

# “The Influence of Customer Relationship Management on Customer Satisfaction, and Customer Loyalty at PT. Len Industri (Persero) (Case Study on National E-KTP Retail Equipment Sales)”

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**Abstract-** PT. Len Industri (Persero) as a State-Owned Enterprise (BUMN) which is engaged in the electronics and infrastructure equipment industry has a more difficult and complex future challenge to always provide the best to resellers. The sustainability of the company depends on the company's ability to keep its customers so that their customers can be loyal to the company and not move with other companies. So the purpose of this study is to determine the effect of Customer Relationship Management on Customer Satisfaction and Customer Loyalty. Based on the methodology, this study uses quantitative research. The study population was 54 resellers registered at PT. Len Industri (Persero), which consists of 20 E-Catalogs and 34 Non-E-Catalogs. Each reseller is represented by Managerial, Supervisor, and Officer (54 x 3 = 162 population). The sampling technique used is a type of Non-Probability Sampling, namely Saturation Sampling, the researcher takes 100% of the population to be the research sample. The analysis method used is descriptive analysis techniques and Structural Equation Modeling (SEM) which are processed using the SmartPLS data processing application. The research result shows that PT. Len Industri (Persero) already has good Customer Relationship Management, Customer Satisfaction, and Customer Loyalty. And based on the results of hypothesis testing, it shows that Customer Relationship Management has a significant positive effect on Customer Satisfaction at the National E-KTP Retail Equipment Sales of 58.1%, as well as Customer Satisfaction has a significant positive effect on Customer Loyalty by 40.7%, Customer Relationship Management positively also has a significant effect on Customer Loyalty by 24.1% and the results of mediation testing show that Customer Relationship Management has a significant positive effect on Customer Loyalty mediated by Customer Satisfaction on the Sales of National E-KTP Retail Equipment by 53.4%.

**Index Terms-** Customer Relationship Management, Customer Satisfaction, Customer Loyalty

## I. INTRODUCTION

Along with technological developments and government policies to open a competitive climate in the field of services and manufacture, PT. Len Industri (Persero) as a State-Owned Enterprise (BUMN) which is engaged in the electronics and

infrastructure equipment industry has a challenge ahead to always provide the best to resellers which are becoming more difficult and complex. PT. Len Industri (Persero) began to think about the best way to keep resellers engaged. PT. Len Industri (Persero) has been too complacent because he has a higher market share compared to other distributors, even though resellers out there freely decide to buy from other distributors to get the products they need. PT. Len Industri (Persero) has a business line, one of its business lines is the sale of Retail E-KTP devices.

PT. Len Industri (Persero) mastered the approach with resellers in the sale of E-KTP Retail Equipment by conducting weekly roadshows to potential resellers who will follow the procurement process in the local government and will ask if there are projections of procurement in the local government. PT. Len Industri (Persero) apart from conducting roadshows, has also conducted reseller gatherings at least once a week to establish closer communication with each other. Resellers who routinely procure E-KTP Retail Equipment in large quantities each year to PT. Len Industri (Persero) is given special facilities to resellers, namely the Cooperation Agreement (PKS). The Cooperation Agreement promises that resellers can process payments back 30 days after the PO to PT. Len Industri (Persero) so that resellers have time to process payments. PT. Len Industri (Persero) provides special promotions to resellers compared to other distributors, namely free shipping facilities throughout Indonesia, this promotion is an attraction for resellers for procurement to PT. Len Industri (Persero). With the free postage program, it turned out that the strategy was right to increase their sales.

To provide the best service to resellers of PT. Len Industri (Persero) opened several service channels including walk-ins in offices and Phone-in by telephone 022-5202682. PT. Len Industri (Persero) tries to improve services at the PT. Len Industri (Persero) by making a comfortable waiting room and friendly service, while by telephone 022-5202682 PT. Len Industri (Persero) is trying to increase the number of executive and admin accounts so that the queue for resellers is not too long and provide personality and communication training so that they can empathize with resellers. PT. Len Industri (Persero) is a technology-based company that is competitive, strives to be at the forefront of virtual services, and provides web-in service channels. PT. Len Industri (Persero) issued a website [www.len.co.id](http://www.len.co.id) and the sales process uses an integrated information system, namely SAP.

With a high level of reseller mobility, web-in is the best choice for resellers. Currently, resellers are using the web-channel to submit their complaints. The implication of internet-minded resellers, when they don't get PT. Len Industri (Persero) as they hope, will shed all their frustrations through social media. PT. Len Industri (Persero) must anticipate current technology developments to upgrade its reseller services. If PT. Len Industri (Persero) does not immediately adapt to reseller services according to current developments, so it is not impossible that more and more resellers will be disappointed and will eventually leave PT. Len Industri (Persero). Given this urgent for PT. Len Industri (Persero) if you don't want to lose loyal resellers in the future, then PT. Len Industri (Persero) must always improve the management of Customer Relationship Management (CRM), and not just lip service. CRM must be understood by all employees involved in the organization of PT. Len Industri (Persero), so that its implementation can be felt by resellers and get a positive effect from CRM.

This research was conducted in order to understand the dimensions of CRM that affect reseller loyalty, this is important so that reseller needs can be accommodated accurately, interact with resellers so that reseller needs can be accommodated accurately, interact with resellers to be more efficient, and can guard resellers. premium with better. With the discovery of data on customer dissatisfaction problems and customers who are less loyal to the National E-KTP Retail Equipment Sales product, this problem may be caused by a lack of customer relationship management carried out by PT. Len Industri (Persero). In order to improve implementing services at PT. Len Industri (Persero) to customers, researchers are interested in making research with the title "**The Effect of Customer Relationship Management on Customer Satisfaction and Customer Loyalty at PT. Len Industri (Persero) (Case Study On The Sales Of National E-KTP Retail Equipment)**".

The purpose of this research is to find out:

1. Based on customer perceptions, how much is the description of each factor of Customer Relationship Management, Customer Loyalty, and Customer Satisfaction in the Sales of National E-KTP Retail Equipment?
2. How much influence does Customer Relationship Management have on Customer Satisfaction in the National E-KTP Retail Equipment Sales?
3. How much influence does Customer Satisfaction have on Customer Loyalty on the National E-KTP Retail Equipment Sales?
4. How much influence does Customer Relationship Management have on Customer Loyalty on the National E-KTP Retail Equipment Sales?
5. How much influence does Customer Relationship Management have on Customer Loyalty mediated by Customer Satisfaction in the National E-KTP Retail Equipment Sales?

## II. LITERATURE REVIEW

### Customer Relationship Management (CRM)

Customer Relationship Management (CRM) is a business strategy in managing the relationship between organizations and customers which aims to understand, anticipate and manage customer needs so as to generate customer loyalty to optimize company profitability by maintaining and increasing the number of customers. CRM includes the overall strategy of an organization that allows an organization to effectively and efficiently manage relationships with customers. CRM is not only a need in customers but also keeps existing customers so happy that they are satisfied and keep coming back for the company's products or services, and are so happy that they sing company praises and provide recommendations about the company to others.

According to Kalakota and Robinson (2001) in Dewi and Hatane (2015: 2), the objectives of CRM are:

1. Using customer relationships to increase company profits.
2. Using information to provide satisfactory service.
3. Support the repeat sales process to customers.

The definition of Customer Relationship Management is "is the process of carefully managing detailed information about individual customers and all customer" touch points "to maximize loyalty." (Kotler and Keller, 2016: 168). Then Kalakota and Robinson (2001) in Dewi and Hatane (2015: 2) suggest there are three stages of CRM, namely:

1. Acquiring new customers, by promoting the excellence of the product or service in terms of innovation and convenience because the value of a product or service for customers is a better product and is supported by satisfactory service.
2. Increase the profits obtained from customers by encouraging the creation of complementary products or services in the sale of goods or services that are better than the goods or services owned by the customer.
3. Retain profitable customers, by offering what specific customers need rather than what market customers need because the value of the product or service for the customer is the proactive value that best suits his needs.

Through CRM, customers will have an ongoing emotional bond so that a close business relationship is established so that it is easier to increase customer loyalty because what customers expect and want can be known. There are several dimensions of Customer Relationship Management (CRM) used in this study, namely Customer Value, Bonding and Trust, Tangibility, Commitment, Dealing with conflicts.

CRM is responsible for creating Customer Satisfaction. This suggests that management should give greater emphasis to service quality provided to customers and pay special attention to resolving customer problems and complaints that affect customer satisfaction.

### Customer Satisfaction

Customer satisfaction is a feeling of pleasure or disappointment that one gets from comparing the perceived

performance (or results) of the product and its expectations. satisfaction is a result of the comparison between the expectations of the customer and the performance of the company that provides the product or service.

The definition of customer satisfaction is "depends on the product's perceived performance relative to a buyer's expectations." (Kotler and Armstrong, 2018: 5). According to Giese and Cote (2000) in Tjiptono & Diana (2015: 25), identify three main components in the definition of customer satisfaction as follows.

1. Type of response (both emotional/affective and cognitive responses) and response intensity (strong to weak, usually reflected in terms such as "very satisfied", "neutral", "very happy", "frustrated, and so on.
2. The focus of response, in the form of products, consumption, purchasing decisions, salespeople, shops, and so on.
3. Timing response, namely after consumption, after purchase choices, based on accumulative experience, and so on.

The dimensions of customer satisfaction according to Kotler & Keller (2016: 155) are as follows:

#### 1. Remain Faithful

Satisfied customers tend to be loyal or loyal. Customers who are satisfied with the products they consume will tend to buy again from the same manufacturer.

#### 2. Buy the product offered

The desire to buy other products or foods that are offered because of the desire to repeat good experiences and avoid bad experiences.

#### 3. Recommend Products

Satisfaction is a factor that encourages positive word of mouth (Word of Mouth Communication). This can be in the form of recommendations to other potential customers and saying good things about the product and the company that provides the product.

#### 4. Willing to pay more

Customers tend to use price as a measure of satisfaction. When prices are higher, customers tend to think of higher quality as well.

#### 5. Give Feedback

Even though satisfaction has been achieved, customers always want more. Then customers will provide input or suggestions so that their wishes can be achieved.

Customer satisfaction can show that satisfied consumers do not necessarily have high loyalty, but loyal consumers are definitely satisfied. So that satisfaction can encourage customers to make repeat purchases, so that satisfaction is an important factor in determining customer loyalty. Therefore it is necessary to conduct research to determine customer expectations so that the company can meet these expectations and improve company performance.

### Customer Loyalty

Customer loyalty is a form of customer loyalty to a product that is reflected in the attitude of those who always buy and use products or services from a company regularly without paying

attention to product or service offerings from other companies because customer expectations have been fulfilled by the company performance. Customer loyalty is an important thing that must be maintained by the company for the sustainability of the company and can increase good relations between service providers and their customers.

The definition of customer loyalty is as follows: "A deeply held commitment to rebuy or patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behavior." (Kotler and Keller, 2016: 153). According to Griffin (2005) in Ratih Huriyati (2015: 132), there is a process or stages for the formation of customer loyalty which is divided into seven stages, namely:

#### 1. Suspect

Suspect includes all people who might buy the company's goods/services but don't know anything about the company and the goods/services offered.

#### 2. Prospects

Prospects are people who need a certain product or service and can buy a product/service. These prospects, even though they have not made a purchase, they already know the existence of the company and the goods/services offered, because someone has recommended the goods/services to them.

#### 3. Disqualified Prospects

Namely, prospects that already know the existence of certain goods/services, but do not need the goods/services or cannot purchase the goods/services.

#### 4. First Time Customers

That is customers who are buying for the first time. They are still new customers to use a product offered by a company.

#### 5. Repeat Customers

Namely, a customer who has purchased a product twice or more. They are those who make purchases of the same product twice or buy two different kinds of products on two different occasions.

#### 6. Clients

Clients are customers who will buy all the goods or services offered by the company and they need. They buy regularly, the relationship with this type of customer is strong and lasts a long time, which leaves them unaffected by competitors' products.

#### 7. Advocates

Like clients, advocates buy goods or services they offer and need and make regular purchases of these products. Also, they encourage their friends to buy goods or services from the company or recommend the company to others, so indirectly they have been marketing for the company and bringing consumers to the company which is very good for the company's sustainability.

### Research Framework and Research hypothesis

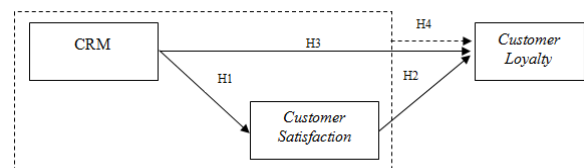


Figure 1. Research Framework

Based on the conceptual framework above, the hypothesis test is formulated as follows:

- H1: There is a positive influence between Customer Relationship Management on Customer Satisfaction
- H2: There is a positive effect of Customer Satisfaction on Customer Loyalty
- H3: There is a positive influence of Customer Relationship Management on Customer Loyalty
- H4: There is a positive influence of Customer Relationship Management on Customer Loyalty mediated by Customer Satisfaction.

### III. METHODOLOGY

This research using a quantitative methodology. The study population was 54 resellers registered at PT. Len Industri (Persero), which consists of 20 E-Catalogs and 34 Non-Catalogs. Each reseller is represented by Managerial, Supervisor, and Officer (54 x 3 = 162 population). The sampling technique used is a type of Non-Probability Sampling, namely Saturation Sampling, the researcher takes 100% of the population to be the research sample. To test the influence between the variables of Customer Relationship Management, Customer Satisfaction on Customer Loyalty, descriptive analysis, and Partial Least Square - Structural Equation Modeling (PLS-SEM) were used. In this study, descriptive statistics were used to explain the characteristics of the respondents and to describe the research variables. Meanwhile, SEM is a "technique with a combination of path analysis (path) and regression analysis that allows researchers to test simultaneously a series of interrelated relationships between the measured variables (measured variables) and the latent constructs (latent constructs)." (Hair et al. 2010: 634).

In PLS-based processing, there are 2 stages of testing, namely:

1. Testing of the Measurement Model/ Assessment of the Measurement Model (Outer Model)

Testing the measurement model / outer model is often called indicator testing to find out whether the indicators used to test the research model are valid and reliable or not. If the test results show that the indicators meet the valid and reliable criteria, it can be stated that the measurement model is good and can be continued to the measurement of the structural model.

Table 1. Methods and Reference of Indicators for Validity and Reliability Testing

Validity and Reliability	Parameter	Indicator
Convergent Validity	Loading Factor	□ 0,7
	Average Variance Extracted (AVE)	□ 0,5
	Communalities	□ 0,5
Validitas Discriminant	Cross Loading	The correlation of the indicator item with its construct must be higher when compared to other constructs
Reliability	Cronbach's Alpha	□ 0,7
	Composite Reliability	□ 0,7

Source: Research Data Processing, 2020

2. Testing of the Structural Model (Inner Model)

Structural Measurement Model Testing aims to see the relationship between constructs and look for their significance value. In evaluating the structural model, it can be done by looking at the R-Square for the dependent construct and indicated by the t-value. R-Square shows the extent to which a construct can explain the model or in other words to determine the extent of the influence of certain independent latent variables on the dependent latent variable and whether it has a significant effect.

### IV. DESCRIPTIVE ANALYSIS

Table 2 : Recapitulation of Respondents' Responses to CRM

Dimensions	Total score	Average score	% Score	Category
Customer Value	1861	4,08	81,6%	Good
Bonding	1811	3,97	79,4%	Good
Trust	1943	4,26	85,2%	Very good
Tangibility	1703	3,73	74,7%	Good
Commitment	1946	4,27	85,4%	Very good
Dealing with Conflict	1744	3,82	76,5%	Good
<b>CRM</b>	<b>11008</b>	<b>4,02</b>	<b>80,5%</b>	<b>Good</b>

Source: Research Data Processing, 2020

From the recapitulation results of the calculation of the average score of respondents' responses in the table above, it can be seen that the overall average respondent's assessment of the Customer Relationship Management variable is 4.02 or 80.5% of the ideal score and is included in the good category.

Table 3: Customer Satisfaction

Statement item	Total score	Average score	% Score
I am satisfied with the product provided by Len Industry	641	4,22	84,30%
The products provided by Len Industry met my expectations	499	3,28	65,70%
Overall, I am satisfied with the product from Len Industry	636	4,18	83,70%
<b>Customer Satisfaction Y</b>	<b>1776</b>	<b>3,89</b>	<b>77,90%</b>

Source: Research Data Processing, 2020

From the recapitulation results of the calculation of the average score of respondents' responses in the table above, it can be seen that the average respondent's assessment of the Customer Satisfaction variable is 3.89 (77.9%)

Table 4: Recapitulation of Respondents' Responses to Customer Loyalty

Statement item	Total score	Average score	% Score
I will buy more Len Industry products	639	4,20	84,1%
I share positive things about Len Industry with other companies	497	3,27	65,4%
I would recommend to other companies to use Len Industry products	628	4,13	82,6%
<b>Customer Loyalty Z</b>	<b>1764</b>	<b>3,87</b>	<b>77,4%</b>

Source: Research Data Processing, 2020

From the recapitulation results of the calculation of the average score of respondents' responses in the table above, it can be seen that the average respondent's assessment of the Customer Loyalty variable is 3.87 (77.4%) and is included in the good category.

V. DISCUSSION

**Measurement Model Test (Outer Model)**  
**Convergent Validity and Reliability**

**Table 5. Convergent Validity Test and Reliability Test**

Konstruk	Indicator	Loading factor	T Statistics	Conclusion	AVE	CR	Conclusion
<b><i>Ist order Customer Relationship Management</i></b>							
<i>Customer Value (CVA)</i>	CVA1	0,785	20,443	Valid	0,662	0,854	Reliable
	CVA2	0,811	21,632	Valid			
	CVA3	0,843	41,684	Valid			
<i>Bonding (BND)</i>	BND1	0,815	23,577	Valid	0,610	0,824	Reliable
	BND2	0,810	22,897	Valid			
	BND3	0,713	15,422	Valid			
<i>Trust (TRS)</i>	TRS1	0,690	11,990	Valid	0,566	0,796	Reliable
	TRS2	0,747	18,831	Valid			
	TRS3	0,816	25,120	Valid			
<i>Konstruk</i>	<i>Indikator</i>	<i>Loading faktor</i>	<i>T Statistics</i>	<i>Kesimpulan</i>			
<b><i>Ist order Customer Relationship Management</i></b>							
<i>Tangibility (TNG)</i>	TNG1	0,796	11,465	Valid	0,622	0,832	Reliable
	TNG2	0,774	18,184	Valid			
	TNG3	0,798	18,205	Valid			
<i>Commitment (CMM)</i>	CMM1	0,812	23,996	Valid	0,709	0,879	Reliable
	CMM2	0,814	26,126	Valid			
	CMM3	0,897	56,299	Valid			
<i>Dealing with Conflict (DWC)</i>	DWC1	0,820	16,702	Valid	0,630	0,836	Reliable
	DWC2	0,830	18,991	Valid			
	DWC3	0,726	16,555	Valid			
<b><i>2nd order Customer Relationship Management</i></b>							
<i>Customer Relationship Management</i>	CVA	0,895	40,076	Valid	0,785	0,956	Reliable
	BND	0,880	35,916	Valid			
	TRS	0,916	44,793	Valid			
	TNG	0,863	26,528	Valid			
	CMM	0,901	58,272	Valid			
	DWC	0,861	27,964	Valid			
<b><i>Ist order Customer Satisfaction</i></b>							
<i>Customer Loyalty</i>	LOY1	0,903	54,607	Valid	0,713	0,881	Reliable
	LOY2	0,739	16,032	Valid			
	LOY3	0,882	37,213	Valid			
<b><i>Ist order Customer Loyalty</i></b>							
<i>Customer Satisfaction</i>	SAT1	0,872	37,708	Valid	0,673	0,859	Reliable
	SAT2	0,707	12,163	Valid			
	SAT3	0,871	33,425	Valid			

Source: Research Data Processing, 2020

Based on the table above, it can be seen that the loading factor value of each indicator is greater than 0.50, meaning that all indicators contained in each latent variable are valid as a measuring tool. Likewise, the

acquisition of all Average variance extracted (AVE) values is also higher than 0.5, so the model already has good convergent validity. And seen from the results of the CR (Composite Reliability) test for each variable>

0.7, it is reliable, meaning that each measuring instrument is consistent in reflecting the latent variable.

**Discriminat Validity**

**Table 6. Discriminant Validity Test (Cross Loading)**

	BND	CMM	CVA	DWC	TNG	TRS	Customer Loyalty	Customer Satisfaction
BND1	0,815	0,647	0,557	0,477	0,508	0,680	0,485	0,560
BND2	0,810	0,583	0,604	0,530	0,616	0,632	0,413	0,402
BND3	0,713	0,550	0,494	0,621	0,637	0,510	0,607	0,483
CMM1	0,601	0,812	0,663	0,560	0,593	0,687	0,425	0,561
CMM2	0,635	0,814	0,581	0,570	0,594	0,658	0,553	0,578
CMM3	0,685	0,897	0,657	0,638	0,657	0,702	0,599	0,657
CVA1	0,493	0,537	0,785	0,519	0,511	0,631	0,466	0,534
CVA2	0,567	0,572	0,811	0,712	0,626	0,617	0,551	0,512
CVA3	0,656	0,715	0,843	0,610	0,560	0,779	0,530	0,654
DWC1	0,538	0,507	0,634	0,820	0,412	0,573	0,639	0,569
DWC2	0,577	0,554	0,671	0,830	0,622	0,627	0,519	0,466
DWC3	0,534	0,608	0,490	0,726	0,628	0,528	0,492	0,556
TNG1	0,604	0,559	0,549	0,544	0,796	0,659	0,463	0,460
TNG2	0,551	0,582	0,507	0,617	0,774	0,519	0,520	0,531
TNG3	0,622	0,588	0,592	0,502	0,798	0,533	0,537	0,498
TRS1	0,708	0,534	0,568	0,488	0,516	0,690	0,396	0,405
TRS2	0,529	0,683	0,642	0,510	0,592	0,747	0,538	0,626
TRS3	0,533	0,608	0,667	0,640	0,524	0,816	0,515	0,579
LOY1	0,556	0,535	0,564	0,609	0,508	0,587	0,903	0,711
LOY2	0,517	0,487	0,399	0,510	0,461	0,401	0,739	0,538
LOY3	0,552	0,562	0,625	0,627	0,646	0,621	0,882	0,702
SAT1	0,601	0,652	0,655	0,592	0,558	0,626	0,726	0,872
SAT2	0,388	0,438	0,377	0,435	0,421	0,384	0,469	0,707
SAT3	0,502	0,633	0,642	0,593	0,552	0,707	0,679	0,871

Source: Research Data Processing, 2020

From the table above, it can be seen that all indicators have the highest correlation with the latent variables measured compared to other constructs (latent variables), so it can be concluded that the model has good discriminant validity.

Also, to cross-loading, the discriminant validity test can be tested using the Fornell Lacker criterion test, namely by comparing the AVE root value with the correlation value between latent variables.

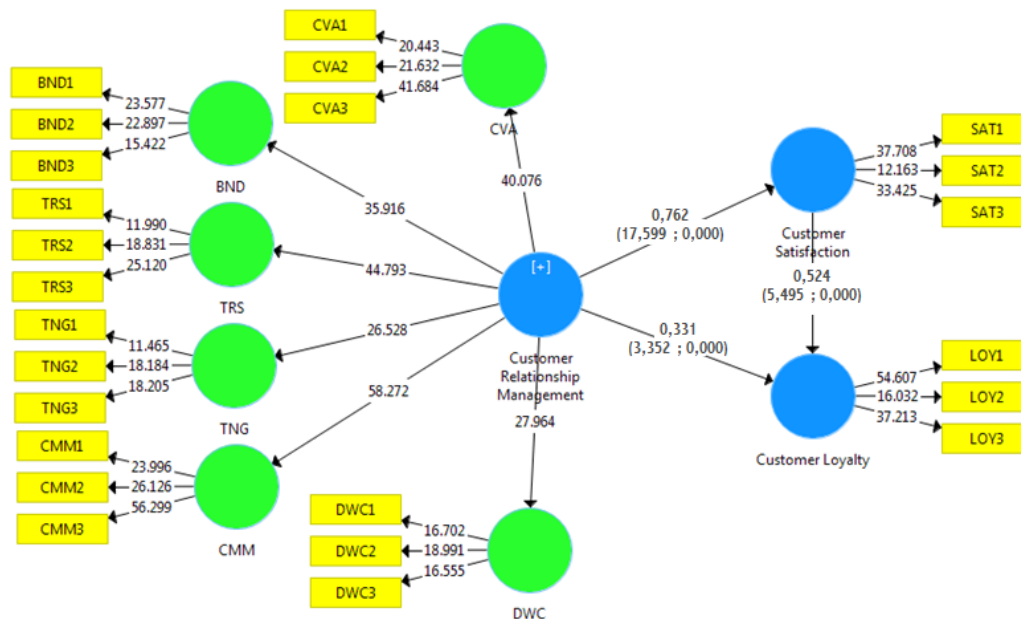
**Table 7. Second Order Discriminant Validity Test (Fornell Lacker Criterion)**

	BND	CMM	CVA	DWC	TNG	TRS	Customer Loyalty	Customer Satisfaction
BND	0,781							
CMM	0,761	0,842						
CVA	0,708	0,753	0,814					
DWC	0,694	0,701	0,757	0,794				
TNG	0,751	0,730	0,697	0,702	0,789			
TRS	0,780	0,810	0,834	0,728	0,724	0,753		
Customer Loyalty	0,640	0,626	0,635	0,692	0,642	0,644	0,844	
Customer Satisfaction	0,616	0,712	0,699	0,666	0,628	0,717	0,776	0,820

Source: Research Data Processing, 2020

From the results of the Fornell Lacker Criterion test in the table above, it can be seen that the AVE root acquisition of each construct is higher than the highest correlation of this construct with other constructs, so it can be concluded that the model has good discriminant validity.

**Uji Model Struktural (Inner Model)**



**Figure 2. Diagram Jalur Full Model Struktural (Bootstrapping)**  
Source: Research Data Processing, 2020

**Uji R square**

**Table 8. Result of R Square**

Hubungan	Path	R-Square Parsial	Total R-square
Customer Relationship Management -> Customer Satisfaction	0,762	-	58,1%
Customer Relationship Management -> Customer Loyalty	0,331	24,1%	64,8%
Customer Satisfaction -> Customer Loyalty	0,524	40,7%	

Source: Research Data Processing, 2020

Through the coefficient of determination (R-square) contained in the table above, it can be seen that Customer Satisfaction can be explained by the variability of Customer Relationship Management of 58.1% and is included in the moderate category. Meanwhile, Customer Loyalty can be explained by 64.8% by Customer Relationship Management and Customer Satisfaction variables and falls into the moderate category. Judging from the path coefficient, Customer Loyalty is more dominantly influenced by Customer Satisfaction with a path coefficient of 0.524 (40.7%), then Customer Relationship Management with a path coefficient of 0.331 (24.1%).

**Hypothesis Testing and Discussion**

**The Influence of Customer Relationship Management on Customer Satisfaction.**

The results of hypothesis testing, states that Customer Relationship Management has a significant positive effect on Customer Satisfaction at PT. Len Industri (Persero) on the National E-KTP Retail Equipment Sales of 0.762, this is in line

with the research of Zakaria Ahmad (2014: 108) explaining that there is a positive influence between customer relationship management variables on customer satisfaction, namely 0.642, this value is supported by customer indicators relationship management including customer value, bonding, trust, tangibility, commitment and dealing with conflicts. In line with research conducted by Marwa Salah (2019: 15), he explains that there is a positive influence between customer relationship management and customer satisfaction of 0.73.

According to the marketing manager of PT. Len Industri (Persero) the main program of customer relationship management activities at PT. Len Industri (Persero) on the sale of the National E-KTP retail device is to use the integrated SAP ERP Information System to help speed up the sales process because in the company not only the marketing department does the sales but there are other parts to support it such as the warehouse for storing goods, logistics to procure retail E-KTP products, the accounting department, and the finance department.

With the SAP ERP information system, marketers gain critical business insights needed to make smart decisions, focus more on customers to drive demand and increase customer retention, and better manage marketing resources to do more. SAP ERP Key PT. Len Industri (Persero) marketing capabilities of marketing resources and brand management, campaign management, segmentation, and list management, Real-time offers management, loyalty management, E-Marketing. ERP SAP PT. Len Industri (Persero) provides a central marketing platform that enables organizations to analyze, plan, develop, and carry out all marketing activities through all customer interaction points.



ERP SAP PT. Len Industri (Persero) empowers integrated marketers with complete business insights enabling them to make smart business decisions to drive end-to-end marketing processes.

### **The Influence of Customer Satisfaction on Customer Loyalty**

Customer Satisfaction has a significant positive effect on Customer Loyalty at PT. Len Industri (Persero) on the Sales of National E-KTP Retail Equipment with a path coefficient value of 0.524 because resellers are satisfied with the products provided by Len Industri, the products provided from Len Industri meet reseller expectations and Overall, resellers are satisfied with products from Len Industry.

This is in line with research conducted by Mohammed Ismail (2018: 8) explaining that there is a positive and significant influence between customer satisfaction with customer loyalty of 0.826%. In line with research conducted by Olgun Kitapci (2013: 249) explains that there is a positive and significant influence between customer satisfaction with customer loyalty of 0.634.

According to the marketing manager of PT. Len Industri (Persero) Sales products for the National E-KTP retail equipment such as printers, ribbons, films, cleaning kits, smart card readers, contact java cards, magicard printers, and magicard ribbons provided by PT. Len Industri (Persero) has met the needs and desires of customers so that resellers are satisfied based on expectations and the price to be paid. For products and prices at each distributor the same, but what differentiates between Len Industri (Persero) and other distributors is that the program provides special promotions to resellers compared to other distributors, namely free shipping facilities throughout Indonesia, this promotion becomes an attraction for resellers to make procurement.

### **The Influence of Customer Relationship Management on Customer Loyalty**

Customer Relationship Management has a significant positive effect on Customer Loyalty at PT. Len Industri (Persero) on the Sales of National E-KTP Retail Equipment with a path coefficient value of 0.331 because resellers will buy more Len Industri products, share positive things about Len Industri, feel proud when using Len Industri products, and will recommend to others to use Len Industri products.

This is in line with research conducted by Padmavathy (2012: 257) which explains that there is a positive and significant effect between customer relationship management on customer loyalty of 0.36. In line with research conducted by Budiono Hardjono (2007: 105) explains that there is a positive and significant influence between customer satisfaction with customer loyalty of 0.237.

Customer loyalty is an important thing that must be maintained by the company for the sustainability of the company and can increase good relations between service providers and their customers. Loyal customers will benefit the company because loyal customers can indirectly contribute to introducing the products or services they have felt to their family or colleagues. Loyal customers will always use products or services from that company and are reluctant to use products from other companies.

### **The Influence of Customer Relationship Management on Customer Loyalty mediated by Customer Satisfaction**

Customer Relationship Management positively has a significant effect on Customer Loyalty mediated by Customer Satisfaction on National E-KTP Retail Equipment Sales, the indirect effect path coefficient value is 0.400. This is in line with research conducted by Eric Mang'unyi (2017: 111) explaining that Customer Relationship Management positively has a significant effect on Customer Loyalty mediated by Customer Satisfaction. In line with research conducted by Munyaradzi Nyadzayo (2016: 266) explains that there is a positive and significant influence between customer satisfaction on customer loyalty. It can be concluded that based on the above research, the customer relationship management variable has a significant positive effect on customer loyalty at PT. Len Industri (Persero) on Sales of National E-KTP Retail Equipment due to customer value, bonding, trust, tangibility, commitment and dealing with conflict and feeling satisfied with the products provided by Len Industri, the products provided from Len Industri meet resellers' expectations and Overall, resellers are satisfied with the products from Len Industri. And resellers will buy more Len Industri products, share positive things about Len Industri, feel proud when using Len Industri products, and will recommend to others to use Len Industri products.

## **VI. CONCLUSIONS AND RECOMMENDATION**

### **CONCLUSIONS**

From the results of research processing and data processing presented in the previous chapter, the following conclusions were obtained:

1. Based on the results of descriptive testing, it shows that respondents' perceptions of the Customer Relationship Management variable fall into the category. Then the respondent's assessment of the Customer Satisfaction variable is also in the good (high) category. Likewise, the respondent's perception of the Customer Loyalty variable is also in the good (high) category.
2. Based on the results of hypothesis testing, it shows that Customer Relationship Management has a significant positive effect on Customer Satisfaction in the National E-KTP Retail Equipment Sales.
3. Based on the results of hypothesis testing, it shows that Customer Satisfaction has a significant positive effect on Customer Loyalty in the National E-KTP Retail Equipment Sales.
4. Based on the results of hypothesis testing, it shows that Customer Relationship Management has a significant positive effect on Customer Loyalty in the National E-KTP Retail Equipment Sales.
5. Based on the results of mediation testing, it shows that Customer Relationship Management has a significant positive effect on Customer Loyalty mediated by Customer Satisfaction on the Sales of National E-KTP Retail Equipment.

### **RECOMMENDATION**

After the researcher processed the data, analyzed the results of the data processing, then concluded the results of the research which were then compiled. There are several suggestions/suggestions that can be taken into consideration for

companies in carrying out business processes, related to Customer Relationship Management, Customer Satisfaction, and Customer Loyalty (Case Studies on the Sales of National E-KTP Retail Devices), as well as for further researchers related to customers. B2B as follows:

#### For Companies

- a. From the results of this study, it is known that the Customer Relationship Management which has the highest value in the sales process of the National E-KTP retail equipment at PT. Len Industri (Persero) especially the Commitment indicator. Commitment is obtained because Len Industri continues to increase keeping commitments to customers because of the sacrifices made by sellers and buyers to always maintain relationships, increasing this commitment, such as product delivery being delivered on time according to reseller requests and timely delivery of incentives to resellers. The lowest indicator in Customer Relationship Management is Tangibility, which is the appearance of Len Industri retail sales using office uniforms, therefore a suggestion for PT. Len Industri (Persero) to continue to foster a culture of wearing office uniforms during his service period, to design good and attractive office uniforms so that account managers feel proud to use office uniforms, and change office uniform designs once a year. Uniform is a set of clothing and attributes used by employees to support activities. Uniforms as a distinguishing identity between one company and another, increase the impression of professionalism that provides a positive image at work and a means of promoting company branding.
- b. In this study, Customer Loyalty is the variable that has the lowest value. I share positive things about Len Industri with other companies, therefore suggestions for PT. Len Industri (Persero) must consistently improve outstanding service to resellers, increase PKS (Cooperation Agreement) facilities that promise resellers can process payments back 60 days from Purchase Order, create events as a form of company appreciation to customers such as Len Gathering, improve facilities Free shipping for resellers, Mention customers on the website or social media on certain occasions, for example, congratulations on opening new branches or company birthdays, and providing special discounts for priority customers, make sure to make targeted discounts by looking at customer scores according to the company.

#### For Further Researchers

This research is also not perfect, meaning that it still has limitations, namely only 152 respondents who are represented by managerial, supervisors and officers, this can be an opportunity for further researchers to carry out wider research to obtain effective and optimal results, related to these limitations. can be given for further research are:

- a. The next researcher can add the number of samples and the research population not only specifically for the distributor company PT. Len Industri (Persero) but added with other distributors such as RIS and PNRI (Persero).

- b. The next researcher is expected to be able to analyze factors related to increasing customer loyalty, such as the frequency of spending, usage period and age restrictions at PT. Len Industri (Persero) a case study on the low sales of National E-KTP retail equipment.
- c. Further researchers can extend the research period in order to obtain better and more accurate research results.

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