

THE EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT ON CUSTOMER RETENTION AT KMU GRESIK EYE CLINIC

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<https://doi.org/10.37715/rmbe.v2i2.3409>

Abstract-Knowing and analyzing customer engagement, customer bonding and customer satisfaction on customer retention at the KMU eye clinic. This research was conducted using a quantitative research method approach. The population in this study was the KMU Mata Utama Clinic Customers as many as 350 people, this number was obtained from the five research indicators multiplied by five. The sample in this study were 93 respondents. By using Multiple Linear Regression Analysis. The results showed that Customer Engagement has no significant effect on Customer Retention, Bonding Customer has no significant on Customer Retention and Customer Satisfaction has an effect on Customer Retention.

Keywords: *Customer Relationship Management, Customer Bonding, Customer Satisfaction, Customer Retention.*

1. Introduction

Mata Utama Clinic (KMU) is a clinic that focuses on eye complaints and was established in 2010 which has several branches. This research was conducted at the Mata Utama Clinic (KMU) branch in Gresik Regency, which is located on Jl. Sumatra No.27-F, Gresik Regency, East Java. The number of customer visits at the clinic had decreased due to the Covid-19 pandemic, but the number of patients improved in September. Customers are assets of the company, to benefit from the results of service. Therefore, Customer Relationship Management (CRM) is needed. The use of CRM can be a way to improve customer satisfaction and make customers a medium of analysis. In CRM, it prioritizes customer satisfaction, customer bonding, customer engagement, and customer retention. Research on Mata Utama Clinic (KMU) customers was conducted to maintain the number of existing customers by minimizing the number of lost customers. CRM strategy, namely the right customer retention is expected to build patient loyalty, customers have the opportunity to enjoy the best service, maintain company continuity, and increase the number of visitors by 15% in one year.

2. Literature Review

2.1 Previous Research

Utami and Putera's research shows that there is a significant influence between CRM on customer trust, customer satisfaction and customer trust. Research by Badwan et al. (2017), showing that CRM leads to customer satisfaction, retention, loyalty, and high-quality service. Research by Sukmaputra, Esarianita, and Megandini (2017), it is known that the retention program as one of the CRM strategies will be able to increase consumer

satisfaction, so that each company will be able to achieve consumer satisfaction by improving several features in the retention program. Research by Sofi, et.al, (2020) shows that CRM has a significant positive impact on customer satisfaction.

2.2 Theoretical Foundations

2.2.1 Customer Retention

Customer Retention is an effort to retain customers an important part in the development of relationship-based marketing (Setiawan and Rahayu, 2017). In this study, the customer retention indicators used were: (1) Service; (2) Facility; and (3) Satisfaction.

2.2.2 Customer Engagement

Customer engagement is a process to develop, maintain and protect consumers in order to continue to have a relationship with the company so that consumers are not only buyers of the company but even exceed just buyers, namely becoming marketers for the company (Safitri, 2019). The dimensions of customer engagement are: (1) Tangibles; (2) Empathy; (3) Reliability; and (4) Responsive.

2.2.3 Bonding Customer

According to Umar (2010) customer bonding starts from creating consumer awareness of the products or services offered which then grows into a sustainable bond as the basis of the relationship between the company and consumers. The indicators are: (1) Awareness bonding; (2) Identify bonding; (3) Relationship bonding; (4) Community bonding; (5) Advocacy bonding.

2.2.4 Customer Satisfaction

According to Kotler and Keller (2013) consumer satisfaction is a feeling of pleasure or disappointment that arises from comparing performance against their expectations. Customer satisfaction indicators are: (1) Right decision; (2) Expectation; and (3) Overall satisfaction.

3. Research Framework

3.1 Analytical Model

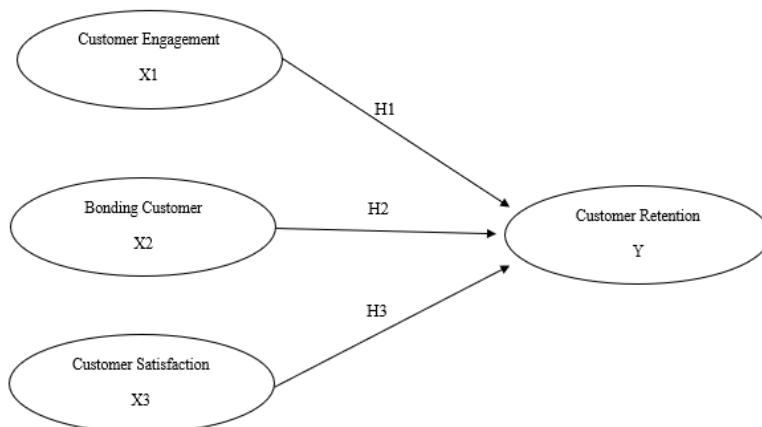


Figure 3.1 Analysis Model

Source: Data processed by the author, 2022

3.2 Hypothesis

H1: Customer engagement has a significant effect on customer retention.

H2: Customer engagement bonding has a significant effect on customer retention.

H3: Customer satisfaction has a significant effect on customer retention.

4. Research Methods

4.1 Types of Research, Samples, and Data Collection

This research uses a quantitative approach. The location of the research object is the Mata Utama Clinic (KMU) located on Jl. Sumatra No.27-F, Gresik Regency, East Java which was carried out in June 2021-April 2022. The study population was 350 consumers of the Mata Utama Clinic. The determination of the number of representative samples is the number of indicators multiplied by 5 to 10. The number of samples in this study were:

$$\begin{aligned} \text{Sample} &= \text{number of indicators} \times 5 \\ &= 14 \times 5 \\ &= 70 \end{aligned}$$

However, in fact, the number of respondents was 93. Sampling techniques are probability and non probability sampling. Data source is primary and secondary data. Data primer was taken using a questionnaire measured on a Likert scale of 1-5.

4.2 Variables and Operational Definitions

Table 4.1 Variable Operational Devinitions

Variable	Conceptual Definition	Indicators	Operational definition
Customer Engagement	Morgan and Hunt (1994) explained that customer engagement requires trust and commitment, where these two things are formed in a buyer-seller relationship	1. Tangibles 2. Empathy 3. Reliability 4. Responsive	1. Customers focus their attention on a certain brand and feel happy. 2. Leads to a sense of belonging that the customer has 3. Energy levels and customer excitement that ultimately lead to loyalty to the brand 4. Refers to reciprocal relationships
Bonding Customer	Umar (2010) describes customer bonding starting from the creation of consumer awareness of the products or services offered which then grows into a sustainable bond as the basis of the relationship between the company and consumers, even expandable to other customers.	1. Awareness bonding 2. Identify bonding 3. Relationship bonding 4. Community bonding 5. Advocacy bonding	1. The company is trying to get a share in consumer memory 2. Consumer appreciation of the company's positive actions 3. The company provides one or more benefits whether tangible or not. 4. Companies tie customers in a community 5. The consumer for his own witness becomes a marketer for the company.
Customer Satisfaction	According to Kotler and keller (2013) consumer satisfaction is a feeling of pleasure or disappointment that arises from comparing performance against their expectations	1. Right decision 2. Expectations 3. Overall satisfaction	1. The right decision to use the services available at Eye Clinic (KMU) 2. Fulfillment of expectations for the services provided 3. There is overall satisfaction with the services provided.
Customer Retention	According to Anderson and Mittal (2000) customer retention is a	1. Service 2. Facility 3. Satisfaction	1. Providing the best service to Mata Utama Clinic (KMU) Patients

	link between customer loyalty and profitability.		2. Providing more facilities and the benefits can be felt by patients 3. Make visiting patients feel satisfied with the services and facilities available at the Mata Utama Clinic of KMU Gresik branch.
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Source: Data processed by the author, 2022

5. Results and Discussion

5.1 Analysis

5.1.1 Description of Respondent Characteristics

Mata Utama Clinic (KMU) consumers were more women around 47 respondents or 51%. The age of consumers over 50 years is more dominant by 28%.

5.1.2 Description of Research Variables

On the Customer engagement variable, the average value is calculated at 4.78 and is interpreted as high. In the *Bonding Costumer* variable, the calculated average value is 4.92 and is interpreted as high. In the *Customer Satisfaction* variable, the average value is calculated at 4.69 and is interpreted as high. There is a *Customer Retention* variable, the calculated average value is 4.86 and is interpreted as high.

5.1.3 Test the Validity and Reliability of Research Instruments

Table 5. 1 table validity test and reability test

Variable	Indicators	Items	Correlation Coefficient	Information	Cronbach's Alpha	Information
Customer Engagement	Tangibles	X1.1	0,265	Valid	0.718	Reliable
	Empathy	X1.2	0,302	Valid		
	Reliability	X1.3	0,420	Valid		
	Responsive	X1.4	0,393	Valid		
Bonding Customer	Awareness Bonding	X2.1	0,281	Valid	0.743	Reliable
	Identify Bonding	X2.2	0,290	Valid		
	Relationship Bonding	X2.3	0,438	Valid		
	Community Bonding	X2.4	0,344	Valid		
	Advocacy Bonding	X2.5	0,314	Valid		
Customer Satisfaction	Right Decision	X3.1	0,774	Valid	0.651	Reliable
	Expectations	X3.2	0,799	Valid		
	Overall Satisfaction	X3.3	0,539	Valid		
Customer Retention	Service	Y1.1	0,788	Valid	0.626	Reliable
	Facility	Y1.2	0,740	Valid		
	Satisfaction	Y1.3	0,569	Valid		

Source: processed data (2022)

The test results showed the entire indicator was valid because the correlation coefficient was greater than 0.05. All research variables are reliable because the value of Cronbach's Alpha is greater than 0.6.

5.1.4 Test of Classical Assumptions

1. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		95
Normal Parameters ^a	Mean	.0000000
	Std. Deviation	.52955931
Most Extreme Differences	Absolute	.383
	Positive	.217
	Negative	-.383
Kolmogorov-Smirnov Z		.383
Asymp. Sig. (2-tailed)		.000

a. Test distribution is Normal.

Based on test results, it is known that the Significance value is $0.000 < 0.05$. Then it can be concluded that the residual value is normally distributed.

2. Heteroskedasticity Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.455	.800		1.818	.072
TOTAL_X1	-.081	.124	-.060	-.654	.515
TOTAL_X2	.222	.132	-.156	1.685	.095
TOTAL_X3	-.383	.068	-.528	-5.644	.000

a. Dependent Variable: RES2

The significance value of X1 of 0.515 is greater than 0.05. It means that there is no heteroskedasticity, nor does X2 of 0.095 greater than 0.05. It means there is no occurrence of heteroskedasticity.

3. Multicollinearity Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.150	.733		.205	.838		
TOTAL_X1	.114	.114	.059	1.007	.317	.942	1.062
TOTAL_X2	-.017	.121	-.008	-.140	.889	.926	1.079
TOTAL_X3	.853	.062	.825	13.704	.000	.907	1.102

a. Dependent Variable: TOTAL_Y

The test results showed that the variables studied did not occur multicollinearity, because all variables had a tolerance value of > 0.01 or a VIF value of < 10 .

5.1.5 Multiple Linear Regression Analysis

Model	Coefficients ^a				
	B	Std. Error	Beta	T	Sig.
1 (Constant)	.150	.733		.205	.838
TOTAL_X1	.114	.114	.059	1.007	.317
TOTAL_X2	-.017	.121	-.008	-.140	.889
TOTAL_X3	.853	.062	.825	13.704	.000

a. Dependent Variable: TOTAL_Y

Based on the test results, it is known that there are two variables that have an insignificant relationship, namely in the variables X1 and X2 so that a hypothesis table can be made.

5.1.6 Hypothesis Test

Table 5.2 Hypothesis Testing Results

Relationships between Variables	B	T-Statistics	Sig	Information
Customer Engagement -> Customer Retention	,114	1,007	0.317	Insignificant
Customer Bonding -> Customer Retention	-,017	-,140	0,889	Insignificant
Customer Satisfaction -> Customer Retention	,853	13,704	0,000	Significant

Source: Output data processed (2022)

Based on the results of the hypothesis test obtained:

H1: Has a significance value of 0.317 greater than 0.05. This means that *Customer Engagement* has no significant effect on *Customer Retention*. Thus, the first hypothesis is not accepted.

H2: Has a significance value of 0.889 greater than 0.05. This means that *Customer Bonding* does not have a significant effect on *Customer Retention*. Thus, the second hypothesis is not accepted.

H3: Has a significance value of 0.000 less than 0.05. This means that *Customer Satisfaction* has a significant positive effect on *Customer Retention*. Thus, the third is accepted.

5.2 Discussion

5.2.1 The Effect of Customer Engagement on Customer Retention

The results of research conducted in the previous chapter show that *Customer Engagement* has an insignificant influence on *Customer Retention*. This result means that the lower the level of *Customer Engagement* value, the lower the respondent will be to rate a *Customer Retention*.

5.2.2 Customer Bonding For Customer Retention

The results of research conducted in the previous chapter show that *Customer Bonding* has an insignificant influence on *Customer Retention*. This result means that the lower the level of *Customer Bonding* value, the lower the respondent will rate a *Customer Retention*.

5.2.3 The Effect of Customer Satisfaction on Customer Retention

The results of research conducted in the previous chapter show that *Customer Satisfaction* has a significant influence on *Customer Retention*. This result means that the higher the level of *Customer Satisfaction* value, the more respondents will also assess a *Customer Retention*.

5.3 Implication

1. The results of the research on *customer engagement* variables did not have a significant effect on *customer retention* related to clinic buildings and parking lots that were less spacious, causing consumers to feel less comfortable. Companies can consider *valet parking* services in the clinic area by adding one human resource as a *valet parking driver*. The company can change the *layout* of the Clinic waiting room so that consumers who come can feel freer.
2. The results of the research on customer engagement bonding variables did not have a significant effect on customer retention related to consumers complaining about the untimely arrival of doctors. As a concrete solution, companies can arrange the arrival of consumers on their own through online queues. The company needs to change the Standard Operating Procedure (SOP) wherein the first 2 month make and improve the online registration system along with the socialization of the new SOP. In the following month, a trial was carried out along with an evaluation of SOP changes. Second strategy, providing loyalty cards to consumers who have been registered with the clinic within a one-year period. The benefit of the card is the provision of additional discounts. The strategy can be realized within 1 month by collecting a consumer data base.
3. The results of the *customer satisfaction* variable research have a significant effect on *customer retention*. The company is expected to maintain customer satisfaction by making continuous updates to the knowledge possessed by doctors and updating the diagnostic tools they have so that more accurate results are obtained.

6. Conclusions and Suggestions

6.1 Conclusion

1. The results of the research hypothesis testing showed that Customer Engagement had no significant effect on Customer Retention.
2. The results of the research hypothesis testing showed that Customer Bonding had no significant effect on Customer Retention.
3. The results of testing the research hypothesis showed that Customer Satisfaction had a significant effect on Customer Retention.

6.2 Suggestion

6.2.1 Advice For Major Eye Clinics

1. It is hoped that the company can maintain, pay attention, and improve the services provided to consumers. The company can pay attention to the comfortable atmosphere of the clinic. Based on analysis, variables with high influence values will be the determinants of improving service quality in the future.

2. The results of the analysis prove that *Bonding Customer* has a negative effect on *Customer Retention*, so it is recommended that the clinic pay attention to the quality of competing services. In fact, companies must pay attention to quality similar to the services of the company's competitors.

6.2.2 Advice for Subsequent Researchers

Further research can conduct research with different methods such as qualitative methods to deepen the research findings. Further research can also add variables that are not used in this study so that it is expected to increase Customer Retention. In addition, research can be carried out on different objects, so get more varied characteristics.

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