



Analysis of The Effectiveness of Integrated Customer Relationship Management Strategy Implementation on Loyalty of National Logistics Company Customers

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Abstract

This research aims to determine how the IDIC model of customer relationship management strategy is implemented to create brand loyalty. This research uses post-positivism. This research uses a qualitative and descriptive approach. This research method uses the case-study method. The data collection technique in this research is interviewing. This research uses construct validity. The relevant technique for analyzing data in this research is pattern matching. From the results of the research conducted, it was found that the company had succeeded in implementing an effective customer relationship management (CRM) strategy to create brand loyalty. The company also successfully implemented the IDIC model concept in its CRM strategy, which includes identifying customers, differentiating services based on needs, interacting intensively, and adapting services to customer needs through technology. Apart from that, this company has also succeeded in measuring the effectiveness of its CRM strategy through the Net Promoter Score. Furthermore, this research shows that, in contrast to other sectors, B2B logistics companies emphasize service quality and company value more than providing discounts or promotions to increase customer loyalty. As a result, this company gained customer loyalty, which is reflected in its success in extending contracts with its customers.

Keywords: Customer Relationship Management, Loyalty, Business.

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1. Introduction

The era of globalization has led to the emergence of many companies in logistics, transportation and supply chains. This field or sector is estimated to grow around 7% this year. Supply chain entities, which include warehouses, transportation, distribution centres, vendors, resources and the like, are a network between companies and their suppliers to produce goods and then distribute them to consumers [1]. Most companies in this sector are B2B companies and consider customers as the most important and valuable asset because the company's most considerable profit or income comes from this, and B2B companies can more easily sell their services to customers who already know or have used the service [2]. From that company. Customers in the B2B aspect are different from customers in the B2C context because B2B customers are companies or institutions, while customers are final consumers or individuals, and B2B is more concerned with identifying and satisfying the needs of business customers [3]. Customer satisfaction must also be accompanied by customer loyalty because loyalty is a person's belief in making a purchase again or remaining committed to consistently choosing a product or service in the future [4].

Therefore, maintaining customer relationships is more about how the company considers several policies and provides exemplary service to end users so that the cooperation between both parties can become closer and customers have more confidence in the company's services [5]. In other words, in B2B companies, customers often carry out long-term processes, so quality and approach must also be maintained at the highest level because the relationship between each party works continuously and has excellent value [6]. Therefore, it is essential for companies that provide B2B services to maintain good relationships with their customers or provide exceptional service to create brand loyalty because it can provide profits and business success for the company and positively impact customers [7]. Besides that, B2B has characteristics, including a very close relationship with customers. It is considered a business that allows the company to gain high profits for an extended period or long-term orientation [8]. The quality of business success is also determined by how well customer expectations are met by the business so that they can be satisfied with the goods or services used in the business, and when the business

can provide added value to all its customers, the company's long-term goal can be achieved, namely obtaining loyal customers [9].

Loyal customers or companies that have high brand loyalty can reduce marketing costs, increase sales, attract potential customers to use the company's products or services, and pose a threat to competitors [10][11]. Good relationships with loyal customers are the key to high revenue success for B2B service providers, and if large customers are incentivized through good relationships, these customers will be more faithful and can bring more revenue to the B2B service provider [12][13]. Therefore, it is essential for every company, especially B2B companies, to implement CRM to create brand loyalty [14]. Customer relationship management is a plan to maintain business relationships with customers in the long term [15]. The main goal of customer relationship management is to continue profitable relationships with customers [16]. In other words, companies must be able to build and strengthen good relationships to create brand loyalty. Implementing a customer relationship management strategy makes customers feel appreciated and makes them loyal customers [17]. Customer relationship management is an activity that processes detailed information about customers or all customer touchpoints to maximize loyalty [18]. Apart from that, CRM is also central to the company's strategy, which combines both internal and external procedures to deliver value to target customers. Companies must be able to build relationships that make customers feel comfortable and not disadvantaged [19].

Brand loyalty includes two factors, namely brand and loyalty. The brand itself is an element that can create value for a product so that customers perceive our product or service differently from others. A brand is not just what comes to mind about the product but also what is in customers' minds and how they interpret it [20]. Therefore, brand loyalty is defined as the extent to which a customer's positive behaviour towards a brand sticks with it and wants to repeatedly buy a particular brand's products or services in the future [21]. In other words, loyal customers continue to buy the brand despite competing with various substitute brands [22]. Customers choose based on their perceptions of quality, service and value. The more a company knows about its customers and prospects, the more effective it will be against the competition [23]. This concerns the company's strategy to retain customers and create customer loyalty towards certain brands [24]. Even if they are competitively superior, companies must also pay attention to the relationship between them and customers to create brand loyalty [25]. One strategy is implementing customer relationship management to foster loyalty and move ahead compared to competitors [26].

2. Research Methods

This research uses post-positivism, which has a primary identity as a transformation of positivism. This research uses a qualitative approach to research. The nature of this research is descriptive. This research method uses the case-study method [27]. The data collection technique in this research uses primary and secondary categories. Data collected using primary techniques is directly given to researchers, while secondary data is collected indirectly or through a literature study [28]. This research uses construct validity by obtaining data from several sources and asking key informants and informants to double-check the reports made to assess the validity of this research data [29]. The relevant technique for analyzing data in this research is pattern matching. Through this technique, this research will focus on conducting data analysis by comparing existing assumptions or thoughts with patterns obtained during the data collection process to find answers regarding how the company's CRM strategy is to create brand loyalty.

3. Results and Discussion

Business market customers are organizations that obtain goods or services for use in production, sale, rental, or supply to other organizations as a means of business. Industries in the business market include forestry, fisheries, mining, manufacturing, transportation, services, distribution, etc. In line with this, the company is a B2B company that focuses on the business or corporate market sector because it provides logistics services as a third party for other companies. Therefore, their marketing is focused on business marketing with a different strategy from that of the consumer market. Business or service marketing differs from the consumer market, requiring different marketing strategies to meet business customers. B2B marketing prioritizes service, product quality and trust.

Meanwhile, in B2C marketing targets, what must be a priority is customer satisfaction with products and competitive prices. Similarly, B2B companies also use marketing strategies, such as maximizing services and products, using formal or business language, and using channels like LinkedIn to reach other companies. Additionally, they rely on exhibitions, landing pages, events, and sponsorships to expand brand awareness and increase trust.

B2B companies have several ways to implement appropriate marketing strategies to establish and build relationships with customers, including financial bonds, social bonds (establishing relevant interpersonal relationships with external customers as well as with internal companies), customization bonds (getting ideas about products based on ideas from customers), and structural bonds (created by providing curation services to

clients that are primarily technology-based and function to make clients more productive). The company has implemented the same three methods: social bonds, customization bonds and structural bonds. First, there are social bonds; they pay attention not only to relationships with external parties, such as customers but also to internal elements of the company, including employees. An effective internal communication system can generate dialogue throughout the company. In line with this, this B2B company ensures that employees feel proud to be part of the company and continue to be motivated to provide the best to customers. In this case, the company focuses on three main things: choices for workers, customers, and investors. With the three things above, companies actively pay attention to employee needs and measure how employees perceive the company.

The company recognizes the importance of involving employees and customers in operations and services. They give employees the freedom to share opinions and provide positive feedback and suggestions through employee opinions. The company also collaborates with other parties. In relationships with customers, the company creates a pleasant and memorable experience by holding customer visits and sharing inspiration about the company's operations and ways of working. This shows the importance of internal and external relationships in creating added value and satisfaction for employees and customers in the B2B logistics industry. Second, there are customization bonds that companies carry out as an approach to meeting customers' unique needs. They actively seek customer feedback and input to identify ideas for their needs. The company then creates activities or events tailored to the customer cluster, creating fun and memorable experiences they might not find in other companies. The last one is structural bonds. The FedEx company, a competitor, also uses structural ties to make customer transactions easier. FedEx has completed the online delivery system so that customers can browse for their goods.

Meanwhile, in this case, the company makes a kind of conveyor as a technology that can be used to make it easier for customers to send goods in large quantities so that they can be more productive. This conveyor is included in the company's automation to speed up the unloading process. Apart from that, the company also provides customers with convenience in viewing the stock in the warehouse by utilizing the existing system.

For B2B companies, it is essential to provide excellent service and have close relationships with customers, even though they have higher prices than other competing companies. Likewise, companies do not apply for financial bonds because, based on the research results, they provide prices following the contract agreed upon with the customer. Then, this company's customers also look more at the service or value the company offers than the price. Currently, a company's customers' presence is not only a source of income but also a long-term asset that needs to be managed and maintained through customer relationship management. Not only that but by implementing CRM, companies can reach new customers and make them loyal customers because, in short, CRM strategies play a good role in maintaining relationships with customers. So, customer relationship management within the company is also helpful in increasing sustainable sales and making profits. Following the statement above, the company also implements customer relationship management to build good relationships between the company and B2B customers in the logistics industry through communication channels such as sponsorship (electric vehicle summit and exhibition, Formula E) because the people who gather there have a common interest. Furthermore, CRM is carried out through social media such as LinkedIn (which cooperates with customers by providing information or greetings at Christmas and Eid), customer events, customer visits, internal events, sponsorships, exhibitions, motorbike touring, landing pages and stores.

The implementation of CRM is then combined with innovation and the use of technology to compete with competitors and get and retain customers. In the logistics industry, companies use CRM and provide the best service as a strategy to compete with competitors, even if their prices are higher. The company emphasizes the importance of CRM, operations, and warehouse features that prove it is worth the higher price tag. Fighting competitors is the key to creating a company's existence by making different digital uploads on social media. The company also conducts market tests to identify which areas or industries need improvement to provide the right solutions to customers and increase the company's competitiveness. Companies implement customer relationship management with the main aim of influencing customer contract extensions and contract renewals, which directly impact company revenues. It also aims to extend cooperative relationships with customers and facilitate closer communication. It is essential to get honest customer feedback regarding the services provided. This feedback is then channelled to operational teams for ongoing review and regulation, including rewards and assessments. Thus, CRM is an essential key for B2B companies in assessing their success in providing customers with good service and maintaining good relationships with them. The company demonstrates a good understanding of the market and customer needs in the B2B logistics industry.

This company adapts to economic conditions and sees which industries are developing. The company shows adaptability and awareness of trends and market shifts that occur. Companies also use a system called Salesforce to track and analyze data about potential customers, see their interests, and determine whether they could become potential customers. B2B companies consistently post on LinkedIn and Instagram, so content and marketing strategies remain consistent in each country. Through this strategy, they can build a strong presence on digital platforms and reach potential customers with relevant and consistent content. The company recognizes the

importance of correcting errors and making improvements. Although they are committed to providing optimal service, errors may still occur in their daily operations. Therefore, this company considers the critical account manager division an essential point of contact between the company and customers. Critical account managers act as company representatives who can resolve customer complaints, correct errors, and ensure continuous service improvement. Thus, the company strives to maintain good customer relationships through effective communication and problem responsiveness. Companies also realize that retaining customers is more complex than acquiring new ones. In B2B logistics, employees at company headquarters focus on keeping customers and increasing their commitment to them. The company's primary activity is winning new business and retaining existing business. The process of winning business starts with a request for quotation, contract signing, and project implementation, which lasts five months.

The company prioritizes retaining existing customers and cultivating long-term relationships rather than looking for new ones. Satisfied customers will remain loyal, so they are less influenced by price (it doesn't matter if the price is expensive) and can provide positive feedback to the company. Even though low prices are generally a critical satisfaction factor, price does not guarantee the product has good quality because loyal customers usually choose the quality commensurate with the price. B2B logistics companies go through the same thing. The company has a strong reputation in the B2B logistics industry for providing significant added value to customers. Even though the price is more expensive than that of competitors, customers still choose it because they believe in the quality and benefits provided. Customers now value the company's emphasis on delivering superior service more than price. In this way, companies can obtain additional business and profits from customers prioritizing the quality of services. The successful implementation of CRM can affect a business's performance if appropriately implemented. Therefore, each company needs a way to measure this to relate to its CRM strategy's long-term goals. B2B logistics companies use CXM or Medallia systems to measure CRM success. They have a portal that allows customers to provide ratings and feedback about services (on a scale of one to five) every month. Through this assessment, companies can see the level of customer satisfaction and identify areas that need improvement. With this regionally connected approach, the company strives to maintain good customer relationships and increase their satisfaction.

Based on the research results, it can be seen that customers in B2B logistics companies today are obtained from the products and services provided, the experience the company gives them, and the company's performance. They strive to fulfil and support all factors customers require and make improvements (internal or external). All of this is backed by data from the company, which states that with CRM, as many as 70% of customers renew contracts and give positive scores, and more than 40% of the company's revenue comes from customers who continue contracts, so the CRM efforts carried out by this company can create company brand loyalty by engaging with customers and also maintaining relationships by providing consistent performance (financial targets achieved or successfully retaining customers). With brand loyalty, a B2B company can gain various potentials, such as reducing marketing costs, improving the trading process, attracting potential customers from existing customer recommendations, and getting the opportunity to develop its products without switching to other companies. Following the statement above, B2B logistics companies also gain various benefits from brand loyalty obtained through CRM, such as customers constantly feeling satisfied with the services provided, so they use them again and recommend them to other colleagues. So, when talking about all their logistics needs, the mindset of loyal customers is to return to using the service. Then, B2B logistics companies can acquire clients who consistently renew their contracts, making existing clients or clients that the company is pursuing very aware.

4. Conclusion

From the research results, it can be concluded that the company has successfully implemented an effective customer relationship management (CRM) strategy to create brand loyalty. They adopted the campaign as part of their customer-oriented corporate culture. Through various initiatives such as customer events, motorbike touring, customer visits, and various other activities, this company has maintained intensive relationships with customers, built trust, and increased its competitive advantage in the market. The company also successfully implemented the IDIC model concept in its CRM strategy, which includes identifying customers, differentiating services based on needs, interacting intensively, and adapting services to customer needs through technology. Apart from that, this company has also succeeded in measuring the effectiveness of its CRM strategy through the Net Promoter Score. Furthermore, this research shows that, in contrast to other sectors, B2B logistics companies, such as companies, emphasize service quality and company value rather than providing discounts or promotions to increase customer loyalty. As a result, this company gained customer loyalty, which is reflected in its success in extending customer contracts.

Based on the research results, B2B logistics companies prioritize customer service and value over offering competitive prices. While this may not result in customer loss, there is potential to increase customer loyalty by adopting more aggressive promotional or price reduction strategies. In addition, the activeness of B2B logistics

companies on social media platforms such as LinkedIn shows opportunities to expand marketing and interaction with customers through various social media platforms. For academic development, it is recommended that future research adopt a quantitative approach and involve multiple customers to evaluate the effectiveness of a company's strategy. In addition, the research focus can be narrowed to study the influence of just one type of CRM activity, not all of them, as in this study. Future research could also compare the activities most influential in creating brand loyalty to gain deeper insight.

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