy with customers. One way is by improving service excellence (Rhamdhan & Riptiono, 2023). Service excellence in the banking world is something that must be implemented in transactions with customers (Azizah et al., 2023; Rumiyati & Syafarudin, 2021; Wulandari, 2022). This aims to make customers feel comfortable and satisfied in transactions so that a bank has a value that is different from other banks and increases customer loyalty to banking (Pula, 2022; Tanti Widia Nurdiani & R.M Mahrus Alie, 2022).

Based on the results of the questionnaire answers that have been distributed, the majority of respondents (BSI customers) agree that the service excellence applied by BSI KC Bojonegoro - East Java is good (indicated by the average 'agree' answer). This further makes customers feel a close relationship (customer intimacy) with BSI KC Bojonegoro - East Java. Service excellence in the banking world needs to be applied in transactions so that customers can feel comfortable and satisfied. In addition, in the face of increasingly fierce global banking market competition, every

company must apply the principle of service excellence in the banking world. The findings of this study are consistent with studies undertaken by Gonu et al. (2023) and Ratnawili et al. (2021), which describe the contribution of service excellence to increasing customer intimacy. In this study, service excellence has a positive and significant influence on customer intimacy of BSI customers in the BSI KCP Bojonegoro-East Java.

#### **4.2.3 The effect of effective communication on customer intimacy through customer knowledge as moderation**

According to the results of the test above, customer knowledge variables cannot moderate the relationship between communication effectiveness and customer intimacy significantly, so the hypothesis in this study is rejected.

Understanding how customers respond to the firm's offer and picking and determining which items to buy is the key to success in meeting company goals (Joseph et al., 2016; Rane et al., 2023). One of the strategies that companies must implement to achieve their goals is to make customers commit to the company (Lemon & Verhoef, 2016). Commitment here means that the customer is involved in the company's operations to create a mutually beneficial relationship between the company and the customer. This is done to maintain the company's performance in the long term. Therefore, to understand this, companies can start by building an effective communication system with consumers. Effective communication is one way to turn customers into customers who are committed to the company.

The commitment created between companies and consumers can help build success, such as customer relationship management, which manages customer relationships by maximizing overall communication and interaction so that customers have more interest in the company (Guerola-Navarro et al., 2022). If it is connected with customer knowledge, it will influence the understanding of what customers want so that companies can communicate an interaction that can be realized (Migdadi, 2021; Widiantonono & Sejati, 2022). In a transaction and interaction between the company and its customers, effective communication is very necessary to establish a mutually beneficial relationship and to build closeness with customers.

#### **4.2.4 The effect of service excellence on customer intimacy through customer knowledge as moderation**

According to the results of the test above, customer knowledge variables moderate the relationship between service excellence and customer intimacy significantly, so the hypothesis in this study is accepted.

Service excellence is a service that satisfies quality criteria based on client expectations and satisfaction (Sugiarto & Octaviana, 2021). A service will be considered satisfactory when it meets the expectations of the customer, makes the customer feel important, and places the customer in the main position in his business activities (Al-Msallam, 2015). The implementation of service excellence in banking operations has the benefit of developing a database that is more accurate than competitors, covering the needs and desires of each customer segment and changing competitive conditions. In the long term, the implementation of service excellence in a business will lead to loyalty and compliance to create close relationships with customers (customer intimacy).

Customer knowledge is one of the most important things in a company. Effective use of knowledge not only has an impact on increasing performance within the company but is also able to create a competitive advantage (Raguž et al., 2017). This is because customer knowledge is centered not only on customer knowledge of the company but also on the company's knowledge of customers. This knowledge will then be able to provide benefits for companies to conduct research on market segments within a strategic framework. Customer knowledge is one strategy to pay attention to both customer knowledge and company knowledge and invest in both external and internal competencies so that companies can achieve competitive advantage because there are unique corporate values, and it is difficult for competitors to imitate these values.

Customer knowledge, which is based on knowledge sharing between consumers and companies, can become a determining factor for competitive advantage for companies through increased learning and innovation. This means that through customer knowledge, banks can find out the service excellence desired by customers. Through this, banks can find out the knowledge preferences of customers. Besides that, the company can also build close relationships with customers so that customer intimacy is created, which can be one of the competitive advantages of the company (Kabue, 2021). The findings of this study are consistent with studies undertaken by (Bahreinizad et al., 2020; Nora, 2019a).

## **5. CONCLUSION**

The results of this study indicate that communication effectiveness and service excellence positively impact customer intimacy. However, when moderated by the customer knowledge variable, communication effectiveness still has a positive but insignificant effect, while service excellence still shows a positive and significant effect on customer intimacy. This study has limitations in scope, as it only focuses on services provided by banks. These services can create added value for companies, which ultimately helps build a competitive advantage in the banking industry. Therefore, for further research, it is recommended to expand the scope of the study by increasing the number of samples and considering other variables that can affect customer intimacy so that the conclusions obtained are stronger and more comprehensive. As a practical implication, banks should improve communication effectiveness and service excellence in interacting with customers. This aims to make customers feel closer to banking, which can ultimately increase their loyalty and satisfaction. A more personal communication strategy and superior service will help banks build long-term relationships with customers.

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