# CRM CAPABILITIES REVIEW FROMCUSTOMER ORIENTATION, CUSTOMER-CENTRIC ORGANIZATIONAL SYSTEM, CRM TECHNOLOGY AND THEIR IMPACT ON SATISFACTION AND LOYALTY

*Alam Winulang[1], Burhanudin[2]*
[12]Master of Management, Hayam Wuruk Perbanas University, Surabaya
alamwinulang.aw@gmail.com

*Abstract*

The purpose of this research is to analyze Customer Orientation, Customer-Centric Organizational System, CRM Technology to CRM Capabilities and Their Impact on Customer Satisfaction and Loyalty of PT Asuransi Jasa Indonesia. The population used is the customers of PT Asuransi Jasa Indonesia and the sampling technique is carried out using a purposive sampling technique as many as 130 respondents. This research is a correlation type using a quantitative method approach. The results showed that Customer Orientation had no significant effect on the CRM Capabilities variable, Customer-Centric Organizational System had a significant effect on the CRM Capabilities variable, CRM Technology had a significant effect on the CRM Capabilities variable, CRM Capabilities had no significant effect on Customer Satisfaction,

## I. INTRODUCTION

Seeing the increasingly fierce competition in the business world, it requires companies to choose and implement the right strategy in order to keep up with market developments. There are many strategies that can be applied to service companies in Indonesia, especially PT Asuransi Jasa Indonesia so that they can excel and compete, including the implementation of Customer Relationship Management (CRM) to provide a sense of satisfaction so that customers become more loyal because customers are handled specifically by the company.

CRM is one of the choices of PT Asuransi Jasa Indonesia in the face of intense business competition in order to survive and succeed even more so to satisfy consumers. In order for companies to get value in the eyes of consumers, they are required to be able to link new consumers and existing customers, or if possible, it can be improved by maintaining mutually beneficial relationships, both from the company and from

consumers. With the satisfaction felt by consumers from the services provided and the results of quality products, the company's profits will also increase even more maximally and can excel in undergoing business competition.

In insurance service companies, there are various factors in increasing the effectiveness of services to customers, including by implementing CRM which focuses on communication between the company and its customers. The application of CRM can make it easier for companies to serve their customers by making adjustments to what customers need.

Providing good service to customers is one of the important factors to improve so that customers feel satisfied with the services of the company so that customers become more loyal to the company. This is because customers are valuable assets for the progress of the company, especially for insurance service companies where customers have a very large role in determining the amount of profit in the insurance service company.

With the company's efforts to improve service to customers to be of higher quality, insurance service companies have high hopes for customer satisfaction and loyalty which will also have an impact on the performance of the insurance service company. Thus PT Asuransi Jasa Indonesia seeks to implement CRM so that customers become more satisfied and more loyal to PT Asuransi Jasa Indonesia. Research resultPutra, et al., (2017)found that customer relationship management can increase customer loyalty.

## II. RESEARCH METHODS

The type of correlation research is the choice for carrying out the analysis of this research and quantitative methods are the choice for the research approach.Arikunto, (2016)provide an explanation of the type of correlation research that has the aim of knowing the magnitude of the relationship on each variable in the research conducted by not adding, subtracting, changing data or even manipulating the data that has been obtained by the researcher. Besides that,Sugiyono, (2017)also conveyed his explanation of the quantitative approach which is a research with the philosophy of positivism or an event that actually happened as a reference in research with a certain sample of respondents in accordance with the adequacy of data processing by using instruments to measure research variables using statistical analysis to carry out testing on the pre-determined hypothesis.

The population in this research are customers of PT Asuransi Jasa Indonesia. Determination of research samples taken from part of the population. This is in accordance with the opinion ofEmory & Cooper, (2005)where the sample can be explained as part of the population by carefully selecting the sample so that the total

population can be represented by the sample.

The sample in this study was determined using purposive sampling technique, which used the criteria that had been selected by the researcher in selecting the sample. The distribution of questionnaires is done by giving questionnaires to insurance service users of PT Asuransi Jasa Indonesia. Meanwhile, to analyze the data using the Structural Equation Modeling (SEM) technique.

Then for the size of the sample using a multivariate in accordance with the statement of Hair, et. al. in Ferdinand (2011), if the indicators used in measuring the research variables are 5-10 indicators. Then the calculation is 5 x 26 = 130 respondents. So that the number of samples obtained is 130 customers of PT Asuransi Jasa Indonesia. Sampling with this amount because according to Hair et al in Ferdinand (2011) argues that the connection with the requirements for analyzing the sample size used is between 100-200.

In addition, the sampling technique is pairwise sampling, in which the sample can be determined based on one object represented by 1 subject in pairs and one (paired method), if it is felt that the person who was intentionally met is included in the criteria that have been previously set (Sugiyono, 2017). . This sample is done by taking pairs in certain groups.

The data analysis technique used in this research is descriptive analysis and Structural Equation Model (SEM). SEM analysis is used as an examination in the justification of a model that has the requirements for the construction of a model composed of a structural model that can be measured and can be included in a flow chart.

## III. RESULTS AND DISCUSSION

The item in the statement can be said to be valid if it can really reveal the existing conditions and is declared valid (Ghozali, 2016). Pearson Product Moment is a determinant in testing a statement item can be said to be valid or not by comparing the correlation coefficient, the sig value obtained from the calculation results with 0.05 as the significance level. The validity test carried out in this study found that each indicator used to measure the variables of this study obtained valid conclusions, this can be because all statement items have a correlation coefficient value which has a sig value of 0.000 where the number does not exceed 0.05 as the significance level of the validity test. .

Subsequent testing after validity, testing is carried outreliability on each variable by measuring the extent to which the variables used can be relied upon (Ghozali, 2016). Measurement of reliability test is done by comparing the Alpha value obtained with a Cut of Alpha level of 0.7. The validity test that was carried out showed that each

FAKULTAS EKONOMI
UNIVERSITAS ISLAM LAMONGAN

JURNAL EKBIS

ANALISIS, PREDIKSI, DAN INFORMASI

https://jurnalekonomi.unisla.ac.id

E-ISSN : 2621- 4210
P-ISSN : 1979- 746X

variable, both exodogenous and endogenous and intervening variables, obtained reliable conclusions, things or existing variables could be relied on. The reason is because all variables have an Alpha value at the Cut of Alpha level of 0.7.

**Hypothesis test**

After the data passes the validity and reliability testing, and SEM analysis with PLS in this study can be seen in the following t-statistic table:

**Table 3.**Analysis Results*t-Statistic*

|  | Original Sample (O) | Sample Mean (M) | (STDEV) | T Statistics (|O/STDEV|) |
|---|---|---|---|---|
| Customer Orientation (OP) -> CRM Capabilities (CRMC) | 0.070 | 0.080 | 0.071 | 0.984 |
| *Customer-Centric Organizational System*(CCOS) -> CRM Capabilities (CRMC) | 0.348 | 0.355 | 0.069 | 5.039 |
| *CRM Technology*(CRMT) -> CRM Capabilities (CRMC) | 0.567 | 0.561 | 0.055 | 10,401 |
| *CRM Capabilities*(CRMC) -> Customer Satisfaction (KP) | 0.162 | 0.170 | 0.091 | 1,794 |
| Customer Satisfaction (KP) -> Customer Loyalty (LP) | 0.374 | 0.401 | 0.068 | 5.535 |

The test results show that Customer Orientation has no significant effect on*CRM Capabilities*, this is because the result of the t statistic produced is 0.984 where the value does not reach 1.96. Customer-Centric Organizational System significantly on CRM Capabilities, this is because the result of the t statistic produced is 5.039 where the value has exceeded 1.96. CRM Technology significantly on CRM Capabilities, this is because the result of the t statistic produced is 10,401 where the value has exceeded 1.96. CRM Capabilities are not significant on Customer Satisfaction, this is because the results of the t statistics generated are1,794where the value does not reach 1.96. Customer Satisfaction significantly onCustomer loyalty, this is because the result of the resulting t statistic is5.535where the value has exceeded 1.96.

**Structural Model Testing**

After obtaining the results of the analysis using t-statistics, the next test is intended to test the structural model using R-square analysis on all dependent latent variables used in the study. The indication of the structural model used can be said to be strong if the R-square of the endogenous latent variable is able to reach 0.75. The indication of the structural model used can be said to be moderate if the R-square of the endogenous

latent variable is able to reach 0.50. The indication of the structural model used can be said to be weak if the R-square of the endogenous latent variable is able to reach 0.25 (Ghozali, 2016). The results of the SEM analysis with PLS in the study can be seen in the following table:

**Table 4. Structural Model Testing**

|  | R Square |
| --- | --- |
| Customer Orientation (OP) |  |
| *Customer-Centric Organizational System*(CCOS) |  |
| *CRM Technology*(CRMT) |  |
| *CRM Capabilities*(CRMC) | 0.540 |
| Customer Satisfaction (KP) | 0.026 |
| Customer Loyalty (LP) | 0.140 |

Test results*R-square*theshow thatThe independent variables of Customer Orientation, Customer-Centric Organizational System, and CRM Technology can have a moderate effect on CRM Capabilities, this is because the R-square of the endogenous latent variable is 0.540 which can reach 0.50. Then CRM Capabilities can have an effect on customer satisfaction can be said to be weak, this is due to the R-square of the endogenous latent variable of 0.026 which is able to reach 0.25. Furthermore, customer satisfaction can have a weak influence on customer loyalty, this is due to the R-square of the endogenous latent variable 0.140 which is able to reach 0.25.

After obtaining the R-square value, then the Q2 value is calculated so that it can be seen whether the observations have been made based on the model made by estimating all the existing parameters to determine whether the structural model is appropriate or not (Ghozali, 2014):

$$Q^2 = 1 - [(1 - R1) \times (1 - R2) \times (1 - R3)]$$
$$= 1 - [(1 - 0.540) \times (1 - 0.026) \times (1 - 0.140)]$$
$$= 1 - [(0.460) \times (0.974) \times (0.860)]$$
$$= 1 - [0.385]$$
$$= 0.615$$

Based on the calculation of the suitability of the structural model to obtain a value of Q2 = 0.615, this value is categorized as a strong value. Therefore, it is said that the modeling already has predictive relevance.

**The Influence of Customer Orientation on CRM Capabilities**

Customer Orientation has no significant effect on the CRM Capabilities variable, this statement is supported by the acquisition of statistical t analysis which shows 0.984 where the value has exceeded 1.96. However, based on the results of the analysis, an original sample estimate was also obtained which showed 0.070 so that it can be seen

the direction of the positive influence between Customer Orientation and CRM Capabilities. Thus, it can be concluded that Customer Orientation has a positive influence but has no significance on CRM Capabilities.

The effect that occurs between Customer Orientation and CRM Capabilities is positive. This positive influence can be interpreted that the better the Customer Orientation, the more it will be able to increase CRM Capabilities but its role is small in influencing because the effect that occurs is not significant. Thus, it is important for PT Asuransi Jasa Indonesia in Surabaya to pay attention to the extent to which the company is able to create good customer orientation so that it will have an impact on increasing the company's ability to establish relationships with customers. Dubey and Sangle (2018) explain that customer orientation requires a high level of commitment and ability to collect, disseminate and leverage customer insights to develop responsive strategies with coordinated actions across functions.

The results in this study are not in accordance with the results of Wang and Feng's (2012) research which states in their research that customer orientation has a significant effect on CRM capabilities.

**Influence of Customer-Centric Organizational System on CRM Capabilities**

*Customer-Centric Organizational System* has a significant effect on the CRM Capabilities variable, this statement is supported by the acquisition of statistical t analysis which shows 5,039 where the value has exceeded 1.96. Based on the results of the analysis, the original sample estimate value is 0.348 so that it can be seen the direction of the positive influence between Customer-Centric Organizational System and CRM Capabilities. Based on the results of the study, it was found that the Customer-Centric Organizational System had a significant positive effect on CRM Capabilities. Thus the second hypothesis which reads "Customer-Centric Organizational System has a significant effect on CRM Capabilities" is proven true.

In testing the hypothesis, it is proven that the Customer-Centric Organizational System has a positive significant impact on CRM Capabilities. Thus, there is a unidirectional influence so that the better the Customer-Centric Organizational System, the more it will be able to increase the company's CRM Capabilities. So that this can be a reference for PT Asuransi Jasa Indonesia in Surabaya who wants to improve its ability to build relationships with customers by improving organizational systems that are increasingly focused on customers. Dubey and Sangle (2018) explain that Over the past two decades, the business world has witnessed a paradigm shift in the business environment, which is characterized by regulatory changes, the emergence of non-traditional players, increasing globalization, increasingly fierce competition, and advances in information technology (IT). This encourages organizations to adopt a customer-centric approach that focuses on building loyalty in stark contrast to the old transaction-focused marketing practice

The results of this analysis are in line with Wang and Feng (2012), where their research proves that customer-centric organizational systems have a significant influence on CRM Capabilities.

**The Effect of CRM Technology on CRM Capabilities**

*CRM Technology*significant effect on the CRM Capabilities variable, this statement is supported by the acquisition of statistical t analysis which shows 10,401 where the value has exceeded 1.96. Based on the results of the analysis obtained 0.567 for the original sample estimate so that it can be seen the direction of the positive influence on CRM Technology with CRM Capabilities. Therefore, it can be concluded that CRM Technology has a significant positive effect on CRM Capabilities.

Based on these findings, it is proven that CRM Capabilities can be significantly and positively influenced by CRM Technology. This finding can be interpreted that a good CRM Technology has an important role in efforts to improve CRM Technology. This is in accordance with the findings of Morgan and Hunt and Webster in the research journal Chang et al (2010) which explains that building and managing customer relationships is the core of the marketing concept. Specifically, CRM technology enables companies to formulate more precise marketing strategies and to execute specific marketing actions more efficiently and quickly by offering superior front-line support and integrated customer data access. By looking at these results,

**The Effect of CRM Capabilities on Customer Satisfaction**

Customer Satisfaction cannot be significantly affected by CRM Capabilities, this statement is supported by the acquisition of t-statistical analysis which shows 1.794 where the value has exceeded 1.96. However, based on the analysis results obtained 0.162 for the original sample estimate so that it can be seen the direction of the positive influence between CRM Capabilities and Customer Satisfaction. Thus, it can be concluded that CRM Capabilities have a positive effect but have no significance on Customer Satisfaction.

The research findings prove that Customer Satisfaction cannot be significantly affected by CRM Capabilities with a positive direction of influence. These results mean the higher the CRM Capabilities it will be able to lead to an increase in customer satisfaction but not significant. This is the same as the opinion of Tung in Putra et al (2017) explaining that Customer Relationship Management is a method used to attract attention and how to establish relationships so that customers can be satisfied. By looking at these results, it is important for PT Asuransi Jasa Indonesia in Surabaya to improve customer satisfaction by paying attention to the extent of its ability to manage customer relationships.

The results of the analysis that have been carried out do not agree with Putra et al (2017) where in their research explains that Customer Relationship Management has a

significant influence on satisfaction.

**The Effect of Customer Satisfaction on Customer Loyalty**

Customer Loyalty variable can be significantly affected by Customer Satisfaction, this statement is supported by the acquisition of t-statistical analysis which shows 5,535 where the value has exceeded 1.96. In addition, 0.374 analysis results were obtained for the original sample estimate so that the direction of the positive influence between Customer Satisfaction on Customer Loyalty could be known. Based on the results of the study, it was found that customer loyalty can be significantly influenced by customer satisfaction and has a positive value.

The research findings prove that customer loyalty can be significantly affected by customer satisfaction and has a positive value which explains the tendency that has the same direction so that it can be said that customer satisfaction has increased, the higher is customer loyalty. By looking at these results, if PT Asuransi Jasa Indonesia in Surabaya wants to increase the loyalty of its Key Account customers, it is important for the company to foster a feeling of customer satisfaction.

The results of the analysis conducted by the researcher are the same as in the research conducted by Leninkumar (2017) which found a positive and significant correlation on customer satisfaction and loyalty. The same finding is also proven by Keisidou et al (2013) who also proves in their research that customer loyalty can be significantly influenced by customer satisfaction. As well as research conducted by Dewi et al (2014) by stating that customer loyalty can be significantly influenced in a positive direction by customer satisfaction.

## IV. CONCLUSIONS AND RECOMMENDATIONS

From the results of the analysis as described previously, the researcher can conclude that Customer Orientation is not significantly related to CRM Capabilities. Customer-Centric Organizational System significantly on CRM Capabilities. CRM Technology significantly on CRM Capabilities. CRM Capabilities are not significantly on Customer Satisfaction. Customer Satisfaction significantly on Customer Loyalty at PT Asuransi Jasa Indonesia (Persero).

As for the conclusion, the researcher can also suggest as a contribution to PT Asuransi Jasa Indonesia as a reference in increasing customer satisfaction and loyalty as well as for further research. It is expected that PT Asuransi Jasa Indonesia will make efforts to increase customer loyalty by focusing on customer satisfaction, especially by increasing the ability of employees to establish good relationships with customers and strive to meet customer needs. It is hoped that PT Asuransi Jasa Indonesia can improve its Customer-Centric Organizational System, especially in relation to always trying to provide the best solutions for customer needs.

## REFERENCES

American Marketing Association (AMA). (2004). American Marketing Arikunto, S. (2016). Research Procedure A Practical Approach. Jakarta: Rineka Cipta.

Chang, W., Eun, J., & Chaiy, S. (2010). How does CRM technology transform into organizational performance ? A mediating role of marketing capability . Journal of Business Research, 63(8), 849–855. https://doi.org/10.1016/ j.jbusres.2009.07.003

Dewi, Gusti, Ayu, Putu, Ratih, K., Yasa, NN, & Sukaatmadja, PG (2014). The effect of service quality on customer satisfaction and loyalty at PT BPR Hoki in Tabanan Regency. E-Journal of Economics and Business, Udayana University, 5(3), 257–275.

Dubey, NK, & Sangle, P. (2018). Customer perception of CRM implementation in banking context: Scale development and validation. Journal of Advances in Management Research, 16(138–63). https://doi.org/https://doi.org/10. 1108/JAMR-12-2017-0118

Emory, CW, & Cooper, DR (2005). Business Research Methods. Jakarta: Erlangga.

Ferdinand, A. (2002). Structural Equation Modeling in Management Research (Third). Semarang: Diponegoro University Publishing Agency.

Keisidou, ELSDI, Eleftherios, IM, & Thalassinos. (2013). Customer Satisfaction, loyalty and financial performance : A holistic approach of the Greek banking sector International Journal of Bank Marketing Article information : International Journal of Bank Marketing, 31(4), 259–288. https://doi.org/10.1108/IJBM-11-2012-0114

Leninkumar, V. (2017). The Relationship between Customer Satisfaction and Customer Trust on Customer Loyalty, 7(4), 450–465. https://doi.org/ 10.6007/IJARBSS/v7-i4/2821

Putra, YE, Yunus, M., & Solomon. (2017). Customer relationship management. Journal of Management and Innovation, 8(2), 70–83.

Sugiyono. (2017). Qualitative Research Methods: For research that is:

Wang, Y., & Feng, H. (2012). Customer relationship management capabilities Measurement , antecedents and consequences. Management Decisions, 50(1), 115–129. https://doi.org/10.1108/00251741211194903