

INFLUENCE AND STRATEGY OF CUSTOMER RELATIONSHIP MANAGEMENT ON CUSTOMER SATISFACTION AND CUSTOMER LOYALTY IN MICRO AND MEDIUM ENTERPRISES

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Abstract

A good and growing business is a business that has satisfied customers with the product, so it will have the potential to become loyal customers. Loyal customers are one of the reasons why businesses can thrive and stay around for a long time. In making customers satisfied and loyal to a product, of course the company will try to find a strategy, one of which is through Customer Relationship Management. This is felt by Benari, a local fashion brand that is currently developing. Even though he has implemented a Customer Relationship Management strategy, Benari wanted to know more about whether it had an effect on customer satisfaction and loyalty. Therefore, this study aims to determine the effect of Customer Relationship Management on Customer Satisfaction and Customer Loyalty as well as the right strategy. The analytical method of this research uses a quantitative descriptive approach with Path analysis method, with data sources through Focus Group Discussion, questionnaires with 123 respondents, and studies literature. The results of this study indicate that there is an influence of customer relationship management on customer satisfaction and customer loyalty in Benari and formulate strategies. The strategy that Benari can apply to increase customer satisfaction and loyalty is through a Customer Relationship Management strategy called cross selling. By implementing this strategy, it is hoped that Benari can increase customer satisfaction,

Keywords: *cross selling, customer loyalty, customer relationship management, customer satisfaction*

INTRODUCTION

The clothing industry in Indonesia is currently growing rapidly following the times. The clothing industry is projected to grow above 10% due to increased production capacity utilization and domestic market demand. In the fourth quarter of 2021, the domestic market will grow rapidly due to the inhibition of imports from China, so that local brands can fill it. Indonesian local products are no less competitive with foreign brand products. There have been many MSME businesses that have been established during this pandemic, especially the clothing business because these developments have made people selective in determining their lifestyle.

Lifestyle is closely related to clothing, because using attractive clothes will support one's appearance and increase self-confidence. Business competition in this industry is very tight, because it follows the existing trends so that it requires clothing business owners to be unique in their products. This uniqueness can become a high comparative and competitive advantage so that it can become a survival tool for a business in maintaining, advancing, and developing its business in the era of global competition.

Uniqueness is the key to creativity in developing a bigger business, this has been implemented by Benari, a fashion brand created by the nation's children. Benari is a fashion business based in Jakarta. Benari sells its products online and offline. Online, Benari sells its products through the social media platform Instagram and e-commerce Shopee. Offline, Benari sells his products at a store located in Bandung, namely Divers Collective. Benari provides products in the form of clothes to be used in everyday wear, with casual designs but following the existing trends, so that the Benari design is considered a signature because it is only available at Benari.

Even though Benari has successfully sold more than 1000 pieces of its products throughout Indonesia, of course, Benari has competitors, and since the pandemic, a lot of small businesses have sprung up that sell similar clothes. There are concerns in Benari if their customers switch to similar products produced by other competitors. This trend is a threat to Benari, which certainly does not want its customers to switch to similar products produced by other competitors. Basically, customers will always be careful in choosing products, especially paying attention to quality with the price offered. Once the customer makes the right choice and is satisfied with the product, he will tend to be loyal to the brand he chose. Keeping customers loyal is not easy. providing optimal service has not been able to retain customers, so it requires a strategy from various aspects. Aspects here include incessantly making new products, understanding trends in society, carrying out promotions as attractive as possible, and so on that make customers satisfied and will choose Benari products again.

For companies, loyal customers are a high investment considering that customer retention costs will be much more efficient than creating new customers. Apart from cost, the increasingly fierce competition between businesses is also one of the important factors for loyal customers, thus making it necessary for Benari to retain old customers by implementing a Customer Relationship Management (CRM) strategy. CRM implementation in Benari will play an important role in increasing company profitability. Companies will become more profitable when customers are satisfied with the services provided by the company and end up with loyalty, so that the relationship between CRM, customer satisfaction, and customer loyalty cannot be separated. By implementing a CRM strategy, it can make the company more profitable, there will be a significant influence between customer and company relationships. Satisfaction is the main key to the emergence of customer loyalty to the company. Like previous research submitted by Setyaleksana, Suharyono, and Yulianto (2017); Victor, Jorie and Sumarauw (2015); Iriandini, Yulianto and Mawardi (2015); Farida (2016); and Ham and Semuel (2016) mention in the study that the results of their research prove that CRM has a positive and significant effect on Customer Loyalty, there is a positive and significant influence between CRM and Customer Satisfaction, and there is a significant influence between Customer Loyalty on Customer Satisfaction. Victor et al. (2015); Iriandini et.al (2015); Farida (2016); and Ham and Semuel (2016) mention in the study that the results of their research prove that CRM has a positive and significant effect on Customer Loyalty, there is a positive and significant influence between CRM and Customer Satisfaction, and there is a significant influence between Customer Loyalty on Customer Satisfaction. Victor et al. (2015); Iriandini et.al (2015); Farida (2016); and Ham and Semuel (2016) mention in the study that the results of their research prove that CRM has a positive and significant effect on Customer Loyalty, there is a positive and significant influence between CRM and Customer Satisfaction, and there is a significant influence between Customer Loyalty on Customer Satisfaction.

Based on the problems faced by Benari, it is appropriate to conduct further research, this study aims to determine the effect of Customer Relationship Management on customer satisfaction and customer loyalty in Benari, the results of which will be formulated strategies to retain customers through CRM strategies. The usefulness of this research can be used as material for information and input to Benari regarding the CRM strategy on customer loyalty and customer satisfaction, and can be taken into consideration to continue implementing the CRM strategy. As stated by Setyaleksana et.al. (2017); Victor et al. (2015); Iriandini et.al (2015); Farida (2016); and Ham and Semuel (2016) the purpose of the study was to determine the influence between CRM and Customer Loyalty and Customer Satisfaction. Each researcher has the same research method as the author, namely using Path Analysis and has the same variables with different results. The difference between each researcher and the author is in the title object used.

LITERATURE REVIEW

Customer Relationship Management (CRM)

Lupiyoadi and Hamdani (2009) revealed that CRM is an effort to attract and retain customers through improving the company's relationship with customers. Meanwhile, according to Swift (2001) CRM is a company approach to determine customer behaviour through intense communication in order to increase customer acquisition, customer retention, and customer loyalty. According to Kalakota and Robinson (2001) CRM has three phases. The first is Acquire, in this phase it is a promotional effort to acquire new customers through planning, such as through good sales and service strategies, promos, members, and others. Second, Enhance. In this phase, the company is successful in acquiring new customers and seeks to improve relationships with new customers, through call centre services, cross selling, up selling, and request orders. Third, Retain. At this stage, is the stage where the company retains customers by focusing on the adaptability of the services that have been provided by customers. Strategies that can be implemented at this stage are complaints and facilities, discount policies for loyal customers, and special bonuses.

The factors that influence CRM according to Robinette (2001) there are four factors, namely mutual benefits, commitment, communication, and service quality. In the mutual benefit factor, this factor must be profitable from both the customer and company side. The company benefits from the transaction, while the customer gets the desired product and service that is satisfied or even exceeds expectations. Creating mutual benefits will be better if realized in the long term, if in the long term the company can continuously provide quality products according to customer desires and provide excellent service, then customers will be much more satisfied and make repeat purchases that lead to loyal customers. . The second factor is commitment.

The third factor is communication. Communication is one of the very basic characteristics of a relationship to run well. By doing good communication, customers can communicate their wishes, opinions, as well as satisfaction and dissatisfaction with the company, as well as the company, can respond to all customer needs, complaints, and desires, this shows that the company pays attention to customer criticism and input. The last factor is the quality of service. A good product but not having good service will be useless. Thus, service quality can be interpreted as the company's efforts in fulfilling customer needs and desires, in order to be precise in delivering and balancing consumer expectations.

Customer Loyalty

Customer Loyalty according to Kotler, Armstrong and Cunningham (2005) is the attitude of repeat purchases made by customers because they have been committed to a brand. Customer loyalty is an attitude impulse to make purchases repeatedly so that it can build customer loyalty to a product produced by the business, it takes a long time for a repeat purchase process to occur (Peter & Olson, 2008). In essence, customer loyalty has a main indicator or main keyword, namely repeat purchases, because by making repeated purchases it shows that loyal customers choose certain company brands. In addition to repeat purchases, an element that companies need to pay attention to is support for the product which is manifested in communicating a person's positive experience.

According to Griffin (2005), customer loyalty has four characteristics. First, make regular repeat purchases. Customer loyalty can be related to customer attitudes. Customers who are satisfied with a product when they make their first purchase tend to make repeat purchases. When they are satisfied, there will be a sense of loyalty and will continue to choose the brand repeatedly for a certain time on a regular basis. Second, buy outside the product line. Customers who buy not only one product but more than one product can be said to be loyal because they have trusted a brand so they believe in the quality and price of other products with the same brand. Third, refer to other people. Customers who have believed in a brand are a valuable asset for the company.

Customer Satisfaction

Customer satisfaction according to Kotler and Armstrong (2010) is a person's feeling of pleasure or disappointment which is the result of a comparison of the perception of product performance and expectations. When the results of the product are in line with expectations, then consumer satisfaction can occur and consumers tend to feel happy and not disappointed with the products that have been consumed. However, if the results of the product are not in line with previous expectations, consumers will feel disappointed.

Customer satisfaction can be measured through indicators according to Tjiptono (2014), there are six indicators. First, overall customer satisfaction. Measuring customer satisfaction the simplest way is to ask the customer directly. Second, customer satisfaction. Customer satisfaction can be through product assessment. Third, confirm expectations. In this indicator, satisfaction is not measured directly, but is concluded based on the suitability or discrepancy between customer expectations and the actual performance of the company's products. Fourth, the intention to repurchase. Similar to customer loyalty, customer satisfaction is measured behaviorally by asking whether the customer will buy the product again. Fifth, willingness to recommend. This indicator is also the same as the characteristics of customer loyalty, The willingness of customers to recommend products to relatives is an important measure to analyze. Sixth, customer dissatisfaction. In this indicator, it is necessary to know whether there are other aspects that make customers less satisfied with the company's products.

Relationship of Customer Relationship Management (CRM) with Customer Loyalty

Salami (2009) argues about the relationship between CRM and Customer Loyalty, namely CRM is a strategy in which banks build and manage long-term relationships with their customers. Researchers have shown that CRM implementation can provide better customer service, as well as increase and manage customer expectations and loyalty. From this opinion, it can be concluded that the application of CRM is not only improving service, but also very useful for improving and managing the company in accordance with consumer expectations and loyalty. According to previous research conducted by Imasari

and Nursalin (2011), CRM with customer loyalty has a significant relationship, it can be seen from CRM which forms a positive company image in the minds of customers.

Relationship of Customer Relationship Management (CRM) with Customer Satisfaction

Barnes (2003) argues that by achieving the highest level of customer satisfaction, it indicates that the main marketing objectives have been achieved. Total customer satisfaction can create gaps in the return of customers, and reduce the possibility of customers switching to competing companies. According to previous research conducted by Victor et al (2015) the results of this study indicate that there is a significant relationship between CRM and customer satisfaction. In this study, the CRM strategy carried out by the bank was able to maintain good relations with its customers through satisfactory service, so that customer expectations could be met.

Customer Satisfaction Relationship with Customer Loyalty

In the business world, a business will be said to be successful if it has been able to make customers feel satisfied and automatically have loyal customers to the company. according to Saleem, Moosa, Imam, and Khan (2017) concludes that consumer satisfaction is one of the goals of a company because it can encourage the loyalty felt by consumers. According to previous research conducted by Iriandi (2015) shows the relationship between customer satisfaction and customer loyalty occurs significantly. Customer satisfaction that is able to meet customer expectations will lead to customer loyalty to the company.

The description of the results of previous research can be seen in Table 1.

Table 1. Previous Research

No	Researcher Name	Research Title	Research methods	Research result
1	Wandani (2021)	The Effect of CRM and Consumer Loyalty on Siska Boutique Consumer Satisfaction in Medan	Multiple Linear Regression	The results showed that there was a significant influence between CRM and customer satisfaction, there was a significant influence between customer loyalty and customer satisfaction, and there was a jointly significant influence between CRM and customer loyalty on Siska Boutique consumer satisfaction in Medan.
2	Sangian (2015)	Analysis of the Influence of Customer Value and CRM on Customer Satisfaction and Loyalty at Trio Taylor Store Manado	<i>Structural Equation Modeling</i> (SEM)	The results of the analysis show that customer value has a positive and significant effect on customer satisfaction and customer loyalty, customer relationship marketing has a significant effect on customer satisfaction and loyalty, customer satisfaction has a significant effect on customer loyalty at Trio Taylor Manado Store.

Table 1. Previous Research (cont.)

No	Researcher Name	Research Title	Research methods	Research result
3	Setyaleksana et.al. (2017)	The Effect of CRM on Customer Satisfaction and Loyalty (Survey of GraPARI Telkomsel Customers in Malang City)	<i>Path Analysis</i>	The results show that CRM has a significant effect on customer satisfaction, then there is a significant influence between CRM and customer loyalty, and there is a significant influence between customer satisfaction and GraPARI Telkomsel customer loyalty in Malang City.
4	Victor et al. (2015)	The Influence of CRM and Trust on Satisfaction and Their Impact on Consumer Loyalty of PT. Bank BCA Tbk. in Manado	<i>Path Analysis</i>	The results showed that CRM and trust, each had a significant effect on customer satisfaction, customer satisfaction had a significant effect on consumer loyalty, CRM and trust had a significant effect on consumer loyalty PT. Bank BCA Tbk. in Manado.
5	Abriyanti dan Dewi (2015)	The Effect of CRM on Customer Satisfaction and Customer Loyalty on Sushi Tei Surabaya Customers	<i>Generalized Structure Component Analysis (GSCA)</i>	The results of the study prove that CRM has a positive effect on customer satisfaction and CRM has a positive effect on loyalty. Customer satisfaction has no effect on customer loyalty Sushi Tei Surabaya
6	Hapsari and Ismoyowati	Analysis of CRM Programs to Achieve Customer Satisfaction and Loyalty Goeboex Coffee Yogyakarta	<i>Structural Equation Modeling m,op- (SEM)</i>	The results of the study prove that CRM has a significant effect on satisfaction and the satisfaction variable has a significant influence on consumer loyalty Goeboex Coffee Yogyakarta.
7	Iriandini et.al. (2015)	The Effect of CRM on Customer Satisfaction and Customer Loyalty (Survey on Customers of PT. Gemilang Libra Logistics, City of Surabaya)	<i>Path Analysis</i>	The results of this study indicate that based on the analysis of the coefficient of determination, the result is 0.872, meaning that 87.2% of the Customer Loyalty variable is influenced by the CRM and Customer Satisfaction variables. Based on the significance value $F(0.000)\alpha=0.05$.

Table 1. Previous Research (cont.)

No	Researcher Name	Research Title	Research methods	Research result
8	Zahro and Prabawani (2018)	The Effect of CRM on Cable TV Customer Loyalty in Tembalang District through Customer Satisfaction as an Intervening Variable (Study at PT. MNC Sky Vision-Indovision Semarang)	<i>Explanatory Research</i>	The results showed that CRM had a positive and significant effect on customer satisfaction, customer satisfaction had a positive and significant effect on customer loyalty, CRM had a positive and significant effect on the CRM loyalty variable and satisfaction had a positive and significant impact on the loyalty variable. Through the results of the Sobel test, it was found that there was an influence between CRM on loyalty through customer satisfaction of PT. MNC Sky Vision- Indovision Semarang.
9	Yulianti, Sjahrudin and Tahir (2015)	CRM Implementation on Customer Satisfaction and Loyalty of Samsung Brand Android Smartphone Users	<i>Path Analysis</i>	The results of hypothesis testing are that CRM has a significant effect on the satisfaction variable, CRM has no effect on the loyalty variable, and the satisfaction variable has a significant effect on the loyalty of Samsung Android Smartphone Users.
10		Analysis of the Influence of Service Quality and CRM on Customer Loyalty with Customer Satisfaction as an Intervening variable in Kampoeng Kids, Batu-East Java	<i>Structural Equation Modeling (SEM)</i>	The results of the analysis prove that service quality has a significant effect on customer satisfaction, CRM has a significant effect on Customer Satisfaction, and Customer Satisfaction has a significant effect on Customer Loyalty in Kampoeng Kidz, Batu-East Java.
11	Supar and Atmosphere (2017)	The Role of Customer Satisfaction in Mediating the Effect of CRM on Customer Loyalty	<i>Path Analysis</i>	The results of this study indicate that CRM and customer satisfaction have a partially significant effect on customer loyalty, and CRM and customer satisfaction jointly have a significant effect on customer loyalty.
12	Ham and Samuel (2016)	The Effect of CRM on customer satisfaction and customer loyalty on Matahari Department Store Customers	<i>Path Analysis</i>	The results of the study prove that CRM has a positive effect on consumer loyalty and customer satisfaction has a positive effect on loyalty, customer satisfaction has an effect on the relationship between CRM and customer loyalty.

Table 1. Previous Research (cont.)

No	Researcher Name	Research Title	Research methods	Research result
13	Farida (2016)	The Effect of CRM and Service Quality on Investor Satisfaction and Loyalty of PT Danareksa Medan	<i>Path Analysis</i>	The results of CRM research directly have a positive and significant effect on satisfaction, CRM indirectly has a positive and significant effect on investor loyalty through satisfaction, service quality directly has a positive and significant effect on satisfaction, service quality indirectly has a positive and significant effect on investor loyalty through satisfaction, CRM directly has a positive and significant effect on investor loyalty, service quality directly has a positive and significant effect on investor loyalty, satisfaction directly has a positive and significant effect on investor loyalty at PT Danareksa Medan.
14	Sari (2009)	Effectiveness of Loyalty Program in CRM on Customer Satisfaction and Loyalty (Study of Retention Division Activities in Implementation of Loyalty Program "Im3@School Community" at PT Indosat Tbk. Malang Branch Office)	Simple regression	The results of the study prove that there is a significant effect between CRM through a loyalty program on customer satisfaction, there is a significant effect between CRM through a loyalty program on customer loyalty, and there is a significant effect between customer satisfaction and customer loyalty.
15	Sari, Daryanto, Saptono, (2018)	The Effect of CRM on Customer Satisfaction and Loyalty of PT Bank BNI	<i>Structural Equation Modeling (SEM)</i>	The results showed that the CRM variable had a significant effect on customer satisfaction and loyalty. But customer satisfaction has no significant effect on customer loyalty.

RESEARCH METHOD

The method used in this research is descriptive quantitative method by conducting survey research based on data by distributing questionnaires to respondents. Quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative with the aim of testing predetermined hypotheses.

The analytical method used by the author in this research is path analysis. Path analysis model is used to analyze the pattern of relationships between variables with the aim of knowing the direct and indirect effects of a set of independent variables (exogenous) on the dependent variable (endogenous). The operational variable description is in Table 2.

Table 2. Operational Definition

Variable	Definition	Indicator
Customer Relationship Management	CRM is an effort to attract and retain customers through improving the company's relationship with customers (Lupiyoadi et. Al., 2009).	<ol style="list-style-type: none"> 1. Ease of buying products 2. Have the best service 3. Commitment to maintain quality 4. Commitment to maintain service 5. Service friendliness 6. Complaint response 7. Speed in responding to customers 8. Attention given to customers
Customer Loyalty	Customer loyalty is an attitude impulse to make purchases repeatedly so that it can build customer loyalty to a product produced by the business, it takes a long time for a repeat purchase process to occur (Olson, 2008).	<ol style="list-style-type: none"> 1. Repeat purchase 2. Product loyalty 3. Using other products 4. Recommend the product to others 5. Telling the advantages of the product without any feedback from the company 6. Disinterest in other products from other companies
Customer Satisfaction	Customer satisfaction is a person's feeling of pleasure or disappointment which is the result of a comparison of the perception of product performance and expectations (Kotler & Armstrong, 2010).	<ol style="list-style-type: none"> 1. Satisfaction with the product 2. Satisfaction with service 3. Product expectations 4. Expectations for service 5. There are complaints about the product 6. Products and services do not meet expectations

Sampling technique

In this study, the target population is customers who have made repeat purchases at Benari. Based on the average purchases found in Benari over a year, the total population is 850 people.

Due to the average purchase per year in Benari as many as 850 people, it is necessary to know how many samples are needed in this study. With the sample being a subgroup of the population, it is necessary to know how many samples the researcher needs to take to examine Benari's efforts. This could be calculated using the Slovin formula as seen in Formula 1.

$$n = \frac{N}{1 + Ne^2} \quad (1)$$

n = Sample Size

N = Population Size

e = Fault Tolerance Limit

Based on the calculation of the Slovin formula above, using an error tolerance limit of 10%, the results obtained for a sample size of 89.47 which were rounded up to 89. From the results of these calculations, the sample of this study was at least 89 repeat buyers from Benari. In this study the sample was selected by purposive sampling method. Purposive sampling is sampling that emphasizes being a sample because of the consideration of certain characteristics or characteristics. In this study, the sample was people who had purchased Benari at least once.

Data collection technique

In this study, primary and secondary data sources were used. Primary data comes from surveys conducted using questionnaires, interviews with Benari buyers, and holding a Forum Group Discussion (FGD) with Benari business owners. For secondary data sources, sourced from literature related to the topics raised, through journals, books, and others that can be accessed online. The purpose of using these four research sources is to refine and provide a clear explanation of the results of this study, through various different perspectives.

The data collection technique used is a survey using a questionnaire. The questionnaire in this study was given several statements which would later be used to obtain information about Customer Relationship Management, Customer Loyalty, and Customer Satisfaction in Benari.

Measurement Scale

To make it easier for respondents to answer existing statements and make it easier for researchers to process data, respondents' answers are given a score. The scoring in this study uses a Likert scale, namely the answers given to confront a respondent with a statement and are asked to provide the answers that have been given.

In this procedure, will determine the score for the given statement. Scores using a Likert scale will be divided into five categories of assessment, where each statement will be given a score of one to five. The following in Table 3. is a description of the Likert scale score assessment for this study.

Table 3. Likert Scale

Weight	Evaluation
1	Strongly disagree
2	Do not agree
3	I agree
4	Agree
5	Strongly agree

Data analysis technique

The data analysis technique in this study used statistics, namely descriptive statistics and inferential statistics. Descriptive statistics in this study are used to describe the demographic characteristics of respondents by presenting data through tables and performing calculations to determine the average value, the highest value and the lowest value. Inferential statistics in this study were used to test the significance and test hypotheses using path analysis and Sobel test where previously the research variables were analysed using confirmatory factor analysis to ensure the appropriateness of the data size.

RESULTS AND DISCUSSION

Results

Characteristics of Respondents

Characteristics of respondents in this study in terms of several demographic variables including characteristics based on age, type of work, and origin as seen in Table 4.

Table 4. Characteristics of Respondents

Characteristics	Classification	Number of people	Percentage (%)
Age	15-20 years	27	22.0
	21-30 years old	64	52.0
	31-40 years old	31	25.2
	>40 years	1	0.8
Amount		123	100
Profession	Student/Student	41	33.3
	Businessman	31	25.2
	Private sector employee	39	31.7
	civil servant	12	9.8
Amount		123	100
Origin	Jabodetabek	88	71.5
	Outside Jabodetabek	35	28.5
Amount		123	100

Based on Table 4, it can be seen that the respondents were dominated by the age of 21-30 years with a total of 64 respondents, 52% of the total respondents of 123 people. The respondent's occupation is dominated by 41 students, 33.3% of the total respondents. The origin of the respondents was dominated by Jabodetabek by 88 people, 71.5% of the total respondents.

Validity Test & Reliability Test

From the results of data processing, the CRM variable with 16 statements and all of them are valid, the Customer Loyalty variable is 11 statements and all of them are valid, the Customer Satisfaction variable is 10 statements and all of them are valid. all instruments are valid because the validity value of each variable is > 0.177 and the significance value is < 0.05 . With the help of IBM SPSS 22, the questionnaire that the author submitted has met the requirements in the validity test so that the questionnaire was declared valid and the questionnaire could be forwarded to the next stage. The results of the confirmatory factor analysis, namely Kaiser Meyer Olkin (KMO) showed that all variables had a KMO 0.5, which means that each variable had sufficient samples for factor analysis. The value of Measures of Sampling Adequacy (MSA) for each variable is greater than 0.5, which means that each model is suitable for use in factor analysis. The Percentage of Variance value obtains the results of each variable greater than 50 percent, which means that the factor of each variable has the feasibility to explain the factor variable.

Table 5. Results of Path Analysis of the Regression Equation 1

Model	R Square	Standardized Coefficients Beta	Signification
Customer Relationship Management	0.148	0.385	0.000

Based on the results of the analysis as presented in Table 5, the structural equations are as seen in Formula 2.

$$Y1 = 1 X + e1 \quad (2)$$

$$Y1 = 0.385X + e1$$

Table 6. Results of Path Analysis of the Regression Equation 2

Model	R Square	Standardized Coefficients Beta	Signification
Customer Relationship Management	0.216	0.433	0.000
Customer Loyalty		0.343	0.000

Based on the results of the analysis as presented in Table 6, the structural equations are as follows as seen in Formula 3.

$$Y2 = 2 X + 3 Y1 + e2 \quad (3)$$

$$Y2 = 0.475X + 0.374Y1 + e2$$

Based on the substructure 1 and substructure 2 models, a final path diagram model can be drawn up. Before constructing the final path diagram model, the standard error value is calculated first. Calculation of the effect of the Pe1 error, the results of the Pe1 error effect are 0.923 and the Pe2 error effect is 0.885. The results of the coefficient of total determination are as follows in Table 7.

Table 7. Results of Testing the Coefficient of Determination Total

Test result	Total Coefficient of Determination	Information
R2m	0.465	The effect of the independent variable on the dependent variable in a combined way

The total determination value of 0.385 means that 46.5 percent of the variation in Customer Satisfaction is influenced by CRM and Customer Loyalty variables, while the remaining 53.5 percent is explained by other factors. The following presents the results of the path coefficient on the research hypothesis, as seen in Figure 1.

Based on the path diagram in Figure 1, the influence between variables can be calculated which is summarized in Table 8.

Based on Table 9, it shows that the Z value is 3.171 where this value is greater than 1.96 with a significance level of 0.000. These results indicate that the Customer Satisfaction variable is able to mediate the relationship between Customer Relationship Management and Customer Loyalty.

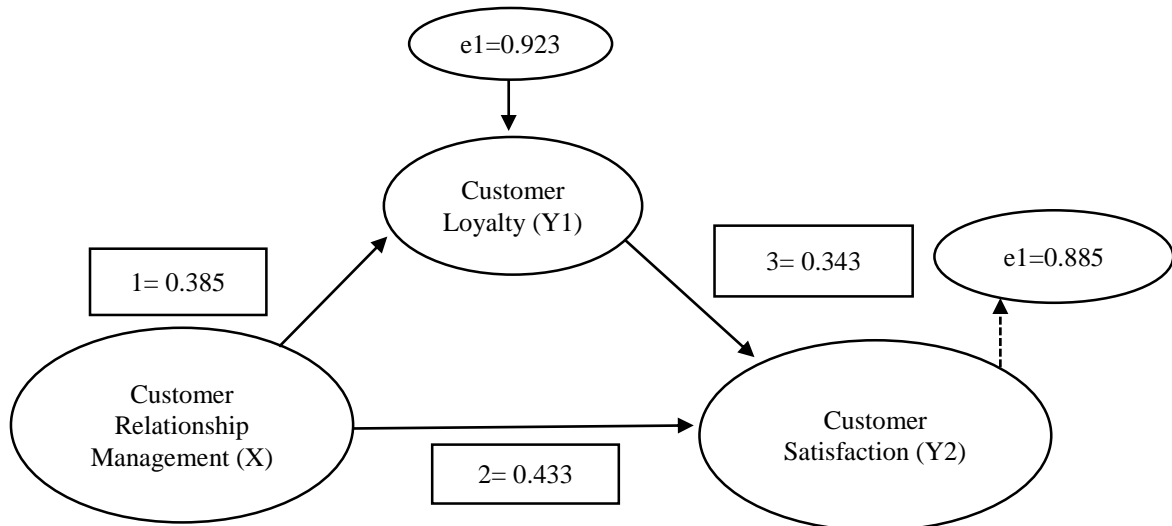


Figure 1. Validation of the Final Path Diagram Model

Table 8. Direct and Indirect Effects and the Effect of Total Customer Relationship Management (X), Customer Loyalty (Y1), and Customer Satisfaction (Y2)

Variable Effect	Direct Influence	Indirect Influence Through Customer Loyalty	Total Influence
X→Y1	0.385	-	0.385
X→Y2	0.433	0.132	0.565
Y1→Y2	0.343	-	0.343

Table 9. Sobel Test Results

Sobel	Mark	Information
Z	3,171	Mediate
Significant	0.000	Significant

Discussion

Based on the results of data processing, hypothesis testing on the influence of CRM on customer satisfaction with a significance level of probability (p) of 0.000 (less than 0.05) and a standardized beta coefficient of 0.385, which means that the results of this study indicate that CRM has a positive and significant effect on satisfaction. customer. Tests on the influence of CRM on customer loyalty with a significance level of probability (p) of 0.000 (less than 0.05) and a standardized beta coefficient of 0.4333, which means that the results of this study indicate that CRM has a positive and significant effect on customer loyalty. Testing on the effect of satisfaction on customer loyalty with a significance level of probability (p) of 0.000 (less than 0.05) and standardized beta coefficient of 0,

Testing on the role of customer satisfaction in mediating the influence of CRM on customer loyalty, using the Sobel test, obtained a z value of 3.171 where this value is more than 1.96 at the significance level on the probability (p) of 0.000 (less than 0.05) which means the results This study proves that customer satisfaction has a significant role in mediating the influence of CRM on customer loyalty. It can be concluded that Customer Relationship Management has an effect on Customer Satisfaction and Customer Loyalty in Benari.

Researchers and owners from Benari conducted a Focus Group Discussion (FGD) to discuss the results of data processing which showed the influence of Customer Relationship Management on Customer Satisfaction and Customer Loyalty. through Customer Relationship Management to increase sales and become regular customers, Benari also wants his new customers to become loyal customers. This of course requires the right strategy to increase customer satisfaction and loyalty.

Based on the results of the FGD with the owner from Benari, strategies can be formulated to increase customer satisfaction and loyalty through Customer Relationship Management. This strategy is Cross Selling. Cross Selling is one of the strategies in the Customer Relationship Management phase, namely the Enhance phase. This phase is in line with the strategic objectives to be implemented, namely trying to improve relationships with new customers. The Cross Selling strategy has proven to be effective in increasing the company's revenue which is in line with increasing customer loyalty and profitability, according to Chasin (2003). According to Linoff and Berry (2004), there are several other terms related to cross selling marketing techniques, one of which is product bundling, namely by selling one product with another product simultaneously as a sales package.

Benari can identify customer needs and desires to establish additional products from his main product. Since Benari does not yet have a product line other than clothes, it can be suggested to create other product lines such as pants, skirts, etc. whose goods are complementary to clothes. With the new product line, Benari can do product bundling. According to Royan (2004), bundling is a way of tying two or more products, which are generally cheaper than the previous price. This strategy can be applied so that products can be sold simultaneously, this is how cross selling works. With the new product line and product bundling, it can also meet customer needs, if the customer is satisfied with the product they are using, when they looking for other products, they will choose the same brand.

CONCLUSION AND SUGGESTION

Customer satisfaction and customer loyalty are things that need to be considered by all business owners, if the customer is satisfied with the product, the customer will potentially be loyal to one brand, so the business will continue to grow and exist. Business development is one of the big demands, in order to have advantages compared to other competitors. Maintaining customer satisfaction and customer loyalty is not easy, getting new customers is actually more capital or can be said to be more expensive than keeping existing ones. So the way to do that is to take advantage of Customer Relationship Management, which is what Benari is currently doing. Benari business feels that the influence of the Customer Relationship Management that they have undergone on Customer Satisfaction and Customer Loyalty, even so, Benari wants to increase customer satisfaction and customer loyalty. so that Benari needs an in-depth analysis of the influence of Customer Relationship Management on Customer Satisfaction and Customer Loyalty.

After conducting a survey through a questionnaire with 123 respondents, Benari has a very good average score, so it is evident that the Customer Relationship Management conducted by Benari affects customer satisfaction and loyalty. Despite having a very good score, of course, Benari still needs a Customer Relationship Management strategy to

increase customer satisfaction and loyalty so that his business can grow. The suggested strategy based on the results of the survey and FGD is a cross selling strategy.

Advice that can be given to Benari is to implement a cross selling strategy as soon as possible, in order to increase customer loyalty and customer satisfaction. Launching other product lines is also a suggestion, so that Benari becomes a fashion brand that meets consumer needs for all clothing needs. Benari can also reproduce existing product designs, such as shirts and skirts that have different designs so that customers have choices according to their personalities and tastes. With so many choices, you will get a large market and have the potential to increase customer loyalty and develop the Benari brand. It is hoped that this research can continue to find out more about whether the cross selling strategy is the right strategy for Benari.

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