# The Influence of Customer Relationship Management on Customer Loyalty with Customer Satisfaction as an Intervening Variable in the Hotel Islami Aceh House

Sindy Asrika Putri<sup>1</sup>, Endang Sulistya Rini<sup>2</sup>, Rulianda Purnomo Wibowo<sup>3</sup>

<sup>1</sup>(Universitas Sumatera Utara, Indonesia) <sup>2</sup>(Universitas Sumatera Utara, Indonesia) <sup>3</sup>(Universitas Sumatera Utara, Indonesia)

**Abstract:** This research is an associative study with a quantitative approach that aims to analyze the causal relationship by observing the consequences that occur and the possible factors (causes) that cause these effects and display information obtained in numerical form. This study aims to find out: 1) Effect of Customer Relationship Management on Customer Satisfaction. 2) Effect of Customer Relationship Management on Customer Satisfaction on Customer Loyalty. 4) The Effect of Customer Relationship Management on Customer Loyalty through Customer Satisfaction as an intervening variable at the Hotel Islami Aceh House. The population in this study was 20,251 populations. Sample size determination uses Slovin formula with tolerance error = 10%, so that the research sample is 100 respondents. The method of data collection is done by documentation, interviews and giving questionnaires to respondents. The data analysis technique in this study uses path analysis (path analysis) at the significance level = 0.1. The conclusions of this study are: 1) Customer Relationship Management has a positive and significant effect on Customer Satisfaction. 2) Customer Relationship Management has a positive and significant effect on Customer Loyalty. 3) Customer Satisfaction.

Keywords: Customer Relationship Management, Customer Loyalty, Customer Satisfaction

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# I. Introduction

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In the current era of globalization, more and more business opportunities can be developed, so that business competition is getting tougher. One of the things that must be maintained is Customer Satisfaction and Customer Loyalty. Companies will have difficulty in competing if they cannot meet satisfaction with their customers. Customer satisfaction will help customers to be loyal which will then have an impact on business continuity. Therefore, companies must have strategic steps to overcome the existing competition. In this very tight competitive situation, it is difficult to add new customers, so maintaining existing customers is very important, so the right marketing strategy is needed to meet customer needs. so that customers will feel satisfied and become customers who are loyal to the company.

Customer loyalty is a strong commitment to buy or subscribe to a product or service in the future even though there are influences or situations and marketing efforts that have the potential to cause a transition (Kotler and Keller, 2012). Loyal customers not only have the potential to become word of mouth advertisers, but are also likely to be loyal to the company's products or services for years. Customer Loyalty describes the amount of Customer Satisfaction with a product or service offered by the company, so maintaining Customer Loyalty is the main key in intense competition in the business world.

Customer satisfaction is a person's feelings after comparing the work they feel with their expectations of a product or service (Kotler and Keller, 2012). Customer satisfaction is likened to a customer evaluation after making a purchase, where comparing perceptions of the performance of a selected product or service can meet or exceed expectations before purchase. If the perception of performance meets expectations, Customer Satisfaction is created. But if the perception of performance does not meet expectations, then the customer will feel dissatisfaction.

To create Customer Satisfaction and Customer Loyalty, companies must have the right marketing strategy. It cannot be denied that marketing plays an important role for the success of a company in realizing its main goal. By using the right marketing strategy, helping companies provide information about the goods or services offered according to the target market. Products or services will have a higher selling value if the

company can provide what consumers need. The marketing paradigm has now shifted, not only focused on sales and marketing targets, but the company must also focus on establishing good relationships with customers in the long term, called Customer Relationship Management (CRM) where this is to foster better relationships and close to the two-way communication method in managing long-term, mutually beneficial relationships between customers and companies.

Customer Relationship Management (CRM) has a wide enough scope to deal with needs that include the demands of globally integrated quality management to deal with customers' business needs more aggressively. The business strategy must be focused on customer satisfaction, building long-term good relationships with customers, anticipating what is needed by customers and optimizing the results of the products or services produced.

Can be seen from the data, in the HR review as many as 8 reviews stated that "Service is not satisfactory", as many as 6 reviews stated that "Towels must be requested first / late" and as many as 4 reviews stated that "Employees are less friendly". In a review of 15 process reviews stating that "the room is not clean enough", as many as 10 reviews state that "Bathroom is not clean", as many as 5 reviews state that "Bathroom must be repaired", 2 reviews state that "Time for breakfast is very short", as many as 2 reviews state that "Time to start breakfast too long", as many as 1 review states that "Check-in process takes a long time". In a technology review as many as 4 reviews stated that "Wifi is not connected".

The Aceh Islamic Hotel House established since 2007 is a hotel whose operations and services have been adapted to sharia principles that refer to Islamic teaching guidelines, in order to provide a peaceful, comfortable, healthy and friendly atmosphere needed by Muslim and non-Muslim guests. Sharia hotel operations are no different from other hotels, subject to government regulations, open 24 hours, marketing is open to all circles, both Muslim and non-Muslim. The Aceh Islamic Hotel House service standards are suave, polite, moral and serve customers wholeheartedly. The Aceh House Islamic Hotel has several types of rooms such as: Double Deluxe, Deluxe Twin, Superior Double, Superior Twin and Double Standard.

It can be seen from the data that the Hotel Islami Aceh House has experienced a decline in room occupancy rates for three consecutive years from 2015 to 2017, which is something the company does not want. To optimize the attainment of room occupancy, the hotel must know the things needed by the customer, the hotel must know how customers make the decision to stay. There are many factors that influence the customer's stay decision, in this study the researcher limits the aspects of Customer Relationship Management (CRM) which is how the company is able to establish good relationships for a long period of time with customers. The concept in this research is expected to provide ideas and innovations in improving matters related to Customer Relationship Management (CRM) in order to build the intensity of service usage and customer loyalty to the services offered by the Aceh House Islamic Hotel so that a good and harmonious relationship is created over a period of time long term with customers.

# **Research Objectives**

The objectives of this study are:

1. To find out the effect of Customer Relationship Management on Customer Loyalty at the Islami Hotel Aceh House.

2. To find out the effect of Customer Satisfaction on Customer Loyalty at Hotel Islami Aceh House.

3. To find out the effect of Customer Relationship Management on Customer Satisfaction at Hotel Islami Aceh House.

4. To find out the effect of Customer's Relationship Management indirectly on Customer Loyalty through Customer Satisfaction as an Intervening variable at the Hotel Islami Aceh House.

# 2.1 Customer Relationship Management

# **II.** Theoretical Review

Customer Relationship Management (CRM) stated by Evans and Laskin in Wibowo (2006) is the process of building long-term relationships with customers and prospective customers to achieve company goals. To achieve this goal the company must be able to understand what customers want and need, treat customers as partners, and optimize employees to serve customers well to meet customer satisfaction and provide good quality to customers. Customer Relationship Management (CRM) is a continuous process that requires companies to maintain good communication with consumers to achieve goals, and combine Customer Relationship Management (CRM) processes with strategic plans so as to help companies manage their resources optimally to meet customer needs in the future. which will come.

# 2.2 Customer Satisfaction

Customer satisfaction is a reaction in the form of a feeling of satisfaction that is felt because of the experience of using a product or service based on a statement (Buttle, 2007). The buyer will feel satisfied depending on the

performance felt by the expectations of the previous buyer. Satisfaction is a feeling of pleasure or disappointment felt by the buyer as a result of comparing performance with expectations. If the performance / work results are felt not to meet expectations, the buyer will feel dissatisfied. If the performance / work results exceed what the buyer expects, the buyer will feel satisfied and even want to continue to subscribe to using the products or services offered by the company.

# 2.3 Customer Loyalty

According to a statement from Kotler and Keller (2012), loyalty is an effort to create a close relationship with customers in the long term so that customers do not switch to other products or services. Loyalty is a strong commitment to buy a product or service on a regular basis and continue to subscribe even though there are influences of situations that have the potential to cause behavioral shifts. Customer satisfaction can provide several benefits such as establishing a harmonious relationship between customers and the company, satisfied customers will repurchase, recommend products or services offered by the company to others and even create customer loyalty.

# 2.4 Hypothesis

Based on the conceptual framework that has been described, the research hypothesis can be formulated as follows:

1. Customer Relationship Management has a positive and significant influence on Customer Satisfaction at Hotel Islami Aceh House.

2. Customer Relationship Management has a positive and significant effect on Customer Loyalty at Hotel Islami Aceh House.

3. Customer Satisfaction has a positive and significant effect on Customer Loyalty at the Aceh Islami Hotel House.

4. Customer Relationship Management indirectly affects Customer Loyalty through Customer Satisfaction as an Intervening variable at the Aceh Islamic Hotel House.

# **III. Materials and Method**

# 3.1 Types of Research

This research is an associative research with a quantitative approach that aims to analyze the causal relationship by observing the consequences that occur and the possible factors (causes) that cause these effects and display information obtained in numerical form.

# 3.2 Location Research

This research will be conducted at the Aceh House Islamic Hotel on Jl.Gajah Mada Medan. The research period is carried out for 3 (three) months, starting from November 2018 until January 2019.

# **3.3 Population and Samples**

The population in this study was based on the number of guests staying at the Aceh House Islamic Hotel in 2015 - 2017 at 20,251 people.

Samples are part of the number and characteristics of the population (Sugiyono, 2006). The sampling method used is a non probability sampling method, with the sampling technique in this study carried out through purposive sampling, namely the technique of determining samples based on criteria determined by researchers (Sugiyono, 2006). The sample in this study were guests who had stayed at least 2 times at the Aceh Islami Hotel House. So, the number of respondents who will be given questionnaires is 100 people.

# 3.4 Data Analysis Method

This study uses descriptive qualitative analysis method to determine the existence of relationships between dependent variables and independent using inductive statistics correlation with multiple regression analysis. The qualitative descriptive objective in this study is to provide a systematic, factual and accurate description of certain facts.

# a. Descriptive Analysis

Sugiyono (2006) explains that qualitative research methods are research methods used to examine natural objects, where researchers are key instruments, while data collection techniques are conducted by interview methods, data analysis is inductive, and the results of qualitative research emphasize meaning rather than generalization.

#### b. Multiple Linear Regression Analysis

This analysis is conducted to see if there is a causal relationship between the two variables or examine how large one variable affects the other variables. Relationship between variables that describe the function, namely: y = f(x). This function explains the relationship between the dependent variable (Y) and the free variable (X). Hypothesis testing using t test, F test, r squared test.

#### **IV. Results and Discussion**

#### 4.1 Descriptive Statistics Analysis

The description of the characteristics of the respondents in this study included gender, age and occupation. Respondents in this study were 100 people, namely customers who had stayed at least 2 times at the Islami Hotel Aceh House.

Based on the results of data processing it is known that the respondents who are male are as many as 43 people with a percentage of 43% while those of the female sex are 57 people with a percentage of 57%. So it can be concluded that the majority of customers of the Aceh House Islamic Hotel are women.

Then the characteristics of respondents based on age is known that the majority of customers of the Aceh House Islami Hotel are respondents aged 35-45 years as many as 47 people with a percentage of 47%.

Furthermore the characteristics of respondents based on work are known that the majority of customers of the Aceh House Islami Hotel work as Entrepreneurs namely as many as 49 people with a percentage of 49%.

#### 4.2 Results and Discussion

Based on the results of the research stated above, the discussion in this study can be formulated as follows: a. Direct Effect of Customer Relationship Management on Customer Satisfaction

Based on the results of the study, it can be concluded that Customer Relationship Management has a positive and significant effect on Customer Satisfaction at Hotel Islami Aceh House. This is known from the respondent's answer with a statement about Customer Satisfaction that gets an average score of 4.16 categorized as good, namely "I feel satisfied with the Aceh House Islamic Hotel service". This shows that most customers agree that they are satisfied with the service when staying at the Aceh Islami Hotel House.

It can be seen from the frequency distribution of the Customer Satisfaction questionnaire where the questionnaire states "I am satisfied with the price offered by the Aceh Islamic Hotel House" obtaining the highest score for the "Strongly agree" answer, which is 30 questionnaires. Then the questionnaire stating "I am satisfied with the facilities available at the Aceh House Islamic Hotel" received the highest score for the "Less agree" answer, which was 20 questionnaires.

The results of this study are supported by previous research conducted by Santoso and Widayanto (2017) which states that Customer Relationship Management has a positive and significant effect on Customer Satisfaction at PT. Garuda Indonesia. Then supported by previous research conducted by Ersi and Samuel (2014) which states that Customer Relationship Management has a positive and significant effect on Customer Satisfaction on flour-based SME products in East Java.

#### b. Direct Effect of Customer Relationship Management on Customer Loyalty

Based on the results of the study, it is known that Customer Relationship Management has a positive and significant effect on Customer Loyalty in the Islami Aceh House Hotel. stay at another hotel besides the Aceh House Islamic Hotel ". This shows that most customers agree that they did not choose another hotel because they already felt a good impact from Customer Relationship Management while staying at the Islami Hotel Aceh House.

It can be seen from the frequency distribution of the answers to the Customer Relationship Management questionnaire, where the questionnaire stating "Employees are quick to handle my complaints" get the highest score for "Strongly agree" answers, which is 45 questionnaires. Then the questionnaire that states "A fast process when inputting guest data" gets the highest value for the "Less agree" answer which is 18 questionnaires.

The results of this study are supported by research conducted by Wisanti (2016) which states that Customer Relationship Management has a positive and significant effect on Customer Loyalty in the JNE office of Salatiga City. Then supported by research conducted by Budiman and Irnita Muryati (2010) which states that Customer Relationship Management has a positive and significant effect on Customer Loyalty at Hotel Kristal.

# c. Direct Effect of Customer Satisfaction on Customer Loyalty

Based on the results of the study, it is known that Customer Satisfaction has a positive and significant effect on Customer Loyalty at the Hotel Islami Aceh House. This is known from the respondent's answer with a statement about Loyalty. Customers who get an average score of 4.03 are categorized as good, namely "I will

recommend the Aceh Aceh Islamic Hotel to others". This shows that most customers agree that when customers are satisfied, they will recommend the Aceh House Islamic Hotel to their relatives.

It can be seen from the frequency distribution of the answers to the Customer Loyalty questionnaire where the questionnaire states "I will tell positive things about the Aceh House Islamic Hotel to others" get the highest score for the "Strongly agree" answer, which is 25 questionnaires. Then the questionnaire stating "I am committed to staying overnight at the Aceh House Islamic Hotel" obtaining a "Disagree" answer in 1 questionnaire.

The results of this study are supported by research conducted by Normasari, et al (2013) which states that Customer Satisfaction has a positive and significant effect on Customer Loyalty staying at Pelangi Hotel Malang. Then support with research conducted by Tarigan (2017) which states that Customer Satisfaction has a significant effect on Customer Loyalty at Hypermart in Jakarta.

# d. Indirect Effect Customer Relationship Management on Customer Loyalty Through Customer Satisfaction

In this study, Customer Satisfaction becomes an intervening variable that can mediate the relationship between Customer Relationship Management and Customer Loyalty. This is evidenced by direct effect Customer Relationship Management on Customer Loyalty is smaller than indirect effect Customer Relationship Management through Customer Satisfaction.

It can be concluded that Customer Relationship Management depends on the ability to build long-term relationships by using the right HR, good processes and good technology to understand and anticipate customer needs, and retain customers by satisfying customers. Only satisfied customers who have a higher desire to repurchase / become loyal to the company. In this study, it can be seen that Customer Satisfaction can affect Customer Relationship Management to Customer Loyalty at Hotel Islami Aceh House.

The results of this study are supported by research conducted by Ningsih, et al (2016) which states that Customer Relationship Management has a significant influence on Customer Loyalty through Customer Satisfaction at PT. Astra International, Tbk Denpasar branch.

#### 4.3 Managerial Implication

The results of this study state that the Customer Satisfaction variable (Z) is the variable that mediates Customer Relationship Management (X) and Customer Loyalty (Y). Therefore, Customer Satisfaction has more influence to make loyal customers. To increase Customer Satisfaction, the company must improve Customer Relationship Management from the HR aspect so that employees are more friendly when facing customers. From the Process aspect so that employees are more nimble to serve the customer check-in process and are adept at preparing room rooms when customers want to check-in. Companies can conduct training regularly to employees to fix Customer Relationship Management from HR and Process aspects. From the aspect of technology, the Islamic House of Aceh House is expected to be more innovative, such as creating its own application for booking hotel rooms online, so that the Hotel Islami Aceh House can market more attractive offers, such as giving discounts directly, promoting meeting rooms, featuring promotions and good reviews to make it more attractive to old customers and new customers, and customers can also provide criticism and suggestions in the application.

# V. Conclusion and Suggestion

#### Conclusion

Based on the results of the research and discussion that have been conducted in this study, the researcher draws the following conclusions:

1. Customer Relationship Management has a positive and significant effect on Customer Satisfaction at Hotel Islami Aceh House.

2. Customer Relationship Management has a positive and significant effect on Customer Loyalty at Hotel Islami Aceh House.

3. Customer Satisfaction has a positive and significant effect on Customer Loyalty at the Aceh Islami Hotel House.

4. Customer Satisfaction becomes an intervening variable that mediates Customer Relationship Management and Customer Loyalty at Hotel Islami Aceh House.

#### Suggestion

Based on the results of the research and discussion, there are several suggestions that can be conveyed:

# 1. For Companies

Customer Relationship Management at the Islami Aceh House Hotel can be categorized as good, but to increase occupancy rates, the Aceh Islami Hotel House is expected to improve its services, where some unfavorable

reviews from the HR aspect state the service is unsatisfactory and employees' attitudes are less friendly more friendly to customers. From the aspect of the Process some of the reviews are not good enough to say that employees are not competent when preparing room space when customers want to check in. The Aceh House Islamic Hotel is expected to improve hotel facilities, where some poor reviews state that bathrooms must be repaired, rooms and bathrooms should be improved more cleanliness. In terms of technology, the customer stated that he could not connect to the wifi network, so it was hoped that the company could provide better quality and speed of wifi.

#### 2. For Further Researchers

It is expected to be a reference and continue to develop this research. This study uses Customer Satisfaction as an intervening variable to mediate Customer Relationship Management as an independent variable and Customer Loyalty as a dependent variable. For the next researcher can replace the variables in this study with other variables in order to find other variables that can build Customer Loyalty.

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