



ANALYSIS OF THE EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT AND CONVENIENCE ON CUSTOMER LOYALTY THROUGH PERCEIVED SERVICE QUALITY, PERCEIVED VALUE, CUSTOMER SATISFACTION, AND IMAGE TO SM AUDIO BROS SURABAYA CUSTOMERS

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Abstract

This study aims to analyze the effect of the dimensions of Customer Relationship Management and Convenience on Customer Loyalty through Perceived Service Quality, Perceived Value, Customer Satisfaction and Image for SM Audio Bros customers. The samples used in this study were men and women, aged between 18-60 years who lived in East Java Province, especially in the city of Surabaya with a total of 105 (one hundred and five) respondents with the characteristics of male and female respondents aged 18-60 years, domiciled in City of Surabaya or in East Java Province, and have made transactions at SM Audio Bros for 2 (two) times in the last 2 (two) years. Processing and analyzing data in this study using Amos Version 22.0.

The results of this study indicate that the variables Customer Relationship Management and Convenience have an effect on Perceived Service Quality, the variables Perceived Service Quality have an effect on Perceived Value, the variables Perceived Value and Perceived Service Quality have an effect on Satisfaction. Satisfaction affects Image. Image and Satisfaction affect Loyalty.

Keywords: Customer Relationship Management, Convenience, Customer Loyalty, Perceived Service Quality, Perceived Value, Customer Satisfaction, Image

Introduction

SM Audio Bros is one of the MSMEs engaged in the automotive sector which has been growing and developing for more than 30 years in Jakarta, Tangerang, Bekasi and Surabaya. SM Audio Bros offers the experience of shopping for people's car needs with various facilities and choices. SM Audio Bros as one of the MSMEs in Indonesia must be able to adapt to the times and also to increasingly dynamic business challenges and increasingly difficult business competition. This is the topic of this research, namely about the business and how SM Audio Bros as an MSME in Indonesia can survive and grow, and make its customers continue to choose SM Audio Bros as a place to shop for their car audio needs.

SM Audio Bros offers a variety of customer needs such as car audio, dampers, window film, safety systems, upholstery and carpets, and other accessories. Service companies like SM Audio Bros, if they want to survive in this very competitive business competition, must make their company different from other competing companies. The value creation offered can provide insight to customers to be able to make transactions at SM Audio Bros, so there is a demand to continue to improve service quality with the aim of creating customer satisfaction, with the

services provided by SM Audio Bros. The ability to improve service quality is expected to build a brand image that is inherent in the general public. Based on the background that has been prepared, this study raises the research title "Analysis of the Influence of Customer Relationship Management and Convenience on Customer Loyalty through Perceived Service Quality, Perceived Value, Customer Satisfaction and Image on SM Audio Bros Surabaya Customers".

Literature Review

Customer Relationship Management

Tunggal (2008) states that customer relationship management is defined as the integration of coordinated sales, marketing and service strategies. Customer relationship management stores customer information and records all contact that occurs between the customer and the company, and creates customer profiles for company staff who need information about these customers.

Convenience

According to Lamb et al. (2001) convenience is a series of interdependent organizations that facilitate the transfer of ownership as products move from manufacturers to business users or customers.

Perceived Service Quality

According to Tjiptono (2007) service quality is the fulfillment of customer needs and desires as well as the accuracy of delivery to offset customer expectations. Service quality is one of the factors that can affect customer satisfaction.

Perceived Value

According to Kotler (2006) the definition of perceived value is the difference between customer evaluation based on its benefits and all costs as an offering which is a perceived alternative factor. Customer

Satisfaction

According to Kang and Schrier (2011) customer satisfaction is an important factor in the value experienced or felt and the behavior of these customers. Customer satisfaction is also a general evaluation designation of company performance based on customer experience.

Image

According to Ruslan (2010) image is something that is abstract in nature because it relates to beliefs, ideas and impressions obtained from a certain object, whether felt directly, through the five senses or obtaining information from a source. Image is also explained as a set of beliefs, ideas, and one's impression of a certain object.

Customer Loyalty

Dehghan and Shahin (2011) said that customer loyalty is a positive action that exists from customers in showing loyalty to brands, stores, products, and activities. Fernandes (2017) also said that loyalty can be defined as a consistent repurchase of a product or service in the future with a commitment that is firmly held by the customer despite situational influences.

Research Issues and Methodology

This research is causal in nature because it is used to develop existing research models to test research hypotheses which are determined based on a literature review to answer the problems identified in the previous chapter. The problems raised in this study were the directions of previous researchers which were then developed. The research was conducted to analyze a linkage model between perceived service quality, customer relationship management, convenience, perceived value, satisfaction, image and loyalty. The research method used in this study is a quantitative method. The quantitative method is used because the results of the analysis can be obtained accurately if used according to the rules, can measure the interaction of the relationship between two or more variables and can simplify the reality of complex and complicated problems in a model.

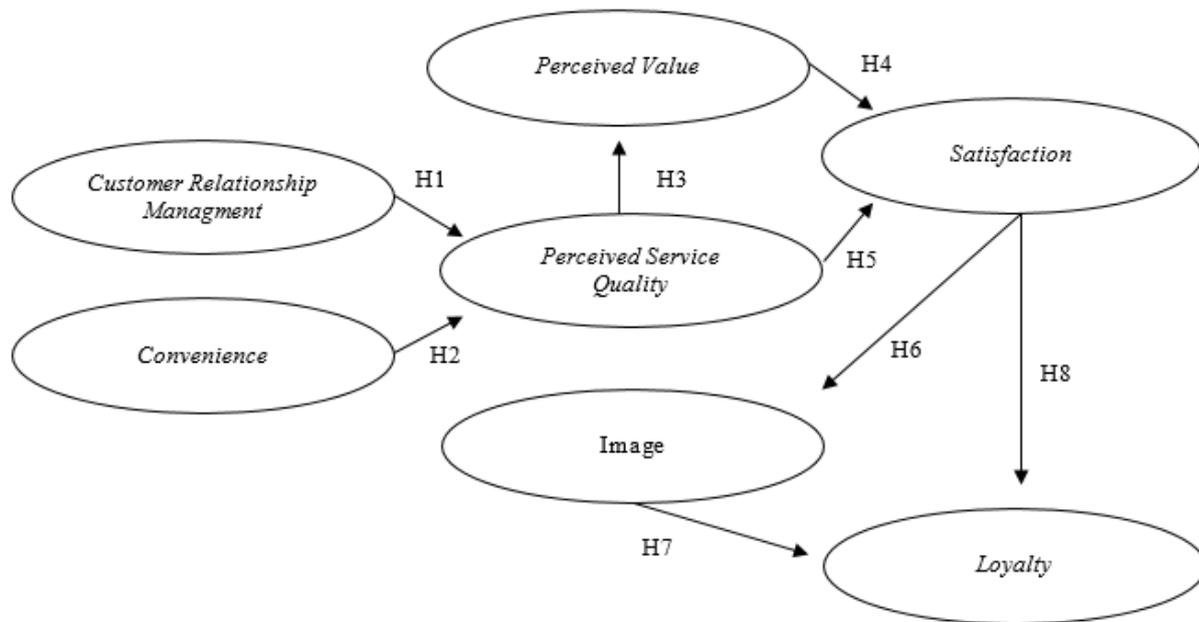


Figure 1. Research Model
Source: Maria Palazzo et al. (2021)

Finding and Discussion

Finding

This study uses a data analysis technique, namely Structural Equation Modeling (SEM), so that there are seven steps that must be taken to evaluate the criteria for Goodness of Fit, namely: the level of conformity between the reality of research results in the field supported by a theoretical framework and a research model developed using predetermined criteria.

The research carried out is causal because it develops a research model that already exists and tests the research hypothesis that has been determined based on the study of the literature to answer the problem formulation that has been determined. The research was conducted using quantitative methods using statistical techniques in order to collect, process, and test data. The research carried out also has stages from theory as a beginning, establishing hypotheses, determining respondents, collecting data, analyzing data and providing conclusions as stages of quantitative methods. The quantitative method was chosen to be used because it has accurate results if it is applied according to the rules for testing the relationship between two or more of the variables used. The results of the goodness of fit evaluation to see the degree of compatibility between the model and the data re-test results, include seven variables namely Perceived Service Quality, Customer Relationship Management, Convenience, Perceived Value, Satisfaction, Image, and Loyalty as measured by 21 indicators can be seen in Table 1 below:

Table 1 Feasibility Testing Index

<i>Goodness of Fit Index</i>	<i>Cut Off Value</i>	<i>Hasil Analisis</i>	<i>Evaluasi Model</i>
<i>X2-Chi Square</i>	Kecil ≤ 1058.0884	203.973	Marginal
<i>Significantly Probability</i>	≥ 0.05	0.066	Marginal
<i>RMSEA</i>	≤ 0.08	0.04	Baik
<i>GFI</i>	≥ 0.09	0.862	Marginal
<i>AGFI</i>	≥ 0.09	0.818	Marginal
<i>CMIN/DF</i>	≤ 2.00	1.166	Baik
<i>TLI</i>	≥ 0.95	0.961s	Marginal
<i>CFI</i>	≥ 0.95	0.967	Marginal

In testing structural relationships, hypothesis testing is carried out to test the significance of the influence between variables, using the critical ratio (CR) and probability values (p-value). Whether or not there is a significant effect between variables using the provisions if the CR value 1.96 or the p-value 5% significance level, then it is decided that there is a significant effect between these variables.

Table 2 below is the result of testing structural relationships in the context of testing for each hypothesis proposed in the study based on the output of Structural Equation Modeling:

Table 2 Hypothesis Testing Results

No	Hypothesis		β	P-value	Results	
H1	CRM	→	PSQ	0.487	0.003	Significant
H2	CV	→	PSQ	0.328	0.019	Significant
H3	PSQ	→	PV	0.436	***	Significant
H4	PSQ	→	ST	0.271	0.01	Significant
H5	PV	→	ST	0.488	***	Significant
H6	ST	→	IM	0.661	***	Significant
H7	IM	→	LY	0.536	***	Significant
H8	ST	→	LY	0.365	0.007	Significant

Discussion

The results of primary data processing using the help of Amos 22.0 software show the results of the 8 (eight) hypotheses proposed in this study. The Customer Relationship Management variable has a significant effect on Perceived Service Quality with a regression coefficient of 0.406 and C.R. of 3,007. Then, the Convenience Variable has a significant effect on Perceived Service Quality with a regression coefficient of 0.292 and C.R. of 2,336. Then, the variable Perceived Service Quality has a significant effect on Perceived Value with a regression coefficient of 0.540 and C.R. of 4,592. Then, the Variable Perceived Value has a significant effect on Satisfaction with a regression coefficient of 0.466 and C.R. of 3,374. Furthermore, the variable Perceived Service Quality has a significant effect on satisfaction with a regression coefficient of 0.320 and C.R. of 2,584. Furthermore, the Satisfaction Variable has a significant effect on Image with a regression coefficient of 0.758 and C.R. of 4,519. Then, the Image variable has a significant effect on loyalty with a regression coefficient of 0.480 and C.R. of 3,340. Finally, the Satisfaction Variable has a significant effect on Loyalty with a regression coefficient of 0.375 and C.R. of 2,712.

The variable Perceived Service Quality is formed by 2 (two) variables, namely Customer Relationship Management and Convenience. First, the Customer Relationship Management variable has a significant influence on the Perceived Service Quality variable because SM Audio Bros always maintains good interactions with its customers. This is done both by employee levels to management from SM Audio Bros, as well as SM Audio Bros using technology that always keeps up with the times. Secondly, the Convenience variable has a significant influence on the Perceived Service Quality variable because making an appointment to make a transaction at SM Audio Bros is very easy and customers are also given very detailed information regarding the location and how to reach the SM Audio Bros workshop.

The Perceived Value variable is formed by 1 (one) variable, namely Perceived Service Quality which has a significant influence on the Perceived Value variable because the costs incurred by SM Audio Bros customers are directly proportional to the experience they will experience while at SM Audio Bros. This relates to the convenience and transaction facilities provided by SM Audio Bros to its customers.

The Satisfaction variable is formed by 2 (two) variables, namely Perceived Value and Perceived Service Quality. First, the Perceived Value variable has a significant influence on the Satisfaction variable because SM Audio Bros can provide good service to its customers and customers also like the services provided. Second, the variable Perceived Service Quality has a significant influence on the variable Satisfaction because SM Audio Bros has employees who are able to serve their customers very well and are friendly. This is what influences its customers to be able to make transactions again at SM Audio Bros.

The Image variable is formed by 1 (one) variable, namely Satisfaction which has a significant influence on Image because SM Audio Bros. has a good reputation in the automotive industry so that its customers have a high sense of trust in SM Audio Bros. In addition, SM Audio Bros also has activities to share with its customers related to services, products and other information related to the automotive industry.

The Loyalty variable is formed by 2 (two) variables, namely Image and Satisfaction. First, the Image variable has a significant influence on loyalty because SM Audio Bros is known by its customers for the quality it provides and also has a good reputation in the automotive sector. Second, the Satisfaction variable has a significant effect on Loyalty because SM Audio Bros customers feel happy and satisfied when they make transactions at SM Audio Bros.

The variable that influences Perceived Service Quality is the Customer Relationship Management variable, where the regression coefficient value is 0.40 and the effect is significant. It can be said that SM Audio Bros has a good interaction with its subscribers. This can happen because SM Audio has employees who understand the

needs of its customers so that customers get the right information regarding their expectations and needs. In addition, the management of SM Audio Bros also maintains a good relationship with its customers and also actively creates and provides programs that are needed by its customers so that the customers are well catered for by the SM Audio Bros team. Activities that occur at SM Audio Bros are also well recorded because they use the very latest technology so customers don't have to worry about the after sales service provided by SM Audio Bros.

The variable that affects Perceived Service Quality is Convenience which has a regression coefficient value of 0.29 and the effect is significant. SM Audio Bros in every workshop provides good facilities to its customers. In addition, SM Audio Bros customers are provided with convenience in obtaining information related to the needs for which the transaction is intended and also related to the convenience of making an appointment for audio installation at SM Audio Bros. In addition, the location of the SM Audio Bros workshop is very easy to reach because it is in a strategic location so it can be easily found. SM Audio Bros also has information media that is always updated and follows the dynamic trend of the automotive market. This strategy allows SM Audio Bros customers to have a wide choice of convenient sources of information when they want to access services at SM Audio Bros.

The variable that influences Perceived Value is Perceived Service Quality which has a regression coefficient value of 0.54 and has a significant effect. SM Audio Bros customers feel that the costs incurred are directly proportional to the services and facilities that are obtained when making transactions at SM Audio Bros. As an example, in every SM Audio Bros workshop an attractive appearance is presented regarding the products offered to its customers. Then the SM Audio Bros working station is always clean and modern. Other facilities such as waiting rooms and display rooms at SM Audio Bros also always provide comfort with air freshener facilities and so on. SM Audio Bros provides a good transaction experience for its customers.

The variable that affects satisfaction is Perceived Value which has a regression coefficient value of 0.46 and has a significant effect. SM Audio Bros customers are very happy and satisfied when they make transactions at SM Audio Bros. The higher the facilities and services provided by SM Audio Bros, the higher the level of customer satisfaction received by SM Audio Bros. Apart from that, SM Audio Bros customers are also happy because the friendly, professional and precise service is always provided by the SM Audio Bros team.

The variable that affects satisfaction is Perceived Service Quality which has a regression coefficient value of 0.32 and has a significant effect. SM Audio Bros customers like the professional service offered by SM Audio Bros. Customers feel that employees owned by SM Audio Bros have expertise that matches what they provide. In addition, every SM Audio Bros employee serves their customers quickly and precisely so that the transaction process takes place quickly.

The variable that affects Image is Satisfaction which has a regression coefficient value of 0.75 and has a significant effect. SM Audio Bros is known to have a good reputation compared to similar audio shops in other places so that customers don't need to worry about the services provided by SM Audio Bros. This is the main attraction of SM Audio Bros. If SM Audio Bros continues to improve this, it is not inevitable that in the future, SM Audio Bros will have a wider business.

The variable that affects Loyalty is Image which has a regression coefficient value of 0.48 and has a significant effect. SM Audio Bros customers when asked for opinions regarding the services provided by SM Audio Bros think that SM Audio Bros has good service so they are willing to recommend SM Audio Bros to other people who need similar services. This is positive for SM Audio Bros in terms of branding which will develop in a better direction. SM Audio Bros is expected to be the first choice of its customers if they need automotive car audio services in the future. Positive things like this deserve more attention by SM Audio Bros to be able to continue to develop and maintain its services.

The variable that affects loyalty is satisfaction which has a regression coefficient value of 0.37 and has a significant effect. SM Audio Bros customers will always use services at SM Audio Bros because they feel satisfied and happy with the services provided. In addition, the facilities available at SM Audio Bros provide a transaction experience that is different from other similar audio shops. And SM Audio Bros customers think they will not go to another car audio shop the next time they need a service like that provided by SM Audio Bros.

Conclusion

The research model was created to examine the influence of Customer Relationship Management, Convenience on Loyalty through Perceived Service Quality, Perceived Value, Satisfaction, and Image. The test results state that Customer Relationship Management has a significant effect on Perceived Service Quality, Convenience has a significant effect on Perceived Service Quality, Perceived Service Quality has a significant effect on Perceived Value, Perceived Value has a significant effect on Satisfaction, Perceived Service Quality has a significant effect on Satisfaction, Satisfaction has a significant effect on Image, Image has a significant effect on Loyalty, Satisfaction has a significant effect on Loyalty.

Research Limitation

The limitation in this study is the narrowness of taking respondents because it only focuses on one brand, namely SM Audio Bros. It is hoped that future research will use the same model or be modified to be applied to different objects in order to get more general things about the factors that affect customers Loyalty.

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