



UDC 332; DOI 10.18551/rjoas.2022-05.07

THE IMPACT OF E-CRM ON CUSTOMER LOYALTY

Subandriyo*, Sulivyo Lod
Sekolah Tinggi Ilmu Ekonomi Ppi, Indonesia

Usman Bahtiar
Faculty of Economics and Business, University of Trisakti, Indonesia

*E-mail: bandriyoriyo@stieppi.ac.id

ABSTRACT

This research aims to find out the influence of e-service quality, e-CRM, and e-satisfaction on the e-loyalty of customers of one of the e-malls in Indonesia. Exogenous research variables are e-service quality and e-satisfaction while endogenous research variables are e-CRM and e-loyalty. The sample was taken from 351 respondents who were consumers of e-mall X. Data analysis techniques using SEM PLS. The results showed that all significant hypotheses can be concluded that the influence of e-service quality, e-CRM, and e-satisfaction on e-loyalty of E-mall X customers either directly or indirectly.

KEY WORDS

Customer, loyalty, quality, products.

Over time, people's living standards will increase and people's lifestyles will increase. People's lifestyle today prefers instant culture, which is a fast and comfortable way to shop. This need is met with the existence of online shopping facilities. All consumers no longer only buy products (goods) or services (services), but consider all aspects of the service related to those products. Quality of service is a measure of success in providing guaranteed consumer satisfaction. Quality of service allows customers to provide an objective reputation for increasing and increasing their trust and loyalty.

The development of the business world is always in line with the development of information technology. Indonesian internet users are growing rapidly, and Indonesian people are now aware of the internet. The development of such technology has changed the pattern of life in society, especially concerning patterns of interaction with the economy, society and culture. This has a huge impact on society in the form of new jobs, increased access to online services, and better relationships with the global community. Indirectly, technological advances have made one want convenience in all activities, including shopping activities (Srinivasan, et al., 2002). With the use of this technology, consumer behaviour initially shifted from offline shopping to online shopping. The new trading system that accompanies the development of internet technology is called e-commerce. E-commerce is the use of the Internet, Web, mobile applications, and/or browsers to do business in both organizations and individuals (Hsu, et al., 2012). One of the e-commerce applications is e-mall. One of Indonesia's e-malls is e-mall X.

Consumer loyalty is an important strategic goal across all service industries (Asgari, 2014), including services delivered through e-mall X. Amid intense business competition, companies need to strive to build consumer loyalty that allows customers to build relatively long-term relationships with customers and companies so they don't switch to other products and services. Therefore, companies need to build and develop sustainable and quality customer relationships.

The customer loyalty determinant survey conducted by Nyadzayo and Khajehzadeh (2016) leverages the role of mediation in the quality and brand image of customer relationship management (CRM) as a facilitator for customer loyalty. This article refers to the work of Cronin et al. (2000) Variables of Service Quality and Customer Satisfaction. The study found that through the role of CRM quality mediation, there was a significant positive



relationship between each variable and customer loyalty. The Nyadzayo & Khajehzadeh survey (2016) was conducted at traditional companies, particularly three car dealers in South Africa.

Based on research Nyadzayo & Khajehzadeh (2016) conducted research to test the role of brand image moderation and CRM Quality mediation that generates customer loyalty of e-commerce companies, in this case, e-mall X.

THEORETICAL REVIEW

Customer satisfaction is defined when an online product or service can meet or exceed consumer expectations (Ahmad, et al, 2017). Consumer satisfaction is demonstrated after comparing the purchase experience and perceived expectations with the post-purchase experience. According to Al-Dmour, et al. (2017) electronic customer satisfaction is related to several aspects, such as a website or site design, content or information listed, shopping opportunities, and shopping security. For customer satisfaction to be met, one way is to measure it from the mindset of buyers who feel valued equally or unequally with the sacrifices they make (Sulivyo: 2021)

According to Dehghanpouri, et al. (2020) e-CRM is defined as the implementation of digital communication technology to maximize sales to customers and facilitate the use of online services. The e-CRM aspect is trust and commitment (Nyadzayo & Khajehzadeh, 2016).

According to Cyr (2008), loyalty can be defined as a consumer's intention to revisit an e-commerce portal, even if other options are available. Dehghanpouri et al. (2020) define loyalty as an electronic perception of consumer loyalty to a website and a consumer's intention to visit the same website for repeat purchases. Kelly et al. (2003) Loyalty shows a relevant consequence, namely a willingness to pay more and positively impact customers with WOM promotions. The following are used as indicators of customer loyalty: willingness to pay more, WOM promotions, considering future purchases in the same location, not switching to other websites, repeat purchases.

Many companies today attach great importance to the quality of customer relationship management to maintain detailed information about each customer's personality and to be able to manage customer touchpoints carefully to maximize customer retention (Kotler & Keller, 2012). A good CRM will bring excitement to customers by proactively telling others about the company and its products (Kim & kim, 2010) more loyally. CRM quality has a positive relationship with customer loyalty (Nyadzayo & Khajehzadeh, 2016). Research Dehghanpouri et al. (2020) Found a positive and important relationship between e-CRM and customer loyalty:

- H1: E-CRM Quality has a positive effect on Customer E-Loyalty.

In buying products, consumers not only get the product, but also the expectation of good usability and service (Novianti & Sulivyo: 2021) The quality of service has a significant effect on customer loyalty mediated by CRM quality (Nyadzayo & Khajehzadeh, 2016). A study by Srinivasan et al. (2002) found a positive relationship between the quality of electronic service and customer loyalty. The higher the quality of service, the higher customer loyalty:

- H2: E-Service Quality positively affects E-CRM Quality;
- H3: E-Service Quality positively affects Customer E-Loyalty through E-CRM Quality.

One of the factors driving customer loyalty is satisfaction with previous purchases (Kotler & Keller, 2012). According to Nyadzayo and Khajehzadeh 's (2016) research, the role of CRM quality mediation has a significant positive effect on the impact of customer satisfaction on customer loyalty.

- H4: Customer E-Satisfaction has a positive effect on E-CRM Quality;
- H5: Customer E-Satisfaction positively affects Customer E-Loyalty through E-CRM Quality.

Here is an image that explains the relationship between variables in this study:

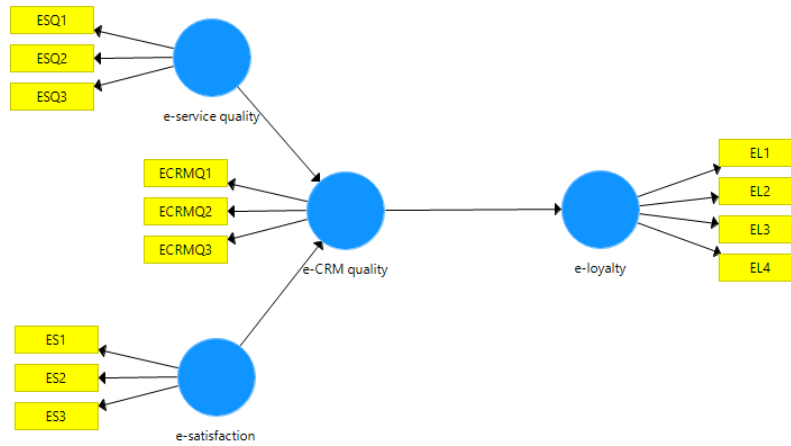


Figure 1 – Research Model

METHODS OF RESEARCH

The sample taken was 351 consumers of e-mail X. The data collection method used questionnaires. Data analysis using SEM PLS. Questionnaire results data is processed using Smart PLS.

If the outer loading value is greater than or equal to 0.3 then the convergent validity test is declared valid. On the other hand, Discriminant Validity is measured by an AVE value and declared valid if it is 0.5 or higher. The results of the convergent validity test are shown in the following table and figure.

Table 1 – Outer Loading

n/n	e-CRM quality	e-loyalty	e-satisfaction	e-service quality
ECRMQ1	0,839			
ECRMQ2	0,794			
ECRMQ3	0,865			
EL1		0,933		
EL2		0,719		
EL3		0,933		
EL4		0,799		
ES1			0,941	
ES2			0,744	
ES3			0,953	
ESQ1				0,967
ESQ2				0,842
ESQ3				0,964

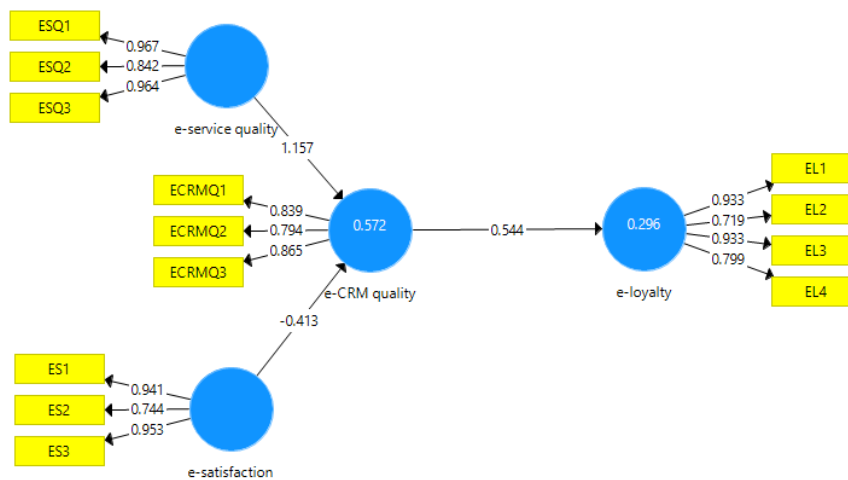


Figure 2 – SmartPLS Output for Validity Test



The e-service quality statement item has the highest loading factor value of 0.967 and the lowest of 0.842. The e-satisfaction statement item has the highest loading factor value of 0.953 and the lowest of 0.744. The e-CRM quality statement item has the highest loading factor value of 0.865 and the lowest of 0.794. The e-loyalty statement item had the highest loading factor value of 0.933 and the lowest of 0.719. After being tested convergent validity is then tested discriminant validity by looking at the value of AVE. Here is the smart pls output:

Table 2 – Average Variance Extracted (AVE) and Cronbach Alpha

n/n	Cronbach's Alpha	Average Variance Extracted (AVE)
e-CRM quality	0,783	0,694
e-loyalty	0,869	0,724
e-satisfaction	0,856	0,782
e-service quality	0,915	0,858

Based on table 2 the AVE value for each variable is greater than 0.5 so that all items of the statement are valid on a discriminant basis. Instrument reliability testing is tested using Alpha Cronbach analysis. Alpha Cronbach is the average of all parts of the coefficient which may be the result of different ways of dividing scale items. Based on table 2 the alpha-Cronbach value for each variable is greater than 0.7 so it can be concluded that the statement item for each variable is reliable.

RESULTS AND DISCUSSION

Here are the results of SEM PLS analysis in research analysis:

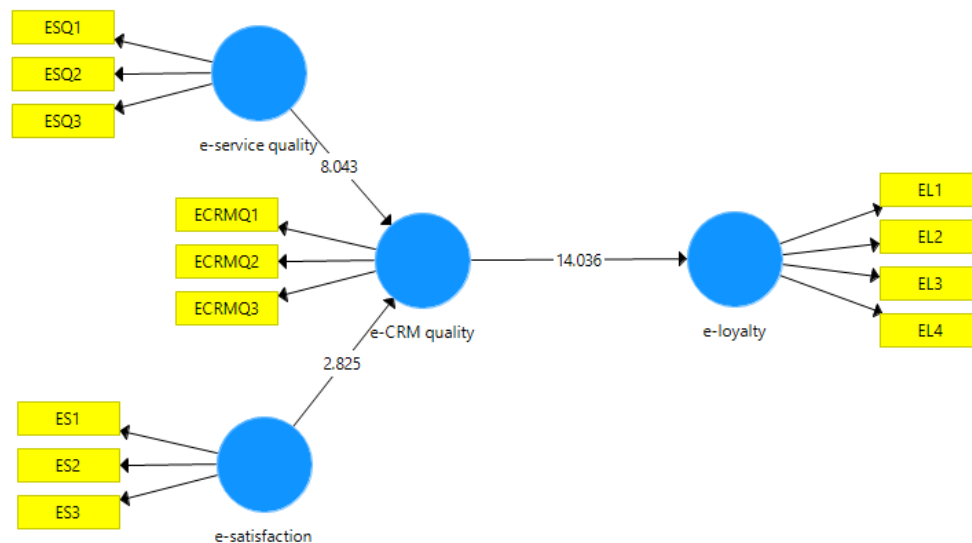


Figure 3 – Output SmartPLS

Table 3 – Coefficient Table

n/n	T Statistics (O/STDEV)	P Values
e-CRM quality -> e-loyalty	14,036	0,000
e-satisfaction -> e-CRM quality	2,825	0,005
e-service quality -> e-CRM quality	8,043	0,000

Table 4 – Indirect Influence Table Indirect Influence Table

n/n	T Statistics (O/STDEV)	P Values
e-satisfaction -> e-loyalty	2,748	0,006
e-service quality -> e-loyalty	6,777	0,000



Table 5 – Summary of Hypothesis Testing

Hypothesis	t-value	p-value	Notes
1	14,036	0,000	Significant
2	8,043	0,000	Significant
3	2,748	0,006	Significant
4	2,825	0,005	Significant
5	2,748	0,006	Significant

Based on table 5 p-value for hypothesis 1 of $0.000 < 0.05$ means that e-CRM has a positive effect on Customer e-Loyalty. The p-value for hypothesis 2 of $0.000 < 0.05$ means that e-Service Quality has a positive effect on e-CRM. The p-value for hypothesis 3 of $0.006 < 0.05$ means that e-Service Quality positively affects Customer e-loyalty through e-CRM Quality. The p-value for hypothesis 4 of $0.005 < 0.05$ means that Customer e-Satisfaction has a positive effect on e-CRM Quality. The p-value for hypothesis 5 of $0.006 < 0.05$ means that Customer e-Satisfaction positively affects Customer e-loyalty through e-CRM Quality.

E-CRM has a positive effect on customer e-loyalty. These results are following the research of Nyadzayo & Khajehzadeh (2016). A good CRM will bring excitement to customers by proactively telling others about the company and its products (Kim & Kim, 2010) more loyally. CRM quality has a positive relationship with customer loyalty.

E-Service Quality has a positive effect on e-CRM. These results are under the research of Nyadzayo & Khajehzadeh (2016). Good service quality supports good e-CRM. Quality of service is a component of e-CRM. Good quality of service is a good relationship with customers.

E-Service Quality positively affects Customer e-loyalty through e-CRM Quality. These results are following the research of Dehghanpouri, et al. (2020). Srinivasan et al. (2002) concluded in their research that there is a positive relationship between e-Service Quality and Customer e-loyalty through e-CRM Quality. Good service quality supports good e-CRM and has an impact on e-loyalty. High quality of service is a condition of customer loyalty.

Customer e-Satisfaction has a positive effect on e-CRM Quality. These results are following the research of Nyadzayo & Khajehzadeh (2016). High customer satisfaction improves the quality of e-CRM. Customer satisfaction is the result of the customer's experience of the services provided. High customer satisfaction has an impact on the good relationship between consumers and companies.

CONCLUSION

Customer e-Satisfaction has a positive effect on Customer e-loyalty through e-CRM Quality. One of the factors driving customer loyalty is satisfaction with previous purchases (Kotler & Keller, 2012). A good customer experience results in high-quality e-CRM and has an impact on high customer loyalty. A good service experience maintains consumer relationships with the company so that customer loyalty is formed.

REFERENCES

1. Ahmad, A., et al. (2017). Exploring the role of website quality and hedonism in the formation of e-satisfaction and e-loyalty: Evidence from internet users in India. *Journal of Research in Interactive Marketing*, 11(3).
2. Al-Dmour, H. H., et al. (2017). Investigating the impact of ECRM success factors on business performance Jordanian commercial banks. *Asia Pacific Journal of Marketing and Logistics*.
3. Asgari, N., et al. (2014). Studying the Impact of E-Service Quality on E-Loyalty of Customers in the Area of E-Banking Services. *Journal of Management and Sustainability*, 4(2).
4. Cronin Jr, J. J., et al. (2000). Assessing the effects of quality, value and customer satisfaction on customer behavioral intentions in service environments. *J. Retail*, 76(2).



5. Cyr, D. (2008). Modeling website design across culture: relationship to trust, satisfaction and e-Loyalty. *Journal of Management Information Systems*, 47(72).
6. Dehghanpouri, H. et al. (2020). The impact of trust, privacy and quality of service on the success of E-CRM: the mediating role of customer satisfaction. *Journal of Business & Industrial Marketing*.
7. Hsu, C. H., et al. (2012). Hotels, A Customer-Based Brand Equity Model for Upscale. *Journal of Travel Research*, 51(1).
8. Kelley, L. L. et al. (2003). How e-CRM can enhance customer loyalty. *Marketing Intelligence & Planning*, 21(4).
9. Kim, J. H. & Kim, C. (2010). E-service quality perceptions: a cross-cultural comparison of American and Korean consumers. *Journal of Research in Interactive Marketing*, 4(3).
10. Srinivasan, S., et al. (2002). Customer Loyalty in E-Commerce: An Exploration of Its Antecedents and Consequences. *Journal of Retailing*, 78.
11. Kotler, P. and Keller, K. L. (2012). *Marketing Management*. New Jersey: Pearson.
12. Novianti, L., & Sulivyo, L. (2021). Pengaruh Kualitas Produk Dan Promosi Terhadap Keputusan Pembelian Pada Smartphone Made In China Di Kecamatan Cikupa Kabupaten Tangerang. *Jurnal Cafeteria*, 2(2), 15-27.
13. Nyadzayo, M. W., & Khajehzadeh, S. (2016). The antecedents of customer loyalty: A moderated mediation model of customer relationship management quality and brand image. *Journal of Retailing and Consumer Services*, 30.
14. Sulivyo, L (2021). Consumer Value, Consumer Experience and Consumer Satisfaction. *Jurnal Cafeteria*, 2(1), 36–47.