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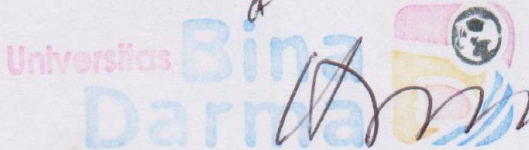
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Untuk mengikuti The International Conference of Indonesia Experts and Lectrures Association (ADRI), yang akan dilaksanakan pada 25 s.d 26 Juli 2018 di University of Sultan Zainal Abidin (UNISZA), Malaysia untuk membawakan makalah dengan judul ” **Building Customer Loyalty Through Customer Relationships Manegement (Study on Family – Owned Palembang Songket Business Data**”. Dengan biaya dari DRPM, RISTEKDIKTI.

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Building Customer Loyalty Through Customer Relationships Management (Study on Family-Owned Palembang Songket Business Data)

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Abstract. It can not be denied that customer satisfaction is a goal of business. When customers are satisfied, they will be loyal to our products. Customer loyalty will greatly help business marketing. Palembang songket business is mostly managed by the family, thus becoming a family business for generations. This business only focuses on selling songket, but ignores their personal relationships with customers. Rarely do they maintain relationships with customers, they do not even have complete data with customers, but efforts to maintain customers need to be done so that the songket business does not die in this era. This study wants to know and analyze the effect of CRM on customer loyalty. Multiple regression method has been used to measure the influence of three independent variables on a dependent variable. The results of the discussion found that one to one marketing variables have no effect on customer loyalty compared to two other independent variables. This is because the one to one marketing variables still utilize the promotion of personal selling, because according to them it can only be done this medium. In addition to low cost, the success rate is also quite high. This can be seen from customers who remain loyal using their songket.

Keywords: customer relationships management, customer loyalty, Family-owned business data

I. INTRODUCTION

Small and Medium Enterprises (SMEs) have a vital role in increasing economic growth in Indonesia. SMEs proved able to survive in the midst of the crisis that hit Indonesia in 1997, and even until now. Aries Musnandar (2012) said that in 2011 SMEs accounted for 56% of total GDP in Indonesia. In addition, SMEs are also able to reduce unemployment in Indonesia because SMEs absorb a lot of manpower. One SME that absorbs the workforce is the songket industry. Although this business has long been built, the response up to now is quite good. This is evidenced by the demand songket that continues to flow at any time. However, the demand is not always able to be met, due to limited capital, limited employees who have the skills to make songket, limited songket material and limited marketing network.

One of the marketing strategies to maintain customer loyalty is to implement a customer relationship management (CRM) strategy, which is to build good relationships with customers / customers they have. Increasing competition is forcing SMEs to work hard to maintain relationships with customers. Most of the songket industry's customers are housewives and housewives, as the songket provides convenience and a relatively cheaper price compared to other similar brand songkets. There are many ways that have been built by some of these industries, namely by creating a blog, make a suggestion box, foster relationships with technical personnel in the field. However, this business is not enough if not accompanied by the seriousness of the business with its customers. It can not be denied that in questioning customer satisfaction is a goal of trying, because if consumers are satisfied then they will be loyal to our products. Many advantages will be obtained from customer loyalty, among others: (1) .Sales of products are increasing every day, (2). Creating opportunities for these products can spread from word of mouth (word of mouth), (3). Purchase of products in a long time and sustainable, and (4). Reduce the cost of marketing, because consumers who are loyal will greatly help business marketing. (<http://bisnisukm.com/membangun-loyalitas-consumen-in-berbisnis.html>)

SMEs that have limitations in marketing. The development of information technology is very helpful in fostering the network with fellow SMEs and with customers. However, due to limited human resources to manage it, this effort has not been done optimally. Yet according to researchers if efforts to foster relationships with customers are constantly maintained, then efforts to develop the business by opening new market share becomes more open. Business actors become more aware of the wants and needs of customers, so that any change of taste trends can be implemented in the form of creativity and innovation in making this songket.

Innovation must continue to be built through creative culture, following changing trends, and building markets. An entrepreneur must immediately translate his dreams into innovation. Innovation is creativity that translates into something that can be implemented and adds value to the resources we have. The nature of innovation can be grown with understand that

innovation is a hard work, breakthrough, and continuous improvement. The songket industry requires creativity and innovation constantly considering the open market and high demand so as to fulfill the wants and needs of its consumers, this innovation and creativity becomes an important part in this industry.

In this songket industry, the competition between the songket business is very tight so if you want to survive then it needs creative and innovation process continuously done so as not to be abandoned by the customers. Managing customers to remain loyal and loyal to the product needs to be nurtured continuously, needs to be built properly, and build relationships with customers there needs to be seriousness from all parties, especially the management company, so that loyal customers do not move to other competitors. The problem that often arises is the ineptness of the industry in managing the customers because they do not have the ability in the field of information technology, limited human resources, and limited costs so that business actors only concentrate on the products they produce are often ignored with customers, therefore the customers often feel ignored by the company and eventually move on to other competitors.

Thus, it is necessary to conduct research related to the management of the customers in the Industry i songket, so the title of this research is: build customer loyalty through customer relationship management strategy management. The purpose of this study include; (1). Analyze the role of customer relationship management in the songket industry, (2). How to build customer loyalty, and (3). The influence of Customer relationship management on customer loyalty. The benefits of this research include; (1). In order for business actors to manage customers well, not only concentrate on managing the resulting product, (2). In order for business actors to maintain customer loyalty by always communicating through communication media, internet and other social media.

The theoretical framework used in this research, among others; (1). Definition of Customer Relationship Management. Definition according to Laudon and Traver (2008), CRM stores customer information and records all contacts that occur between customers and companies, and creates customer profiles for company staff who need information about the customer. Thus CRM can support the company to provide real-time customer service and connect with each customer through the use of customer information (Kotler, 2003).

According to Buttler in Tjiptono (2011: 48) Customer Relationship Marketing (CRM) is a core business that integrates internal processes and functions as well as external networks to create and deliver value for targeted customers in order to earn profits. CRM supported high-quality customer data and facilitated information technology. Meanwhile, according to Harris in Tjiptono (2011: 424), CRM is a technology-facilitated strategy to turn data-driven decisions into business actions in order to respond and anticipate actual customer behavior. From the perspective of CRM technology reflects the process of measuring and allocating organizational resources into activities that deliver the greatest returns and impacting relationships with profitable customers. The most important thing in CRM is to know customers and to know customers, to people, the relationship

between people and people. Then the second is a process oriented to customer satisfaction and loyalty. The third is what technology is needed which will be used later. For example computers, SMS (short message service) that can focus on the customer and easy to use. The same thing is expressed by Luke (2001: slide 116-125) that divides CRM into three main components:

1. Human Resources (People)

In this case are employees as implementers of Customer Relationship Management (CRM). In the HR dimension, the key factors to be considered are organizational structure, roles and responsibilities, corporate culture, change management procedures and programs as a whole. In managing relationships or relationships with customers is required personal touch or personal and human touch. It takes attitude and enthusiasm from within the business to be more proactive in digging and knowing its customers deeper in order to be more satisfying them. Diponegoro journal of social and politic of science in 2013, p. 1-8 <http://ejournal-s1.undip.ac.id/index.php/>.

2. Process

The process includes systems and procedures that help humans to better recognize and establish close relationships with customers. The organizational structure, operational policies and reward-punishment systems should be able to reflect what will be achieved with CRM. Implementation of CRM will change the business processes that have been there before, whether the business process involving customers directly or not. In CRM, all existing business functions must be customer-focused.

3. Technology

Introduced to further help speed up and optimize human factors and processes in the daily Customer Relationship Management (CRM) activity. However, we still have to first look at the business structure, consumer behavior, employees, and work culture, because technology can not solve the problem just like that. Be aware that technology is a supporting tool in complementing the added value of Customer Relationship Management (CRM).

In its application, according to Tjiptono, 2006 CRM promises a number of key benefits as follows:

a. Cost efficiency in serving repeat customers.

Because the cost required to attract customers tends to be more expensive than keeping old customers.

b. Customer satisfaction and loyalty.

The existence of customer support and trust to be one source of strength in influencing the company's survival to increase customer satisfaction and loyalty.

c. Gethok tular (concept in word of mouth).

Based on the concept of loyalty, satisfied customers and loyal to the product / service company is potentially disseminate positive experience to others.

d. Companies seek to establish relationships with customers for the purpose of making a profit through the sale of products and services.

Customer loyalty

Loyalty is defined as a loyalty arising without coercion, but arising from self-awareness. According to Griffin (2005: 4) that the concept of loyalty is more directed to behavioral behavior) than attitudes and a loyal person will show purchase behavior that can

be interpreted as a pattern of regular purchasing in a long time made by decision makers or decision makers. Zikmund, et al (2005:69) states that: "The term customer loyalty refers to a customer's commitment or attachment to a brand, store, manufacturer, service provider, or other entity based on favorable attitudes and behavioral responses (The concept of customer loyalty leads to commitment customers to brands, shops, factories, service providers, and so on based on responses of pleasant attitudes and behaviors such as repeat purchases. "Customers are said to be loyal when their buying behavior is not spent by randomly assigning multiple decision units. Loyal customers have a definite tendency in buying what and from whom purchases are made. Loyalty can also be regarded as a condition related to the time span in making a purchase no more than twice in considering it. For decisions can be interpreted as a purchase decision can be made by more than one person (Griffin, 2003: 4). Meanwhile Hermawan Kartajaya (2043: 126) states that loyal customers are willing to buy even with a slightly expensive price and always repeat purchase and recommend the product / service to others. those who are categorized as loyal customers are those who are very satisfied with a particular product so they have the enthusiasm to introduce to anyone they know. In the next stage the loyal customers will extend their loyalty to the same manufacturer-made products. Diponegoro journal of social and politic of science In 2013, p. 1-8 <http://ejournal-s1.undip.ac.id/index.php/>. Meanwhile, according to Tjiptono (2002: 36) states that customer loyalty is caused by satisfaction. So loyalty as an endogenous variable is caused by a combination of customer satisfaction, supplier switching barriers and complaint handling (voice). Can be formulated as follows: Loyalty = F (Customer satisfaction, switching barriers, voice).

II. Methods

Type of research used in this research is explanatory or explanatory research. The population of this research is all the customers of the industry of making songket in Palembang, whose numbers are not known for certain (indefinite). Sample in this research is customer who buy songket product twice. With the provision has been a customer of songket making industry more than one year. The sample is determined by accidental sampling. The measurement scale used is the scale of the interval by using Likert scale. Data analysis techniques used in this study using linear regression analysis with the help of SPSS For Windows.

III. Results and Discussion

3.1.1. Results of multiple regression calculations

Based on the calculation of multiple regression using SPSS processing tool version 20. The results obtained as follows :

$$Y = 2,733 + 0,190 X1 - 0,103 X2 + 0,191 X3$$

The multiple regression equation above means the following :

1. Constant of 2.733 states that the independent variables (variable partnering program, one to one marketing variables, continuity marketing variables) are considered 0, the customer loyalty is 2.733

2. Regression coefficient X1 (Variability continuity marketing) of 0.190 states that each addition of continuity marketing variable of 1 time will increase customer loyalty by 0.190%. The positive coefficient value indicates that the variable of continuity marketing has a positive effect on customer loyalty.
3. Regression coefficient X2 (one to one marketing variables) of -0.103 states that each addition of one to one marketing variables of 1 time, will reduce customer loyalty by 0.103%. The negative coefficient value indicates that one to one marketing variables negatively affect customer loyalty.
4. Regression coefficient X3 (Variable partnering program) of 0.191 states that any addition of partnering program variables of 1 times will increase customer loyalty by 0.191%. The positive coefficient value indicates that partnering program variable has positive effect on customer loyalty.
5. Thus, that one to one marketing variable has no effect on customer loyalty compared to the other 2 independent variables. This is because the one to one marketing variables are still utilizing the promotion of personal selling, because according to them only this media can do. Personal selling media still utilizes the responses and interests of buyers directly. Because with this promotion any customer complaints will soon responded quickly by business owners. The sale of Palembang songket does require a quick response from business owners, such as customer complaints about the quality of the yarn, the process of making the less tidy and the limited amount due to the number of craftsmen are getting less.
6. Partnering program variables have a large positive effect compared to the other 2 independent variables. This is because these business actors often get order / songket order from various government agencies and private, where songket often used as souvenir for the guests at home and abroad. Especially before the event ASIAN GAMES 2018, business players have prepared the number of songket products that must be provided, so that some orders will be easily fulfilled.

3.1.2. Multiple correlation analysis

Correlation analysis is a statistical method used to determine the strength or degree of linear relationship between two or more variables. Correlation calculation results obtained value of 0.271, this means the level of correlation relationship between the variables of continuity marketing, one to one marketing and partnering program variables on customer loyalty low categorized according to opinion (Soegiyono, 2012). While the determinant correlation of 0.073 or 7.30% means the contribution of continuity marketing variables, one to one marketing and partnering program variables to customer loyalty, the rest of 92.70% influenced by other factors such as tangibles, reliability, responsiveness, assurance, and empathy (Kotler: 2016, 36).

IV. Conclusions

1. That one to one marketing variable has no effect on customer loyalty compared to the other 2 independent variables, such as partnering program variables, and continuity marketing variables. This is because the one to one marketing variables are still utilizing the promotion of personal selling, because

according to them only this media can do. Personal selling media still utilizes the responses and interests of buyers directly. Because with this promotion any customer complaints will soon responded quickly by business owners. The sale of Palembang songket does require a quick response from business owners, such as customer complaints about the quality of the yarn, the process of making the less tidy and the limited amount due to the number of craftsmen are getting less.

2. Correlation relationship between the variables of continuity marketing, one to one marketing and partnering program variables on customer loyalty low category according to the category of relationship table (Soegiyono, 2012).

Suggestion

1. It is better for business actors to prepare human resources, and change the work culture and habits.
2. We recommend that business actors have a more perfect customer data base, so that the needs and desires of the customer to the attention of the manager.
3. We recommend that CRM be integrated with the sales, marketing, call center and web site.

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