

## THE EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) ON IMPROVING CUSTOMER SATISFACTION: A CASE STUDY AT SAREN FROZEN MART

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### Abstract

*Saren Frozen Mart, which was established in 2020 in Mulyosari Village, is a frozen food retail store that faces stiff competition today. This study aims to study how the implementation of a customer relationship management (CRM) system has an impact on customer satisfaction. The method used was quantitative research with data collection through questionnaires distributed to 56 respondents. The analysis was carried out using descriptive statistical techniques, validity and reliability tests, and simple linear regression analysis. The results show that the implementation of Customer Relationship Management (CRM), including the provision of memberships and the use of social media for interaction with customers, contributes significantly to increasing customer satisfaction. A simple linear regression test reveals that Customer Relationship Management (CRM) can explain 51.8% of customer satisfaction variability. The t-test showed a significant positive influence of CRM on customer satisfaction with a significance value of less than 0.001. The conclusion of this study states that the application of Customer Relationship Management (CRM) at Saren Frozen Mart is effective in increasing customer satisfaction.*

**Keywords:** Customer Relationship Management (CRM), Increased, Customer Satisfaction

### Introduction

Frozen food or also known as frozen food is one of the techniques for preserving food ingredients with the application of a certain temperature, until it reaches the desired freezing point (Kristiandi et al., 2022). Along with the development of the business world, the frozen food business is quite a promising business. This is supported by many MSMEs that are involved and successful in selling frozen food, plus the support of cold-chain delivery that can send frozen food with complete facilities, (Sinuraya et al., 2023). The increase in the number of frozen food businesses is directly proportional to the level of consumer demand for frozen food products. This is based on the ease of cooking and a longer storage period so that it is practical to consume, especially consumers who are busy. The frozen food business is in great demand not only in big cities, but also in remote areas in villages. Many frozen food business people have reaped great profits, but it is not uncommon for frozen food business people to suffer losses to the point of having to go out of business (no longer operating) due to the increasingly high level of competition.

The ability to retain customers is indispensable for the sustainability of a business. This is something that is often forgotten by business people but is important to pay attention to, regardless of the purpose of getting profits or new customers. The ability to understand and serve existing customers in a personal and responsive manner is the main thing that needs to be considered by business people to increase customer satisfaction. According to Siswati et al., (2024) One way to win the competition is to retain existing customers, because finding new customers requires greater costs than retaining existing customers (p. 38). If a business does not pay attention to this, then business people must be ready to accept the consequences of their inability to retain customers because it will affect the purchase decision. Purchase decisions made by consumers can occur if consumers have received services from providing services and after that consumers feel satisfaction and dissatisfaction, therefore the concept of purchase decisions cannot be separated from the concept of consumer satisfaction (Indrasari, 2019, p. 70). By maintaining and increasing existing customer satisfaction, it will increase purchase retention and customer loyalty to recommend it to others so that it will bring in new customers.

This condition is currently being experienced by Saren Frozen Mart, a retail store engaged in frozen food that has been established since 2020. Saren Frozen Mart is in Mulyosari Village RT.12, Sambirembe, Kalijambe, Sragen which is the second frozen food store in the region. Along with the development of the business world, competition is increasing. Where more and more frozen food stores

are standing in the area. Currently, there are 5 frozen food stores in the region with various advantages offered. This is an obstacle for Saren Frozen Mart in reaching consumers and retaining existing customers.



**Figure 1**  
**Saren Frozen Mart Sales Report**  
*Source: Saren Frozen Mart Financial Report 2021-2023*

Based on sales data from 2021 to 2023, Saren Frozen Mart's sales have experienced a significant decline. The decline is since there is an increasing number of frozen foods, so consumers choose the nearest frozen food to meet their needs. In addition, the existence of offers from other frozen foods in the form of product bonuses on every purchase, is a special attraction for consumers to switch to other frozen foods. This is a serious problem, if not handled immediately and as best as possible. Sustainability.

*Customer Relationship Management (CRM)* is the step chosen by Saren Frozen Mart to deal with this problem. According to Fadillah & Ibrahim (2023), CRM is a concept or strategy used to get new customers, increase the loyalty of old customers, and make them always want to use services and buy products offered by the company. The implementation of Customer Relationship Management (CRM) will help Saren Frozen Mart in providing customer satisfaction. Because customer satisfaction is an important part of a business strategy to increase customer retention, which affects the likelihood that they will buy the product again. Susanti & Zein (2024) suggests that companies that succeed in satisfying customers fully will remain at the top of the market. A successful business is not the business that gets the highest profit, but a successful business is a business that is able to provide satisfaction to customers and retain customers during increasing competition. The implementation of Customer Relationship Management (CRM) can be seen from the provision of memberships (membership cards) and the provision of social media that can be accessed by customers to find information about the products offered, as well as to make transactions online.

Membership cards, as one of the instruments of CRM, have proven to be effective in increasing customer loyalty by providing various exclusive benefits and services (Rahma & Ramdan, 2024). The provision of membership is carried out as a form of reward for consumers in the form of providing discounts while maintaining product quality. In Indonesia, consumers are always looking for goods at low prices but with good quality, therefore coupons exist as a medium to reduce the price of goods that are too expensive (Sy Arniwita et al., 2023). The enactment of membership will be a special attraction for consumers to make transactions at Saren Frozen Mart, especially since the prices offered are more affordable when compared to other frozen foods so this will be an added value for Saren Frozen Mart.

In addition, the use of social media will help Saren Frozen Mart to reach consumers more widely. The existence of social media will make it easier for consumers to make transactions online, check the stock of products needed, as well as as a medium to convey complaints experienced by customers so that Saren Frozen Mart will be faster in responding. Through seamless access to information, interaction through social media, and the demand for personalized experiences, the digital age poses significant challenges and opportunities for companies looking to retain and attract consumers

in this increasingly connected ecosystem (Asakdiyah et al., 2023, p. 6). This study aims to study how the implementation of the Customer Relationship Management (CRM) system has an impact on customer satisfaction at Saren Frozen Mart. With the use of Customer Relationship Management (CRM), it is hoped that Saren Frozen Mart can retain customers and develop its business during increasingly competitive competition.

### **Methods**

This study uses a type of quantitative research with a survey as a data collection method. Quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to research on certain populations or samples, data collection using research instruments, quantitative/statistical data analysis, with the aim of testing hypotheses that have been established (Sugiyono, 2020, p. 16). In this study, there are two variables, namely independent variables (influencing variables) and variable depending (influencing variables). This is used to determine the relationship between the variables studied, namely Customer Relationship Management (CRM) to increase customer satisfaction. The data used is primary data obtained empirically through the distribution of questionnaires to respondents (Saren Frozen Mart customers who have membership cards).

The variable of customer satisfaction was measured through a questionnaire using a Likert scale of 5 (five). The customers involved in this study are those who have made transactions more than three times and have a membership or membership card, as of February 2024. From 125 total populations, 56 samples of respondents were obtained which were calculated using the Yamane formula with a margin of error of 10%. In the data analysis stage, this study was conducted using descriptive statistical techniques, validity and reliability tests, and simple linear regression analysis to test hypotheses and determine the influence of Customer Relationship Management (CRM) on increasing customer satisfaction at Saren Frozen Mart using the SPSS program.

### **Results and Discussions**

#### **Research Result**

From the results of data collection through a structured questionnaire that has been carried out using google form to 56 respondents. The data is then verified to discard invalid data so that it will not affect the results of the data analysis carried out. Respondents were categorized based on the duration of their membership in Saren Frozen Mart. Based on the data analysis carried out, the use of Customer Relationship Management as a strategy in building relationships with customers can have a significant impact on the development of Saren Frozen Mart. This can be seen from the transactions made by customers repeatedly, both customers in the area and customers outside the region.

According to Yulistiani & Mukarromah (2020) member cards aim to encourage buyers to buy in large quantities so that sales volume is expected to increase, purchases can be focused on the seller, so that this can add or maintain the seller's subscription. Customers benefit from the membership program, especially since the prices of products offered by Saren Frozen Mart are lower than other frozen food stores. This is the reason why customers are loyal to Saren Frozen Mart amid the many new frozen foods that have emerged. In addition, the existence of social media in the form of Instagram and WhatsApp makes it easier for customers to check the stock of the products they need, thus avoiding disappointment when coming to Saren Frozen Mart offline. Not only that, the existence of social media also makes it easier for customers to make transactions online. Customers who make transactions online generally only need to visit the store to pick up the products they have ordered in advance so that the time used is more efficient.

The use of Customer Relationship Management (CRM) implemented at Saren Frozen Mart has a positive influence on the development of Saren Frozen Mart. Customers who are satisfied with the service, facilities, and convenience provided by Saren Frozen Mart are a strong reason for customers to recommend Saren Frozen Mart to other consumers. Of course, this affects the sales of Saren Frozen Mart, which have gradually increased again. Indirectly, the implementation of Customer Relationship Management (CRM) not only succeeds in building relationships with customers but also succeeds in attracting new consumers to become Saren Frozen Mart customers.

#### **Validity and Reliability Test**

In testing the validity of the questionnaire distributed to 56 respondents for each variable, the criterion is applied that if the value of the calculation is greater than the table, then the data is considered valid. Meanwhile, if the calculation is smaller than the table, then the data is declared invalid. The determination of the table was carried out using a significance level of 5%. Based on the results of the validity test conducted on the influence of Customer Relationship Management (CRM) variables, the

correlation value for each indicator (statement) of CRM 1-7 shows that the significance value (2-tailed) for all indicators is below the alpha level of 0.05, which is  $< 0.001$ . From the results of the validity test, it can be concluded that the indicators in this study are valid. As for the customer satisfaction variable, the validity test results showed a correlation value for each customer satisfaction indicator (question) 1-7 to total customer satisfaction, and a significance value (2-tailed) was also obtained for all indicators lower than alpha 0.05, which was  $< 0.001$ . So, it can be concluded that the indicators in this study are also declared valid.

**Table 1. Results of the Reliability Test of CRM Influence Variables**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.908	.908	7

*Source: Data processed by SPSS 2024*

The results of the reliability test conducted on variable X, namely the influence of Customer Relationship Management (CRM) based on the table above, show a Cronbach's Alpha value of 0.908 or 9.08. This value is higher than the minimum limit set, which is 0.060. Therefore, it can be concluded that the results of the reliability test conducted show a good level of reliability.

**Table 2. Results of the Reliability Test of Customer Satisfaction Variables**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.944	.945	7

*Source: Data processed by SPSS 2024*

Likewise, the results of the reliability test conducted on the Y variable, namely Customer Satisfaction, showed a good level of reliability. This can be seen from Cronbach's Alpha value of 0.945 or 9.45, which is greater than the threshold value of 0.060, thus indicating a good level of reliability.

#### **Normality Test**

In conducting a normality test, the first step that needs to be done is to screen the data to be processed using one assumption. One of the assumptions that can be used for screening is by using parametric statistics in the form of multivariate normality assumptions. According to Ghazali (2021), the assumption of multivariate normality is the assumption that every variable and all linear combinations of variables are normally distributed, (p. 29). If these assumptions are met, then the residual values of the analysis will be distributed normally and independently. The assumption of multivariate normality can be tested by examining the distribution data to be analyzed. This means that to ensure that the data meets the requirements for analysis, it is necessary to test the normality of the distribution variables involved. If the p-value is significant (less than 0.05), then it can be concluded that the data is not normally distributed; Conversely, if the p-value is insignificant (greater than 0.05), the data is considered normally distributed.

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		56
Normal Parameters <sup>a, b</sup>	Mean	.0000000
	Std. Deviation	2.57102473
Most Extreme Differences	Absolute	.108
	Positive	.108
	Negative	-.066
Test Statistic		.108
Asymp. Sig. (2-tailed) <sup>c</sup>		.162
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Sumber: Data diolah SPSS 2024

Based on the table above, it shows that the normality test carried out shows the Asym value. Sig (2-tailed) of 0.162 is greater than 0.05, so it can be stated that the data in this study are normally distributed.

#### Simple Linear Regression Analysis

Table 4. Results of the Coefficient of Determination Test (Adj R<sup>2</sup>)

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.720 <sup>a</sup>	.518	.509	2.595
a. Predictors: (Constant), CRM				
b. Dependent Variable: KEPUASAN				

Source: Data processed by SPSS 2024

The value of the determination coefficient (Adjusted R<sup>2</sup>) is 0.518 based on the data in the table above. This shows that 51.8% of the customer satisfaction variables can be explained by the Customer Relationship Management (CRM) variable, while the other 48.2% can be explained by other variables.

Table 5. Simple Linear Regression Analysis Test Results

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	11.082	2.740	4.045	<,001
	CRM	.678	.089	.720	<,001

a. Dependent Variable: KEPUASAN

Source: Data processed by SPSS 2024

From the results of the regression analysis carried out using the SPSS program, based on the table above, the following regression equation can be arranged:  $Y = 11.082 + 0.678 X$  The constant value of 11.082 proves that if the influence of Customer Relationship Management (CRM) is 0 units, then customer satisfaction will be worth 11.082. A regression coefficient value of 0.678 indicates that every unit increase in the influence of Customer Relationship Management (CRM) will lead to an increase in customer satisfaction by 0.678 units.

**Table 6. Results of t-Test**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	11.082	2.740	4.045	<,001
	CRM	.678	.089	.720	<,001

a. Dependent Variable: KEPUASAN

Source: Data processed by SPSS 2024

Based on the table above, by paying attention to the tcount value and significance figures, it can be concluded that:

- By considering tcount and ttable, the degree of freedom (df) is obtained as follows:  $df = n - k = 56 - 2 = 54$ , with  $\alpha = 5\%$  or 0.05. Therefore, the value  $df = 54$  and  $\alpha = 0.05$  refers to the table for bidirectional probability ( $2 \times 0.025$ ) = 1.67356. From the results of the t-test, the t-calculated value for the influence of the Customer Relationship Management (CRM) variable is 7.623, which is greater than the ttable 1.67356. This shows that the influence of Customer Relationship Management (CRM) on customer satisfaction is partially significant.
- Based on the significance value, the influence of the Customer Relationship Management (CRM) variable showed a significance value of  $< 0.001$ , which was smaller than  $\alpha 0.05$ . This indicates the influence of Customer Relationship Management (CRM) on customer satisfaction.

## Conclusion

Based on the results of the analysis conducted on the application of Customer Relationship Management (CRM) to increase customer satisfaction at Saren Frozen Mart, it can be concluded as follows:

- This study proves that there is a positive and significant influence between Customer Relationship Management (CRM) in the form of providing membership (membership cards) and



- the provision of social media as a medium of online interaction can increase customer satisfaction at Saren Frozen Mart.
2. The results of the t-test analysis showed that the t-count value for the influence variable of Customer Relationship Management (CRM) showed evidence that the variable had a partial effect on customer satisfaction. In addition, when viewed from the significance value, the significance value for the Customer Relationship Management (CRM) influence variable is smaller than the alpha value, which indicates the influence of Customer Relationship Management (CRM) on customer satisfaction.
  3. The results of the Simple Linear Regression Analysis test conducted by the researcher showed that Customer Relationship Management (CRM) affects customer satisfaction. With the implementation of Customer Relationship Management (CRM), Saren Frozen Mart can get started and understand the steps that need to be taken to retain existing customers. This contributes to customer loyalty and encourages them to recommend Saren Frozen Mart to other consumers.

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