

CUSTOMER RELATIONSHIP MANAGEMENT AND INTEGRATED MARKETING COMMUNICATION INCREASE CUSTOMER LOYALTY IN SAVINGS BANKS IN BANDUNG

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ABSTRACT

The tighter competition between banks in the city of Bandung, the harder the bank's efforts to retain customers and get new prospective customers. Maintaining good relationships with customers with good marketing communication is also a way for banks to retain existing customers, while to get new customers the bank must be able to find out and fulfill what prospective customers want or need quickly and accurately. The formulation of the problem in this study is how the influence of customer relationship management and integrated marketing communications on customer loyalty either partially or jointly. The purpose of this study is to analyze and examine the effect of customer relationship management and integrated marketing communications on customer loyalty either partially or jointly. The research method used is quantitative where multiple linear regression is used as an analytical tool. Data obtained by survey method where the respondents as many as 200 people who are bank customers in the city of Bandung were given a questionnaire with closed questions. The results of the study with an error rate of 0.05 showed that there was a positive and significant effect of customer relationship management and integrated marketing communications on customer loyalty either partially or simultaneously, but the contribution of the two independent variables to the dependent variable with a coefficient of determination of 0.433 showed that there were still variables-other variables that were not examined that contributed 0.567 to customer loyalty.

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1. INTRODUCTION

Today, the competition in the banking industry in Indonesia is getting tighter with the number of foreign banks, state-owned banks/local governments and private banks with large capital and various kinds of products being offered, as is what happened in the city of Bandung. Based on data from the Financial Services Authority (OJK) in 2020 the city of Bandung, there are several banks as follows:

Table 1.
Number of Banks in Bandung

Bank	Amount
Private /Foreign Bank	50
Government/Persero Banks and Subsidiary	9

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Banks	
Regional Development Banks and Children's	5
Banks1Usaha	
Amount	64

Source: Financial Services Authority, 2020.

The tighter competition between banks in the city of Bandung, the harder the bank's efforts to retain customers and get prospective customers. Maintaining good relations with customers is one way for banks to retain existing customers, while to get new customers, banks must be able to know and fulfill what prospective customers want or need quickly and accurately.

Customer relationship management (CRM) is one of the bank's strategies to retain customers. CRM is applied to win the hearts of customers by allocating existing resources in the bank to achieve customer satisfaction and loyalty. Customer satisfaction and loyalty is an important role in the competitive banking industry (Murtiningsih et al., 2020). Customer loyalty occurs when repeated purchases by the same customers and their willingness to recommend products to other customers without direct benefits, and ultimately repeated use will produce positive and measurable financial results (Harryani, 2017). CRM is described as an approach to managing bank engagement with existing and potential customers through the creation of trustworthy partnerships, focusing on data analysis and evaluation to build better relationships (Cavaliere et al., 2021). CRM is a strategy used to achieve objectives, through CRM, banks analyze customer needs to meet, increase customer satisfaction and maintain the brand for a long time (Adnan et al., 2021). Successful implementation of a CRM strategy will be very beneficial for banks, adopting it because organizations such as banks can benefit from increased customer activity in transactions through better market segmentation, adapting products and services, gaining access to information and more importantly ensuring long lasting customer retention. and loyalty (Mohammed & Bin Rashid, 2012). CRM is considered an inevitable necessity for business success. There is a dependence between banks and customers who are expected to have products, and banks need technology that can create new innovations to improve services that can attract customers (Mozaheb et al., 2015). CRM management as a key competitive strategy needs to pay attention to customer needs and practice methods for dealing with customers (Alipour & Mohammadi, 2011)

CRM can be interpreted as a widely applied strategy to manage and maintain company interactions with customers, clients and sales prospects (Zamil, 2011). CRM is a process that enables companies to provide excellent real-time customer service by developing valuable customer relationships through the effective use of individual account information (Fozia et al., 2014). CRM is an organizational strategy to develop mutually beneficial long-term relationships with customers, helping companies to collect and store customer details through continuous surveys of information about products and services offered to customers (M. Kamrul Islam Shaon & Hasebur Rahman, 2015). CRM is a topic that attracts many business people and business practitioners around the world to master it. Because CRM is increasingly popular but complete knowledge of CRM and how to implement it is still lacking (Rehman & Hassan, 2016)

To increase and retain existing customers in addition to customer relationship management strategies, banks can carry out integrated marketing communications (IMC). This is in line with the increasingly fierce and dynamic competitive conditions in the banking industry in gaining interest from customers for bank products so that banks cannot limit marketing communication activities to only using one marketing communication channel. Currently, marketing experts consider that using only one communication channel is less

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effective due to high costs and unpredictable target audiences. The application of integrated marketing communication will bring better marketing performance results such as an increase in market share, sales, and company profits (Theodora, 2021). As consumers largely control the communications landscape in today's marketing environment, many marketers focus on presenting clear, concise, consistent and compelling messages across multiple media and platforms primarily aimed at creating awareness about the existence and availability of bank products and services, and to stimulate customer preferences (Egwuonwu et al., 2017).

The reality of modern marketing communications is that there are a large and varied variety of touchpoints and communication options to help marketers create memorable, enjoyable, and persuasive experiences with consumers (Kotler & Keller, 2016). Competition to meet customers makes integrated marketing communications unavoidable for every marketer to gain customer attention and loyalty by communicating that needs can be met (Adesanoye, 2019). The change stems from the need for IMC and IMC involves careful integration and coordination of banks across multiple communication channels to convey clear information about an organization (Kotler & Keller, 2016). IMC strives to deliver the right message to the right audience at the right time in the right place to actualize the goals and objectives of an organization. IMC is an approach aimed at achieving the objectives of a marketing campaign through the use of various well-coordinated promotional methods intended to reinforce each other (Brindha, 2014). IMC is a concept where a company integrates and coordinates various communication channels to send clear, consistent and convincing messages related to the company and its products, where each goal of the IMC process is to create brand awareness, convey brand information, enhance positive brand image and brand association. and products. IMC also plays a role in building brand loyalty and plays a major role in persuading customers to buy products or services from a particular company (Theodora, 2021).

Based on the description above, the formulation in this study is how the influence of customer relationship management and integrated marketing communications on customer loyalty either partially or simultaneously. The purpose of this study is to analyze and examine the effect of customer relationship management and integrated marketing communications on customer loyalty either partially or simultaneously.

2. METHOD

Bank customers who are in the city of Bandung serve as research objects, using quantitative research methods with a verification approach. Types and sources of data using secondary data and primary data. Primary data was obtained through the distribution of online questionnaires to 200 bank customers living in the city of Bandung. The questionnaire is a closed question with 33 questions. The sampling technique was carried out by accidental sampling. The data processing technique is changing the ordinal scale data into interval data using the interval succession method (MSI), then testing the data quality. The analytical tool used is multiple linear regression with the following formula and figure:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon \dots\dots\dots (1)$$

Where Y is Customer Loyalty, α is a constant, 1, 2 is the regression coefficient for each independent variable, X1 is customer relationship management and X2 is integrated marketing communication and is epsilon. The picture of the equation is as follows:

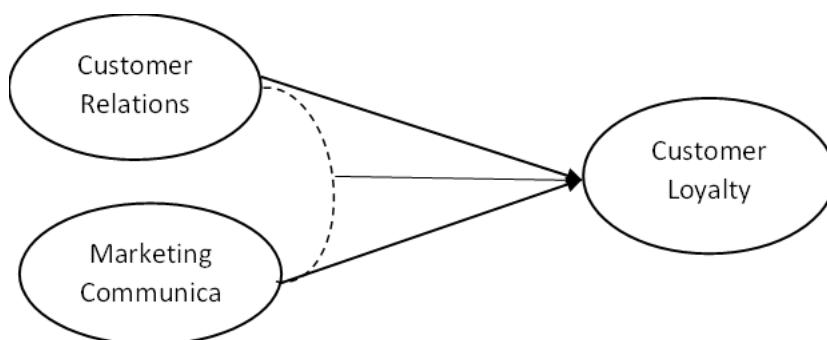


Figure 1: Regression Analysis Equation Model

Based on the picture above, the following hypotheses can be derived:

- H1 : There is an effect of customer relationship on customer loyalty
- H2 : There is an effect of marketing communication on customer loyalty
- H3 : There is a simultaneous influence of customer relations and marketing communications on customer loyalty.

3. RESULTS AND DISCUSSION

Characteristics of respondents are as follows:

Table 2 Characteristics of Respondents

Information	Frequency	Percentage
Gender		
Man	94	0,47
Woman	106	0,53
Age		
< 25 years old	26	0,13
26 – 35 years old	157	0,78
36 – 45 years	13	0,07
> 45 years old	4	0,02
Income		
< Rp. 5,000,000	90	0,45
Rp. 5,000,000 – Rp. 10,000,000	97	0,48
> Rp. 10,000,000	13	0,07
Work		
Private sector employee	125	0,62
ASN/SOE Employees	28	0,14
Student/Student	9	0,05
Self-employed	15	0,08
Other	23	0,11

Table 2 shows that bank customers in Bandung are dominated by women by 53% compared to men at 47%, with 91% under 35 years of age, income below Rp. 10,000,000 with a 93% presentation. Table 3 shows the estimation results of the regression equation model which shows the effect of customer relationship management and integrated marketing communications on customer loyalty. Based on table 2, an equation can be formed with the following estimates: $Y = 3,477 + 0,08 X_1 + 0,232 X_2$

Table 3. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3.477	1.438		2.419	.016
1 Customer Relationship Management	.080	.039	.130	2.056	.041
Integrated Marketing Communication	.232	.025	.583	9.209	.000

Dependent Variabel: Customer Loyalty

Based on table 3, it can be explained that all regression coefficients are positive, meaning that the influence of the independent variable on the dependent variable is in the same direction where when the independent variable increases, the dependent variable also increases, as well as if there is a decrease. (constant) is worth 3.477 if the independent variables (relationship management and marketing communication) are considered constant (value 0) then the dependent variable (customer loyalty) will be worth 3.477. The customer relationship management regression coefficient of 0.08 means that each increase in one unit of customer relationship management will increase customer loyalty by 0.08 units. The regression coefficient for integrated marketing communication is 0.232 which means that if the integrated marketing communication increases by one unit, it will increase customer loyalty by 0.232 units.

Hypothesis testing

Based on table 3 above, it is possible to partially test the hypothesis, where the hypothesis test is to test how the effect of each independent variable partially on the dependent variable with a significance degree used of 0.05.

Hypothesis 1 says that there is an influence of customer relationship management on customer loyalty where the sig value of customer relationship management is 0.041 with an error rate of 0.05, because the sig value is less than 0.05 then H0 is rejected and H1 is accepted, this proves that Partially, customer relationship management has a significant influence on customer loyalty.

Hypothesis 2 says that there is an effect of integrated marketing communication on customer loyalty where the sig value of integrated marketing communication is 0.000 with an error rate of 0.05, because the sig value is less than 0.05 then H0 is rejected and H1 is accepted. This proves that partially integrated marketing communication has a significant influence on loyalty Hypothesis 3 says that there is an effect of customer relationship management and integrated marketing communication simultaneously on customer loyalty, it is proven that the sig value of the two dependent variables is sig = 0.000 with an error rate of 0.05, then H0 is rejected and H1 is accepted. This proves that simultaneously management customer relations and integrated marketing communications have a significant influence on customer loyalty as shown in table 4

Tabel 4. Hasil Uji F

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1134.013	2	567.007	77.035	.000 ^b
	Residual	1449.987	197	7.360		
	Total	2584.000	199			

The large percentage of customer relationship management variables and integrated marketing communications can explain the customer loyalty variable, which can be seen from the adjusted value of the coefficient of determination. This test was conducted to measure the extent to which changes in the dependent variable were explained by the two independent variables.

Table 5.
Coefficient of Determination

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.662 ^a	.439	.433	2.71299

a. Predictors: (Constant), Integrated Marketing Communication, Customer Relationship Management
 b. Dependent Variabel: Customer Loyalty

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b. Dependent Variabel: Customer Loyalty

Based on table 5, it is found that the coefficient of determination is 0.433, which means that the influence of customer relationship management and integrated marketing communications on customer loyalty is 43.3% and the remaining 56.7% is influenced by other variables not included in this study.

4. CONCLUSION

The results of research examining the relationship between the variables of customer relationship management, integrated marketing communication and customer loyalty can be concluded that there is an influence either partially or simultaneously the influence of customer relationship management and integrated marketing communication on customer loyalty but the influence of the two independent variables on the dependent variable only gives contribution of 43.3% where the remaining contribution is given by variables that are not included in this study.

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