



## THE ROLE OF CUSTOMER RELATIONSHIP MANAGEMENT IN INCREASING CUSTOMER LOYALTY

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### Abstract

Customers are the spearhead in marketing performance in generating profit. In its implementation, a good relationship is needed between customers and the company organization or MSMEs that have the product. The purpose of this study is to describe and analyze the role of customer relationship management as an effort to increase customer loyalty at coffee shop of 27 Serang City Banten. The research method uses a qualitative method. While the data collection technique is through deductive analysis, comparative analysis, and data verification. As well as checking the validity of the findings, namely continuous observation, triangulation testing, and proof of the truth of the data that the researcher has found. The results of the study found that (1) The role of customer relationship management can increase customer loyalty at coffee shop of 27 Serang City Banten through customer loyalty programs starting from planning, implementation, to evaluation of the program according to previously planned customer targets; (2) Customer loyalty at coffee shop of 27 Serang City Banten can be seen from loyal customers with customer visit retention, always recommending to others, and always making repeat purchases.

**Keywords:** Customer Relationship Management, Customer Loyalty

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### INTRODUCTION

Companies sometimes only focus on the value delivered to customers in increasing customer loyalty. According to Bobâlcă (2013), loyalty can generally be analyzed from both the company and consumer perspectives. Customer relationship management and direct marketing research focus on the strategies and activities that companies must initiate to maintain their customer portfolio. There are several academic papers that present the concept of loyalty as a result of marketing efforts. Both perspectives should be analyzed as a whole and not as separate parts of the same process. The strategies developed by national and international companies must be supported by in-depth knowledge of the dimensions and factors that influence loyalty and also the consequences of loyalty.

Customer relationship management through technology, people, processes, and knowledge and understanding influences customer loyalty by making regular repeat purchases, buying outside the product/service line, recommending products, and showing immunity from product appeal (Sriwendiah & Nusa, 2021). Customer relationship management through trust, commitment, communication, and complaint handling influences customer loyalty with repeat purchases, retention, and referrals (Lestari & Saroyo, 2024). Customer loyalty is influenced by customer relationship management through customer satisfaction (Anwar et al., 2022). In addition to customer relationship management, customer loyalty is also influenced by service quality (Saibudin et al., 2022), customer satisfaction (Zahro & Prabawani, 2018), brand image (Nabila et al., 2022), and also product innovation (Azis et al., 2023).

The atmosphere and product quality can affect the trust and loyalty of global coffee shop customers. While local coffee shops only the atmosphere can affect customer trust and loyalty (Septiani et al., 2020). The interior elements of a coffee shop that have an influence on the level of consumer loyalty are physical environmental factors such as furniture, lighting, color combinations, interior decoration, sound temperature, good coffee quality affects the pleasant aroma in the coffee shop, and non-physical environmental factors such as social interaction to increase comfort like at home in a coffee shop (Susanti et al., 2021). The most dominant indicator of a barista is friendliness, while customer loyalty is loyal and does not care about other brands. Baristas have no effect on customer loyalty (Oktafiani et al., 2023). The reason is just wanting to try, atmosphere, time of visit, menu, promotion and price. Preferences can lead to customer satisfaction and loyalty and will make repeat visits (Rasmikayati et al., 2020).

Based on the phenomenon, the researcher can formulate the problems above: (1) description of customer relationship management at Kedai Kopi 27 in Serang City, Banten? (2) How is customer loyalty formed at Kedai Kopi 27 in Serang City, Banten? (3) How can customer relationship management increase customer loyalty at Kedai Kopi 27 in Serang City, Banten?

### **Customer Relationship Management (CRM)**

Customer relationship management is a customer relationship management that requires communication, good relationships, and responding to customer desires and needs (Lestari & Saroyo, 2024). As for establishing efficient customer relationships and being responsive to feedback provided by customers, so that the focus is on superior service

### **Customer Loyalty**

The behavior of loyal customers themselves will be loyal, make repeat purchases, recommend products or services to others, and commitment without the influence of competitors or prices. According to Bose (2011), in a business context, loyalty is a customer's commitment to doing business with a particular organization that has an impact on repeat purchases of the organization's goods and services.

### **Differences Between Customer Loyalty and Brand Loyalty**

The difference between loyalty between customers and brands lies in the object. According to Uncles et al. (2003), customer loyalty is something that consumers might show towards brands, services, stores, product categories such as snacks, and activities such as eating. The term customer loyalty is a differentiator from brand loyalty. This is to emphasize that loyalty is a feature of people, not something that is attached to a brand.

## **Customer Loyalty Program**

In the formation of customer loyalty in a certain period of time, a loyalty program is needed. So that customer relationship management will be better, in order to create absolute loyalty. According to Rosenbaum et al. (2005), customer loyalty program - is a loyalty program, carried out by the company, hoping to give the buyer the financial and non-financial support, to strengthen his loyalty.

## **METHOD**

Field research was conducted using a qualitative approach method by describing and analyzing phenomena, customer activity activities, customer behavior, perceptions of visitors to coffee shop of 27 Serang City Banten which were described to produce recommendations and decisions. The location of the research was at coffee shop of 27 Serang City Banten. While the object of this research was carried out on loyal customers of coffee shop of 27.

Data collection techniques with field research methods that must be prepared in advance so that data collection is in accordance with what was previously planned. The data collection technique is through several methods, including systematic observation and recording from the investigation phenomenon, interviews with verbal communication, and documentation of all data from the bibliography discussed in this research object.

Data analysis techniques use several methods, namely the inductive method, the deductive method, and the comparative method

## **DISCUSSION AND DISCUSSION**

### **Customer Relationship Management**

Understanding customers in depth through consistent customer interaction and personalization of customer experience. In this customer relationship management, two-way communication is carried out between customers and the company. This is done to make customer relationships closer and always remember the products or services offered. Before carrying out customer relationship management, planning is made so that targets and goals related to customers are as expected. A database is needed as an initial reference, discussions with internal, potential customers, internal and external mapping. Continued by making a blueprint or road map to implement the best relationship strategy with customers. Finally, evaluation and adjustments to technology in business in implementing technology in business in the right way. Do not forget digital media to follow the development of technology used by customers as an adaptation of customer behavior.

### **Customer Relationship Management in Increasing Customer Loyalty**

Without customers, there will be no loyalty, one of which is with customer relationship management. Although there are many factors in increasing customer loyalty. Customer relationship

management is a communication link with customers. However, customer loyalty also requires a loyalty program itself. Customer relationship management is not impossible not to have techniques, methods, or programs in order to create customer loyalty. Collaboration of customer relationship management with loyalty programs that customers do not actually know directly. Such as discounts, rewards, members, and so on. Loyal customers will always look forward to these activities. So that customer relationship management and the program complement each other.

## CONCLUSION

Based on the discussion above, it can be concluded that the role of customer relationship management can increase customer loyalty at coffee shop of 27 Serang City Banten through customer loyalty programs starting from planning, implementation, to evaluation of the program according to previously planned customer targets. Meanwhile, customer loyalty at coffee shop of 27 Serang City Banten can be seen from loyal customers with customer visit retention, always recommending to others, and always making repeat purchases.

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