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CONSTRUCTION OF CUSTOMER RELATIONSHIP MANAGEMENT IN RETAIL BUSINESS

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Abstract

This article aims to construct the dimensions of customer relationship management (CRM), which consists of processes, preferences, customization, readiness, and capability in the retail service industry. With a total sample of 257, the results of testing using Structural Equation Modelling show that the fifth dimension of CRM construction contributes significantly to the construction of CRM. The findings of the study on the construction of CRM customization show that there is still a weaknesses in registering valuable loyal customers. The collapse of conventional retail business is caused by not putting the priority of detecting valuable old customers This weakness becomes the strength of online retailers who are able to get traditional retail customers to switch to online platforms. CRM customization is also a crucial managerial implication for conventional, digital retailers and digital-conventional retail formats.

Keywords: process; preferences; customization; readiness; capability; and customer relationship management

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INTRODUCTION

The retail service industry is the highest speed growing business in the global market and has undergone a significant transformation over the past decade. As the develop service landscape, because of the increased industrial competition, the retail industry faces more enormous challenges in maintaining a competitive position to continue to having high profitability. One of the challanges is making innovation in the development of new service and the existing service. But it seems that the service business, including retailers, failed to do what is called the consumer perception of service innovativeness (Kristaung & Riorini, 2010),

The modern retail store that has been so popular has experienced a tremendous shock with a disruptive economy, which actually started when entering the 2000s. It's just that at the beginning that was affected at that time was the business of mass media such as

magazines and newspapers, entertainment businesses such as tapes and CDs that had been abandoned or were being scaled up.

The violent turbulence that hit the retail business in 2017 as data presented by Deloitte in India as one of the emerging markets in the world presents fascinating information (Deloitte, 2017; 2019). This actually confirms from various previous empirical data from various users globally.

Retail businesses that only rely on conventional networks (off-line stores) are genuinely threatened by the ecosystem. The impact of retail sales per category affects consumers, known as the term High Digital Influencer Factor (DIF). The digital influence factor is the % of in-store retail sales influenced by shopper's use of any digital devices (laptops, desktops, smartphones, tablets, wearables) and in-store devices (i.e., kiosk, mobile payment devices) (Deloitte, 2017).

It has become a widely accepted agreement, that in order to survive in the current competition, any business including the service sector that the company's efforts to improve customer relationship management (CRM) capabilities must be managed as well as possible, therefore the company is competent to capture the essence of customer needs and desires (Wang, Cavusoglu, & Deng, 2016; Maggon & Chaudhry, 2017).

But it also needs to be understood that CRM is not only related to capability but also with organizational commitment, customer experience, process-driven approach, reliability and technology-orientation (Padmavathy, Balaji, & Sivakumar, 2012; Lee, Back, & Park, 2017). CRM capability is divided into three measurements by Wang & Feng (2012) and also Valmohammadi (2017), namely customer interaction management, customer relationship upgrading, and customer win-back capability.

One criticism of CRM is that study and implementation are too dominated by the perspective of information technology and information systems. Even though it should also take into account service or customer orientation and value co-creation (Saarijarvi, Karjaluoto, & Hannu, 2013) (Steinhoff & Palmatier, 2016)).

As the introduction at the beginning of the 1990s, customer relationship management (CRM) has evolved various concepts. General concepts and fragmented research were caused by domains operating at several levels of analysis: conceptual, empirical, and practical (Lainamngern, 2019). (Saarijarvi et al., 2013) argues that one of the bases of CRM is that customer data is used for the profit of the company, to be exact as main supply for company processes. Through CRM, events such as cross-selling, marketing communications are adjusted or segmented, the potential worth of customer data is processed into data and information for companies to be able to market more products and to manage better customer relationships (Saarijarvi et al., 2013).

Developing customer relationship management measurement tool is very fundamental to get the right measurement construction. Some studies have projected measuring instruments in marketing relations (Padmavathy et al., 2012). Thus, the most considerable part of the scale is shaped in the context of business-to-business (B2B) relationships and is generally the most prominent in the banking and financial business. It is critically to recognize the useful measurement tools in the context of business-customer relations (B2C) for other service business, especially the retail industry. Thus, it is not just

adopting existing measuring instruments; on the contrary, developing a scale that precisely considered for a specific business seems to be a more feasible research strategy. Sometimes the CRM companies' activities can also cause misuse of customer data, mostly known as the "dark side" of CRM (Anabila & Awunyo-vitor, 2013)(Lainamngern, 2019).

Increasing the challenges of conventional CRM activities carried out by companies need to change the paradigm with innovative ways to use customer data, such as selecting and providing the data back to customers(Reijonen & Laukkanen, 2010). Recent research on CRM has not discussed this kind of customer data. In contrast, most research which centers on gathering knowledge about existing CRM domains, which means ignoring both theoretical and managerial opportunities related to this phenomenon, is growing (Reijonen & Laukkanen, 2010) (Lainamngern, 2019)

Similarly, a comprehension of relationship marketing will not be completed without determining CRM dimensions or attributes first. A comprehensive understanding of crucial dimensions is essential because without this information, it would be sufficient to convince practitioners and researchers that marketing relationship is the critical success in marketing ((Ernst, Hoyer, Krafft, & Krieger, 2011), (Colbert & Dantas, 2019). A massive purpose of the marketing literature exposes various dimensions of marketing relations that have been proposed and tested, such as faith, commitment, cooperation, communication, shared values, problem solving, power, non-opportunistic behaviour, bonding, empathy, interdependence, satisfaction and much again as a critical variable of successful CRM and relationship marketing (Saarijarvi et al., 2013). However, most of the dimensions of the marketing relationship are validated in the context of mature markets and the possibility that differences in consumer culture will affect their application in dissimilar settings.

Thus, this article aims to develop and validate customer relationship management with new measuring instruments that are uniquely shaped for the retail service business. The new instruments were tested empirically based on multi-dimensional chronicles, reliability, and validity using exploration and confirmation of factor analysis. Then, this study aims to construct the relationship management dimension from the customer's perspective for the retail service business. This research is expected to provide a more effective customer relationship management instrumentation for the retail service business in the current millennial era.

LITERATURE REVIEW

CRM is rooted in relationship marketing and is driven by advances in information technology and software applications ((Reijonen & Laukkanen, 2010);(Öztayşi, Sezgin, & Fahri Özok, 2011) (Anabila & Awunyo-vitor, 2013) (Padmavathy et al., 2012); (Saarijarvi et al., 2013) (Cheraghalizadeh & Tümer, 2017). In the academic community, customer relationship management and customer relationship marketing are frequently applied interchangeably ((Ryals & Knox, 2001); (Tsai & Tiaojung, 2014)). Yet, customer relationship management is more commonly used in the context of technology solutions and described as 'active marketing relationship information' ((Chen & Popovich, 2003)) shows that customer relationship management is a related derivative to customer relationship marketing.

Customer relationship management integrates two practical needs in marketing, namely the demand for data behavior and human behavior from customers. Customer relationship management focuses on customer-oriented, especially on customer value creation but is based on perspective and implementation of information technology / information systems, which primarily rests on firm value creation and customer value creation (Saarijarvi et al., 2013).

In another study, ((Valmohammadi, 2017)) conducted a classification of customer relationship management from three sides, namely the process of developing, content, and implementing customer relationship management. The customer relationship management development process relates to the initiation, maintenance, and termination of customer relationship management. To content customer relationship management is an activity that relates to customers such as satisfying customer needs, identifying customer preferences, managing customer complaints, after-sales services and maintaining long-period relationships with customers.

For customer relationship management implementation it self, it is broken down into two, namely internal processes and external processes. Valmohammadi (2017), in his research, focused more on external processes related to customers with five dimensions, namely information sharing, customer involvement, long-term partnerships, joint problem solving and technology-based customer relationship management. The external process is also called customer relationship management practices.

CRM information processes consist of five elements, namely information reciprocity, information capture, information integration, information access, and information use while customer relationship management readiness covers organizational readiness and technology readiness (Valmohammadi, 2017).

Customer relationship management is a combination of people, processes and technology which aims to understand the company's customers ((Chang, Wong, & Fang, 2014); (Mehrotra, 2014); (Padmavathy et al., 2012); (Smith, 2008)) and is an integrated approach to managing relationships by focusing on retention customer and relationship development. Customer relationship management has developed from the advancement of information technology and organizational changes in customer-oriented processes and companies that have successfully implemented CRM will benefit from customer loyalty and long-period profitability.

Information technology acts as a vital role in CRM solutions. This technology includes hardware, software, and network investment, and is also designed to facilitate processes and exchanges (Hardeep, Chahal, 2011). Which CRM information technology service capabilities serve a coordination function that helps facilitate conversations between counter staff and customers. The most remarkable benefits of information technology are effective communication with customers, improving service quality and reducing costs. Thus, the company's technological readiness to implement CRM is another success prerequisite factor ((Hardeep, Chahal, 2011)).

(Saarijarvi et al., 2013) found that customer relationship management is a crucial tool for corporate communication with customers and provides the ability to attract, maintain and create better customer satisfaction.

It can be understood that the implementation of CRM starting from the level of strategy, changes in organizational structure and culture, and communication channels that use technology with all its ambivalence will undoubtedly affect the success and failure of CRM in the company ((Laketa, Sanader, Laketa, & Misic, 2015)). Thus, CRM implementation cannot be done partially but requires the total effort of all corporate stakeholders.

Öztayşi et al. (2011) had conducted a classification of measurement tools to CRM process from various previous studies, so as to be able to make ten patterns, namely: (a). Indirect measurement models; (b). Customer-facing operations measurement; (c). CRM scores based on critical success factors scoring (CSFS); (d). Behavioral aspects that affect the effectiveness of CRM with behavior that are considered to influence the effectiveness of CRM are: attitude, understanding expectations, quality perceptions, reliability, communication, customization, recognition, keeping promises, satisfaction audit and retention; (e). The CRM scale has four dimensions, namely customer focus, CRM organization, knowledge management and technology based CRM; (f). Relationship quality; (g). Customer measurement assessment tools; Customer management process which is a part or derivative of a balanced scorecard (BSC); (h). Relationship management assessment tool and (i). CRM scorecards (Saelee, Jhundrain, & Muenthaisong, 2015); (Kaushal, 2015); (Ahmadzadeh, 2017); (Hadipeykani & Badi, 2017).

The application of CRM technology is expected to improve organizational capabilities and to assist beneficial customer relations by allowing information to be combined and shared smoothly, thereby facilitating more efficient and effective customer interactions, analyzing customer data, and adjusting responses (Louro & Brandão, 2019). A high level of technological readiness encourages customer data collection and analysis of customer information and also provides a coherent view of customers (Lainamngern, 2019). The company understands the demands of each customer and adopts marketing differentiation based on these demands (Lainamngern, 2019). Likewise, technological readiness supports the development of capabilities that produce potential competitive advantage (Y. Wang & Feng, 2012)((Lainamngern, 2019).

(Öztayşi et al., 2011) built their own models that were empirically tested, namely the existence of seven CRM processes as described, namely targeting management, customer information management, production / service customization, expansion management, referrals management, termination management, and win back management.

(Chang et al., 2014) built a theoretical model to test whether information process-based CRM has an excellent effect on customer-based relational performance. In addition, it examines the indirect impacts of CRM information processes on profit performance via relational performance; and tests the moderating effects of interaction orientation and CRM readiness on CRM information processes leading to customer-based performance. For CRM preferences, (Tseng, 2016) proposes two dimensions of CRM, namely understanding customer preferences and providing service customization.

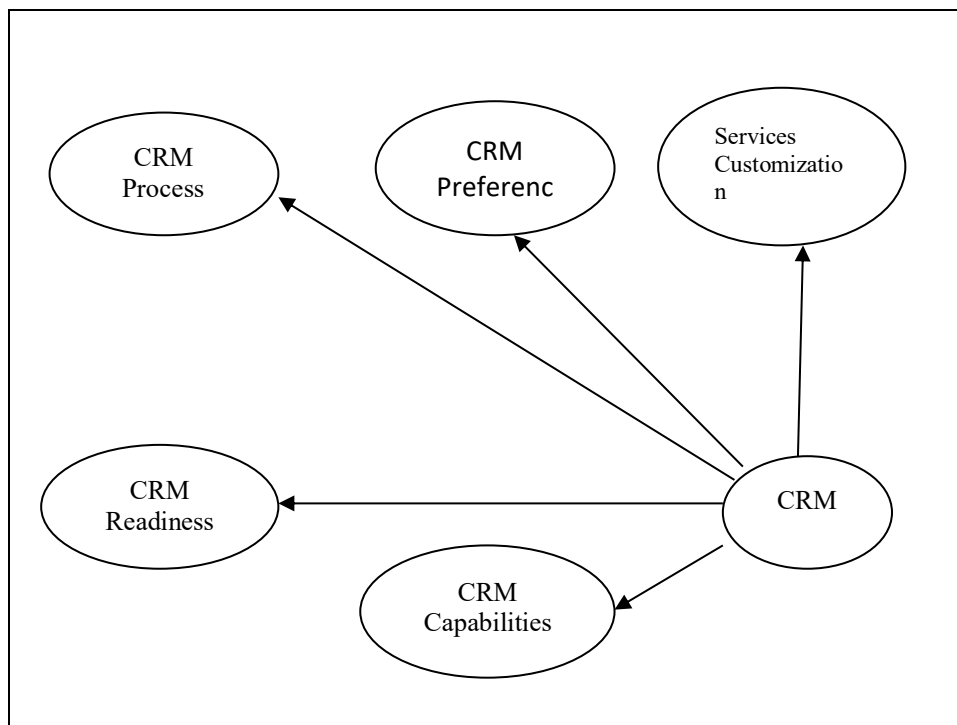


Figure 1
Theoretical Framework

Figure 1 shows the five variables, namely CRM process, CRM readiness, CRM preferences, custom service CRM and CRM capabilities that lead to CRM. However, the result of from the results of previous research studies showed that there were theoretical and empirical differences of opinion on various dimensions and variables that formed the CRM construct. Thpotheses are formulated is modified as visualized in figure 1. erefore, the theoretical model on which the h that the theoretical model on which the hypotheses are formulated is carried out modifications as visualized in Figure 1.

Hypothesis Development

(Mandic & Vranesevic, 2015) who conducted qualitative research, said that one of the elements of success in implementing CRM is the process. The process in question is choosing customers who provide profitability for the company and strengthen interactions between customers and the company. These two things are important concerns in the successful implementation of CRM.

CRM readiness is when companies collaborate with regard to CRM infrastructure, software, departments, and employees to effectively implement CRM information processes. Success factors for implementing CRM include organizational and technological attributes. So, CRM readiness consists of two dimensions, namely organizational readiness and technological readiness (Ozdogan & Altintas, 2010).

Organizational readiness refers to the company's ability to implement information technology systems. Successful system applications are very dependent on how well

preparations for the implementation are, and also support related to the cooperation of internal functions and adequate financial resources. Preparations that lead to the adoption of information technology include the level of information technology of top management, managers and employees, compatibility of IT usage in organizations, organizational size, and financial resources. Therefore, cross departments must work together and support each other, and senior executives must also be committed and support the implementation of a CRM system. ((Ozdogan & Altintas, 2010)) Changes in organizations (for example, adoption of IT innovations) depend not only on company size and market factors but also on executive preferences and readiness to change. Furthermore, a customer-oriented culture is also important for the quality and expansion of customer knowledge creation and dissemination, and the application of relationship management strategies ((Shokohyar, Tavalae, & Karamatnia, 2017)). Therefore, when organizational culture advocates a customer-centric methodology for measuring company performance, this increases the company's readiness to implement CRM.

Furthermore, production / service customization is very closely related to the ability of companies to differentiate products or services according to customer needs ((Öztayşi et al., 2011)).

(Kumar & Malik, 2017), who perform factor analysis on CRM determinant, get significant empirical evidence of the company's understanding of customer needs and preferences. Other factors are successful in handling complaints and assessing satisfaction, offering themes and discounts and customer updating, customer-facing behavior of hotel staff, and taking feedback and customer treatment including, management's ability to interact with customers, always updating customer relationships and profit-oriented for customers (Yongui Wang, 2012),

Consequently, the CRM construction proposition could be stated that the CRM process, CRM Readiness, CRM preferences, customization CRM services, and CRM capabilities have a significant contribution to the formation of CRM constructs / variables.

RESEARCH METHODS

This research is hypotheses testing with reference to previous research conducted by ((Öztayşi et al., 2011), (Y. Wang & Feng, 2012)(2012), (Chang et al., 2014), and (Tseng, 2016), about the relationship between processes, readiness, preferences, customization services and CRM capabilities leading to CRM.

The variables used in this study are CRM processes, CRM readiness, CRM preferences, CRM customization services, and CRM capabilities. For the second and third constructs of CRM, the source is taken from ((Tseng, 2016)). The research models related to CRM consisting of knowing the customer preferences, production / service customization, customer information management, organizational readiness, technology readiness.

The fifth of CRM capability is sourced from (Wang & Feng, 2012) with three dimensions, namely customer interaction management capability, customer relationship upgrading capability and customer win-back capability. The research uses a 7-point Likert Scale on the choice of answers from strongly disagree to strongly agree, by sampling using

non probability methods, and a purposive sampling technique (Kristaung, & Vyonne, 2019), with the criteria of at least shopping at the subscription store in the last six months.

The profile of respondents consists of gender, generation, education, and retail format, becoming a store subscription or retail subscription, average expenditure.

Tabel 1
Respondent Profile

Profile	Categorie	Frequency	Percent
Sex	Male	95	37.0
	Female	162	63.0
Generation	Millennial	176	68.5
	Others	81	31.5
Education	≤ High School	146	56.8
	Others	111	43.2
Format	Online	128	49.8
	Others	129	50.2

If the information on the respondents' profile is recapitulated in terms of the highest percentage, it is the millennial generation with 68.5%, and most of them are with education level equivalent to high school. However, the most retail format is still dominated by conventional store or a combination between a conventional store that has adopted an online store as much as 50.2%, but the percentage of those that shop at the online store is quite large at 49.8%.

Table 2
Validity and Reliability Test Result

No.	Variable	Statement	Cronbach's Alpha
1.	CRM Process	1. Processes to evaluate the cost of re-activating inactive customers	587
		2. Processes to provide customized product/service to customers	.769
		3. Processes to get in connection with potential customers	.705
		4. Processes to manage, trace, motivate, and reward.	.802
		5. Processes to maintain	.752
		6. Processes to define potential customers.	.703
		7. Processes problem customers	.628
			898

No.	Variable	Statement		Cronbach's Alpha
2.	CRM Preferences	1. Kinds of products customers likely	.686	.784
		2. Kinds of services customers likely	.684	
		3. Customers' preference on marketing methods	.731	
3.	CRM Customization	1. Effectively identify and acquire the right customers	.627	.781
		2. Effectively segment and classify customers	.743	
		3. Learn valuable knowledge from existing customers	.501	
4	Readiness	1. Provide systematic training procedures	.567	.781
		2. Reward employees for building and deepening relationships	.557	
		3. Project generated knowledge	.541	
		4. Invest in technology	.613	
		5. Have sophisticated technologies	.518	
		6. Relative to our competitors,	.505	
5.	CRM Capability	1. Regularly meet customers	.663	.903
		2. Maintain an interactive two-way communication	.697	
		3. Have a continual dialogue with customer	.767	
		4. Measure customer satisfaction systematically and frequently	.649	
		5. Try to systematically extend our "share of customers"	.641	
		6. Apologize or compensate in time for the inconvenience or lost	.646	
		7. Have a systematic process/approach to re-establish relationships	.744	
		8. We take corrective action immediately	.663	
		9. Maintain positive relationships	.626	

Source: data processed, 2018.

The result of the validity test shows that all indicators fulfil the criteria because of it has a correlation value that is higher than 0.30. Likewise, with the reliability test, it meets the rules because it gets a Cronbach's score that is higher than 0.60.

The data analysis method used is Confirmatory Factor Analysis. The first-factor confirmation analysis is a measurement model that has a relationship between latent variables (unobserved) with a number of indicators that make up the variable. The relationship is reflective, i.e. the forming indicator is a reflection of the latent variable. The results of the calculation are as follows (Construct Reliability ≥ 0.70 dan Variance Extracted ≥ 0.50).

Table 3
CFA First Order of CRM Construction

Variable	Construct Reliability	Variance Extracted
Process-CRM	0,879	0,500
Preference-CRM	0,786	0,552
Customization-CRM	0,807	0,587
Readiness-CRM	0,721	0,500
Capability-CRM	0,915	0,824

Source: data processed, 2018.

Table 3 shows the information about CFA First Order for the five dimensions / CRM variables consisting of the lowest construct reliability 0.721 and the highest 0.915 and variant extraction with the lowest value 0.500 and the highest value 0.824. These results meet the criteria for construct reliability ≥ 0.70 and variance extracted ≥ 0.50 , which means that CRM variable as a construct described by the five dimensions meets the requirements or fit as a measurement theory.

No less critical CFA testing is discriminant validity is testing next construct. The high construct is proof that the construct is genuinely unique and can capture reality or empirical phenomena (Kristaung, 2018). One way to assess construct validity is to see whether the correlation value between two constructs can be stated to have equality with each other (Hair, J.F. Jr., R.E. Anderson, 2009).

Table 4
Correlation of CRM Variables Construction Matrix

		Process- CRM	Preference- CRM	Customization- CRM	Readiness- CRM
Process-CRM	Correlation	1			
Preference-CRM	Correlation	0,73	1		
	t _{value}	13,96			
Customization-CRM	Correlation	0,61	0,49	1	
	t _{value}	9,63	6,12		
Readiness-CRM	Correlation	0,75	0,70	0,85	1
	t _{value}	14,87	10,99	19,04	
Capability-CRM	Correlation	0,64	0,66	0,65	0,80
	t _{value}	11,63	10,72	10,91	17,71

Source: data processed, 2018.

Table 3 shows the information about the CFA first order in which all variable construct correlation matrix obtain a correlation coefficient value that is higher than 0.40 and positive with a value of $t > 1.97$, so it can be stated that they pass the criteria of discriminant validity.

Based on the results of testing using LISREL 8.80 software, a summary of the model compatibility index is obtained as follows.

Table 5
Conformity Index Results of the Confirmatory Factor Analysis Model

Criteria	Estimated Results	Conclusion
<i>Absoulte fit measures</i>		
Chi-Square	531.16 ($p = 0.0$)	<i>Poor of Fit</i>
RMSEA	0.081	<i>Goodness of Fit</i>
GFI	0.74	<i>Modertate of Fit</i>
AGFI	0.69	<i>Moderate of Fit</i>
NFI	0.92	<i>Goodness of Fit</i>
CFI	0.97	<i>Goodness of Fit</i>
<i>Incremental fit measures</i>		
PNFI	0.83	<i>Moderate of Fit</i>
<i>Parsimonious fit measure</i>		
PGFI	0.62	<i>Goodness of Fit</i>

Source: data processed, 2018.

The test results show that the criteria used to measure the suitability of the model are absolute fit measures, incremental fit measures, and parsimonius fit measures. Of the three criteria, the structural model proposed in this study passed on all three criteria, namely the criteria for absoulte fit measures (RMSEA, NFI and CFI) and parsimonious fit measures (PGFI).

RESULTS AND DISCUSSION

From descriptive data, it can be seen that from the scale of perceptions of respondents who stated strongly disagree strongly agree from numbers 1 to 7, it can be seen that it is the CRM process and CRM capabilities. From the indicators of questions or statements, it is known that the process is still seen not too satisfactory for most respondents. The process relates to the ease of use of the application, available features and navigation, customer feedback and testimonials, especially for online-based retailers as well as selling combinations between online and offline.

Table 6
Construction of Empirical CRM Indicators

Variable	Mean	Deviation Std.
1. CRM Process Level.	4,994	
2. CRM Customer Preferences	5,104	1,252
3. CRM Customization Services	5,057	1,317

Variable	Mean	Deviation Std.
4. CRM Readiness	5,001	1,371
5. CRM Capability	4,960	1,3727

Source: Primary research data, 2018.

The CRM capability that was highlighted by respondents was the ability of retailers to establish communication with customers, both personally and interpersonally. It is not easy for the customers if they encounter difficulties or inconveniences. Generally, customers are passive so that the company must own a systematic process / approach to rebuilding relationships with lost customers and inactive customers particularly once the finding customers who are not satisfied with the product or service that fits their needs / desires, retail managers should be able to take corrective actions quickly and precisely.

Table 7
CFA-based CRM construction

Variable	Ψ	t_{value}	Decision
Process-CRM \leftarrow CRM	0.794	7.281	Significant
Readiness-CRM \leftarrow CRM	0.969	9.123	Significant
Preferences-CRM \leftarrow CRM	0.764	7.214	Significant
Customization-CRM \leftarrow CRM	0.798	8.553	Significant
Capability-CRM \leftarrow CRM	0.823	8.602	Significant

Testing the first hypothesis which states that the CRM process has the influence of contribution to the CRM construct obtained parameter coefficient value of 0.794 with a value of $t_{count} = 7.281$ which is greater than $t_{table} = 1.96$ at the confidence level $\alpha < 0.05$ which means the CRM process has a significant contribution to the variable / construct CRM. Likewise, with the testing of the second hypothesis which states that CRM readiness has the influence of contribution to the CRM construct, the parameter coefficient value is 0.969 with a $t_{count} = 9.123$ which is greater than $t_{table} = 1.96$ at the confidence level $\alpha < 0.05$, which means CRM readiness contributes significantly to CRM variable / construct.

Furthermore, in the third hypothesis which states that CRM preferences have an important involvement to CRM construct, the parameter coefficient value is 0.764 with a value of $t_{count} = 7.214$ which is higher than $t_{table} = 1.96$ at the confidence level $\alpha < 0.05$ which means CRM preferences have an important involvement to variable / CRM construct. The results that are not different for the fourth hypothesis which states that CRM customization services have a significant influence on the CRM construct obtained a coefficient of 0.798 with a value of $t_{count} = 8.553$ which is higher than $t_{table} = 1.96$ which at the confidence level $\alpha < 0.05$ which means customization services have significant influence on CRM variables / constructs. And the fifth hypothesis testing which states that CRM capabilities have a significant contribution to CRM is obtained path coefficient value of 0.823 with a $t_{count} = 8.602$ which is higher than $t_{table} = 1.96$ which at the confidence level $\alpha < 0.05$ which means CRM capabilities have a significant contribution to the variable / CRM construct.

Findings from this study support various previous studies on CRM, such as (Yonggui Wang, 2012), Tseng (2016), Mandić & Vranešević, (2015) and (Valmohammadi, 2017) on three dimensions of CRM, namely the development process, content, and CRM implementation. Likewise, with Valmohammadi (2017) with five dimensions namely Information sharing, Customer involvement, Long-term partnership, Joint problem solving and Technology-based CRM.

But in terms of numbers, it is indeed inferior to the dimensions proposed by Öztayşi et al. (2011) with 10 CRM dimensions. Even the CRM process consists of seven sub-dimensions, namely targeting management, customer information management, production/service customization, expansion management, referrals management, termination management, and win back management. From seen that the weakness of CRM back management, especially related to the company's actions to analyze and re-target old customers who are already inactive.

While for CRM customization, it can be seen that it is still weak in registering valuable loyal customers. So it's not surprising, the fall of the offline retail business is that detecting old, precious customers is not a priority. This weakness is the strength of online retailers who are able to get conventional retail customers to switch to online platforms.

For CRM readiness from the organizational side, traditional retail companies have difficulty managing two-way information, uniting, accessing and optimizing it in a standardized manner. Likewise, with the presentation of information that can give an impression better than its competitors.

Management's ability to interact with customers is always renew customer relationships, and be profit-oriented for customers, who have difficulties especially for conventional retailers that adopt digital retail formats.

CONCLUSIONS

The test results of the CRM process show that CRM readiness, CRM preferences, CRM customization services, and CRM capabilities have a significant contribution to the CRM construct. Findings from this article are supported by various previous studies on CRM, but it looks like that the weakest CRM process is winning back management, especially related to the company's actions to analyze and re-target existing customers who are already inactive.

While for CRM customization, it can be seen that it is still weak in registering valuable loyal customers. Therefore, it's not surprising that the loss of regular retail business is the weakness of detecting valuable old customers. This weakness is the strength of online retailers who are able to get traditional retail customers to switch to online platforms.

For CRM readiness from the organizational side, conservative retail companies have difficulty in managing two-way information, uniting, accessing and optimizing it in a standardized manner. Likewise, with the presentation of information that can give an impression better than its competitors.

IMPLICATIONS

Management should be able to interact with customer by always renewng customer relationships, and being profit-oriented for customers, who have difficulties especially for conventional retailers that adopt digital retail formats.

The company website is not only informative, and communicative but also reliable as database source as well as a form of implementation of CRM (Customer Relationship Marketing). The companies wiht rustworthy information technology personnel have to always do up-dating on application programs that are built including the ability to overcome if a crash occurs when the application program is run across departments. Other implications are that companies need to minimize conflicts due to missing knowledge in daily activities using computer-based information systems in companies, and should support development initiatives carried out by employees for new information technology-based procedures

LIMITATIONS AND SUGGESTIONS

It is necessary to look at the CRM aspect from a supplier's perspective (supply chain management) so that it enriches research in Indonesia which does not only examine from the customer's point of view. It also enhances the CRM dimension with the CRM practices dimension which consists of information sharing, customer involvement, long-term partnership, joint problem solving and technology-based CRM from Valmohammadi (2017).

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