CUSTOMER LOYALTY: IMPROVE CUSTOMER RELATIONSHIP MANAGEMENT THAT IMPACT THE CUSTOMER SATISFACTION

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Abstract

This study aims to determine the effect of customer relationship management consisting of people, processes, on customer satisfaction and loyalty in Palopo City . This study uses a quantitative research approach by examining specific populations or samples, sampling techniques are generally carried out randomly, collecting data using research instruments, statistical data analysis with the aim of testing hypotheses that have been set using Smart PLS 3.2.8 software . The results showed that the customer relationship management variable which consists of people, processes, and technology has a positive and significant impact on customer satisfaction. Customer relationship management consisting of people, processes, and technology has a positive and significant influence on customer loyalty, while satisfaction has a positive but not significant effect on customer loyalty. The indirect effect (mediation) shows that satisfaction can mediate the influence of customer relationship management consisting of people, processes, and technology on customer loyalty.

Keywords: customer relationship management , customer satisfaction, customer loyalty

Abstrak

Penelitian ini bertujuan untuk mengetahui pengaruh manajemen hubungan pelanggan yang terdiri dari orang, proses, kepuasan dan loyalitas pelanggan di Kota Palopo. Penelitian ini menggunakan pendekatan penelitian kuantitatif dengan cara meneliti populasi atau sampel tertentu, teknik pengambilan sampel umumnya dilakukan secara acak, pengumpulan data menggunakan instrumen penelitian, analisis data statistik dengan tujuan untuk menguji hipotesis yang telah ditetapkan dengan menggunakan software Smart PLS 3.2.8. Hasil penelitian menunjukkan bahwa variabel manajemen hubungan pelanggan yang terdiri dari orang, proses, dan teknologi berpengaruh

positif dan signifikan terhadap kepuasan pelanggan. Manajemen hubungan pelanggan yang terdiri dari orang, proses, dan teknologi berpengaruh positif dan signifikan terhadap loyalitas pelanggan, sedangkan kepuasan berpengaruh positif tetapi tidak signifikan terhadap loyalitas pelanggan. Pengaruh tidak langsung (mediasi) menunjukkan bahwa kepuasan dapat memediasi pengaruh manajemen hubungan pelanggan yang terdiri dari orang, proses, dan teknologi terhadap loyalitas pelanggan.
Kata Kunci : Manajemen Hubungan Pelanggan, Kepuasan Pelanggan, Loyalitas Pelanggan

INTRODUCTION

There are many marketing experts who have defined customer relationship marketing. One of them is Kotler and Keller (2008: 148) which suggests that customer relationship marketing is a series of ways for producers to get closer to their consumers. CRM is very important because it is the main driver of company profitability as a collective value of the company's customer base. With the current high level of competition in the company in terms of grabbing prospective customers and maintaining a long time so as not to move to competing companies, making each company must be very focused on customers and try to establish long-term relationships or relationships with customers. If the PT. Telkomsel can maximize the customer relationship marketing process, so it will have an impact on customer satisfaction.

According to Tse and Wilton, as quoted by Fandy Tjiptono and Gregorius Chandra (2005) describe that customer satisfaction is a customer response to the evaluation of responses to the difference between initial expectations and actual product performance as perceived after product consumption. Then, further according to Kee gen in Tjiptono (2004: 24) revealed that there are two things that determine customer satisfaction, namely complaints and customer expectations of the services it receives.

Loyalty is a form of loyalty that arises without coercion at all but arises from one's own awareness in the past. customer loyalty according to widjajaa (2008: 8 is the consumer's attitude towards the product he uses so that he repeatedly purchases the product . According to Tjiptono (2011) Loyalty is a condition where consumers show a positive attitude towards a product or producer (service provider)

accompanied by a pattern repeat purchases consistently. According to Griffin in Huriyati (2005: 154), the characteristics of loyal customers: (1) re-purchase on a regular basis (*repeat purchase*), (2) make a purchase on the outside , (3) recommending to another party (*referrals*), (4) shows immunity from competition (not easily influenced by other similar products).

At present the public who use telecommunications services no longer expect telecommunications services that merely provide a means for them to be able to obtain and exchange information. But telecommunications service providers are also demanded for how to provide service packages that suit their needs, a stable network, and fast in providing solutions to the complaints they submit. After gaining satisfaction, customers will be loyal to the service products offered by the company. PT. Telkomsel is one of the telecommunications service provider companies with the most users in Palopo City, although the quality of internet services offered is not as high as the quality of internet services in urban areas in South Sulawesi. Based on the background of the problem that has been explained, the purpose of this study can be described as follows:

1. To analyze the effect of customer relationship management on customer satisfaction
2. To analyze the effect of customer relationship management on customer loyalty
3. To analyze the effect of customer satisfaction management on customer loyalty
4. To analyze the effect of customer relationship management on customer loyalty if mediated by customer satisfaction

RESEARCH METHOD

1. Population and Sample

According to Sugiyono (2016), the population is the amount that will be examined by researchers. The population in this study is not known with certainty, so the sampling technique uses the number of indicators multiplied by five (5), 5 x 20

indicators = 100 samples. The sampling technique namely accidental technique is a randomly selected sample found around researchers with certain categories.

2. Method of collecting data

Data collection methods used to obtain information and data as well as possible with the assumption that the writing goals can be achieved are:

1. Field Research (Field Research) is a method of data collection conducted by :

a. Observation

Observation is a research technique carried out by holding observations or observations directly at the research location. This is intended to obtain data in the field.

b . Library Studies (library research)

Literature study is intended to obtain data from a variety of literature literature in order to complete and sharpen the framework of the analysis of the problems that arise.

c. Questionnaire

Namely data collection techniques by distributing a number of questionnaires or questions about the influence of Customer Relationship on Customer Satisfaction and Loyalty of Telkomsel Cellular Card Customers in Palopo City .

3. Data analysis

In analyzing data, researchers collect, classify, analyze, and interpret data in order to provide a clear picture of the problem under study. The analytical methods used in this research are:

In analyzing data, researchers collect, classify, analyze, and interpret data in order to provide a clear picture of the problem under study. Analysis of the data in this study

using the Path Analysis method with the help of Smart PLS 3.2 software to know the validity test, reliability, and hypothesis testing both directly or the effect of mediation.

PATH COEFFICIENT ANALYSIS

In this study conducted after bootstrapping, the estimated coefficient values for the path links in the structural model were processed with Smart PLS 3.2.8 with the results of the path analysis as follows:

Table 1 . Results of Data Path Coefficient

No	Hypothesis	Coefficient	T Statistics	Information
1	Human -> Satisfaction	0.472	2,609	Be accepted
2	Process -> Satisfaction	0.088	0873	Rejected
3	Technology Satisfaction	0.425	3,376	Be accepted
4	Human -> Customer Loyalty	0.556	3,126	Be accepted
5	Process -> Customer Loyalty	0.217	2,143	Be accepted
6	Technology Customer Loyalty	0.175	1,898	Be accepted
7	Satisfaction -> Customer Loyalty	0.058	0.593	Rejected
8	Human -> Satisfaction -> Customer Loyalty	0.538	1,125	Rejected
9	Process -> Satisfaction -> Customer Loyalty	0.222	3,571	Be accepted
10	Technology -> Satisfaction -> Customer Loyalty	0.392	4,803	Be accepted

Source: Smart PLS (2019)

Based on the above results of the processed data *path analysis* with PLS 3.2.8, it can be described as follows:

1. Human influence on Telkomsel cellular customer satisfaction in Palopo City

Based on table 4, the path coefficient of human influence on satisfaction is 0.472 . It can be said that humans have a positive effect on customer satisfaction, where the better the service of human resources , the higher the satisfaction of Telkomsel cellular customers in Palopo City. This is supported by the maximum service provided by Grapari Telkomsel employees when customers come to the office to purchase products or make complaints.

Then from the significant test results obtained t count value of 2.609 which is greater than 1 , 96 . It can be said that humans significantly influence the satisfaction of Telkomsel cellular customers in Palopo City so that the research hypothesis is accepted.

2. The effect of the process on Telkomsel's cellular customer satisfaction in Palopo City

The results of the analysis processed with Smart PLS obtained a path coefficient of 0.088. H al showed that the positive effect on customer satisfaction. Where the better the existing process , it will increase customer satisfaction. Then seen from the calculated t value of 0.873 , where with a calculated value of t smaller than 1 , 96 . It can be concluded that the process has a positive and not significant effect on customer satisfaction so the hypothesis is rejected . Basically the services performed by employees of PT. Telkomsel either serves customers via telephone or direct service at Grapari Telkomsel has a positive effect but customers still need a better service process especially when there is a network outage and it still occurs in Palopo City.

3. The effect of technology on customer satisfaction on Telkomsel cellular in Palopo City

Based on the results of data processing with Smart PLS , the path coefficient is 0.425 . It can be concluded that technology has a positive effect on customer

satisfaction. Where the better the technology will have an impact on customer satisfaction. From the results of the significance test with the value of t arithmetic 3,376 greater than 1 , 96 so that it can be concluded that the technology has a positive and significant effect on customer satisfaction. Thus the research hypothesis is accepted. The existence of technology that includes telephone and text message service facilities that can be relied upon compared to other operators in Palopo City makes customers satisfied.

4. Human influence on Telkomsel's cellular customer loyalty in Palopo City.

Based on the results of data processing with S mart PLS, a path coefficient of 0.556 is obtained . It can be concluded that humans have a positive effect on customer loyalty . Where the better service from the human resources PT. Telkom cell in the Palopo City it will impact on improving customer loyalty. From the test results of significance in which the value of t 3,126 is greater than 1 , 96 so that it can be concluded that human positive and significant impact on customer loyalty. Thus the research hypothesis is accepted. The service received by Telkomsel cellular customers in Palopo City has an impact on customer loyalty thanks to the hospitality of the employees of PT. Telkomsel serves customers.

5. The effect of the process on Telkomsel's cellular customer loyalty in Palopo City .

Based on the results of data processing with Smart PLS , a path coefficient of 0.217 is obtained . It can be concluded that the process has a positive effect on customer loyalty. Where the better the service process carried out by PT. Telkom cell in the Palopo City then it will have an impact on loyalty. From the test results of significance to the value of t 2.307 is greater than 1 , 96 so that it can be concluded that the process is positive and significant impact on customer loyalty. Thus the research hypothesis is accepted. For the process of handling complaints and customer service when visiting Grapari and when calling Telkomsel's service number has become one of the factors that can make most residents in Palopo City use Telkomsel cellular cards.

6. The effect of technology on Telkomsel's cellular customer loyalty in Palopo City .

Based on the results of data processing with Smart PLS , a path coefficient of 0.175 is obtained . It can be concluded that technology has a positive effect on customer loyalty. Where is the better technology from PT. Telkom cell in the Palopo City it will impact on improving customer loyalty. From the results of the significance test where the t value of 1.898 is smaller than 1 , 96 so it can be concluded that technology has a positive and not significant effect on customer loyalty. Thus the research hypothesis was rejected . Network disruptions still occur frequently, especially when Telkomsel's network cable maintenance occurs, making some Telkomsel customers use cellular cards from other operators as an alternative when needing cellular service.

7. Influence of satisfaction on Telkomsel cellular customer loyalty in Palopo City .

Based on the results of data processing with Smart PLS , a path coefficient of 0.058 is obtained . It can be concluded that satisfaction has a positive effect on customer loyalty. Wherein the higher the satisfaction felt by customers Telkomsel's cellular in Palopo Palopo City it will impact on improving customer loyalty. From the test results of significance where the value t 0593 is smaller than 1 , 96 so that it can be concluded that customer loyalty and no significant positive effect on customer loyalty. Thus the research hypothesis was rejected. Although in certain aspects Telkomsel cellular service users are loyal customers, there are certain things that make customers less satisfied but remain loyal for example data networks that are still sometimes lost or are not good but users remain loyal because in that area PT. Telkomsel is still a leader in terms of cellular service providers.

8. Human influence on loyalty through Telkomsel cellular customer satisfaction in Palopo City .

Based on the results of data processing using Smart PLS , a path coefficient of 0.538 is obtained . It can be concluded that humans have a positive effect on customer loyalty if mediated by satisfaction. Where the better the quality of

humans, it will have an impact on increasing customer satisfaction and loyalty. From the test results of significance where the t value of 1.125 is lower than 1 , 96 so that it can be concluded that customer satisfaction can mediate human influence on customer loyalty in a positive and not significant. Thus the research hypothesis was rejected .

9. The effect of the process on loyalty through Telkomsel cellular customer satisfaction in Palopo City.

Based on the results of data processing using Smart PLS , the path coefficient obtained is 0.222 . It can be concluded that the process has a positive effect on customer loyalty if mediated by customer satisfaction. Where the process the better it will impact on improving customer satisfaction and customer loyalty. From the significance test results where the value of t arithmetic 3.571 is greater than 1 , 96 so it can be concluded that customer satisfaction can mediate the effect of the process on customer loyalty positively and significantly. Thus the research hypothesis is accepted.

10. The influence of technology on loyalty through Telkomsel cellular customer satisfaction in Palopo City.

Based on the results of data processing using Smart PLS , a path coefficient of 0.392 is obtained . It can be concluded that technology has a positive effect on customer loyalty if mediated by customer satisfaction. Where more canngih technology that will impact on improving customer satisfaction and loyalty. From the test results of significance where the t value 4,803 is greater than 1 , 96 so that it can be concluded that satisfaction may mediate the effect of technology on customer loyalty. Thus the research hypothesis is accepted.

In general, the results of this study are in line with the opinion of Lupiyoadi (2001: 158) who said that service quality, especially in service companies, customers will feel satisfied if customers get good service and as expected so they will subscribe in the long run. Tunggal (2008: 10) states that by implementing CRM that consists of good people, processes, and technology, companies can use information about customers to the fullest. This information can be used for various

things such as service improvement to increase customer satisfaction. The results of research from Nina Wachyu Ningsih (2016) found that Customer Relationship Management (CRM) has a significant effect on customer satisfaction and loyalty so that the results of this study support the results of previous studies.

CONCLUSIONS

Based on the results of the statistical analysis and discussion in the previous chapter , several conclusions from this study can be obtained as follows:

1. Humans have a positive and significant impact on customer satisfaction, where the better the service of human resources , the higher the satisfaction of Telkomsel cellular customers in Palopo City .

2. The process has a positive and significant effect on customer satisfaction. Where the better human beings are, it will increase customer satisfaction.

3. Technology has a positive and significant effect on customer satisfaction. Where the better the technology will have an impact on customer satisfaction. Human influence on Telkomsel's cellular customer loyalty in Palopo City .

4. Humans have a positive and significant effect on customer loyalty, where the better the service of human resources , the higher the loyalty of Telkomsel cellular customers in Palopo City .

5. The process has a positive and significant effect on customer loyalty. Where the better people are, it will increase the loyalty of Telkomsel cellular customers in Palopo City .

6. Technology has a positive and significant effect on customer loyalty. Where the better the technology will have an impact on customer loyalty. Human influence on Telkomsel's cellular customer loyalty in Palopo City .

7. Satisfaction has a positive but not significant effect on Telkomsel's cellular loyalty in Palopo City .

8. Humans have a positive effect on customer loyalty if mediated by satisfaction. Where the better man then it will have an impact on the improvement of customer satisfaction and loyalty so that it can be concluded that customer satisfaction can mediate human influence on customer loyalty is positively and significantly.

9. The process has a positive effect on customer loyalty if mediated by satisfaction. Where the better man then it will have an impact on the increase in satisfaction and customer loyalty so that it can be concluded that customer satisfaction may mediate the effect of the process on customer loyalty is positively and significantly.

10. Technology has a positive effect on customer loyalty if mediated by satisfaction. Where increasingly sophisticated technology will have an impact on increasing customer satisfaction and loyalty. so it can be concluded that customer satisfaction can mediate the influence of technology on customer loyalty in a positive and significant way.

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