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ANALYSIS OF E-CRM, E-MARKETING ON CUSTOMER LOYALTY WITH INTERVENING VARIABLES OF CUSTOMER SATISFACTION AT PT. INDOFOOD CBP SUKSES MAKMUR Tbk.

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Abstract: The purpose of this study was to determine the effect of E-CRM and E-Marketing on customer loyalty and intervening satisfaction of consumers of PT. Indofood. In this study, the authors use Structural Equation Modeling (SEM) with the Partial Least Square (PLS) approach to answer research problems related to the effect of E-CRM and E-Marketing on customer loyalty with the intervening variable of customer satisfaction. This study indicates that based on the results of hypothesis testing, E-CRM affects customer loyalty with the intervening variable of customer loyalty with the intervening affects customer loyalty with the intervening variable of customer satisfaction.

Keywords: Customer loyalty, customer satisfaction, E-Marketing, E-CRM.

INTRODUCTION

Successful marketers are marketers who can relate well, who can satisfy customers profitably. Apart from benefiting customers, creating loyal customers is at the core of every business. A business that makes customers the centre of culture within the company. Customer-centred companies will try to create high customer satisfaction by building good customer relationships. (CRM) Nowadays, customers are more educated and knowledgeable. They have digital means (the internet) to find out claims to the company and look for better alternatives. Such a process encourages companies to follow the technology that is almost all digital-based.

Creating solid and close relationships with customers and effective marketing *up to date is* one of the most effective ways is by digital (electronic) as if E-Marketing is the process of delivering value to customers. At the same time, E-CRM is a system used to maintain the returned value. E-CRM is a customer relationship that is held electronically (Turban et al., 2008). E-CRM

uses digital communication technology to maximize business relationships with existing customers and continue to encourage the use of online services (Chaffey, 2009).

The management of E-Marketing and E-CRM carried out by companies by organizing and digitally accessing databases can provide information about needs, preferences, relationships and purchase frequency (loyal) and individual customer satisfaction directly.

Based on this phenomenon, the researchers took the title of analysis of E-CRM and E-Marketing on Customer Loyalty with Intervening Variables of Customer Satisfaction with the object of research at the company PT. Indofood CBP Sukses Makmur Tbk.

LITERATURE REVIEW

Marketing Management

Marketing management is the activity of analyzing, planning, implementing, and controlling various programs that have been compiled into the formation, development, and maintenance of profits from transactions or exchanges through target markets to achieve company goals in the long term (Sofjan Assauri 2013:12).

Marketing management is a system of all business activities aimed at planning, pricing, promoting, and distributing goods or services that can satisfy consumers (William J. Stanton).

E-Customer Relationship Management

E-CRM is a customer relationship management held electronically (Tuban, E. et al., 2008). E-CRM uses digital communication technology to maximize business relationships with existing customers and continue to encourage the use of online services (Chaffey, D., 2009). Based on this understanding, relationships with customers can be sustainable and not just interrupted. E-CRM implementation can be expected to generate significant value for companies and customers in an age when people are connected (Jih & Lee, 2011).

E-Marketing

E-Marketing is the use of information technology to create, communicate, and deliver value to customers. It can also maintain customer relationships for mutual benefit (Strauss & Ansary in Salehi et al., 2012).

Companies need to consider electronic marketing opportunities. Therefore companies need to know how to create an attractive website (Kotler & Keller, 2008).

Customer satisfaction

According to Zeithaml and Bitner (2000:75), the definition of satisfaction is consumers' response regarding the fulfilment of needs. Satisfaction is an assessment of the characteristics or features of a product or service or the product itself, which provides a level of consumer pleasure related to meeting consumer consumption needs.

According to Kotler and Keller 2013:139 defines satisfaction (Satisfaction) is a person's feelings of pleasure or disappointment arising from comparing the product's perceived performance (or result) against their expectations.

Customer loyalty

Hermawan Kartajaya (2004:78) loyalty manifests the fundamental human need to have, support, feel safe, build attachments, and create emotional attachments.

Oliver (Kotler and Keller, 2013:138) defines loyalty as "a deeply held commitment to buy or re-support a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause customer switching."

RESEARCH METHOD

In this study, the authors use Structural Equation Modeling (SEM) with a Partial Least Square (PLS) approach to answer research problems related to the effect of E-CRM and E-Marketing on Customer Loyalty with the intervening variable Customer Satisfaction. Subjects in this study are consumers who know and consume PT. Indofood products, with as many as 95 respondents.

FINDING AND DISCUSSION

Finding

Structural Model Testing (Inner Model)

Structural model testing (inner model) was carried out using R-square. The value of R2 indicates the accuracy of the prediction of the model. (Hair, 2017). R2 value equal to 0.25 has a weak effect, 0.5 has a moderate impact, and 0.75 is having a substantial impact (Chin, 2010).



Figure 1

Structural Model of Influence E-CRM (X1), E-Marketing (X2) with Intervening Customer Satisfaction (Y) on Customer Loyalty (Z)

Table 1 is the R-square result for the research model, which is calculated using SmartPLS software.

R-Square Nilai Value					
	R Square				
Customer Satisfaction (Y)	0.806				
Customer Loyalty (Z)	0.785				

Table 1 R*-Square Nilai Valu*

Table 1 shows the R-square value for the Customer Satisfaction variable (Z) obtained at 0.785. These results indicate that the variables of E-CRM and E-Marketing influence 78.5% of customer satisfaction.

The R-square value for the Customer Loyalty (Z) variable was obtained at 0.806. These results indicate that 80.6% change in Customer Loyalty is influenced by E-CRM and E-Marketing with Customer Satisfaction intervening.

Structural model size f² effect assessment

Effect size f^2 shows the contribution of each construct to Customer loyalty. The f^2 value equal to 0.02, 0.15, 0.35 can be interpreted that the latent variable predictor has a small, medium and significant effect (Hair, 2017). The calculation results in *Effect size* f^2 are given in table 2.

Sti uctur ar Wouch Effect Size Assessment										
	Customer s	atisfaction	Customer loyalty							
	Effect size	Information	Effect	Information						
Endogenous construct	f^2		size f ²							
E-CRM (X1)		Medium/Medium		Small influence						
	0.181	Influence	0.039							
E-Marketing (X2)		Medium/Medium		Small influence						
	0.287	Influence	0.018							
Customer Satisfaction (Y)				Medium/Medium						
			0.270	Influence						

 Table 2

 Structural Model Effect Size Assessment

Hypothesis test

After describing the results of the measurement model testing of each variable and the accuracy of the structural model then tested the significance of the partial effect of the exogenous variable (independent variable) on the endogenous variable (the dependent variable) by the existing hypothesis. To test the proposed hypothesis, the t-statistic value can be seen. The limit for rejecting and accepting the proposed hypothesis is if the t value is in the range of -1.96 to 1.96, then the hypothesis will be rejected or accept the null hypothesis (H0).



Structural Model T statistic value

The results of the statistical estimation are described as follows:

Effect Significance Test Results									
	Original Sample (O)	Sample mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	f^2 . value			
E-CRM (X1) -> Customer Satisfaction (Y)	0.409	0.403	0.078	5,271	0.000	0.181			
E-Marketing (X2) -> Customer Satisfaction (Y)	0.515	0.517	0.075	6.851	0.000	0.287			
E-CRM (X1) -> Customer Loyalty (Z)	0.217	0.209	0.098	2.225	0.028	0.039			
E-Marketing (X2) -> Customer Loyalty (Z)	0.153	0.156	0.136	1,129	0.262	0.018			
Customer Satisfaction (Y) -> Customer Loyalty (Z)	0.548	0.555	0.105	5.215	0.000	0.270			
E-CRM (X1) -> Customer Satisfaction (Y) -> Customer Loyalty (Z)	0.224	0.228	0.076	2,964	0.004				
E-Marketing (X2) -> Customer Satisfaction (Y) -> Customer Loyalty (Z)	0.282	0.284	0.052	5.405	0.000				

Table 2Effect Significance Test Results

Source: PLS Calculation Results

Discussion

The Effect of E-CRM on Customer Satisfaction

E-CRM is hypothesized to affect customer satisfaction. The following presents the results of the significance test of the hypothesis through statistical hypotheses as follows:

Ho. $\gamma 11 = 0$: E-CRM does not affect customer satisfaction Ha. $\gamma 11 0$: E-CRM has an impact on customer satisfaction

The results of testing the first hypothesis show that the relationship between the E-CRM variable and customer satisfaction is indicated by the path coefficient value of 0.409 with a t-value of 5.271 with a p-value of 0.000.

The t-statistic value obtained is more significant than critical (1.960), and the p-value is smaller than the alpha value of 0.05. These results mean that E-CRM affects customer satisfaction. The effect size f^2 shows the contribution of the construct to the dependent variable. The f^2 value equal to 0.02, 0.15, 0.35 can be interpreted that the latent variable predictor has a small, medium and significant effect (Hair, 2017). Based on the calculation results, the value of f^2 E-CRM (X1) is 0.181. Because the f^2 value is between 0.15 - 0.35, it can be stated that the effect size for the effect of E-CRM on customer satisfaction is moderate

The Effect of E-Marketing on Customer Satisfaction

E-Marketing is hypothesized to affect customer satisfaction. The following presents the results of the significance test of the hypothesis through statistical hypotheses as follows: Ho. $\gamma 12 = 0$: E-Marketing does not affect customer satisfaction Ha. $\gamma 12$ 0: E-Marketing has an impact on customer satisfaction

The results of testing the first hypothesis show that the relationship between the variables

E-Marketing with customer satisfaction is indicated by the path coefficient value of 0.515 with a t-value of 6.851 with a p-value of 0.000.

The t-statistic value obtained is more significant than critical (1.960), and the p-value is smaller than the alpha value of 0.05. These results mean that E-Marketing affects customer satisfaction. The effect size f^2 shows the contribution of the construct to the dependent variable. The f^2 value equal to 0.02, 0.15, 0.35 can be interpreted that the latent variable predictor has a small, medium and significant effect (Hair, 2017). Based on the calculation results obtained the value of f^2 E-Marketing (X2) of 0.287. Because the value of f^2 is between 0.15 - 0.35, it can be stated that the effect size for E-Marketing on customer satisfaction is medium/moderate.

The Effect of E-CRM on Customer Loyalty

E-CRM is hypothesized to affect customer loyalty. The following presents the results of the significance test of the hypothesis through statistical hypotheses as follows: Ho. $\gamma 21=0$: E-CRM does not affect customer loyalty Ha. $\gamma 21$ 0: E-CRM affects customer loyalty Testing the first hypothesis shows that the relationship between the E-CRM variable and customer loyalty is indicated by the path coefficient value of 0.217 with a t-value of 2.225 with a p-value of 0.028.

The t-statistic value obtained is more significant than critical (1.960), and the p-value is smaller than the alpha value of 0.05. These results mean that E-CRM affects customer loyalty. The effect size f^2 shows the contribution of the construct to the dependent variable. The f^2 value equal to 0.02, 0.15, 0.35 can be interpreted that the latent variable predictor has a small, medium and significant effect (Hair, 2017). Based on the calculation results, the value of f^2 E-CRM (X1) is 0.038. Because the f^2 value is between 0.02 - 0.18, it can be stated that the effect size for the effect of E-CRM on customer loyalty is small.

The Effect of E-Marketing on Customer Loyalty

E-Marketing is hypothesized to affect customer loyalty. The following presents the results of the significance test of the hypothesis through statistical hypotheses as follows: Ho. $\gamma 22 = 0$: E-Marketing does not affect customer loyalty Ha. $\gamma 22 0$: E-Marketing affects customer loyalty

Testing the first hypothesis shows that the relationship between the E-Marketing variable and customer loyalty is indicated by the path coefficient value of 0.153 with a t-value of 1.129 with a p-value of 0.262. The t-statistic value obtained is smaller than critical (1.960), and the p-value is greater than the alpha value of 0.05. These results mean that E-Marketing affects customer loyalty.

The Influence of Customer Satisfaction on Customer Loyalty

Customer satisfaction is hypothesized to affect customer satisfaction. The following presents the results of the significance test of the hypothesis through statistical hypotheses as follows: Ho. $\beta 21 = 0$: Customer satisfaction does not affect customer loyalty Ha. 21 0: Customer satisfaction affects customer loyalty

Testing the first hypothesis shows that the relationship between customer satisfaction and customer loyalty is indicated by the path coefficient value of 0.548 with a t-value of 5.215 with a p-value of 0.000.

The t-statistic value obtained is more significant than critical (1.960), and the p-value is smaller than the alpha value of 0.05. This result means that customer satisfaction affects customer loyalty. The effect size f^2 shows the contribution of the construct to the dependent variable. The f^2 value equal to 0.02, 0.15, 0.35 can be interpreted that the latent variable predictor has a small, medium and significant effect (Hair, 2017). Based on the calculation results obtained f^2 value of customer satisfaction (Y) of 0.270. Because the f^2 value is between 0.18 - 0.35, it can be stated that the effect size for the effect of customer satisfaction on customer loyalty is moderate.

Effect of E-CRM on Customer Loyalty with Intervening Variable Customer Satisfaction

E-CRM is hypothesized to affect customer loyalty with the intervening variable, Customer Satisfaction. The following presents the results of the significance test of the hypothesis through statistical hypotheses as follows:

Ho. γ 11 21 = 0: E-CRM does not affect customer loyalty with the intervening variable Customer Satisfaction

Ha. 11 $21 \neq 0$: E-CRM affects customer loyalty with the intervening variable Customer Satisfaction

The results of testing the first hypothesis indicate that the relationship between the E-CRM variable on customer loyalty and the intervening variable Customer Satisfaction is indicated by the path coefficient value of 0.224 with a t_{count} value of 2.964 with a p-value of 0.004. The t-statistic value obtained is more significant than critical (1.960), and the p-value is smaller than the alpha value of 0.05. These results mean that E-CRM affects customer loyalty with the intervening variable, Customer Satisfaction.

Effect of E-Marketing on Customer Loyalty with Intervening Variable Customer Satisfaction

E-Marketing is hypothesized to affect customer satisfaction. The following presents the results of the significance test of the hypothesis through statistical hypotheses as follows:

The results of testing the first hypothesis show that the relationship between the E-Marketing variable and customer satisfaction is indicated by the path coefficient value of 0.282 with a t-value of 5.405 with a p-value of 0.000. The t-statistic value obtained is more significant than critical (1.960), and the p-value is smaller than the alpha value of 0.05. These results mean that E-Marketing affects customer loyalty with the intervening variable, Customer Satisfaction.

CONCLUSION

E-CRM affects customer loyalty with the intervening variable of customer satisfaction and the results of testing the hypothesis that E-Marketing has an impact on customer loyalty with the intervening variable of customer satisfaction. E-Marketing affects customer satisfaction, so it can be stated that the effect size for E-Marketing customer satisfaction is medium/moderate. Customer satisfaction affects customer loyalty, so it can be noted that the effect size for the effect of customer satisfaction on customer loyalty is reasonable. E-CRM has an impact on customer loyalty with the intervening variable, Customer Satisfaction.

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