The Implementation of Customer Relationship Management and Service Excellent in Improving Customer Satisfaction

R Roisah[1], I Iskandar[2], R Mahanka[3], R A Adillah[4], I K Martana[5]

[1, 2, 3, 4] Universitas BSI, Indonesia
[5] ASM BSI Bandung, Indonesia

[1] riris.rio@bsi.ac.id
[2] iisiskandar@bsi.ac.id

Abstract. The tight competition and regulation complicate banking in Indonesia to show its market strength. Customer satisfaction is the most important thing in the trading business. To improve the satisfaction of banking customers, banks should develop their business strategies through Customer Relationship Management (CRM) and improve their service excellences. The implementation of CRM and service excellence provides access to the banking world to be more proactive towards technology that makes it easier for companies to increase customer retention by using customer feedback. This study aims to determine the effect of CRM and service excellence on customer satisfaction. The research method used is a quantitative approach with descriptive and verification methods. The data used is primary data obtained from surveys, interviews, and questionnaires. The results of this study indicate that the application of CRM and service excellence has influences as an effort to improve customer satisfaction proven by series of strategic CRM processes, operational CRM, analytical CRM and service excellence cultures that are friendly, sincere and kinship.

1.   Background

The tight competition and regulation make banking in Indonesia difficult to show its market strength. Banking is a company that has an orientation on services that is required to be able to exist by obtaining and retaining customers, one way that can be done is by providing the best service to create customer satisfaction [1], since the existence of customer satisfaction will have a positive impact on banking performance and can maintain the survival of the company [2].

Customer satisfaction can provide four benefits, namely the relationship between the company and the customer become harmonious, it provides a good basis for repurchase, it creates customer loyalty, and it forms word of mounth recommendations that can benefit the company as Tjiptono said [1]. Good services will make customers loyal to the products offered by the banking. Banking efforts in focusing on customers require profile information from each customer, then the desires and needs of what customers want, how to satisfy customers and some factors related to customers [3]. Customer Relationship Management (CRM) is a strategy that can be done to optimize profitability through good relationships with customers [3]. This approach to customer relationship marketing (CRM) focuses more on what is valued by customers rather than on products sold by banks. This starts from the assumption that customers prefer to have a good long-term relationship with one organization rather than moving around [4]

Generally, customers expect to receive the same treatment from each bank. Services provided by banks are expected to be more satisfying than the previous time by increasing community progress and awareness of demanding their rights. It makes a challenge for banking employees [5]. A friendly and fast customer service makes customers feel valued and respected for their existence in the organization. Banking as a service company certainly expects customers to be loyal customers, therefore all employees must provide service excellence while serving customers [4]

Competition between banks is aimed at banking actions to compete continually to improve bank performance and its service performance. Several groups of Regional Development Banks (BPD) tried to take over the domination of banking from the hands of private and foreign banks. Since then, the growth of regional development banks has progressed, regional development banks will increasingly dominate in the future and most of the customers in Indonesia will choose to use the banking services of regional development banks. The following is the data on the number of banking customers in Indonesia.

Table.1 Number of banking customers in Indonesia

Year	Number of Customers in Indonesia	Number of BPD Customers in Indonesia	Number of Customers Y in Indonesia	Percentage
2013	57.137.663	27.433.924	3.237.203	11,8%
2014	59.743.879	28.492.592	3.419.111	12%
2015	60.867.195	28.371.082	3.319.416	11,7%

Source: www.bi.go.id & www.bisnis.com

Based on Table 1, banking customers' number in Indonesia increases continually from 2013. There were 57,137,663 people who became banking customers and increased in 2015 to 60,867,195. It is shown in the number of BPD customers in Indonesia that increased from 2013-2014 and decreased in 2015. It is also shown in table.1 that in 2015 banking customers in bank Y fell, from 3,419,111 people in 2014, to 3,319,416 people in 2015. Based on the data of banking customers in 2015, banking customers in Y banks declined whereas the number of banking customers in Indonesia was increasing.

PT. Bank Y is a Regional Development Bank that provides banking financial services and products for customers and prospective customers in the country. Bank Y has sufficient facilities to meet the needs of its customers, here are the facilities provided by bank Y:

Table 2. Banking Facilities at Bank Y

Bank bjb's facility	
Conventional Branch Office	45
Conventional Auxiliary Branch Office	171
Sharia Branch Office	6
Sharia Sub-Branch Office	15
Cash office	48
Payment Point	46
Car Education	7
ATM	396

Source: Ywww.bankY.co.id

Based on initial observations made by researchers at Bank Y, there are several phenomena related to customer satisfaction. There were a number of complaints that were felt by customers, including customers complaining about services obtained when conducting financial transactions, unclear

information provided by the bank Y and lack of readiness of front liners in helping customers who had difficulties when filling out the forms provided. The number of bank customers Y can be one of the characteristics of customer satisfaction. The following are the number of customers of Bank Y in Bandung KCP in Table.3:

Table 3. Number of Customers at the bank Y in 2015

Year	Costumers Number
2013	563
2014	694
2015	590

Source: bank Y, 2015.

Table 3. shows the data on the number of bank customers Y. Customers in 2013 reached 563 people, in 2014 the number of customers in bank Y increased by 694 people, but the number of bank Y customers dropped in 2015 to 590. Based on existing data in 2015 banking customers at Bank Y declined.

Most banking companies do not pay attention very often to the satisfaction of their customers, that problem makes companies lose competitiveness and even lose some customers. As happened in Bank Y. whereas the Bank has provided sufficient facilities for its customers but its customers decrease in number, especially in Bandung Branch Office. The reasons are the lack of service excellence and the relationship between customers and bank Y that is not intertwined. From the phenomenon that have been explained, the bank is more concerned with the large number of customers who come without providing service excellence to customers.

The customers are not satisfied if they have a perception that their expectations have not been fulfilled, otherwise the customers are satisfied if their perception is the same or more than the customer's mind, in line with what Handi Irawan stated [6]. Customer complaints can be used as an evaluation in improving services. A slight disappointment is a complaint that shoud be immediately handled with sincerity [6].

The purpose of this study is in line with the background described, namely to find out customer relationship management (CRM), service excellence, and customer satisfaction as well as knowing the influence of customer relationship management (CRM), service excellence, and customer satisfaction both partially and simultaneously.

2. Critical Theory

2.1. Customer Relationship Management

Within the scope of management science known as CRM, Customer Relationship Management is a cooperative relationship between the provider and the customer so that both parties are mutually benefited. In this case the institution does not emphasize on product sales, but focuses more on overall interaction by elements of business activities managed by the institution.

Customer Relationship Management (CRM) is a modification and learning of customer behavior from interaction, actors to customers and building strength between customers and companies as described by Newell [7]. While Utami in Carrisa explained CRM is "an interactive process that transforms customer data into customer loyalty through several activities, namely collecting customer data, analyzing customer data and identifying target customers, developing CRM programs, and implementing CRM programs" [8].

There are three concept levels of customer relationship management (CRM) that Butlle said in Carrisa et al, namely: strategic, operational, and analytical CRM. Strategic CRM is a 'top down' view of CRM as the most important business strategy that prioritizes customers and tests attract and retain

profitable customers. Operational CRM focuses on automated projects such as service and sales automation, while analytical CRM focuses on the activity of extracting customer data for strategic purposes.

2.2.   Service Excellent

Services provided by all units must be integrated both at the front and the back office so the customer expectations can be satisfied and they become loyal customers, *service excellence* [5]. While Ernawati et al in Khaerunisa argued that service excellence is the maximum effort that can be provided by the company to meet customer needs and expectations so the satisfaction is achieved [6]. Service excellence is not a new thing in the world of work, especially service companies. In providing service excellence in an effort to achieve customer satisfaction and loyalty, service providers can be guided by the Service Excellence variables. According to Barata in Asih, they consist of 6 dimensions [9], including: Ability, Attitude, Appearance, Attention, Action, Accountability.

2.3   Customer satisfaction

Customer satisfaction is important for service companies because customers will recommend their satisfaction to prospective candidates, thereby increasing the reputation and performance of banks. According to Kotler in Yunanda et al (2017), satisfaction is a feeling of pleasure or disappointment that appears after comparing the perception / censure of the performance (results) of a product and its expectations [10]. Customer satisfaction indicators presented by Smith, M and Chang in Ersi use four satisfaction measurement indicators namely product quality, service quality, product innovation, and corporate image [11]

3.   Research Method

The research method used in this study is a survey method with a descriptive quantitative approach and verification. The sample in this study consists of 85 people from the total population of 590 customers of Bank Y in 2015. Operationalization of Variables
1)   Customer relationship management as follows; Strategic CRM, operational CRM, analytical CRM.
2)   Service excellence; ability, attitude, appearance, attention, action, accountability.
3)   Customer Satisfaction; product quality, service quality, product innovation, corporate image

4.   Findings

4.1.   Customer Relationship Management (CRM) pada bank Y

A description of Customer Relationship Management (CRM) at Bank Y is good because the majority of respondents gave an agreed assessment of the Customer Relationship Management (CRM). The results of total Customer Relationship Management (CRM) scores in bank Y amounted to 2,898 with a percentage level of 75.8%.

From these results, it can be illustrated that respondents stated that bank x had a good relationship with customers. The results of this study are in accordance with the theory put forward by Anwar [1]: "The better the implementation of CRM in a business unit, the positive impact on customer satisfaction. It can be concluded that CRM is a good strategy to establish relationships with existing customers, because it can reduce excessive and unnecessary expenditure and also can attract new customers."

4.2.   Service Excellence at bank Y

Service Excellence at bank Y is good because the majority of respondents gave an agreement agreeing to the service excellence. The result of the total service excellence score at the bank bjb KCP Kopo Sayati was 5,501 with a percentage rate of 76.1%. From these results it can be illustrated that respondents stated that bank Y has been able to provide service excellence as what customers expect.

The results of this study in accordance with Ernawati et al in Khaerunisa argued that service excellence is the maximum effort that can be provided by the company to meet customer needs and expectations so that satisfaction is achieved [6]

4.3. Customer satisfaction with bank Y

A description of customer satisfaction at Bank Y is good, because the majority of respondents gave a positive assessment of customer satisfaction. The results of total customer satisfaction scores at Y Sayati bank amounted to 3,570 with a percentage rate of 76.4%. From these results it can be illustrated that respondents stated that bank Y has been able to provide service excellence and good relationships so as to produce customer satisfaction.

The results of this study are in accordance with Kotler's theory in Yunanda et al [10] satisfaction is a feeling of pleasure or disappointment that appears after comparing the perception / censorship of the performance (results) of a product and its expectations.

4.4. The Effect of Customer Relationship Management (CRM) on Customer Satisfaction

The influence of CRM (X1) on customer satisfaction (Y) based on the results of the tests that have been carried out, generates hypotheses (partially) that can be accepted that is t_{count} more than t_{table} (2.257> 1.98932), and the significance value (P value) below 0.05 (0.027 <0.05), This can mean that the CRM variable has a significant effect on customer satisfaction variables. It shows that customers who have a good relationship with the banking company that they use, will provide customer satisfaction.

The results of this study are in accordance with Anwar's research [1] that revealed that there were many studies which showed that the relationship between CRM dimensions partially and simultaneously in banking companies with customer satisfaction was significant. In addition to positively relating, the impact or influence of CRM on customer satisfaction has proven positive. Based on the description, it can be explained that the closer the good relationship with the customer is, the more influential the customer satisfaction will be, the closer the good relationship with the customer is, the more customers will feel satisfied.

4.5. Influence of Service Excellence on Bank Customer Satisfaction Y.

The effect of service excellence (X2) on customer satisfaction (Y), based on the results of the tests that have been carried out, generates hypotheses (partially) that are acceptable, namely the value of t count more than t table (8,185>1,98932), and the significance value (P value) below 0,05 (0,000 <0,05), this can mean that service excellence variables have a significant influence on customer satisfaction variables. This shows that customers feel service excellence will generate satisfaction with these customers.

The results of this study are in accordance with the theory, "Services that meet quality standards are services that are in line with the expectations and satisfaction of customers or the community" [5]. It can be stated that the more service excellence provided by bank Y, the more it will produce customer satisfaction because customers have become increasingly intelligent so they demand banks to improve their services.[6]. In this study, bank Y attitude from bank employees is still considered low. Every employee should have an attitude of respect, attention, respecting opinions, being close, giving information correctly and pleasantly, helping when seeing customers in trouble.

4.6. The Effect of Customer Relationship Management (CRM) and Service Excellence on Bank Y Customer Satisfaction

Through multiple linear regression tests, CRM and service excellence variables have proven to be very significant in influencing customer satisfaction with a contribution of 68.7% R2 = 0.687, F_{count} greater than F_{table} (90.177> 3.11) and significance value (P value) below 0.05 (0,000 <0.05). The regression test results also found that the service excellence variable (β = 0.688, p <0.05) has a greater

effect on customer satisfaction than the influence given by CRM variables ($\beta = 0.190$, $p < 0.05$) on customer satisfaction, this means that prime service from bank Y has more influence on customer satisfaction.

The results of this study are in accordance with the research conducted by Dzikiryati Yuni Ersi, Hatane Semuel [11]) and it can be concluded that Customer Relationship Management (CRM) and Service Excellence have a positive and significant effect on customer satisfaction in bank Y.

5.   Conclusion

Based on the analysis that has been carried out in this study, it can be concluded as follows. First, customer relationship management (CRM), service excellence, and customer satisfaction at Y KCP Bandung bank are good. Second, customer relationship management (CRM) and service excellence influence customer satisfaction both partially and simultaneously. It indicates that the better customer relationship management and service excellence performed by the bank Y, the better the customer satisfaction in using banking services. The hope of this research is that bank Y can do CRM development and improve service excellence through service commitment, communication with customers and handling complaints as a focus in establishing good relationships with customers.

References

[1]   S. Anwar, "PENGARUH KUALITAS LAYANAN DAN CUSTOMER RELATIONSHIP MANAGEMENT TERHADAP KEPUTUSAN DAN KEPUASAN KONSUMEN MENGGUNAKAN JASA PT . FEDERAL INTERNATIONAL FINANCE CABANG JEMBER Anwar Sholeh Magister Manajemen Fakultas Ekonomi dan Bisnis Universitas Jember E- mai," vol. 2, no. 2, pp. 1–20, 2016.

[2]   R. Roisah and I. Iskandar, "Pengaruh strategi pemasaran terhadap kepuasan nasabah pada pt bank tabungan negara kcp kopo," *J. Ecodemica*, vol. 1, no. 2, pp. 23–32, 2013.

[3]   S. D. Putra, "No Title," *Dig. Mark.*, vol. 3, no. 1, pp. 79–85, 2018.

[4]   Komlasari Eka, "No Title," vol. 7, no. 1, pp. 33–48, 2014.

[5]   Noor. M Chairil, *Memberikan Pelayanan Prima Nasabah Bank Umum & BPR Seri Manajemen Perbankan Quantum Expert Bandung*, no. January. 2017.

[6]   H. Khaerunnisa, "Pengaruh Pelayanan Prima Terhadap Kepuasan Nasabah," *J. Stud. Akunt. dan Bisnis*, vol. Vol.1, no. No.1, pp. 47–60, 2014.

[7]   K. I. Kezia and K. Nursalin, "PENGARUH CUSTOMER RELATIONSHIP MANAGEMENT TERHADAP LOYALITAS PELANGGAN PADA PT BCA Tbk Influence of Customer Relationship Management Toward Customer Loyalty on PT. BCA Tbk," *Fokus Ekon.*, vol. 10, no. 3, pp. 183–192, 2011.

[8]   A. Carissa, A. Fauzi, and S. Kumadji, "PENERAPAN CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SEBAGAI UPAYA UNTUK MENINGKATKAN LOYALITAS PELANGGAN (Studi Kasus pada Bandung Sport Distro Malang)," *J. Adm. Bisnis*, vol. 15, no. 1, pp. 1–11, 2014.

[9]   N. S. Asih, "Pengaruh Pelayanan Prima (Service Excellence) Terhadap Kepuasan Pelanggan Salon Agata Singaraja," *J. Progr. Stud. Pendidik. Ekon.*, vol. 7, no. 2, 2016.

[10]   P. E. Yunanda, Y. Mukhlis, and Sulaiman, "Customer relationship management," vol. 8, no. 2, pp. 70–83, 2017.

[11]   D. Y. Ersi and H. Semuel, "ANALYSIS CRM , KEPUASAN PELANGGAN DAN LOYALITAS PRODUK," vol. 8, no. 1, pp. 1–8, 2014.