

The Effect of Customer Relationship Management, Service Quality on Customer Value and Customer Satisfaction (Case Study on the Zelika Company of West Papua Province)

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Abstract

This research is a quantitative research that examines customer satisfaction and customer value of Zelika Company, West Papua Province. The aims of this study are: 1) To examine and analyze the effect of customer relationship management on customer value; 2) Test and analyze the effect of service quality on customer value; 3) To test and analyze the effect of customer relationship management on customer satisfaction; 4) To test and analyze the effect of service quality on customer satisfaction; 5) To test and analyze the effect of customer value on customer satisfaction. This type of research is explanatory research, using a quantitative approach with data collection methods through questionnaires, interviews and documentation, instrument measurements were measured using a Likert scale using five points. sampling method using the slovin method. Data analysis uses GeSCA (Generalized Structured Component Analysis) analysis. The research population was 230 respondents, the research sample was 146 people. The results showed that: customer relationship management has a significant effect on customer value, service quality has a significant effect on customer value, customer relationship management has a significant effect on customer satisfaction, customer value has a significant effect on customer satisfaction, and service quality has a significant effect on customer satisfaction.

Keywords: Customer Relationship Management, Service Quality, Customer Value, and Customer Satisfaction

1. Introduction

In an increasingly competitive business environment, a company is required to empower and optimize all its resources. With this the company has a strategy to identify improve customer satisfaction by managing customer relationships, and customer value. This is in accordance with research from Mardiyono, (2015) If a company wants to exist and survive in the competition, besides continuing to look for new innovations, it must be able to provide service satisfaction to customers.

Customer relationship management is an attempt by the company to concentrate on keeping customers by collecting all forms of customer interaction, whether via telephone, email, feedback on the site or the results of

conversations with company employees. This is supported by the expectation of Mochtar, et al, (2019), the research findings show that good customer relationship management can increase customer satisfaction. An empirical study that analyzes the relationship between customer relationship management and customer satisfaction conducted by Mochtar, et al, (2019), where the results of his research found a positive and significant relationship between customer relationship management and customer satisfaction. Customers who are satisfied with the service will feel satisfied and will provide value by disseminating positive information to potential new customers. The role of customer satisfaction and customer value is an important factor in creating loyalty, this is supported by research from Tjiptono, (2016), which is the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given. Service quality is all forms of activities carried out by the company to meet customer expectations. Recognizing that high service satisfaction leads to high loyalty, companies must ensure that they can meet and exceed customer expectations, Kotler (2016), argues that service quality is the totality of the characteristics of goods and services that show their ability to satisfy customer needs both visible or hidden.

Judging from the empirical data previously motivated by this how important it is to maintain customer loyalty in

terms of customer relationship management, customer quality, and customer value factors, the next researcher wishes to conduct further research that examines and analyzes the influence of customer relationship management, service quality on customer value and customer satisfaction at the Zelika Company of West Papua Province. The object of research at the Zelika Company of West Papua Province, seen based on observations of the company's turnover from 2017 to 2021 from year to year continues to grow and is able to meet the needs of its customers. The determination of the object of this research is considered by the researcher because there are phenomena that are worthy of research and analysis.

The role of customer satisfaction and customer value is an important factor in creating loyalty. An empirical study of customer value according to Tjiptono's view, (2016), is the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given. Judging from previous empirical data, no research has been obtained that measures/assess the relationship between customer satisfaction and customer value. Motivated by this, this study aims to examine and explain the role of customer satisfaction in relation to customer value.

Referring to empirical studies related to the theory of customer relationship management variables, if it is not carried out properly it will result in customer complaints and dissatisfied customers, as well as a bad company image in the eyes of customers so that the impact on Zelika's company turnover does not increase significantly starting from 2017-2020 seen in table 1 below.

Table 1: Zelika Company Turnover Data, West Papua Province

No	Year	Turnover
1.	2017	Rp. 7,351,518,000.00
2.	2018	Rp 9,472,061,765.00
3.	2019	Rp.11,592,605,525.00
4.	2020	Rp.15,316,479,782.00

Source: Zelika Company, Data processed, 2022

Based on table 1, the turnover of Zelika Company has increased every year. So from these observations there is a phenomenon related to customer complaints because customer satisfaction is not optimal, it is thought to be caused by factors in managing customer relationships that are not well established and customer value. Based on empirical studies and existing phenomena, researchers are interested in researching the influence of customer relationship management, service quality to customer value and customer satisfaction at the Zelika Company of West Papua Province.

There is one previous study that discusses the influence of customer relationship management, service quality, customer value and customer satisfaction. The following describes the results of previous studies taken from two journals.

Empirical study of Mokhtar, et al, (2019) on "An examination of the relationship between Customer Relationship Management quality, Service Quality, customer satisfaction and customer loyalty: The case of five star hotels" This study describes the quality of customer relationship management, service quality on customer loyalty through customer satisfaction at five-star hotels in Makassar City, Indonesia. The purpose of this research is to find out how big the role of customer satisfaction is in increasing and maintaining loyalty to the decision to stay at the star hotel.

Hassan, et al., (2015) conducted a research entitled "Effect of Customer Relationship Management on Customer Satisfaction." In a highly competitive market, companies need to maintain positive relationships with their customers. Customer relationship management program that helps companies in satisfying customers, The purpose of this study is to examine the effectiveness of customer relationship management in retaining and satisfying customers with reference to Shell Pakistan.

Based on the literature review from the results of previous studies, the researchers tried to build a framework of thought that would be proposed in this study. This framework was built based on curiosity about the role of customer relationship management in increasing customer satisfaction, Zelika Company, West Papua Province in terms of aspects customer relationship management, service quality and customer value. Furthermore, in terms of theoretical results which explain that customer relationship management is one of the factors that can influence in order to increase customer satisfaction in achieving company goals to be sustainable. The theoretical study is strengthened by the empirical findings conducted by Mochtar et al. (2019), with the findings that customer relationship management (CRM) has a significant effect on customer satisfaction; Khedhar, (2015), with his findings explaining that customer relationship management (CRM) has a significant effect on customer satisfaction, the findings of this study are in line with research conducted by Ismaili, (2015) with his findings that customer relationship management (CRM) has an effect on increasing customer satisfaction. .strengthened by the empirical study of Azzam, (2014), with the findings of his research that there is a significant effect of service quality on customer satisfaction.

Based on the explanation of the research results that have been described previously, it still has not provided a satisfactory answer for the researcher, so the researcher tries to test and re-explain the relationship equation of customer relationship management (CRM) to customer satisfaction. Furthermore, based on the studies of several previous researchers, no research has been found that examines the relationship of the influence of customer value on customer satisfaction, this is the interest of researchers to conduct research that examines the relationship of customer value to customer satisfaction with the intention of finding a new model of research using the customer value variable.

This research framework is outlined in the form of a conceptual framework image that explains the influence of customer relationship management on customer satisfaction at Zelika Company, West Papua Province, which is mediated by customer value, shown in Figure 1 below:

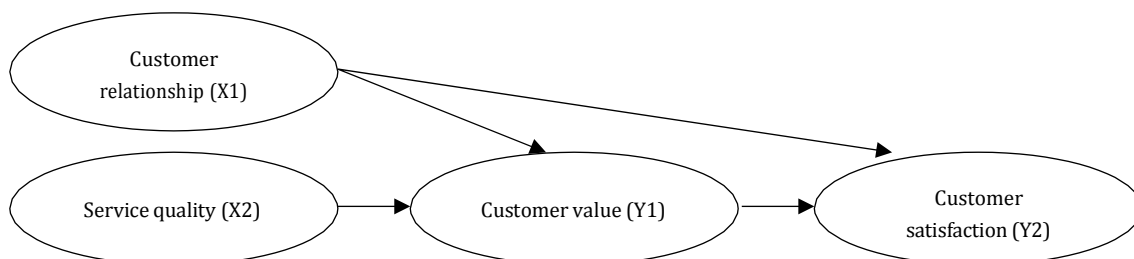


Figure 1: Conceptual Framework

Source: Data processed, 2022

The hypotheses of this study include: H1: Customer relationship management has a significant effect on customer satisfaction, H2: Customer relationship management has a significant effect on customer value, H3: Service quality significantly affects customer value, H4: Customer value has a significant effect on customer satisfaction.

2. Method

This type of research is classified as explanatory research, namely research that analyzes the relationships between one variable and another or how one variable affects other variables through the submission of hypotheses (Sugiyono, 2016). Using survey research methods, namely research types using questionnaires as the main data source, respondents are asked to provide short answers that have been written in the questionnaire or questionnaire and then the answers are processed using certain analytical techniques (Martono, 2015).

The approach used in this study is a quantitative approach, namely research that takes a sample from one population by using a questionnaire as the main data collector, to obtain factual information and facts or explanations of phenomena, (Creswell, 2017). In addition to using the main quantitative approach, this research is also equipped with a qualitative approach (qualitative). It is intended that the use of these two methods is expected to be able to explain and discuss the results of the research thoroughly and provide a better understanding for all parties interested in this research. This study uses a survey method, which collects information from the entire population or sample 137 by using a questionnaire tool, (Sugiyono, 2016).

The sample is a group of certain parts or portions taken from the population (Sekaran, 2014). The existing population is selected that meets certain conditions which then have the opportunity to become a sample. Identification The samples used in this study were all customers who were spread out/from 3 branches of the Zelika Company, Kaimana Regency, West Papua Province (namely: 1. at the Zelika Company branch at Jalan Utarum, Krooy Village, 2. Jalan Utarum Pasar Baru Branch, Krooy Village and 3. Jalan Utarum Kampun Baru Branch, Trikora Kaimana District, West Papua Province), totaling 230 people with the criteria of having made a purchase at least 3 times.

The sample in this study was taken from part of the population using the Slovin technique. According to Sugiyono (2016: 87). The use of the sampling method using the Slovin formula because the number of samples must be representative. Based on calculations using the slovin formula, the sample of respondents in this study was 146 people/sample; The 146 samples are customers of the Zelika company, Kaimana Regency, West Papua Province with an age range of 20 years to 39 years, and ages over 40 years.

The data of this study were sourced from primary and secondary data. The results of the respondents' answers are used as the main reference for the research, which is then processed and analyzed to draw conclusions. Primary data were collected through research instruments (questionnaires). The questionnaire can be in the form of a question (a list of questions). The measurement of the research instrument (Questionnaire) was measured using a Likert scale using a scale of 1-5 points. In addition, interviews were also conducted with several customers and company management related to the research carried out in order to obtain information and add insight and clarify the data obtained. Whereas secondary data comes from existing documents, which are directly related to research, or derived from observations or direct observations made by researchers at the research site. Secondary data were collected and obtained directly at the research site by means of researchers taking documentation directly through documentation techniques.

The subjects of this study were obtained using observed naturalistically, the data were obtained by distributing questionnaires that were filled in according to the circumstances experienced by the research subjects.

3. Results

The analysis needed in this research is the validity and reliability test of the research instrument, the Generalized Structured Component Analysis (GSCA) analysis, then produces a structural model to get the results of several analyzes that have been done. The results of the study will be explained in table 2 below:

Table 2: Results of Direct Effect Hypothesis Testing

Relationship Between Variables	Path Coefficient	CR	Information
Customer relationship management(X1)-> Customer Satisfaction(Y2)	0.252	3.45 *	Significant
Customer relationship management(X1)-> Customer Value(Y1)	0.424	5.82 *	Significant
Service Quality(X2)->Customer Value(Y1)	0.206	2.92 *	Significant
Customer Value(Y1)->Customer Satisfaction(Y2)	0.303	4.16*	Significant

Source: Processed Data, (2021)

Based on Table 2 regarding the results of hypothesis testing, it can be explained that the value of the direct influence of X1 on Y2 has a coefficient value of 0.252 this explains if (X1) has a significant effect on (Y2), X1 to Y1 has a coefficient value of 0.424 this explains if (X1) has a significant effect on (Y1), X2 to Y1 has a coefficient value of 0.206 this explains if (X2) has a significant effect on (Y1), and Y1 to Y2 has a coefficient value of 0.303. The research period is 3 (three) months. The first month the researcher made observations and met with the Manager of the Zelika Company, Kaimana Regency, West Papua Province to ask for permission to conduct research and visited the management of the Zelika Company, Kaimana Regency, West Papua Province to distribute questionnaires to customers who came. In the second month the researcher began to collect the questionnaires that had been filled out by the respondents. In the third month, the researcher analyzed the data with the help of Generalized Structured Component Analysis (GSCA) software. The final stage is the fourth month of compiling research results reporting. This research plan will be carried out from April 2021 to June 2021. In carrying out this research.

Data analysis techniques used in this study include Validity and Reliability Test. The validity test is to measure how appropriate a test is by using a questionnaire from the respondents' answers. Reliability test is a tool to measure a questionnaire which is an indicator of a variable or construct (Ghozali, 2012:14).

From the validity and reliability tests, the results obtained for customer Relationship Management (X1) shows all indicator items are valid because the Pearson correlation value > 0.3 and Cronbach alpha > 0.5 means reliability is met, Service Quality (X2) shows all indicator items are valid because the Pearson correlation value is > 0.3 and alpha Cronbach > 0.5 means reliability is met, Customer Value (Y1) shows all indicator items are valid because the Pearson correlation value > 0.3 and Cronbach alpha > 0.5 means reliability is met, Customer Satisfaction (Y2) shows all indicator items are valid because the value Pearson correlation > 0.3 and Cronbach's alpha > 0.5 means that the reliability is met. The bias is explained in Figure 2 below:

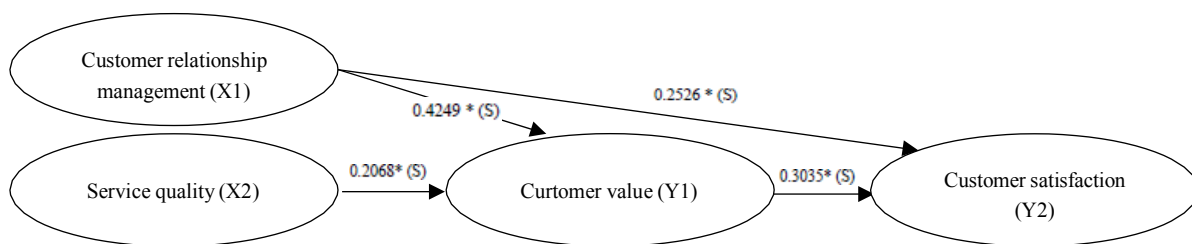


Figure 2: Research Results Model

Source: Data processed, 2022

Information :

→ Significant Influence

From Figure 2 above, it can be explained that H1: (X1) has a significant effect on (Y2) with a value of 0.252 and a CR value of 3.4, H2: (X1) has a significant effect on (Y1) with a value of 0.424 and a CR value of 3.4, H3: (X2) has a significant effect on (Y1) with a value of 0.206 and a CR value of 2.9, H4: (Y1) has a significant effect on (Y2) with a value of 0.303 and a CR value of 4.1.

3.1. Ancillary Analysis

The GeSCA (Generalized Structured Component Analysis) analysis method is a component or variance-based structural equation (SEM) model. The analysis and evaluation of the model in the GSCA is described as follows:

3.1.1 Measure of Fit Structural Model

The measurement uses FIT, which is equivalent to R² in regression analysis or the coefficient of total determination in path analysis or Q² in PLS.

3.1.2 Measurement Model of Each Variable

The measurement uses the loading factor value (standardize coefficient) on each indicator to the latent variable. For the X1 variable using the GeSCA method, the alpha value obtained is 0.656, which means that the customer relationship management variable has a good internal reliability consistency because it is greater than 0.6. For the X2 variable using the GeSCA method, the alpha value obtained is 0.787, which means that the 213 customer relationship management variable has a good internal reliability consistency because it is greater than 0.6. For the Y1 variable using the GeSCA method, the alpha value obtained is 0.734, which means that the customer value variable has a good internal reliability consistency because it is greater than 0.6. For the Y2 variable using the GeSCA method, the alpha value obtained is 0.916,

The final result of the Gescha analysis explained that Based on the results of hypothesis testing, it was explained that X1 had a direct effect on Y2. This means that the management of X1 is able to make changes to Y2 that are increasingly optimal/increasing, X1 has a direct effect on Y1. This means that X1 is able to make changes to Y1 which is increasingly optimal/increasing, X2 has a direct effect on Y1. This means that X2 is able to make changes to Y1 which is increasingly optimal/increasing, Y1 has a direct effect on Y2. This means that Y1 is able to make changes to Y2 that are increasingly optimal/increasing.

3.2. Participant Flow

The respondent in this research is the company Zelika.Characteristics of respondents in this study aims to describe the object of research according to age, gender, last education and subscription period, of course the data is obtained from the distribution of questionnaires that have been carried out. The description of the characteristics of the respondent's profile will be described in detail in Table 3 below:

Table 3: Characteristics of Research Respondents

Characteristics of Respondents	Number of people	Percentage (%)	
1. Age (Years)	a. 20 – 30	40	27.4
	b. > 30 – 40	80	54.8
	c. >40 – 50	26	17.8
	Amount	146	100
2. Gender	a. Man	110	75.35
	b. Woman	36	24.65
	Amount	146	100
3. Last education	a. Middle School/Equivalent	45	30.82
	b. High School/Equivalent	66	45.21
	c. Diploma (D2-D3)	5	3.42
	d. Bachelor degree)	25	17.13
	e. Master (S2)	5	3.42
	Amount	146	100
	a. 3	60	41.1

4. Subscription Period	b. > 3 – 4	30	20.54
	c. > 4 – 5	20	13.7
	d. > 5 – 6	15	10.27
	e. > 6 – 7	21	14.38
	Amount	146	100
5. Purchase Transaction	a. 3 times	80	54.7
	b. 4-5 Times	46	31.5
	c. > 5 Times	20	13.8
	Amount	146	100

Source: Processed Data, (2021)

From table 3 above, we can find out the characteristics of the respondent's profile that the researcher needs, to complete the qualitative data in this study.

4. Discussion

Based on the description of the results of the analysis and discussion in the previous chapter, the following conclusions can be drawn: Customer relationship management has a significant effect and fully assists in increasing customer satisfaction at the Zelika Company, West Papua Province. The implementation of customer relationship management promises a number of key benefits, such as cost effectiveness, customer satisfaction and loyalty, profitability, worth of mouth communication, and business partnership synergies. The results of this study strengthen the theory of customer relationship management Adamova (2014), which explains that customer relationship management is a process that addresses all aspects of identifying customers, creating customer knowledge, building customer relationships and sharing their perceptions about the organization and its products.

The management of customer relationships has a significant effect and fully assists in increasing customer value at the Zelika Company, West Papua Province. The strategy for implementing customer relationship management and customer value has been well implemented by the Zelika company of West Papua Province in general and has an impact on increasing the perception of higher customer value. The results of this study strengthen the theory of Kotler, et al. (2014:15), Customer relationship management is the entire process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

Quality of service has a significant effect and fully assists in increasing customer value at the Zelika Company of West Papua Province. This condition illustrates that the Zelika Papua Barat Company strongly supports service quality with indicators including: reliability, responsiveness, certainty, empathy and tangibles. The results of this study strengthen Ali's theory, (2016) suggesting service quality is a measuring tool to assess that the services provided are in accordance with customer expectations.

Customer value has a significant effect and fully assists in increasing customer satisfaction at the Zelika Company, West Papua Province. This condition illustrates that Zelika Papua Barat Company strongly supports customer value with indicators that include: creating customer loyalty and retention, growing market share, helping customer equity and building the right relationship with the right customers. The results of this study strengthen Azzam's theory, (2014), suggesting that customer value can increase customer satisfaction which in turn will increase customer loyalty.

This research has been attempted as systematically and accurately as possible, but there are still limitations. The limitations of this research are:

- The primary data of this study were obtained through a questionnaire whose answer choices were based on the respondent's perception. This assessment based on the respondent's perception may experience a social desirability bias.
- The results of this study cannot be generalized to all companies in Indonesia because each company has different characteristics.
- It is necessary to consider for future research to add other variables related or related to customer satisfaction

and customer value that have not been studied in this study.

Based on the research results and conclusions that have been described previously, it can then be developed into several suggestions for practitioners and future researchers:

- The management of customer relations used by the Zelika company of West Papua Province should play a role in increasing the achievement of customer satisfaction by using customer identification indicators, efforts to create customer knowledge and build customer relationships.
- The quality of service should be socialized by the company in order to increase customer satisfaction and shape the values and patterns of customer behavior of the Zelika Company of West Papua Province on an ongoing basis which ultimately has an impact on customer loyalty, increasing customer satisfaction and increasing the number of customers more optimally, for short and long term goals. long-term plans that have been designed by the previous company which are important factors in the success or failure of the company even though it is not an easy thing to implement. Service quality indicators consist of: reliability, responsiveness, certainty, empathy, and tangible.
- For future researchers, it is hoped that there will be additional variables that are not used in this study, with different research objects related to achieving customer satisfaction. It is intended that further research can produce new concepts about customer behavior in relation to customer satisfaction.

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