

The 1st International Student Conference on Economics and Business Excellence (ISCEBE) 2024 e-ISSN: xxxx-xxxx/Vol. 1 No. 1 (2024)

ANALYSIS OF STRATEGIES TO INCREASE CUSTOMER LOYALTY THROUGH SERVICE AT PT IMMORTAL COSMEDIKA INDONESIA CENTRAL

Dewi Yuliyanti Management Study Program, Universitas Terbuka, Indonesia Corresponding author: <u>dewiyuliyanti363@gmail.com</u>

Abstract

Strategy in general can be interpreted as an effort by individuals or groups to create a scheme to achieve the target target that they want to target. Meanwhile, customer loyalty is a concept that describes a customer's emotional and psychological attachment to a brand that is demonstrated through repeated purchases and recommendations to others. This study aims to analyze the service strategy implemented at PT Immortal Cosmedika Indonesia in increasing customer loyalty. As a company engaged in the cosmetics sector that focuses on providing products for doctors, service strategy is the key to maintaining and expanding market share. The method used in this study is a qualitative – descriptive method through interviews and analysis of internal documents. The data used in this study is based on 2024 data. The research was conducted at PT Immortal Cosmedika Indonesia located in Depok. The results of the study show that service personalization, response speed, staff training and technology application are the main elements that support increasing customer loyalty at PT Immortal Cosmedika Indonesia.

Keywords: Customer Loyalty, Service, Service Strategy

Introduction

PT Immortal Cosmedika Indonesia is one of the leading cosmetic companies in Indonesia that focuses its products on the needs of doctors and beauty clinics. With the increasingly fierce competition in the cosmetics industry, maintaining customer loyalty is a major challenge.

Customer service is one of the strategies that can increase customer loyalty, especially in this relationship-based business sector. Loyalty is not only making repeat purchases, but also being a brand advocate who recommends products to others. Thus, this research is important to identify an effective customer service strategy for PT Immortal Cosmedika Indonesia.

Loyal customers will use products or services continuously from the same company, loyal is not only a strong foundation for the company but also reflects the company's future growth potential (Gultom, Arif, & Fahmi, 2020). Customer loyalty is achieved when a company constantly meets and exceeds customer expectations which can be realized by providing the best service and offering high-quality products (Hashem & Ali, 2019). To create loyal customers, it is necessary to provide quality service to customers which of course will be done by every company to retain its customers.

Sofiati, Qomariah, & Hermawan (2018) stated that a good customer assessment of service quality, then customers will reuse, even further they will promote word of mouth to colleagues, relatives and even acquaintances, and have immunity to competitors' offers. For the convenience they will get, many customers are looking for high-quality services. They are willing to pay more to receive such services (Hashem & Ali, 2019). The results of his research show that service quality has a significant positive influence on customer loyalty.

Customer satisfaction can also affect customer loyalty, according to Apriliani et al. (2020) Customer satisfaction occurs when there is customer satisfaction with the service that is in accordance with expectations, and in the price matching with the service. Sebayang & Situmorang (2019) stated that consumers will feel disappointed if the performance is below expectations but if the performance is in line with customer expectations then they will feel satisfied and if the performance can exceed expectations then customers will feel very satisfied, happy or happy. As a post-consumption evaluation that an alternative chosen at least meets or exceeds customer expectations (Wirawan, Sjahruddin, & Razak, 2019). In line with research conducted by Apriliani et al. (2020), customer satisfaction has a positive and significant effect on customer loyalty.

Trust can affect customer loyalty, trust will arise when one party has confidence in the quality, reliability of products and services offered by the company (Tabrani, Amin, & Nizam, 2018). According



e-ISSN: xxxx-xxxx/Vol. 1 No. 1 (2024)

to Purnama & Hidayah (2019), trust is the willingness of individuals to depend on others with certain risks. This willingness arises because of an individual's understanding of the other party based on his or her past, the expectation that the other party will make a positive contribution and the results of his research show that trust has a positive effect on customer loyalty.

Problem Formulation

Problems that may be faced from the analysis of strategies to increase loyalty

Customers through customer service are:

- 1. What are the factors that are obstacles in maintaining customer loyalty through customer service at PT Immortal Cosmedika Indonesia?
- 2. How does the quality of customer service affect customer loyalty at PT Immortal Cosmedika Indonesia?
- 3. How can customer service strategies increase customer loyalty at PT Immortal Cosmedika Indonesia?

Research Objectives

Based on the formulation of the problem above, the research objectives that the author wants to achieve are:

- 1. Identify obstacles in maintaining customer loyalty.
- 2. Analyze the influence of customer service quality on customer loyalty.
- 3. Develop a strategy to increase customer loyalty through customer service.

Literature Review

Customer Loyalty

Customer loyalty is a concept that describes a customer's emotional and psychological attachment to a brand, which is demonstrated through repeated purchases and recommendations to others. This definition continues to evolve over time, with experts emphasizing the relationship between customer experience, the value that brands provide, and emotional attachment. According to Kotler and Keller (in Zusrony, 2021: 95) loyalty is a deeply held commitment to buy or re-endorse a preferred product or service in the future despite the influence of the situation and marketing efforts that have the potential to cause customers to switch. This understanding is reinforced by Tjiptono (in Pramudita et al., 2022: 427) customer loyalty is customer loyalty to a brand, as well as a supplier based on very positive traits on long-term purchases. According to Hurriyati (in Gultom et al., 2020: 173), customer loyalty is the effort of persistent customers to repurchase selected products or services consistently in the future, even though there are influences of the situation and marketing competitors that can cause behavior changes. Customer loyalty is also defined as someone who is used to buying or using products and services offered within a certain period of time while remaining loyal to all company offerings.

According to Kotler, Keller and Chernev (2022:209), a service is a set of activities designed to meet customer needs by providing relevant solutions and improving the experience. The service aims to build long-term relationships and create customer loyalty. Parasuraman, Zeithaml, and Berry (2023) also argue that customer service is defined as an action that focuses on closing the gap between customer expectations and the actual experience, by using effective communication and data-driven services to improve quality and efficiency. Based on some of the opinions from the above experts, researchers can conclude that customer service according to experts emphasizes a holistic approach, integrating technology, empathy, personalization, and communication to meet customer needs and create satisfaction and loyalty.

Service Strategy

Superior customer service plays an important role in building customer loyalty. Here is an explanation of some of the strategies that can be applied:

a. Service Personalization

Providing services tailored to customer needs and preferences so that they can make special offers on birthdays. For example, by increasing the customer's product preferences, such as a favorite color or size that gives them a sense of appreciation. The benefits of personalization create a stronger emotional connection with customers, increasing retention.

b. Digital Technology

Using technology to consider fast and efficient services. Examples are responsive chatbots to answer customer requests, mobile applications to place orders or digital point-based loyalty programs. The benefit is to make it easier for customers to interact with the business, creating a comfortable and modern one.



e-ISSN: xxxx-xxxx/Vol. 1 No. 1 (2024)

c. Employee Training

Train employees to be able to provide quality customer service. For example, by providing training in communication skills, empathy, problem solving and product knowledge. The manfaa is so that employees can be skilled and able to handle complaints well, so that they can create a positive impression.

d. Customer Feedback

By involving customers in the process of improving services through feedback. Examples are by using customer satisfaction surveys, online forms or by face-to-face interviews. The benefit is gaining insight into understanding the evolving needs of customers and showing that their opinions are valued.

These strategies should be integrated so as to provide a holistic customer service experience. Personalization can be powered by technology, while employee training helps with the execution of feedback-based strategies. With this approach, customer loyalty can be continuously improved.

Research Methods

Research Approach

The research conducted uses a type of qualitative – descriptive research method through interviews and analysis of internal documents. The research was conducted by interviewing 15 beauty doctors. According to Sugiyono (2022), the descriptive qualitative research method is a research method used to research the condition of natural objects, where the researcher is the key instrument. This method is descriptive, with the results of the research in the form of words or pictures.

Descriptive research aims to describe or describe certain phenomena, events, or situations as they are. With an interview approach, researchers can dig into in-depth information from sources, while internal document analysis helps in understanding the data that is already available in the organization.

According to Creswell and Poth (2018), qualitative research is a scientific process to explore and understand the meaning that individuals or groups give to a social or human phenomenon. This research usually involves collecting data conducted in a natural location, where the researcher interacts directly with the participants, and the analysis is inductive to find patterns or themes in the data obtained

In qualitative - descriptive research, researchers collect data by means of interviews and analysis of internal documents.

Results And Discussion

Factors that are obstacles in maintaining customer loyalty through customer service

Obstacles that may be faced by PT Immortal Cosmedika Indonesia in maintaining customer loyalty, which includes internal and external factors. Internal factors include the quality of human resources, ineffective communication systems and lack of customer service training. External factors include fierce competition in the cosmetics industry and changing customer needs.

N	o Faktor Kendala	Kate	legori Deskripsi
1	l Kurangnya Pelatihan SDM	Inter	ernal Membuat staf kurang memahami kebutuhan pelanggan
2	2 Sistem Respons pelanggan yang	lambat Inter	ernal Sistem tidak mendukung keluahan dan saran secara real-time
3	B Pesaing dengan kompetitor	Ekste	ternal Kompetitor menawarkan harga dan layanan yang lebih menarik
4	Perubahan kebutuhan dan prefer	ensi pelanggan Ekste	ternal Pelanggan mencari produk dengan formula atau trent baru yang tidak tersedia

Table 1. Constraints in Customer Service

Source: 2024 data

1. Lack of HR Training

Lack of HR (Human Resources) Training is a condition in which employees or workers in an organization do not receive sufficient or inadequate training to explain their duties and responsibilities properly. HR training plays a very important role in developing employees' skills, knowledge, and abilities so that they can work more effectively, efficiently and productively. If HR training is inadequate, a number of negative impacts can arise, both for individual employees and for the organization as a whole.

2. Slow Customer Response System



e-ISSN: xxxx-xxxx/Vol. 1 No. 1 (2024)

A Slow Customer Response System is a situation where a company or organization is unable to provide a response or service to customers quickly or in a timely manner. This can take many forms such as late responses to customer inquiries, complaints, requests or problems that arise whether it is through phone lines, emails, social media or in person.

3. Competitors with competitors

Competitors and competitors have the same meaning, namely parties competing in a market to achieve certain goals, such as gaining market share, customers or profits. But its use in certain contexts is sometimes different. Competitor, a word that is often used in general contexts, both in the business field and outside of business. Meanwhile, competitors, a word that tends to be used specifically in the business and economic world.

4. Changes in customer needs and preferences are changes that occur to what customers need, want, or value in the products or services they consume. These needs and preferences can be influenced by various external and internal factors such as market trends, technological developments, social and economic conditions as well as personal or behavioral experiences.

The effect of customer service quality on customer loyalty

According to Santoso (2019), service quality is an effort to meet the needs and desires of consumers as well as the accuracy in its delivery to meet or exceed customer expectations. Good service quality can increase satisfaction which ultimately triggers customer loyalty.

	1 0 0		
No	Strategi	Tujuan	Implementasi
1	Pelatihan berkelanjutan untuk staf layanan	Meningkatkan kemampuan menyelesaikan masalah	Workshop rutin dan simulasi kasus
2	Penerapan sistem CRM	Mengelola data pelanggan dengan efektif	Aplikasi untuk mencatat riwayat interaksi pelanggan
3	Program loyalitas	Meningkatkan keterlibatan pelanggan	Memberikan point atau diskon bagi pembeli rutin
4	Penyediaam layanan pelanggan 24/7	Memberikan kenyamanan bagi pelanggan	Chatbot dan nomor hotline aktif

Table 2 Effect of customer service quality on customer loyalty

Source: 2024 data

1. Response Speed

Response Speed is the ability of a company or organization to respond to customer needs, statements or complaints in a fast and appropriate time. This speed plays an important role in building long-term relationships with customers and increasing loyalty. The effect of response speed on customer loyalty can be a quick response that makes customers feel cared for. When customers are satisfied, they are more likely to return to buy products or use the company's services. An example of this impact is that customers who get an answer to their question within a few minutes will be more satisfied than those who wait for hours.

2. Complaint Resolution

Complaint Resolution is the process by which a company handles problems or dissatisfaction submitted by customers. Effective complaint resolution can turn negative experiences into positive ones and affect customer loyalty in the long run. The influence of complaint resolution on customer loyalty can increase customer satisfaction, when the company quickly and effectively resolves complaints, customers feel valued and cared for. This satisfaction has the potential to increase the likelihood of customers returning and making a repeat purchase. An example of this impact is a customer who receives a replacement for a defective product quickly becomes satisfied and will probably remain a loyal customer.

3. Staff Friendliness

Staff Friendliness is a friendly, polite and helpful attitude and behavior shown by employees when interacting with customers. Staff friendliness is an important element in creating positive customers that can affect customer loyalty in the long run. An example of an impact is that a customer who gets friendly service from the staff may become a regular customer, because the customer feels valued and treated well.

4. Availability of Product Information



e-ISSN: xxxx-xxxx/Vol. 1 No. 1 (2024)

Availability of Product Information is clear, easily accessible and complete information about the product or service offered, This information can be in the form of product descriptions, benefits, how to use, prices and customer reviews. The availability of good information has a huge influence on the customer experience and their loyalty. The influence of product information availability on customer loyalty can increase customer trust, when product information is available completely and transparently, customers feel more confident in the company or brand. This trust is an important foundation for long-term loyalty. An example of the impact is that customers who can easily find complete information about the ingredients used in cosmetic products will feel more confident and confident to use it, thus allowing them to buy the product.

Customer service strategies can increase customer loyalty

An effective customer service strategy should target customer satisfaction through personalization, ongoing training for staff and technology users to accelerate responses. PT Immortal Cosmedika Indonesia can use Customer Relationship Management (CRM) to track customer interactions and develop loyalty programs.

1	No	Strategi	Tujuan	Implementasi
	1	Pelatihan berkelanjutan untuk staf layanan	Meningkatkan kemampuan menyelesaikan masalah	Workshop rutin dan simulasi kasus
	2	enerapan sistem CRM Mengelola data pelanggan dengan efektif		Aplikasi untuk mencatat riwayat interaksi pelanggan
	3	Program loyalitas	Meningkatkan keterlibatan pelanggan	Memberikan point atau diskon bagi pembeli rutin
	4	Penyediaam layanan pelanggan 24/7 Memberikan kenyamanan bagi pelanggan		Chatbot dan nomor hotline aktif

Table 3 Customer service strategies can increase customer loyalty

Source: 2024 data

- 1. Ongoing Training for Service Staff
 - Continuous Training for Service Staff is a systematic and planned approach to continuously improve the skills, knowledge and competencies of staff over a period of time. This strategy can ensure that staff, especially in the service field, remain competent to be relevant to changing customer needs, technological developments and industry dynamics. The purpose of this ongoing training for service staff is to provide staff with the ability to better understand customer needs, provide effective solutions and create a positive customer experience.
- 2. Implementation of CRM System

The implementation of a CRM system is a strategic approach to managing a company's relationships and interactions with current and potential customers. A CRM system is a technology or software that supports this process by integrating customer data, process automation and analytics to improve customer relationships. The purpose of implementing this CRM system is to manage customer data systematically, companies can analyze customer behavior patterns, identify their needs and provide more personalized and relevant services.

3. Loyalty Program

A Loyalty Program is a marketing strategy designed to encourage customers to keep buying a company's products or services by providing rewards or incentives. The program aims to build long-term relationships with customers through value-based rewards. Such as discounts, points, rewards or exclusive access.

4. Provision of 24/7 Customer Service

The provision of 24/7 Customer Service is the availability of round-the-clock customer support, which is 24 hours a day and 7 days a week. The provision of this service allows customers to access assistance at any time, either through direct channels such as telephone, live chat, email, or automation such as chatbots and AI-based FAQs. The purpose of providing this 24/7 service is to provide services that are available whenever needed to create convenience for customers, especially in urgent situations or outside of normal working hours.



e-ISSN: xxxx-xxxx/Vol. 1 No. 1 (2024)

Conclusions and Suggestions

Conclusion

- 1. Factors that are obstacles in maintaining customer loyalty at PT Immortal Cosmedika Indonesia include a lack of consistency in customer service, slow response to customer complaints or statements, and a lack of personalization in approaching customers.
- 2. The research concluded that customer loyalty at PT Immortal Cosmedika Indonesia is greatly influenced by customer service elements, such as response speed, consistency, and personalization.
- 3. An effective customer service strategy involves staff training, technology implementation, and educational programs for customers.

Advice

- 1. PT Immortal Cosmedika Indonesia is advised to continue investing in CRM technology to improve customer experience.
- 2. Develop a reward-based loyalty program for loyal customers.
- 3. Schedule regular customer service evaluations to ensure service quality is maintained.

References

- Apriliani, D. Sanjaya, V. F. (2020). The Influence of Customer Satisfaction, Brand Image, and customer trust in customer loyalty to membercard. *Entrepreneurship Business Management Accounting* (*E-BISMA*), 19–28. <u>https://doi.org/10.37631/e-bisma.v0i0.214</u>
- Gultom, D. K., Arif, M., & Fahmi, M. (2020). Determination of Customer Satisfaction to customer loyalty through trust. Maneggio : Scientific Journal of Masters in Management, 3(2), 171–180 Hashem, T., & Ali, N. (2019). The impact of quality of service on loyalty Customer: A dental study in.
- Kotler, P., Keller, K. L., & Chernev, A. (2022). Marketing Management (16th ed.). New Jersey: Pearson Education. Kotler, P., & Keller, K. L. (2021). Marketing Management (Indonesian edition, translated by Zusrony). Jakarta: Erlangga.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (2023). Delivering Quality Service: Balancing Customer Perceptions and Expectations (Updated Edition). New York: The Free Press.
- Pramudita, W., et al. (2022). *Strategic Marketing: Concepts and Applications in the Era Digital.* Yogyakarta: Andi Offset.
- Santoso, A. (2019). Definition of Service Quality and Its Influence on Loyalty. Widya Cipta: Journal of Secretary and Management.
- Sebayang, S. K., & Situmorang, S. H. (2019). The Influence of Customer Value, Customer Satisfaction and Trust in Customer Loyalty in Online Coffee Shops in Medan City. *INOBIS: Indonesian Journal of Business and Management Innovation*, 2(2), 220 235.https://doi.org/10.31842/jurnal-inobis.v2i2.86
- Sofiati, I., Qomariah, N., & Hermawan, H. (2018). Impact of Service Quality Consumer Loyalty. *Indonesian Journal of Management and Business Sciences*, 8(2). <u>https://doi.org/10.32528/jsmbi.v8i2.1792</u>
- Sugiyono. (2019). Educational Research on Quantitative, Qualitative and Qualitative Approaches R&D. Alfabeta
- Tabrani, M., Amin, M., & Nizam, A. (2018). Trust, commitment, customer intimacy and customerloyalty in Islamic banking relationships. *International Journal of Bank Marketing*, 36(5), 823–848. <u>https://doi.org/10.1108/IJBM-03-2017-0054</u>
- Tjiptono, F. (2022). *Marketing Strategy: Principles and Implementation*. Yogyakarta: Andi O ffset.
- Wirawan, A. A., Sjahruddin, H., & Razak, N. (2019). Influence of Product Quality and Location on Customer Loyalty Through Customer Satisfaction as an Intervening Variable in Lamuna Coffee in Bone Regency. (1). <u>https://doi.org/10.31227/osf.io/p8e5z</u>
- Zusrony. (2021). Basic Concepts of Modern Marketing. Jakarta: Erlangga.