Effectiveness of Customer Relationship Management (CRM) and Customer Satisfaction on Shopee Customer Loyalty

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Abstract: Indonesia is a country with the highest e-Commerce growth in the world. Among all e-commerce companies, Shopee has considerable potential used by marketers to market and sell goods. This research aims to determine the effect of Customer Relationship Management (CRM) and customer satisfaction on customer loyalty. The sample used is shopee users at the Muhammadiyah University of Surakarta as many as 108 respondents with non-probability sampling techniques. The data collection using a questionnaire. The data analysis technique in this research is normality test, multicolinearity test, heteroskedasticity test, multiple linear regression analysis, F test, t test and R² test. The results of this research indicate that the variable Customer Relationship Management (CRM) and customer satisfaction on customer loyalty. The results of the F test analysis can be concluded that there is a simultaneous influence between Customer Relationship Management (CRM) and customer satisfaction on customer loyalty variables. So with an increase in Customer Relationship Management (CRM) it is very effective to support customers to make loyal purchases through Shopee.

Keywords: Customer Relationship Management (CRM), customer satisfaction, customer loyalty

INTRODUCTION

The growth of e-Commerce in Indonesia has increased in the last five years. Retail business players, both large and small, are starting to carry out digital transformation in their marketing development. This is related to changing patterns and lifestyles of people who increasingly rely on social media via smartphones. The current development of information forms selective consumers and consumers who are easy to switch certain products, services or brands. Among all e-commerce companies, Shopee has considerable potential to be exploited by marketers to market and sell goods. The growing interest in online shopping via mobile devices is also evidenced by Shopee, a mobile marketplace that started its work in Indonesia in 2015. Shopee is the first mobile-platform in Southeast Asia (Indonesia, Philippines, Malaysia, Singapore, Thailand, and Vietnam) and Taiwan which offers fun, free, and reliable online buying and selling transactions via mobile people can register their sales products and shop for various attractive offers at the lowest prices and free shipping throughout Indonesia.

Companies in dealing with the rapid development of information, one of which is by implementing the Customer Relationship Management (CRM) program or establishing good relationships with their customers (Ibrahim et al., 2017). Customer Relationship Management (CRM) includes marketing, sales operations, customer service, human resources, finance and information technology as well as application as a strategic concept, this is a must because in our economic era we are "Customer centric" which means the success of a company can be measured through good relationships between the company and its customers, customers are given full authority by the company, to decide and individual experiences with the company (Vasiliu in Khedkar, 2012). This Customer Relationship Management (CRM) leads to a software system that aims to obtain and store customer data and make a two-way relationship, in order to create customer satisfaction (Costanzo in Setyaleksana et al., 2017).

Forming consumer satisfaction is one of the goals of every company, the company's efforts in realizing customer satisfaction, namely by having a quality product or service that
has special characteristics or reliability and can meet consumer expectations. According to the consumer version, product quality that is considered superior will create satisfaction in the minds of consumers, because the perceived satisfaction is the achievement of consumer expectations for the product. However, it is inversely proportional if a feeling of dissatisfaction arises, it will have a negative impact on the company, namely a bad company image and negative company recommendations (Lestari & Suwito, 2018). Customer satisfaction is often a measure of the success of a company in conducting marketing activities. If the company succeeds in realizing customer satisfaction, it will get a lot of loyal customers.

Loyalty or customer loyalty is not formed in a short time, but through a learning process and experience of purchasing services consistently over time. The big challenge for service marketers lies not only in giving potential customers the right reasons to do business with them, but also in keeping existing customers loyal and even increasing usage of their services. The effect of loyalty for the company is to provide a source of income continuously over the years. Company loyalty is formed; it will get an increasing number of purchases. So that sooner or later customer loyalty will be formed and company finances will automatically increase. Customer satisfaction is the main key to realizing customer loyalty and evidence of consumers who are loyal to a product or service, namely by making repeated purchases (Wijayanti, 2018).

THEORETICAL REVIEW

Customer Relationship Management (CRM)

Customer Relationship Management or CRM is an abbreviation commonly used by marketing or sales people. Managing Customer Relationship Management (CRM) properly is important for every company to maintain customer loyalty to certain products or brands (Rahayu et al., 2018). Meanwhile, according to Danardatu (2003) Customer Relationship Management (CRM) can be defined as a two-way relationship carried out by a company with its customers. Along with the times, Customer Relationship Management (CRM) can be defined as follows: a) Customer Relationship Management (CRM) can be interpreted as a web-based application or an information technology industry for methodologies, strategies, software or software used to help a company manage relationship with its customers, b) Customer Relationship Management (CRM) is a company effort to retain its customers by collecting all customer responses either through social media, email, or all forms of marketing programs, c) Customer Relationship Management (CRM) is a company's business strategy which strives for the company to be able to retain its customers effectively and efficiently.

Kotler and Keller (in Dewa & Setyoahadi, 2017), state that Customer Relationship Management (CRM) is a process of digging up the required information in detail and overall regarding customer habits and needs to maximize customer loyalty. According to Dewa & Setyoahadi (2017) in the concept of Customer Relationship Management (CRM) there are several phases, these phases include Acquisition, this phase is an activity to offer a variety of various products that have been tailored to the needs or desires of consumers, offering products based on consumer experiences and providing the best service in order to create customer satisfaction. Enhancement, this phase is in the form of activities carried out to increase product sales and sales to customers and prospective customers. Retention, this phase is used to obtain information about customers and provide product offerings according to customers.

From some of the opinions above, it can be concluded that Customer Relationship Management (CRM) is a business strategy in a company that aims to establish good relationships between the company and its customers to make it easier to explore information about customer needs and demands effectively and efficiently to maximize customer loyalty.
Customer Satisfaction
Customer satisfaction is a result that consumers feel about the company's performance in meeting customer expectations, customers feel satisfied if their expectations can be fulfilled properly (Soegoto, 2013). Meanwhile, according to Wijayanti (2017); (Budiyono, et. al., 2021), consumer satisfaction is the consumer's perception of a product by buying or using the product that consumers can fulfill their expectations. Consumer satisfaction can also describe how product quality and product benefits to consumers. Consumers are expected to get 4C's of satisfaction, namely Customer Solution, Customer Cost, Convinience, and Communication. Customer satisfaction is the main goal of all marketing programs designed. With the hope that consumers can be loyal to the product purchased. The higher the level of customer satisfaction, the higher the customer loyalty.

Achieving high levels of customer satisfaction can be achieved through Customer Relationship Management (CRM). According to Turban (in Supar & Atmosphere, 2017) states that Customer Relationship Management (CRM) is a service to customers that focuses on long-term and sustainable relationships that can have a positive impact on customers which aims to provide customer satisfaction. Customer satisfaction is a customer's feeling of pleasure or disappointment with a product that arises because it compares the performance and expectations received (Tho'in & Muliasari, 2020); (Mardalis, 2005). In addition, Lestari & Suwitho, (2018) said that customer satisfaction cannot be separated from the relationship between expectations and the results obtained. When customers buy a product, the customer expects how the product will function (product performance). Customer satisfaction can be created starting from the period of purchase, the experience of using the product or service, and the period after purchase. If customer satisfaction is in hand, it is easy to get loyal customers, and loyal customers will have a positive impact on repeated product repurchases.

From some of the opinions above, it can be concluded that consumer satisfaction is the feeling of consumers after buying or consuming certain products in meeting consumer expectations. If the company's performance can exceed consumer expectations, consumers will be satisfied. However, if the company's performance is below expectations, consumers will be disappointed.

Consumer Loyalty
According to Carissa et al., (2014) customer loyalty is a form of customer loyalty to a certain product and making repeat purchases and they will recommend products to others because customers feel their needs and wants can be fulfilled. Meanwhile, according to Griffin (in Bagaswo & Hardiani, 2016); Tho'in, 2011) consumer loyalty is a commitment of consumers who endure well to always subscribe or re-purchase products or services regularly both in the present and in the future, despite the influence of competing products and other marketing business.. Customer loyalty is very important for a company to maintain its current customers. Customer loyalty can also be referred to as a consumer's positive attitude towards the brand; consumers have the desire to make repeated purchases of the product continuously.
The customer is said to be loyal or loyal if the customer shows regular buying behavior or there is a condition that requires the customer to buy at least twice in a certain time interval. Efforts to provide customer satisfactions are made to influence customer attitudes, while the concept of customer loyalty has more to do with customer behavior than to attitudes of customers.

The meaning of customer loyalty for the company is very important; this is because loyalty can maintain the survival of the product and the continuity of its business activities. Loyal customers are customers who have enthusiasm to recommend to anyone they know to use certain products or services (Yuliana, 2018). From some of the opinions above, it can be concluded that customer loyalty is customer loyalty to a particular product or brand and makes repeated purchases continuously and has the attitude to recommend products to others. Loyalty has the behavior of repurchasing products or customer loyalty to a single brand. Efforts to understand consumer loyalty to products can be done in several ways (Dharmmesta, 1999):

Customer loyalty can be influenced by several factors including customer satisfaction, product quality and service quality (Wijayanti, 2017). Customer satisfaction is the core of service for a product, so that all marketing programs refer to optimal service in order to achieve customer satisfaction. Product service will be maximized if there is a good relationship between the company and consumers through the Customer Relationship Management (CRM) program. Customer satisfaction will have a positive impact on customer loyalty. Customer satisfaction with optimal service will be directly proportional to the level of customer loyalty so that customers will recommend to others (Dewa & Setyohadi, 2017).

**ANALYSIS METHOD**

The research method used in this research is descriptive quantitative approach. The data collection method is done by distributing several questions to selected respondents who have done online shopping at shopee. The sampling technique used is a non-probability sampling method through distributing questionnaires. Data analysis in this research using SPSS
software with normality test, multicolinearity test, and heteroskedasticity test, multiple linear regression analysis, F test, t test and $R^2$ test.

RESULTS AND DISCUSSION

1. Description of Respondents

This research used 108 student respondents using shopee users at the Muhammadiyah University of Surakarta. This research deals with customer loyalty, where customer loyalty is one of the objectives of the marketing program carried out by the producer.

Consumers who make repeat purchases of products will show customer loyalty to the product or brand. The characteristics used in this research are gender, age and the number of times the transaction using shopee.

a. Description of Respondents by Gender

The results of the data obtained from 108 respondents, showed that male respondents were 32 respondents or 29.63% while female respondents were 76 people or 70.37%.

b. Description of Respondents by Age

Based on the research results, it shows that the respondents used are shopee customers. From the data above, it can be seen that the trend is mostly between the ages of 20 and 30 years, namely 102 people or 94.44%, while the age of 20 years is 6 people or 5.55%.

c. Description of Respondents by Number of Transactions at Shopee:

Based on the results of the questionnaire obtained, the following is data from respondents according to the number of transactions at shopee:

Based on the results of the research showed that of the 108 respondents who made transactions once as many as 5 respondents or 2.87%, 2 times as many as 10 respondents or 5.74%, > 2 times as many as 80 respondents or 45.97% and > 5 times as many as 79 respondents or 45.40%.

2. Instrument Test

a. Validity Test

The validity test is a test used to determine whether a questionnaire is valid or whether it can be trusted (Sugiyono, 2015). The results of the validity test in this research are described in the table below:

In the validity test, the questionnaire is said to be valid if the value of $r_{count} > r_{table}$. The sample used for this validity test was 108 respondents, so that $df = N - 2 = 108 - 2 = 106$, then with a significance level of 5%, the $r$ table value is 0.1891. In Table 1 states that all statements in the questionnaire are valid because the value of $r_{count} > r_{table}$.

b. Reliability Test

The Reliability test is used to measure the consistency or failure of the data obtained if done repeatedly (Sugiyono 2015). The results of the Reliability test in this research are described in a table with the results of the reliability test with a sample size of 108. General provisions are said to be reliable if the conbrach alpha number is > 0.60. Based on the above results, it is obtained that the Cronbach alpha value > 0.60 means that the instrument has met the reliability.

c. Normality Test

The normality test above uses the One Sample Komogorov Smirnov Test and the results of the normality test above are that the Asymp results are obtained. Sig. (2-tailed) of 0.2, the results shows that the data is normally distributed.
d. Classical assumption test
The multiconaryity test results show a VIF value of 1.029 not more than 10 and a tolerance value of 0.972 > 0.1, so it can be concluded that there is no perfect correlation between the independent variables. Based on the calculation results, the probability value (Sig.) for each variable is > 0.05. So it can be concluded that the regression model in this research does not occur heteroscedasticity.

e. Multiple Linear Regression Analysis
Multiple linear regression analysis is used to determine the effect of Customer Relationship Management (CRM) and customer satisfaction on customer loyalty. Based on the results of the Multiple Linear Regression test, the regression can be made simultaneously as follows:

\[ Y = 2.056 + 0.55X_1 + 0.222X_2 \]

From this model states that if the variable (Customer Relationship Management (CRM)) \((X_1)\), the Customer Satisfaction variable \((X_2)\) is considered constant, then the customer loyalty of shopee users to students of the Muhammadiyah University of Surakarta is 2,056 units. By assuming Customer Satisfaction = 0, if the Customer Relationship Management (CRM) variable increases by 1 unit, then Customer Loyalty will increase by 0.55 units or it can also be interpreted that if the Customer Relationship Management (CRM) variable increases then Customer Loyalty will also increase. The calculation results show that Customer Relationship Management (CRM) has a beta coefficient value of 0.560 which is greater than the Customer Satisfaction variable. This shows that Customer Relationship Management (CRM) is more dominant in influencing Customer Loyalty to Shopee users than the Customer Satisfaction variable. By assuming \((\text{Customer Relationship Management (CRM)}) = 0\), if the Customer Satisfaction variable increases by 1 unit, Customer Loyalty will increase by 0.222 units or it can also be interpreted that if the Customer Satisfaction variable increases then Customer Loyalty will also increase.

f. Determination Coefficient Test \((R^2)\)
Table 1 Results of the Coefficient of Determination.

<table>
<thead>
<tr>
<th>Model</th>
<th>(R)</th>
<th>(R^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.565</td>
<td>0.319</td>
</tr>
</tbody>
</table>

Primary Data Sources, 2020

The R square obtained in this research data is 31%. This means that 31.9% customer loyalty can be explained by variables (Customer Relationship Management (CRM)) and customer satisfaction. Meanwhile, 68.1% is influenced by other variables or variables outside the model.

g. F Test (Model Accuracy)
Table 2 F Test Results

<table>
<thead>
<tr>
<th>F count</th>
<th>Sig.</th>
<th>Alpha</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.598</td>
<td>0.000</td>
<td>0.05</td>
<td>Tolak Ho</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2020

The results of the analysis show that the significance value is 0.000 <0.05, it can be concluded that there is a simultaneous influence between Customer Relationship Management (CRM) and customer satisfaction on customer loyalty variables.
The above results can be seen from the t test results for the Customer Relationship Management (CRM) variable and customer satisfaction on shopee user customer loyalty to students of the Muhammadiyah University of Surakarta. The instrument test in this research shows that all statement variables are valid and reliable so that further data can be processed and analyzed. The explanation of the hypothesis in this research is explained as follows:

1. The Influence of Customer Relationship Management (CRM) on Customer Loyalty of Shopee Users on Students of the Muhammadiyah University of Surakarta.

2. Customer Relationship Management (CRM) is a company strategy to determine the needs and desires of customers properly and efficiently, one of which is by providing good service quality.

3. Overall research results show that Customer Relationship Management (CRM) has a significant influence on Customer Loyalty, as evidenced by the Sig. 0.000 is less than 0.05. And tcount> ttable, namely 6.855> 1.982. So it can be concluded that H0 is rejected, which means H1 so that there is a significant effect on customer loyalty of shopee users to students of the Muhammadiyah University of Surakarta. The higher the level of Customer Relationship Management (CRM) in a company, the higher the level of customer loyalty. This research is in accordance with previous research conducted by (Lestari & Suwitho, 2018; Ibrahim et al, 2017; Supar & Atmosphere, 2017; Dewa & Setyohadi, 2017; Bagasworo & Hardiani, 2016; Putra et al., 2017).

4. Based on the research results, it can be seen that the respondents' responses to the Customer Loyalty variable, of the two variables there is one that has the highest value, namely Customer Relationship Management (CRM). This research provides information for marketers in knowing the importance of the Customer Relationship Management (CRM) program being implemented, so that marketers in determining marketing strategies and tactics can be better and more efficient than before. One of the ways to increase customer satisfaction is through Customer Relationship Management (CRM)). When consumers are more selective in product selection and prioritize convenience in shopping, companies can develop Customer Relationship Management (CRM) programs to become even more advanced. This can be used as an opportunity for companies to determine sales or product marketing strategies and tactics.

5. The Effect of Customer Satisfaction on Consumer Loyalty of Shopee Users on Students of the Muhammadiyah University of Surakarta. Consumer satisfaction, namely consumer perceptions of certain products or services, where expectations have been fulfilled by buying and using certain products or services (Wijayanti, 2017). The results showed that consumer satisfaction has a significant effect on customer loyalty, as evidenced by the Sig. 0.010 is smaller than 0.05 and it is
obtained that tcount > ttable, which is 2.610 > 1.982. It can be concluded that the level of customer satisfaction has a significant effect on customer loyalty. And if consumers are loyal, they will repurchase the product regularly and continuously. In addition, consumers also provide recommendations to potential customers to buy products. This research is in accordance with previous research conducted by (Lestari & Suwito, 2018; Ibrahim et al, 2017; Supar & Atmosphere, 2017; Laksmmana et al, 2018; Dewa & Setyohadi, 2017; Bagasworo & Hardiani, 2016; Putra et al, 2017).

Customer satisfaction is a description of the product that can be accepted and provide benefits to consumers. To improve the quality and level of customer satisfaction, the company must pay attention to what has always been the demand, needs and desires of shopee users for students of the University of Muhammdayah Surakarta and improve what the company lacks. One way to improve is to determine the quality of company services that are able to meet the needs and satisfaction of customers or prospective customers. Hearing input from consumers or customers then responding to consumer desires or making it happen, the level of consumer satisfaction will increase accompanied by a high level of loyalty as well (Ellinger et al in Achmad & Kuswati 2019).

CONCLUSIONS AND SUGGESTIONS
Based on the results of data analysis and discussion of the influence of Customer Relationship Management (CRM) and customer satisfaction on customer loyalty, the researcher concludes that the results of data analysis indicate that simultaneously there is a significant influence between the Customer Relationship Management (CRM) variables and customer satisfaction on customer loyalty. That there is an influence between the Customer Relationship Management (CRM) variables on customer loyalty, it is evidenced by the Sig. 0.000 is less than 0.05. And t_count > t_table, namely 6.855 > 1.982 and customer satisfaction with customer loyalty, evidenced by the value of Sig. 0.010 is smaller than 0.05 and it is obtained that tcount > ttable, which is 2.610 > 1.982. The value of R square in this research is 31%, meaning that 31% of customer loyalty is influenced by loyalty. Meanwhile, 68.1% is influenced by other variables or variables outside the model.

In this research, it cannot be explained as a whole what factors affect customer loyalty during the Covid-19 period, as it is now possible to obtain different data. It is better if for further research it is better to use more samples and in the distribution of questionnaires not via online in order to get more accurate data and add other variables that affect customer loyalty such as examples of service quality, brand reputation and so on.

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