

Customer Relationships Management Perspective of Family-Owned Business Palembang Songket (Study on SMEs Business Data)

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Abstract: Palembang songket business is an example of a small business that is managed by a family, and has been a family business for generations for decades to date. This business only focuses on songket sales efforts, but ignores personal relationships with customers. Relationships with customers are not managed properly; even most do not have complete data on their customers. This research is finding out and analyzing Customer Relationship Management (CRM) perspectives of Palembang songket business entrepreneurs. Research uses qualitative methodology with case study research methods, and observation. The results of the research are: (1) Some of the songket entrepreneurs still do not understand the importance of CRM, (2) According to some of the songket entrepreneurs who have understood the CRM is important, (3) The songket entrepreneurs are still not enough knowledge to build business data.

Keywords: Customer Relationship Management, Family business, Business data

1. Introduction

Customer Relationship Management (CRM) is believed to be a tool for building good relationships with customers. According to [1], CRM stores customer information and records all contacts between customers and companies, and creates customer profiles for company staff who need information about these customers.

Songket business competition is very tight. so that there needs to be a creative process and innovation that is continuously carried out. Managing customers to remain loyal to the product needs to be nurtured continuously, needs to be built properly, and building relationships with customers requires the seriousness of all parties, especially company management so that loyal customers do not move to other competitors. The problem that often arises is the unpreparedness of the industry in managing customers because they do not have the ability in the field of information technology, limited human resources, and limited costs. Business operators only concentrate on the products they produce, they often neglect customers. therefore customers often feel ignored, and eventually move to competitors.

This research is related to CRM in songket business. The titles of this research is: Customer Relationships Management Perspective of Palembang Songket Family-Owned Business (Study on Business Data SMEs).

The purpose of this research are; (1) Analyzing the role of CRM in Palembang's songket industry, (2) Analyzing Customer Relationship Management (CRM) perspectives of Palembang songket business entrepreneurs, (3) The influence of CRM on customer loyalty.

The benefits of this study include; (1) Songket entrepreneurs understand about managing customers with CRM, not only

concentrating on production, (2) Songket entrepreneurs are able to maintain customer loyalty.

2. Literature Review

CRM is a combination of people, processes, and technologies used to understand customers. While [1] stated that CRM stores customer information and records all contacts that occur between customers and companies, and creates customer profiles for staff who need information about these customers. So that CRM can support companies to provide services to customers in real time and establish relationships with each customer through the use of information about customers [2]. CRM must be supported by high-quality customer data and facilitated by information technology. CRM is the core business that integrates internal processes and functions and external networks to create and deliver value to customers so that the company can achieve profit objectives. CRM is a strategy facilitated by technology to transform data-based decisions into business actions in order to respond and anticipate customer behavior [3].

The most important thing about CRM is getting to know customers, and their relationship with the company. Second is a process that is oriented to customer satisfaction and loyalty. Third is the technology used. For example a computer program, SMS shot message service (SMS) that focuses on customers. CRM is the process of managing detailed information about each customer and carefully managing all aspects that customers need to maximize customer loyalty [4]. CRM can be measured through three types of programs, namely continuity marketing, one to one marketing, and partnering programs [5]. The CRM program is as follows: 1) Continuity Marketing. Is a marketing program to maintain and increase customer loyalty through special services that are long-term, and increase value by learning the characteristics of customers. The continuity marketing program can take the form of a membership card

program where customers are rewarded in the form of individual special services, discounts and points for upgrades, as well as cross selling programs. 2) One to One Marketing Program. one to one An individual program that is intended to meet the satisfaction of the unique needs of customers. One to one marketing program uses customer information derived from online information and databases, followed by individual interaction with customers to meet the unique needs of customers. Individual customer information is used to build interactive marketing and post-marketing programs in developing customers. 3) Partnering Program is a cooperative relationship between marketers and other companies to serve the needs of end customers. In other words, the company will try to help customers get what they want by collaborating with other companies. Opinions from [3] state that CRM promises a number of benefits as follows:

- 1) Cost efficiency in serving repeat customers. Because the costs needed to attract customers tend to be more expensive than retaining old customers.
- 2) Customer satisfaction and loyalty. The existence of customer support and trust is a source of strength in influencing the survival of the company in an effort to increase customer satisfaction and loyalty.

3. Research Methodology

3.1 Introduction

In this part, it is attempted to clarify research methodology used to study research question which is *"What are Palembang's Songket entrepreneur perceptions regarding usage of CRM in retaining a customer?"* As a method in this research are case study research, and observation. It has been utilized in order to explore the research topic.

3.2. Justification for This Methodology

Methodological approach

This research attempts to perceptions of Palembang's songket entrepreneur regarding usage of CRM in retaining customers. As a field, this research is a qualitative methodology with case study research methods, and observation. Quoting Wikipedia, a case study is a research method involving an up-close, in-depth, and detailed examination of a subject of study (the case), as well as its related contextual conditions, and Observation is the active acquisition of information from a primary source.

4. Result and Discussion

4.1. Respondent Characteristic

The respondent of research is Songket entrepreneurs whose turnover is considered the highest of the others. In this study the respondent and the one observed were Mr. Zainal's songket fabric. with the business brand "Zainal Songket". It is attempts to identify CRM implementation and perception towards usage of CRM for customer retention

4.2. Customer Touch Point

There are several ways for customer touch points (CTP), namely Call center, Web access, Email, Usage, Direct sales, and Fax. We refer to this CTP as refined business actions. The data obtained shows that songket businessmen already use CTP as an activity. for example is the use of email, Direct sales, Fax. while other CTPs such as the Call center, and the Web have not been used. Data from observations also show that despite trying to have a simple website but having difficulty managing. this happens because it has not been able to utilize technology in an integrated manner.

4.3. Type of CRM Technology and Data Availability.

There are 3 types of CRM technology, namely: 1) CRM Operations, which consist of Sales Force Automation (SFA), Customer Service and Support (CSS), Enterprise Marketing Automation (EMA). 2) Analytical CRM, which consist of marketing data, sales data, and customer data. 3) Collaborative CRM, which consists of call center, web sales and service, and web personalization. from the results of observation and in-depth interviews, it can be obtained information that songket entrepreneurs are still not running CRM. As an example, the songket entrepreneurs do not have sales data, customer data, and marketing data. Available data are only records that are not integrated.

4.4. Customer Relationships

The application of CRM by songket entrepreneurs is still not optimal, it may even be said that it has not yet been done. some existing CRM activities are actually done accidentally. for example direct sales occur because they only know how to sell like this. not part of integrated marketing activities from existing marketing data. The result of the inability to implement CRM, songket entrepreneurs were unable to make customers loyal to their businesses. This result is obtained from looking at sales data records. There have been no repeat purchases more than three times. most only buy one time.

5. Conclusion and Recommendationn

The Research has limitation due to generalizability and reability related to findings. It is a like in any qualitative research. The limitations of the results of this study are also due to the absence of songket business that performs data management properly. Zainal songket is one of the biggest songket business among the existing songket business, even though it is still not able to properly manage data. that's why the implementation of CRM is not complete. Only a few CRM functions are carried out. it also looks like it happened without a plan. Researchers recommend that songket entrepreneurs to immediately implement CRM in business activities. The application of CRM that utilizes data and information and communication technology must be carried out immediately so that songket business increases.

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