Analysis of Line Application Deployment Using Customer Relationship Management Approach to Customer Loyalty in GO-US

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Abstract. Competition among online cab service providers in Sriwijaya university (Unsri) now is getting tougher. Line utilization of social media can be one strategy that could be used by the service provider. Go-US is an online cab service provider who actively utilizes customer relationship management through social media (LINE) marketing to gain their customers loyalty. There is a positive effect on customer loyalty when providers do profitable campaigns, provide relevant and popular contents, and frequently update the contents on various social media platforms on LINE. This study was conducted by using sampling techniques and Isaac and Michael method. They were used to determine the samples related to the implementation of CRM applications on LINE to consumer loyalty to the Go-US. The sample was 94 respondents who had used Go-US services. The result was, the average percentage rate of consumer loyalty to the services was 50.7%. That meant more than half of the students who used Go-US that consisted of 29.8% men and 70.2% women were satisfied with its services.

Keywords: Customer Relationship Management, customer loyalty, LINE, sampling techniques, students

INTRODUCTION

LINE users are increasing every year. This is proven by the features inside the application that are included in the business. Based on the data from expert.co.id, it was stated that LINE users in 2018 Indonesia amounted to 90 million users. 72 million was the monthly active users who spent 40.2 minutes per day. In addition to functioning as a communication medium, LINE is also used as a mean to sell, share the latest information, or form an opinion about a product. Company's relationship with its customers is an important thing to focus on. Necessary strategies are needed for customer relationship management to obtain high customer loyalty. Social media has provided strategic opportunities to small-scale enterprises to compete with large companies in the global business environment. The tools required by companies to advertise effectively on social media platforms are highly cost-effective and require very little investment in the relevant technology [1]. In the development of business models based on social media, the most important factors can be identified as customer connectivity and interactivity functions by small-scale enterprises. Smaller companies are able to realize through this model that new innovations in the field of advertising and marketing can be implemented through this model. Social media
enables companies to develop interactive relationships with customers. In this perceptive, customers are given the opportunity to interact with the management of the company and share their opinions on various products and services [2] through LINE which is a chat application that has been widely used by many people. In this era, online transportation service is getting more and more popular and needed by the community. Providers should strive to have higher value than their competitors. Therefore, they need a very good marketing strategy. Customer loyalty is related to customer satisfaction. Each company expects to have customers who are loyal to the their products/services. Timm (2005) stated that the concept of customer loyalty includes five factors: customers overall satisfaction experience when doing business with a company, a willingness to build a relationship with the company, willingness to repurchase, willingness to recommend the company to others, and reluctance to switch to competitors' products. Gaining consumer loyalty using social media can be used as one of the right strategies. Customer loyalty variables include services and non-service information. Based on the explanation above, this study aimed to analyze the influence of LINE social media on consumer loyalty on Go-Ups who used the application as customer relationship management to gain customer loyalty.

Social Media

Online communities and social networking sites are effective technologies for social interaction and sharing information [8]. First established in 2000s, social media started to be widely popular and used by people all around the world. Social media is rapidly progressing and have gained many users. Since then, it has allowed users to do activities in social media easier such as shopping and doing business. Social media (also known as social networking sites) is part of new media. It is clear that the interaction in new media is very high. Social media, quoted by Wikipedia, is defined as an online media. The users can easily participate, share and create contents including blogs, social networks, wikis, forums and virtual worlds. Blogs, social networks and wikis are forms of social media that are most commonly used by the people around the world [9].

Social networking sites typically have the following elements:
1. Portal: space for registration information, profiles, and the latest information
2. Forum: chat rooms and friendly greeting interaction among the members
3. Blog: writing space to be shared among members
4. Gallery: space for photo sharing activities [10]

Public

Society is a collection of people who interact and cooperate each other. Society, according to Paul B. Harton is “society is a collection of people who are relatively independent, live together in a relatively long time, inhabit a particular area, have the same culture, and do most of the activities in the group.” Important references refer to the knowledge society, digital society, post-capitalist society, digitization, digital transformation, or in other word, industry 4.0. Knowledge society includes the knowledge economy or the digital economy, e-government, online education, digital health, and online volunteering, such as the SETI project [11]. Community transformation projects are the expansion process of information and communication technology for the new role of information and knowledge [12]. Almost all Indonesians from various background and age have and use social media as one of the means to acquire and convey the information to the public [13]. Global capitalism through global media create consumerist society around the world. In this case, the media not only act as a disseminator of information but also as a channel of ideology. In a consumer society, media is the learning adoption of activities and consumerism lifestyle [14].

A large number of social media users in Indonesia lead to an opportunity to optimize social media as a medium of communication. The question is, how

LITERATURE REFERENCES

CRM/SCRM

Social CRM or CRM 2.0 which is considered as a successor, is the natural evolution of traditional CRM, a modern evolution imposed by the Social Customer-reality. In this case, the traditional CRM principles still apply in the context of Social CRM [3]. The use of social media marketing is a powerful factor in developing a CRM strategy. CRM assume clients as business center and sees marketing policy as the focus in this direction [4]. CRM is a concept used in the industry to describe a software solution that is used by organizations. Companies can benefit from useful data about clients [5]. Utilization of CRM can also be used to accommodate suggestions, complaints, and feedback from customers [6].

Thus, based on this point of view, we propose that social media marketing technology must be integrated with the CRM system to establish the ability of certain enterprise level that affect business performance [20]. Furthermore, the extent to which social media marketing technology is integrated throughout the organization will facilitate the development of marketing capabilities, improve customer relationships and their satisfaction [7].
to use it to streamline the way we communicate in society [15].

**Loyalty**

Customer loyalty has received great attention in the marketing services literature, for its contribution in creating a sustainable competitive advantage for service organizations [15]. Appreciating the importance of customer loyalty to the profitability of a hotel, most of hotel chain operators have designed loyalty reward programs to attract and retain hotel guests [16]. However, in testing a willingness to positively recommend the hotel to the others, most researches have adopted a customer attitudinal loyalty perspective rather than behavioral perspective [16, 17] defined loyalty as the amount of the consumption and purchase frequency used by the enterprises’ customers. Meanwhile, according to Sheth &amp; Mittal [in, 17], customer loyalty is customer commitment to the brand, store, or suppliers, based on a very positive attitude and reflected in a consistent repeat purchases. The indicator of customer loyalty according to Kotler and Keller is recurring purchase (loyalty towards the purchase of a product) [in,17].

According to Jacoby and Kyner (1973) on the construct of loyalty, loyalty is seen as the result of a cognitive evaluation process. So if the goal is to understand how the CLP can support customer loyalty, one must begin with an understanding of the preconditions that encourage customer participation in CLP. In this context, the CLP can act as a facilitator for the creation of value. While the purpose for CLP participation represents consumer needs related to the loyalty program. The perceived value realize the overall assessment of the utility of the CLP to meet those needs [18].

Customer commitment is defined as maintaining an approach to maintain the company. Different researchers categorize commitments into different components. However, marketing researchers often use affective commitment in a number of different contexts (ie., channels, sales, service). In this research, customer commitment is an emotional bond with the hotel. Customer loyalty is a set of behaviors that systematically favor one identity. It can be evaluated through the cost by understanding the behavior of repeat purchases and repeat purchases due to equality. Also, a loyal customer wants to make a referral, reference offers, and give words of mouth. Therefore, customer loyalty is described as an intention to speak positively about a hotel, to recommend, and return to it in the future [19].

Loyalty can be defined as a strongly held commitment to purchase and subscribe to specific products or services in the future even though there is an influence of the situation and the marketing efforts that could potentially lead to changes in behavior. There are several indicators that can be used to measure customer loyalty [20].

**Analysis**

The analysis is to identify empirically the underlying structure of the entity being measured or calculated (ie., variable). The three aims where the analysis factor could be used were empirically creating the theory of the structure, evaluating whether the entity grouped with the theoretically expected manner, and estimating the variable scores that were then used in the next statistical analysis at the measured factor entity.

Data analysis was evaluated to determine to which the level of precision and accuracy was, as a result of an error during the analysis. This evaluation could be done by using methods such as comparison or specific mathematical formula. The analysis was a research method for making inferences that were replicable and valid from the data into the context, which aims providing knowledge, new insights, representation of fact and practical guide to action [20]. Analysis differentiation is usually limited to classifying it primarily as a quantitative versus qualitative research methods [21]. Analysis is a research method that provides a method and an objective means to make valid inferences from verbal, visual, or writing of data to describe and quantify certain phenomena [22].

**RESEARCH METHODS**

The researchers used a questionnaire as a tool to obtain the data. The questionnaire had been compiled and disseminated to respondents who were the users of Go-U's within Indralaya campus environment of Sriwijaya University. To determine the needed sample, the researchers used area sampling technique and Isaac and Michael method.
According to Table 1, the researchers could directly determine the amount of the existing population and the desired rate of error (significance level). The population was 110 Go-Us service users. The selected error rate was 1%, which meant the sample that would be taken was 94 respondents.

### RESULTS AND DISCUSSION

After the distribution of questionnaires, the percentage of each question asked in the questionnaire was found. The following data shows the percentage of customer loyalty respondents of Go-Us who were Unsi students. The respondents were dominated by women which amounted to 66 respondents, and 28 male respondents.

![Figure 1. Customer loyalty](image-url)
The above data can be calculated by using the percentage of the overall customer loyalty as follows:

Average = \frac{\text{loyalty percentage}}{\text{number of questions}} \quad \ldots \quad \ldots \quad (1)

\text{loyalty percentage} = 70.7\% + 50.0\% + 63.0\% + 76.3\% + 37.6\% + 32.3\% + 30.9\% + 41.5\% + 50.7\% = 50.7\%

\text{number of questions} = 9

\text{Average} = \frac{50.7\%}{9}

From the result of this calculation, it can be indicated that Go-Us student customers had a percentage of loyalty as much as 50.7\% which meant more than half of them were satisfied with the services provided by Go-Us.

CONCLUSIONS

1. It was found that the loyalty of service users of Go-Us amounted to 50.7\%. This meant more than half of the users of this service considered the services provided by Go-Us were good.
2. The results showed more than 70.2\% of Go-Us users were female.

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