

The Effect of Customer Relationship Marketing and Customer Value on Customer Loyalty at Syekh Yusuf Hospital, Gowa Regency

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Abstract

A customer's commitment to repeatedly re-subscribe to or re-purchase a certain product or service in the future is an example of loyalty on the part of that consumer. At the Sheikh Yusuf Hospital in Gowa Regency, the purpose of this research is to investigate the impact that customer relationship marketing and customer value have on the level of customer loyalty. This kind of investigation is a quantitative study that takes the form of an observational study and is structured in the form of a cross sectional study. The sampling method used was a total sample, and the number of participants in the study that participated in the sample was 154. According to the findings of the research, there is a connection between Customer Relationship Marketing and Customer Loyalty. There is also a connection between Customer Value and Customer Loyalty. The variable that has the greatest impact on customer loyalty is customer relationship marketing (also known as CRM). It has been suggested to the administration of the hospital that they make more use of techniques derived from promotional tools (promotions mix). In particular, the hospital's public relations strategy, which is implemented by means of the Customer Relationship Management (CRM) software, with the intention of preserving the loyalty of the patients and their families.

Keywords: Customer Relationship Marketing, Customer Value, Customer Loyalty, Patients, Hospitals

Introduction

It is crucial to a service provider's degree of success that they be able to produce services that meet the expectations of their customers. Hospitals are considered health service institutions because they offer full individual health services, including inpatient, outpatient, and emergency care (Law of the Republic of Indonesia Number 44 of 2009). Many parts of society, from the general populace to the rich economic elite, use hospitalization as a kind of treatment. In unison with the expansion of the business sector and the globalization of the whole planet. Not only does the corporate sector face strong levels of rivalry, but so does the healthcare field. Government-owned and privately-owned businesses in the healthcare sector continue to make a range of attempts to capture the hearts of customers. The objective of these initiatives is to turn consumers into customers with strong brand loyalty. This is because the cultivation of loyal clients is the cornerstone of every successful business (Kotler, 2012). As providers of medical services, hospitals must have competently managed operations that conform to good corporate governance. Whether they are privately owned by individuals or foundations or government-operated, the rate at which new hospitals are being constructed is increasing. This

is true independent of the sorts of already existing facilities. However, the management plan used by these institutions will determine whether or not they can prosper in the face of intense competition.

According to Peter and Olson (2000), devoted customers subscribe to the company's products or make repeated purchases over a period of time. Because acquiring new customers is more costly than retaining current ones, companies put a high value on keeping ties with their existing clients. The phrase "loyal customer" refers to a consumer who has made a solid commitment to continue buying or subscribing to a certain brand's products or services in the foreseeable future, notwithstanding the possibility that certain situations and marketing efforts might trigger behavioral adjustments (Kotler, 2008).

Peterson and Olson (2000) discovered that the quality of a company's products, the existence of new needs that are not available or cannot be provided by the old provider, and the availability of new attractions offered by the new provider are some of the reasons for customers to switch to a new provider despite the customer's satisfaction with their current provider. by the prior supplier of service. According to Oliver (1999), research demonstrates that customer satisfaction alone is insufficient to develop customer loyalty, and that it only effects the first phase of creating customer loyalty. Consequently, firms must prioritize customer relationship marketing in addition to meeting their consumers' demands (CRM). Marketing based on customer connections, often known as customer relationship management (CRM), is believed to be capable of generating complete consumer loyalty. The roots of client relationship management (CRM) may be traced back to the relationship marketing paradigm, which says that building, developing, and keeping relationships via intensive interaction are the basis for generating consumer loyalty. CRM is founded on this concept (Srisetyo, 2010).

The objective of the cross-functional process of customer relationship marketing is to maintain engagement with current customers and grow existing networks. Focused on providing personalised service to the most valuable customers. Retaining consumers, enhancing the effectiveness of marketing strategies, and obtaining an understanding of customer pleasure are all elements that affect client loyalty. When a consumer obtains value from a service provider, it is plausible to conclude that the client is pleased. It might be anything emotive, such as a product, service, or system, or it could be something completely else. Corporate marketing may be a component of simulation, an element of stimulation, or a value that replicates or stimulates a customer satisfaction value when it comes to influencing consumers' buying choices. If the purchases were able to satisfy their needs and desires or provide them pleasure, they will make other purchases in the future (Paliliati, 2007).

Robinette (2001) describes the link between customer value and customer loyalty, stating that the success and development of customers will rely on the production of customer value and loyalty. Consumer value is the monetary worth that a customer attributes to a product or service. Griffin (2003) found that in order to get loyal consumers, businesses must deliver customer value by continually upgrading, enhancing, or even modifying their goods and services to improve customer profitability. This perspective is congruent with and in accord with the results of that research.

This indicates a relationship between the customer value variable and customer loyalty. In 1982, the Sheikh Yusuf Regional General Hospital in the Gowa Regency was founded as the Sungguminasa Regional General Hospital. According to the data from the visit report and the graph shown above, the number of patients has been steadily declining, with the proportion falling from 21.65 percent in 2018 to 1.24 percent in 2019, 52.97 percent in 2020, and 15.23 percent in 2021. And if the numbers for 2020 and 2021 are deleted because to the Covid-19 pandemic, the average number of visits in 2019 has decreased by 22.62 percent compared to

the average number of visits in 2017. This shows a reduction compared to the average number of visits in 2016.

Still based on the data presented above, it was discovered that general patients who made repeated visits also exhibited a significant downward trend, specifically 46.28 percent in 2018 and 7.66 percent in 2019, which amounts to 50.39 percent in 2019 when compared to patients who made repeated visits in 2017. As a result of these problems and the significance of focusing on patient satisfaction and loyalty at the hospital, the researchers were interested in conducting research on "the influence of Customer Relationship Marketing and Customer Value on Customer Loyalty at Syekh Yusuf Hospital, Gowa Regency."

Methods

Sheikh Yusuf Hospital in the Gowa Regency was the location where this study was carried out. Quantitative research based on observational studies and a method known as cross-sectional study is the kind of research that has been carried out so far.

The total number of persons who were included in this study's population was 154, and all of them were general patients who received services at the Outpatient Installation of Syekh Yusuf Hospital in the Gowa Regency. The sample was comprised of a total of 154 participants in its entirety.

A questionnaire is the instrument that is utilized in the data collecting process. The independent variables that are being investigated are customer relationship marketing and customer value. The customer loyalty variable is being investigated as the dependent variable.

The purpose of the univariate analysis that was carried out was to get a general understanding of the research topic by elaborating on the nature of the respondents and describing each variable that was used in the study. The descriptive analysis of the respondents' characteristics, the descriptive analysis of the research variables, and the crosstabulation analysis of the relationships between the respondents' characteristics and the research variables were all components of the univariate analysis. The independent variable and the dependent variable were both subjected to a bivariate analysis so that researchers could determine the nature of the link that exists between the two. The Chi Square test was the one that was utilized to analyze the data. A multiple linear regression test was used to conduct a multivariate study on the factors that impact customer loyalty at Syekh Yusuf Hospital in Gowa Regency.

Results and Discussion

Table 1. Characteristics of Respondents

Characteristics of Respondents	N	%
Sex		
Male	77	37,93
Female	126	62,07
Total	203	100
Age		
17 – 25 Year	47	23,15
26 – 35 Year	53	26,11
36 – 45 Year	33	16,26
46 – 55 Year	40	19,70
> 55 Year	30	14,78
Total	203	100
Last Education		

< Primary School	8	3,94
Junior High School	32	15,76
Senior High School	58	28,57
D1/ D3/ D4	49	24,14
S1	46	22,66
S2/S3	10	4,93
Total	203	100
Job		
Student/ Student	15	7,39
Farmer	28	13,79
Civil Servant	31	15,27
Private Employees	60	29,56
Self-Employed	63	31,03
Doesn't Work	6	2,96
Total	203	100
Distance From House To Sheikh Yusuf Hospital		
< 5 KM	61	30,05
> 5 KM	142	69,95
Total	203	100
Types Of Visits At Sheikh Yusuf Hospital		
New Visit	123	60,59
Repeat Visit	80	39,41
Total	203	100

Source: Primary Data

Table 1 presents the frequency distribution depending on the characteristics of the sample at the study site. The majority of the respondents were gendered, with 77 male respondents accounting for 37.93 percent of the total and 126 female respondents accounting for the remaining 62.77 percent (62.07 percent). On the basis of age, the group with the biggest percentage was those between the ages of 26 and 35, which accounted for 53 respondents (26.11 percent), while the group with the lowest proportion was those over the age of 55, which accounted for 30 respondents (14.78 percent). According to the most recent education, the percentage of people who are at the SMA/SMK education level is the largest, coming in at 58 respondents (28.57 percent), while the proportion of people who are at the S2/S3 education level is the lowest, coming in at 10 respondents (4.93 percent). According to occupation, the kind of work that has the largest percentage of people who are self-employed is as many as 63 respondents (31.03 percent), while the type of work that has the lowest proportion of people who do not work is as many as 6 respondents (2.96 percent). The greatest number of respondents, 142, live more than five kilometers away from the Sheikh Yusuf Hospital, making this the category with the largest percentage (69.95 percent). Sheikh Yusuf Hospital saw the largest percentage of new visitors, which accounted for 123 of the total responses, more than any other kind of visit (60.59 percent). It is possible to draw the conclusion, based on the characteristics of the respondents, that the majority of outpatients at the Syekh Yusuf Gowa Hospital are female, the age group is between 26 and 35 years old, and they have either a high school education or an education that is equal to that.

Table 2. Research Variables

	Relationship Marketing	(n)	(%)
1	Well	195	96,06

2	Not good	8	3,94
	Total	203	100
	Customer Value	(n)	(%)
1	Well	194	95,57
2	Not good	9	4,43
	Total	203	100
	<i>Customer Loyalty</i>	(n)	(%)
1	Loyal	191	94,09
2	Less loyal	12	5,91
	Total	203	100

Source: Primary Data

The evaluations of the study variables given by the respondents are broken down into percentages in Table 2. At the Outpatient Installation of Syekh Yusuf Gowa Hospital, there were a total of 195 respondents, and it is well known that 195 of these respondents gave a positive rating to relationship marketing (96.06 percent). 194 respondents, or 95.57 percent, evaluated the Customer Value variable in the Outpatient Installation of Syekh Yusuf Gowa Hospital, while 191 respondents rated the Customer Value variable in the Inpatient Installation (94.09 percent).

Table 3. Effect of Independent Variables on Dependent Variables

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	132.557 ^a	1	.000		
Continuity Correction ^b	115.531	1	.000		
Likelihood Ratio	52.144	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	131.904	1	.000		
N of Valid Cases	203				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is .47.
b. Computed only for a 2x2 table

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	149.896 ^a	1	.000		
Continuity Correction ^b	132.717	1	.000		
Likelihood Ratio	60.187	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	149.157	1	.000		
N of Valid Cases	203				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is .53.
b. Computed only for a 2x2 table

The link between the independent variable and the dependent variable is shown in Table 3. According to the findings of the study, it is clear that Customer Relationship Management (CRM) has an effect on Customer Loyalty at Syekh Yusuf Gowa Hospital, as shown by a value of = 0.000 0.05 for this relationship. It has been determined that Customer Value has an effect

on Customer Loyalty at Syekh Yusuf Gowa Hospital, and the value of this influence is = 0.000 0.05.

Table 4. The most influential variables on customer loyalty

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.688	1.353		-.509	.611
	CUSTOMER VALUE	.130	.030	.223	4.318	.000
	RELATIONSHIP MARKETING	.282	.021	.690	13.380	.000

a. Dependent Variable: CUSTOMER LOYALTY

The criteria listed in Table 4 have the greatest impact on consumer loyalty. The p-value for Customer Relationship Marketing is 0.000 and the p-value for Customer Value is 0.000, as seen in the table of coefficients above. Since the p-value for both is less than 0.05, both are deemed to have a substantial impact on Customer Loyalty. The data also reveals that the B value for Customer Relationship Marketing is 0.282, indicating that a one-point increase in Customer Relationship Marketing may enhance Customer Loyalty by 28.2%. While the B value for Customer Value is 0.130, increasing Customer Value by 1 point may enhance Customer Loyalty by 13%. Since the B value of Customer Relationship Marketing is bigger than the B value of Customer Value, it can be argued that Customer Relationship Marketing has a greater impact on Customer Loyalty than Customer Value, based on the data.

The first research hypothesis (H1) asserts that Customer Relationship Marketing influences Customer Loyalty at Syekh Yusuf Hospital, Gowa Regency. Based on the statistical analysis performed, it is known that a significance value of 0.000 indicates a statistically significant impact; thus, research hypothesis 1 (H1) is accepted.

It is believed that customer relationship marketing (CRM) is capable of fostering consumer loyalty fully. Client connection marketing (CRM) is founded in the relationship marketing paradigm, which claims that establishing, nurturing, and sustaining relationships via intense engagement is the foundation for generating customer loyalty (Srisetyo, 2010). Keller (2003) describes six dimensions of relationships developed by other researchers, including Barnes (2003), Sin et al. (2002), and several theories from marketing practitioners Yau et al. (1995). These six dimensions are Trust, Bonding, Communication, Mutual Respect (shared value), Empathy, and Relationships. reciprocity. In continually changing business circumstances, any organization, such as a hospital, must make a complete effort. It is more expensive to acquire a new client than to retain a connection with an existing one.

Customer relationship marketing is a business model with the primary purpose of discovering, predicting, and comprehending the demands of consumers and future customers via the collection of data about customers, sales, marketing performance, and market trends. Customer relationship marketing is essentially an activity or application of marketing management that focuses on fostering great experiences and, eventually, long-lasting connections between hospitals and their consumers. The core of customer relationship marketing is to develop mutually beneficial closeness, affinity, and commitment between service providers and consumers via effective and efficient communication. The customer relationship marketing strategy (Winer, 2013) states that the company can retain its customers for the long term if it can combine the ability to respond and provide customer requests well with the ability to conduct more intensive relationships with customers by improving the quality of customer service in accordance with customer demands.

The customer relationship marketing process comprises generating information for customers via transaction processing, evaluating communication, and acting on the basis of this information to develop long-term customer connections. Alqahtani (2011) also emphasized that customer connection marketing is a relationship with strong customers that may increase corporate performance; thus, it is not unexpected that customer relationships have become an essential marketing subject. If effectively executed, customer relationship marketing may assist enhance customer happiness, build customer loyalty, boost corporate growth and income, and boost marketing efficiency. Customer retention is crucial to the success of a firm. Customer relationship marketing is a cross-functional process with the objective of continuous collaboration with customers, network development, serving the most valuable customers in a personalized manner, ensuring customer retention and the efficacy of marketing ideas, and gaining an understanding of customer satisfaction, which will influence customer loyalty. The second research hypothesis (H2) asserts that Customer Value influences Customer Loyalty at Syekh Yusuf Hospital, Gowa Regency. Based on the statistical analysis performed, it is known that a significance value of 0.000 indicates a statistically significant impact; thus, research hypothesis 2 (H2) is accepted.

Customer value is the difference between the entire value for the customer and the total cost from the customer, where the total value for the consumer is a collection of advantages that the customer anticipates from acquiring certain products or services (Dulkhatif et al, 2016). Customers constantly demand greater service in order to be pleased, and they never feel content before receiving the anticipated value of the desired service (Hayati, 2016). Customer value demonstrates the company's dedication to treating customers as assets that have a direct influence on market growth and financial viability (Buraera et al., 2014).

Loyal consumers are a company's greatest asset. This is because these consumers may spread positive word of mouth about the firm or its goods, therefore attracting new clients for the business. This therefore impacts the company's sales, revenues, and profits (Sivesan, 2012). The notion of customer value (customer value) gives an overview of a company's customers who contemplate what they want and feel a product or service they purchase will benefit them. It has been shown that the idea of customer value (customer value) time as a sacrifice is a key factor in determining customer value and repurchase intentions (Kumar, 2002).

Thus, customer value may be defined as the ratio of the customer's achieved advantages to the cost incurred. Costs and risks associated with acquiring the company's products (goods and services) represent the sacrifices made by consumers throughout the exchange process. When the perceived value of the ratio perceived by customers for a number of economic compromises with the company's goods does not meet customer expectations, it will result in customer discontent. If it meets or surpasses client expectations, however, the consumer will be pleased.

The development and preservation of customer value over time (lifetime) is a critical success element for organizations seeking to sustain a competitive edge over their industry rivals (Buraera et al., 2014). The price also determines the worth of the items, not only what is stated on the product, but also the sacrifices made to acquire comfort, security, and ease during the purchase (Risdiyanto et al., 2016). Perceived value is the customer's total evaluation of the product's usefulness based on the impression that it should be obtained in exchange for what is offered (Risdiyanto et al., 2016).

Customer Relationship Marketing is the variable with the greatest effect on Customer Loyalty at Syekh Yusuf Hospital, Gowa Regency, according to research hypothesis 3 (H3). Based on the statistical analysis performed, it is known that a significance value of 0.000 indicates a statistically significant impact; thus, research hypothesis 3 (H3) is accepted.

Instead of courting new consumers, Zeithml and Bitner (2013) describe strategic relationship marketing approach as a focus on keeping and expanding current client bases. Chan (2008) describes relationship marketing as gaining a deeper understanding of each client via two-way communication and the management of a mutually beneficial connection between the customer and the business.

CRM is a strategy and endeavor aimed at establishing connections with clients and providing them with excellent service. By developing connections with each valued client via the utilization of customer data, CRM enables a firm to deliver services in real time. Companies may modify their goods, services, programs, communications, and media based on consumer knowledge (Kotler 2003).

Companies are no longer limited to only producing or delivering things; they must also determine what customers' true needs and desires are. Customers must be satisfied if businesses are to continue expanding. Winer (2013) defines Customer Relationship Marketing as a strategy for establishing long-term, positive connections with customers by combining the capacity to react immediately with a high level of customer involvement.

Conclusion

The findings of the research indicate that Customer Relationship Marketing has an effect on Customer Loyalty, Customer Value has an effect on Customer Loyalty, and Customer Relationship Marketing has the greatest effect on Customer Loyalty. It is suggested that the hospital administration enhance the use of promotional tactics (promotions mix), particularly the hospital's public relations strategy implemented via the Client Relationship Management (CRM) program, which strives to preserve customer loyalty.

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