

Analysis of Line Application Deployment Using Customer Relationship Management Approach to Customer Loyalty in GO-US

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Abstract. Competition among online cab service providers in Sriwijaya university (Unsri) now is getting tougher. Line utilization of social media can be one strategy that could be used by the service provider. Go-Us is an online cab service provider who actively utilizes customer relationship management through social media (LINE) marketing to gain their customers loyalty. There is a positive effect on customer loyalty when providers do profitable campaigns, provide relevant and popular contents, and frequently update the contents on various social media platforms on LINE. This study was conducted by using sampling techniques and Isaac and Michael method. They were used to determine the samples related to the implementation of CRM applications on LINE to consumer loyalty to the Go-Us. The sample was 94 respondents who had used Go-Us services. The result was, the average percentage rate of consumer loyalty to the services was 50.7%. That meant more than half of the students who used Go-Us that consisted of 29.8% men and 70.2% women were satisfied with its services.

Keywords: Customer Relationship Management, customer loyalty, LINE, sampling techniques, students

INTRODUCTION

LINE users are increasing every year. This is proven by the features inside the application that are included in the business. Based on the data from expert.co.id, it was stated that LINE users in 2018 Indonesia amounted to 90 million users. 72 million was the monthly active users who spent 40.2 minutes per day. In addition to functioning as a communication medium, LINE is also used as a mean to sell, share the latest information, or form an opinion about a product.

Company's relationship with its customers is an important thing to focus on. Necessary strategies

are needed for customer relationship management to obtain high customer loyalty. Social media has provided strategic opportunities to small-scale enterprises to compete with large companies in the global business environment. The tools required by companies to advertise effectively on social media platforms are highly cost-effective and require very little investment in the relevant technology [1]. In the development of business models based on social media, the most important factors can be identified as customer connectivity and interactivity functions by small-scale enterprises. Smaller companies are able to realize through this model that new innovations in the field of advertising and marketing can be implemented through this model. Social media

enables companies to develop interactive relationships with customers. In this perceptive customers are given the opportunity to interact with the management of the company and share their opinions on various products and services [2] through LINE which is a chat application that has been widely used by many people.

In this era, online transportation service is getting more and more popular and needed by the community. Providers should strive to have higher value than their competitors. Therefore, they need a very good marketing strategy. Customer loyalty is related to customer satisfaction. Each company expects to have customers who are loyal to the their products/services. Timm (2005) stated that the concept of customer loyalty includes five factors: customers overall satisfaction experience when doing business with a company, a willingness to build a relationship with the company, willingness to repurchase, willingness to recommend the company to others, and reluctance to switch to competitors' products. Gaining consumer loyalty using social media can be used as one of the right strategies. Customer loyalty variables include services and non-service information.

Based on the explanation above, this study aimed to analyze the influence of LINE social media on consumer loyalty on Go-Us who used the application as customer relationship management to gain customer loyalty.

LITERATURE REFERENCES

CRM/SCRM

Social CRM or CRM 2.0 which is considered as a successor, is the natural evolution of traditional CRM, a modern evolution imposed by the Social Customer-reality. In this case, the traditional CRM principles still apply in the context of Social CRM [3]. The use of social media marketing is a powerful factor in developing a CRM strategy. CRM assume clients as business center and sees marketing policy as the focus in this direction [4]. CRM is a concept used in the industry to describe a software solution that is used by organizations. Companies can benefit from useful data about clients [5]. Utilization of CRM can also be used to accommodate suggestions, complaints, and feedback from customers [6].

Thus, based on this point of view, we propose that social media marketing technology must be integrated with the CRM system to establish the ability of certain enterprise level that affect business performance [20]. Furthermore, the extent to which social media marketing technology is integrated throughout the organization will facilitate the development of marketing capabilities, improve customer relationships and their satisfaction [7].

Social Media

Online communities and social networking sites are effective technologies for social interaction and sharing information [8]. First established in 2000s, social media started to be widely popular and used by people all around the world. Social media is rapidly progressing and have gained many users. Since then, it has allowed users to do activities in social media easier such as shopping and doing business. Social media (also known as social networking site) is part of new media. It is clear that the interaction in new media is very high. Social media, quoted by Wikipedia, is defined as an online media. The users can easily participate, share and create contents including blogs, social networks, wikis, forums and virtual worlds. Blogs, social networks and wikis are forms of social media that are most commonly used by the people around the world [9].

Social networking sites typically have the following elements:

1. Portal: space for registration information, profiles, and the latest information
2. Forum: chat rooms and friendly greeting interaction among the members
3. Blog: writing space to be shared among members
4. Gallery: space for photo sharing activities [10]

Public

Society is a collection of people who interact and cooperate each other. Society, according to Paul B. Hanton is "society is a collection of people who are relatively independent, live together in a relatively long time, inhabit a particular area, have the same culture, and do most of the activities in the group." Important references refer to the knowledge society, digital society, post-capitalist society, digitization, digital transformation, or in other word, industry 4.0. Knowledge society includes the knowledge economy or the digital economy, e-government, online education, digital health, and online volunteering, such as the SETI project [11]. Community transformation projects are the expansion process of information and communication technology for the new role of information and knowledge [12].

Almost all Indonesians from various background and age have and use social media as one of the means to acquire and convey the information to the public [13]. Global capitalism through global media create consumerist society around the world. In this case, the media not only act as a disseminator of information but also as a channel of ideology. In a consumer society, media is the learning adoption of activities and consumerism lifestyle [14].

A large number of social media users in Indonesia lead to an opportunity to optimize social media as a medium of communication. The question is, how

to use it to streamline the way we communicate in society [15].

Loyalty

Customer loyalty has received great attention in the marketing services literature, for its contribution in creating a sustainable competitive advantage for service organizations [15]. Appreciating the importance of customer loyalty to the profitability of a hotel, most of hotel chain operators have designed loyalty reward programs to attract and retain hotel guests [16]. However, in testing a willingness to positively recommend the hotel to the others, most researches have adopted a customer attitudinal loyalty perspective rather than behavioral perspective [16]. [17] defined loyalty as the amount of the consumption and purchase frequency used by the enterprises' customers. Meanwhile, according to Sheth & Mittal [in, 17], customer loyalty is customer commitment to the brand, store, or suppliers, based on a very positive attitude and reflected in a consistent repeat purchases. The indicator of customer loyalty according to Kotler and Keller is recurring purchase (loyalty towards the purchase of a product) [in,17].

According to Jacoby and Kyner (1973) on the construct of loyalty, loyalty is seen as the result of a cognitive evaluation process. So if the goal is to understand how the CLP can support customer loyalty, one must begin with an understanding of the preconditions that encourage customer participation in CLP. In this context, the CLP can act as a facilitator for the creation of value. While the purpose for CLP participation represents consumer needs related to the loyalty program. The perceived value realize the overall assessment of the utility of the CLP to meet those needs [18].

Customer commitment is defined as maintaining an approach to maintain the company. Different researchers categorize commitments into different components. However, marketing researchers often use affective commitment in a number of different contexts (ie., channels, sales, service). In this research, customer commitment is an emotional bond with the hotel. Customer loyalty is a set of behaviors that systematically favor one identity. It can be evaluated through the cost by understanding the behavior of repeat purchases and repeat purchases due to equality. Also, a loyal customer wants to make a referral, reference offers, and give words of mouth. Therefore, customer loyalty is described as an intention to

speak positively about a hotel, to recommend, and return to it in the future [19].

Loyalty can be defined as a strongly held commitment to purchase and subscribe to specific products or services in the future even though there is an influence of the situation and the marketing efforts that could potentially lead to changes in behavior. There are several indicators that can be used to measure customer loyalty [20].

Analysis

The analysis is to identify empirically the underlying structure of the entity being measured or calculated (ie., variable). The three aims where the analysis factor could be used were empirically creating the theory of the structure, evaluating whether the entity groupings with the theoretically expected manner, and estimating the variable scores that were then used in the next statistical analysis at the measured factor entity.

Data analysis was evaluated to determine to which the level of precision and accuracy was, as a result of an error during the analysis. This evaluation could be done by using methods such as comparison or specific mathematical formula.

The analysis was a research method for making inferences that were replicable and valid from the data into the context, which aims providing knowledge, new insights, representation of fact and practical guide to action [20]. Analysis differentiation is usually limited to classifying it primarily as a quantitative versus qualitative research methods [21]. Analysis is a research method that provides a method and an objective means to make valid inferences from verbal, visual, or writing of data to describe and quantify certain phenomena [22].

RESEARCH METHODS

The researchers used a questionnaire as a tool to obtain the data. The questionnaire had been compiled and disseminated to respondents who were the users of Go-Us within Indralaya campus environment of Sriwijaya University. To determine the needed sample, the researchers used area sampling technique and Isaac and Michael method

Table 1. Determining the amount of sample using Isaac and Michael method

N	S			N	S			N	S		
	1%	5%	10%		1%	5%	10%		1%	5%	10%
10	10	10	10	280	197	115	138	2800	537	310	247
15	15	14	14	290	202	158	140	3000	543	312	248
20	19	19	19	300	207	161	143	3500	558	317	251
25	24	23	23	320	216	167	147	4000	569	320	254
30	29	28	27	340	225	172	151	4500	578	323	255
35	33	32	31	360	234	177	155	5000	586	326	257
40	38	36	35	380	242	182	158	6000	598	329	259
45	42	40	39	400	250	186	162	7000	606	332	261
50	47	44	42	420	257	191	165	8000	613	334	263
55	51	48	46	440	265	195	168	9000	618	335	263
60	55	51	49	460	272	198	171	10000	622	336	263
65	59	55	53	480	279	202	173	15000	635	340	266
70	63	58	56	500	285	205	176	20000	642	342	267
80	71	65	62	600	315	221	187	40000	663	345	269
85	75	68	65	650	329	227	191	50000	655	346	269
90	79	72	68	700	341	233	195	75000	658	346	270
95	83	75	71	750	352	238	199	100000	659	347	270
100	87	78	73	800	363	243	202	150000	661	347	270
110	94	84	78	850	373	247	205	200000	661	347	270
120	102	89	83	900	382	251	208	250000	662	348	270
130	109	95	88	950	391	255	211	300000	662	348	270
140	116	100	92	1000	399	258	213	350000	662	348	270
150	122	105	97	1050	414	265	217	400000	662	348	270
160	129	110	101	1100	427	270	221	450000	663	348	270
170	135	114	105	1200	440	275	224	500000	663	348	270
180	142	119	108	1300	450	279	227	550000	663	348	270
190	148	123	112	1400	460	283	229	600000	663	348	270
200	154	127	115	1500	469	286	232	650000	663	348	270
210	160	131	118	1600	477	289	234	700000	663	348	270
220	165	135	122	1700	485	292	235	750000	663	348	271
230	171	139	125	1800	492	294	237	800000	663	348	271
240	176	142	127	1900	498	297	238	850000	663	348	271
250	182	146	130	2000	510	301	241	900000	663	348	271
260	187	149	133	2200	520	304	243	950000	663	348	271
270	192	152	135	2600	529	307	245	1000000	664	349	272

According to Table 1, the researchers could directly determine the amount of the existing population and the desired rate of error (significance level). The population was 110 Go-Us service users. The selected error rate was 1%, which meant the sample that would be taken was 94 respondents.

RESULTS AND DISCUSSION

After the distribution of questionnaires, the percentage of each question asked in the questionnaire was found. The following data shows the percentage of customer loyalty respondents of Go-Us who were Unsri students. The respondents were dominated by women which amounted to 66 respondents, and 28 male respondents.

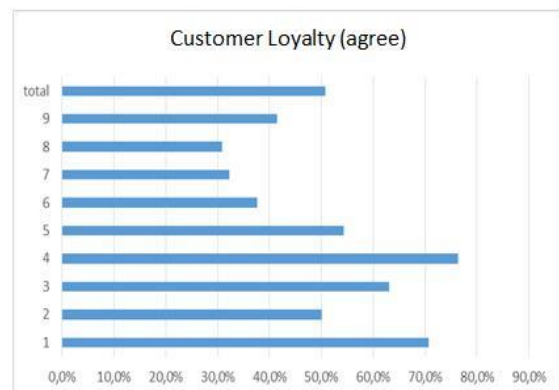


Figure 1. Customer loyalty

The above data can be calculated by using the percentage of the overall customer loyalty as follows:

Average= loyalty percentage /number of questions(1)

loyalty percentage = 70.7% + 50.0% + 63.0% + 76.3% + 54.3% + 37.6% + 32.3% + 30.9% + 41.5% + 50.7% = 50.7%

number of questions =9

Average = (50.7%)/9

From the result of this calculation, it can be indicated that Go-Us student customers had a percentage of loyalty as much as 50.7% which meant more than half of them were satisfied with the services provided by Go-Us.

CONCLUSIONS

1. It was found that the loyalty of service users of Go-Us amounted to 50.7%. This meant more than half of the users of this service considered the services provided by Go-Us were good.
2. The results showed more than 70.2% of Go-Us users were female.

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