The Influence of Customer Relationship Management and Service Quality on Consumer Loyalty through Consumer Satisfaction

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Abstract: The development of the times has made companies providing online shopping services move to improve their services to be able to compete with competing companies. This research was conducted to find out whether there is an influence of customer relationship management and service quality on consumer satisfaction and consumer loyalty. This research uses data obtained from distributing questionnaires to 457 internet user respondents. The results of this research are that customer relationship management does not have a significant influence on consumer satisfaction and loyalty, while service quality has a significant influence on consumer satisfaction but has no effect on consumer loyalty.

Keywords: Customer Relationship Management, Service Quality, Customer Satisfaction, Customer Loyalty

INTRODUCTION

In this era of very rapid technological progress, it requires companies providing online shopping application services to move quickly to compete with their competitors. This is evident from the business distribution survey conducted by BPS. The 2022 e-commerce survey is the same as last year's survey results, e-commerce businesses are still concentrated on the island of Java. In 2021, of the 2,868,178 e-commerce businesses, 1,497,655 businesses (52.22 percent) were located on the most populous island in Indonesia (BPS, 2022).

This is also proven by SimilarWeb data which shows tight competition between marketplaces or e-commerce based on the highest number of site visits in Indonesia as of May 1, 2024. SimilarWeb data states that Shopee is still the site that gets the highest visits, namely 268.9 million visitors, far surpassing its competitors. namely, Tokopedia with a total of 120.1 million visitors, followed by Lazada with a total of 50.6 million visitors, then Blibli with a total of 32.3 million visitors, and Bukalapak with a total of 5.2 million visits. visitors (SimilarWeb, 2024).

Customer satisfaction is one of the factors that can encourage customer loyalty. Measuring customer satisfaction is carried out with the main aim of making decisions to improve company performance. Customer satisfaction can be increased not by taking cheap actions or improving quickly, companies need to invest to be able to meet consumer expectations. Customer satisfaction and CRM on online shopping platforms are related things, where by building strong relationships with customers, this e-commerce platform is able to increase loyalty and can also differentiate itself from competitors, where the market is now increasingly competitive. Several things that can increase customer satisfaction among e-commerce platform users are a satisfactory user experience, this includes the ease of using the application for customers. Second is the quality of products and services, where the goods or services offered by the company are able to meet customer expectations. Third is speed of delivery and also product availability, this means that the company must be able to manage and ensure a good supply chain so that the availability of goods is maintained and also the delivery of goods to customers in a fast time. Fourth is feedback and evaluation from customers, where companies are expected to be able to collect suggestions from consumers to improve company services so that consumers can feel more satisfied with the services provided by the company. Apart from increasing consumer satisfaction, consumer loyalty also needs to be considered by companies. Consumer loyalty can be managed through customer satisfaction compared to companies managing consumer loyalty directly. Companies that want to survive and also develop need to think about how to present good products and services that are able to compete in the market and pay attention to providing good service to consumers.

Therefore, companies providing online shopping services must improve the quality of their companies, one way is by increasing customer loyalty. However, this is inversely proportional to what actually happened. Based on the Sensum Survey report regarding 2022 e-commerce trends, the Sensum Survey revealed that 42% of users still have a low level of loyalty. This is proven by the behavior of users who still frequently move between one e-commerce site and another in the last 3 months (SurveiSensum, 2022). Companies providing online shopping services are expected to not only pay attention to the products they offer but also pay attention to customer loyalty by ensuring customer satisfaction on a regular basis.

METHOD

This research uses the Structural Equation Modeling (SEM) method. SEM is a method for analyzing data where the research uses two or more variables in it, either latent variables or non-latent variables (Santoso, 2011) using the help of SmartPls software. The data used was collected by distributing questionnaires. Non-probability sampling is a sampling method where samples are carried out based on certain criteria (Notoatmodjo, 2005).

Based on this understanding, the criteria used for the sample in this study were consumers who used online shopping services in Indonesia such as Shopee, Bukalapak, Tokopedia and other online shopping services in the last month.

RESULTS AND DISCUSSION
Results
Customer Relationship Management

According to Sa'adah and Susi (2021), Customer Relationship Management is the process of building and maintaining a company relationship with consumers that can be profitable by providing products that suit consumer needs so that consumers are satisfied. The aim of implementing Customer Relationship Management is to increase and maintain consumer satisfaction, where every strategy created aims to develop relationships between the company and consumers where the company hopes to increase long-term growth and also the profitability of the company.

There are five main keys in defining customer relationship management according to Baran and Robert (2017),

a) Strategy Development: This strategy development is carried out at the company level and also at the consumer level, which includes decision making regarding various approaches to different consumer segments.

b) Value Creation: Value creation includes determining what products or services can add value to consumers and which consumers in what segments are of value to the company. Implementing CRM can help companies identify relationships and also bridge companies and consumers to form high Customer Lifetime Value (CLV).

c) Multichannel Integration: Multichannel Integration this includes the company's efforts to provide a perfect customer experience.

d) Information Management: In information management, companies collect, organize and also use data from consumers with the aim of being able to learn more about consumers so they can create marketing that suits consumers.

e) Performance Assessment: Performance Assessment is an assessment of the success or failure of CRM implementation in the company.

According to Buttle and Stan (2019), there are three forms of Customer Relationship Management, namely: 1) Strategic CRM: The dominant characteristic of Strategic CRM is a consumer-focused business strategy that aims to win, develop and also make profitable consumers stay with the company; 2) Operational CRM: Operational CRM focuses on automatic integration of consumer-facing processes such as sales, marketing and customer service; and 3) Analytical CRM: The final form of CRM is a process where companies convert data related to consumers into actions that can be used for strategic CRM and operational CRM.

Service Quality

Service Quality according to Gronroos (1978) is the quality of a service expected by consumers, where the expectations of consumers have 2 dimensions, namely technical or results and functions or processes related to the dimensions. According to Dahlan (2023), service quality is a collection of activities carried out to meet consumer needs in the form of goods or services. Service quality itself is an assessment by consumers regarding the products or services received by consumers with the level of consumer expectations. Meanwhile, on the producer or company side, service quality is a product or service specification that is tailored to the needs of consumers with the aim that consumers feel satisfied with the products or services provided by the company (Idrus, 2019).

Rohaeni da Nisa (2018) also explains that service quality is the fulfillment of consumer needs based on the level of superiority of the product or service to be able to meet consumer expectations for the product or service.

According to Kotler (2002), the following are five dimensions of service quality:

a) Reliability: Reliability is the ability of the company to provide the services promised by the company accurately. One of the things companies can do is punctuality when providing services.

b) Responsiveness: Responsiveness is the company's ability to provide services responsively and also the company's ability to help consumers and provide the best service for consumers.

c) Assurance: Assurance is the company's ability to provide guarantees regarding the services provided. Where in this case, the company gives consumers a sense of trust and confidence that the company will meet consumer needs. This includes the employee's ability to provide information related to products or services needed by consumers and also the behavior of employees in serving consumers.

d) Empathy: Empathy is the attention given by employees to consumers, such as providing information that consumers may need, how to communicate with consumers well, and also the company's efforts to understand consumer needs.
e) Tangibles: Tangibles is the company's ability to demonstrate the company's presence to outside parties. This can be in the form of the appearance or capabilities of the company's facilities and infrastructure.

Customer Satisfaction

According to Hill et al (2007), consumer satisfaction is a consumer's feelings, either negative or positive, based on the experiences experienced by the consumer. Consumer satisfaction is the feeling felt by consumers after comparing the products or services received by consumers with the expectations of consumers (Zulkarnaen and Neneng, 2018). Consumer satisfaction is the level of consumer feelings which are usually positive after comparing the product or service received with the consumer's expectations of the goods or services.

Strauss and Neuhaus (2018), the following are the types of customer satisfaction, namely:
a) Demanding Customer Satisfaction: This type of consumer satisfaction is an active type, where in this type of satisfaction, consumers have positive hopes for the company in satisfying consumer expectations.
b) Stable Customer Satisfaction: This type of consumer satisfaction is passive and also demanding, where in this type consumers have the hope that everything remains the same. Consumers of this type have a willingness to build relationships with companies because they have had positive experiences with the company.
c) Resigned Customer Satisfaction: Consumers of this type are consumers with a sense of satisfaction that is formed because of realistic consumer thinking. Consumers of this type tend to be passive.
d) Stable Customer Dissatisfaction: Consumers of this type tend to feel dissatisfied with the company but are only passive. Where in this type, consumers tend to see that there will be no changes or improvements from the company to fix this.
e) Demanding Customer Dissatisfaction: Consumers of this type have negative emotions, where these emotions encourage consumers to protest and oppose the company. This means that consumers are demanding improvements from the company

Customer Loyalty

According to Mulyawan and Rinawati (2016), consumer loyalty is the behavior of consumers who become regular customers, where these consumers make repeated purchases and have positive value for the company. According to Griffin (2005), there are four types of consumer loyalty, namely:
a) No Loyalty: This category includes consumers who do not have loyalty to one company. Where companies must pay attention to avoid making this type of consumer because this type of consumer will never become a loyal consumer. Companies are better off paying attention to consumers with a level of loyalty that can be developed.
b) Weak Loyalty: This type of loyalty is often found in products or services that are often purchased in general by consumers. This type of consumer is vulnerable to switching to other competitors who can provide clear benefits. Companies can change this type of consumer into loyal consumers by taking an active approach and can also increase the differentiation of products and services from competitors' products or services.
c) Hidden Loyalty: In this category, consumers have a high level of preference but repeat purchases from consumers are still relatively low. Where in this category the factors that

can influence repeat purchases from consumers are no longer situational or attitudinal factors.

d) Premium Loyalty: This category is at the top level, where consumers can really increase their loyalty by the company. Where this might happen if the level of consumer interest and consumer purchasing levels is high.

The results were obtained from processing 457 respondents' data, where the respondents were divided into 260 respondents who were women and 197 respondents who were men. The age range of the respondents was also divided into 4 age categories, namely 20 - 39 years (Millennials) with a total of 292 respondents, 40 - 54 years old (Gen The education of the respondents was divided into 4 categories with the largest number being in the Postgraduate (S2/S3) category with 224 respondents, secondly there were Bachelor (S1) with 127 respondents, High School/Equivalent with 83 respondents and the last category was Diploma with 23 respondents. The origins of the respondents were divided into several categories with the majority of respondents coming from JABODETABEK with 351 respondents, West Java and Banten with 48 respondents, Central Java and Yogyakarta with 23 respondents, Bali, NTT, NTB and Kalimantan with 3 respondents. Sulawesi, Maluku and Papua with 2 respondents and Europe with 1 respondent. Most respondents' income was > 10 million with a total of 134 respondents, then > 2.5 million - 5 million with a total of 109 respondents, > 5 million - 7.5 million with 78 respondents, < 2.5 million there were 76 respondents, and > 7.5 million - 10 million were 60 people.
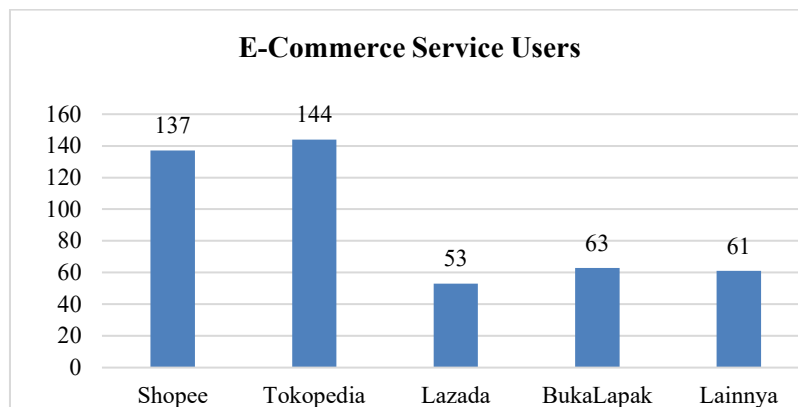

Figure 1. E-Commerce Service Users

The largest choice of platform for online purchases was the Tokopedia platform with 144 respondents choosing, second was Shopee with 137 respondents, third was Bukalapak with 63 respondents, Lazada with 53 respondents. and others with a total of 61 respondents.

The use of devices used for online purchases is divided into several parts, namely, 350 respondents use smartphones via application, 46 respondents use smartphones via site, 44 respondents use laptops, 9 people use tablets via application and 9 people use other devices. respondents. the average spent by respondents in the last three months was 229 people who spent an average of < 500 thousand in the last three months, > 500 thousand - 1 million as many as 145 respondents, and > 1 million - 2.5 million as many as 49 people with the frequency of shopping was 1 time in the last month as many as 165 respondents, 2 times as many as 135 respondents, 3 times as many as 93 respondents, 4 times as many as 20 respondents and more than 5 times as many as 24 respondents.
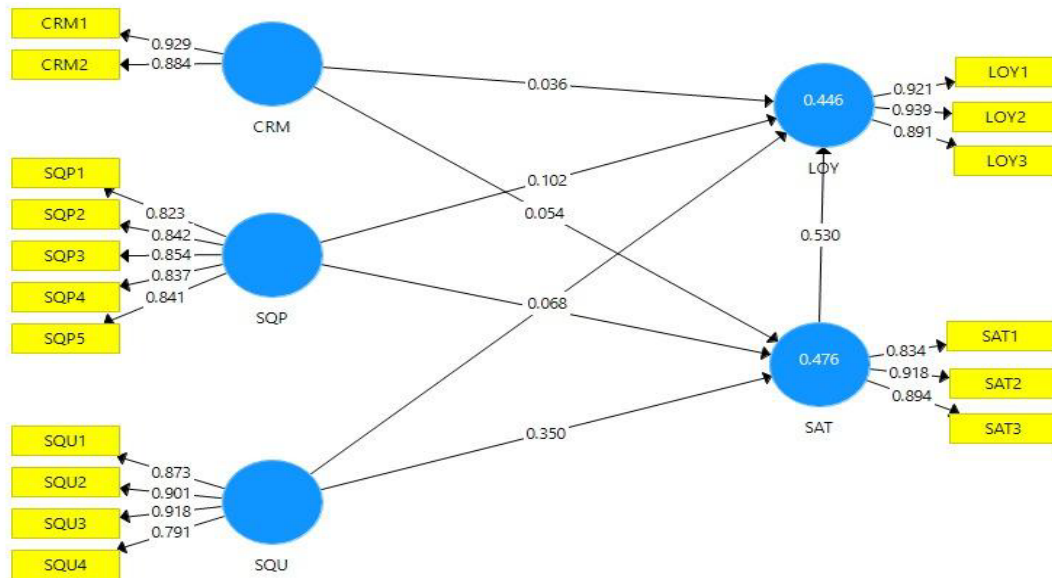
Figure 2. PLS SEM Results

Based on the results obtained from data processing with the help of SmartPLS, the hypothesis can be accepted if the results of the p values are <0.05. The result obtained is that H1 is the influence of the CRM variable on the SAT variable, where the result of the p value is 0.259, this means that the CRM variable has no influence on the SAT variable. In H2, namely the influence of the SQP variable on the SAT variable where the p value is 0.000, this means that hypothesis 2 is accepted and the SQP variable has an influence on the SAT variable. H3, namely the influence of the SQU variable on the SAT variable, has a result of 0.000, which means that there is an influence between the SQU variable and the SAT variable and hypothesis 4 is accepted. H4 the influence of SAT on the LOY variable has a result of 0.000, this means that hypothesis 4 is accepted and the SAT variable has an influence on the LOY variable. H5, namely the influence of the CRM variable on the LOY variable, has a value of 0.259. This means that hypothesis 5 is rejected because it has a result > 0.005, so the CRM variable has no influence on the LOY variable. H6 is the influence of the SQP variable on the LOY variable where the results show that the SQP variable has no influence on the LOY variable because it has a result > 0.05 which is 0.077 and H7 namely the SQU variable on the LOY variable has a value of 0.196 where the result is > 0.05 so hypothesis 7 is rejected and the variable SQU has no influence on the LOY variable.

Based on the research results, it was found that the reliability test and validity test on SmartPLS produced a value above 0.6 for all variables where the results of Cronbach's alpha for the CRM variable were 0.786, the SAT variable was 0.857, the SQU variable was 0.894, the SQP variable 0.896 and the LOY variable 0.905. Meanwhile, the Composite Reliability results of the CRM variable have a result of 0.902, the SAT variable is 0.914, the SQU variable is 0.927, the SQP variable is 0.923, and the LOY variable is 0.941, this means that all the variables in this study meet the reliability and validity in variable measurement.

CONCLUSION

CRM was found not to have a significant influence on consumer loyalty or satisfaction, which means that good CRM cannot necessarily increase the level of satisfaction and loyalty of users of online buying and selling services. Meanwhile, service quality has a significant influence on satisfaction but has no influence on loyalty. This means that the higher the quality of service provided by the company, the higher the level of consumer satisfaction. However, the higher the quality of service is not one of the factors that can increase the level of consumer

loyalty. For consumer satisfaction, an increase in consumer satisfaction can increase consumer loyalty, this means that the higher the level of consumer satisfaction, the higher the level of consumer loyalty.

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