EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) TOWARDS CUSTOMER’S LOYALTY VIA CUSTOMER’S SATISFACTION AND CUSTOMER’S TRUST ON UD.XXX

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ABSTRACT

UD.Xxx is a company that deals with the construction industry. Due to the rise in population, there will be an increasing demand in housing which in turn will lead to an increase in demand of construction materials. Observing such phenomenon, the researcher analyzes the effect of CRM towards Customer’s Loyalty via loyalty and the trust of customers towards UD.Xxx. This research is aimed to understand the effect of CRM towards Customer’s Loyalty via Customer’s Satisfaction and Customer’s Trust on UD.Xxx. This research has a sample pool of 40 people which satisfies the criteria that they are customers of UD.Xxx who deals with the company on a monthly basis. Variables used for this research consists of variable eksogen (CRM), variable intervening (customer’s satisfaction and customer’s trust) and variable endogen (customer’s loyalty). Partial least square structural equation modeling (SEM-PLS) will be the chosen analyzing method for this research. The result of SEM-PLS shows that there is a significant effect of CRM (X₁) on Customer’s Satisfaction (X₂) and Customer’s Trust (X₃), Customer’s Satisfaction (X₂) on Customer’s Trust (X₃) and lastly Customer’s Satisfaction (X₂) and Customer’s Trust (X₃) on Customer’s Loyalty (Y₁) on UD.Xxx.

Keywords: Customer Relationship Management, Customer’s Satisfaction, Customer’s Trust, Customer’s Loyalty

INTRODUCTION

In the recent years it has been noticed that there is a high density of population in some provinces due to the continuously increasing population. This can be supported by the data obtained from BPS which shows that since 2010 there is an increase in population density by 3.5% from the initial 49.8% to 53.3%. This increase in density is not only limited to the East Java region but it’s also spread out evenly throughout Kalimantan, Bali, Sulawesi and its surroundings. With the constant growth in population within Indonesia annually, the demand for housing has increased. The need for housing is a basic necessity for human beings and they shall try to fulfill it (Sinaga, 2013). This will have a direct effect on the construction business which will continue to affect the construction industry. As stated by Ketua Asosiasi Arsitek