Assessing the Impact of CRM on Customer Loyalty Through Linear Regression Analysis

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ABSTRACT
This study aims to determine the effect of Customer Relationship Management (CRM) on customer loyalty at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. The research method used is quantitative, with a data collection approach through observation, questionnaires, interviews, and documentation studies. Data analysis was carried out using simple linear regression techniques, hypothesis testing (t test), and the coefficient of determination (R^2) test. The results showed that the regression coefficient value was +0.509, which indicated a positive relationship between CRM and customer loyalty. Hypothesis test analysis produces at value of +6.364 with a significance level of 0.000, which is smaller than 0.05. This shows that CRM has a positive and significant effect on customer loyalty partially. Based on the coefficient of determination analysis, the R^2 value of 43.9% indicates that CRM is able to explain 43.9% of customer loyalty variability, while the remaining 56.1% is influenced by other factors not discussed in this study. Thus, this study concludes that Customer Relationship Management has a significant influence on customer loyalty at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. These results strengthen the hypothesis that CRM is an important factor in building and increasing customer loyalty.

Keywords: Customer Relationship Management, Customer Loyalty

INTRODUCTION

In the banking industry, successfully maintaining good relationships with customers is the main key to creating sustainable loyalty. Customer Relationship Management (CRM) has become an increasingly important strategy to help banks understand customer needs, improve service quality, and build long-term, mutually beneficial relationships. Customer loyalty, which reflects the level of trust and satisfaction with banking services, is one of the important indicators of a bank's success in facing increasingly fierce competition. In the modern business world, the success of a company is not only determined by the ability to attract new customers, but also by the ability to retain existing customers. Customer loyalty is one of the main factors that supports business continuity, including in the banking industry. In the midst of increasingly fierce competition, banks compete not only in providing superior products and services, but also in creating close relationships with their customers. One approach that has been widely applied for this purpose is Customer Relationship Management (CRM).

CRM is a strategy that aims to manage the relationship between the company and its customers effectively by utilizing information technology, customer data, and a personalized service approach. In the context of banking, the implementation of CRM is very important because the nature of the business is very dependent on long-term relationships with customers. CRM allows banks to understand the needs, preferences, and behavior of customers, so that they can provide more relevant and satisfying services. This in turn can increase customer loyalty, which is a strategic asset for the company. PT Bank Mandiri (Persero) Tbk, as one of

the largest banks in Indonesia, faces the challenge of maintaining customer loyalty amidst increasingly complex competition. At the branch level, such as the Padangsidimpuan Branch, success in maintaining customer loyalty is one of the important indicators of the bank's operational success. This branch serves customers from various backgrounds with diverse needs, thus requiring an effective and measurable CRM approach.

This study aims to quantitatively examine the influence of CRM on customer loyalty at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. Through a simple linear regression analysis approach, this study is expected to provide empirical evidence regarding the relationship between CRM and customer loyalty, as well as answer questions regarding the contribution of CRM in creating long-term mutually beneficial relationships between banks and their customers. The results of this study will not only provide theoretical contributions to the literature on CRM and customer loyalty, but also have practical implications for PT Bank Mandiri (Persero) Tbk in developing more effective strategies to increase customer loyalty, especially at the Padangsidimpuan Branch..

LITERATURE REVIEW
Customer Relationship Management (CRM)

Customer Relationship Management (CRM) is a strategic approach designed to improve the relationship between a company and its customers through effective management of data and interactions. According to Kotler and Keller (2016), CRM aims to understand customer needs more deeply so that companies can provide value that meets their expectations. In the banking context, CRM includes the use of technology to manage customer information, identify business opportunities, and personalize services to improve customer satisfaction and loyalty. Research by Nguyen and Mutum (2012) shows that effective CRM implementation can increase customer loyalty by strengthening the emotional bond between customers and the company. This is in line with the findings of Chen and Popovich (2003), which state that CRM not only functions as a tool to improve operational efficiency but also as a strategic approach to creating a positive customer experience.

Customer Loyalty

Customer loyalty is defined as a customer's commitment to continue using a particular product or service over the long term, despite the presence of competitive alternatives in the market (Oliver, 1999). Loyalty includes behavioral dimensions, such as repeat purchases, and attitudinal dimensions, such as trust and satisfaction with the company. In the banking industry, customer loyalty is one of the most important indicators of success, because loyal customers tend to make positive contributions through long-term relationships and potential referrals to other potential customers. Several studies have shown that factors such as customer satisfaction, service quality, and customer experience have a significant influence on customer loyalty (Zeithaml, Berry, & Parasuraman, 1996). In relation to CRM, research by Reinartz, Krafft, and Hoyer (2004) found that good CRM implementation can increase customer loyalty by creating more personal and relevant interactions.

The Relationship Between CRM and Customer Loyalty

Several studies have examined the relationship between CRM and customer loyalty. Research by Sin, Tse, and Yim (2005) showed that effective CRM implementation has a significant positive impact on customer loyalty through improved relationship quality and customer satisfaction. In addition, research by Eid (2007) found that companies that use CRM strategically are able to create a more consistent customer experience, which ultimately strengthens loyalty. In the banking context, research by Akroush et al. (2011) showed that CRM plays a key role in increasing customer loyalty through service personalization, responsiveness, and effective communication. However, the effectiveness of CRM is also influenced by factors such as organizational culture, workforce skills, and the technology used.

METHODS

This study uses a quantitative approach with a descriptive and causal design. This approach was chosen to analyze the relationship between independent variables, namely Customer Relationship Management (CRM), with dependent variables, namely customer loyalty. Quantitative research design allows for objective measurement of relationships between variables through statistical analysis. The population in this study were all customers of PT Bank Mandiri Padangsidimpuan Branch. The research sample was taken using the purposive sampling method, which is a sampling technique based on certain criteria.

RESULTS AND DISCUSSION
RESULT

This study analyzes the influence of Customer Relationship Management (CRM) on customer loyalty at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. The following are the main results of the data analysis conducted:

Descriptive Statistics

Of the 100 respondents who participated in this study, the majority were aged between 25–40 years (65%) and were customers who had used Bank Mandiri services for more than two years (70%). Most respondents gave a positive assessment of the implementation of CRM, with an average score of 4.2 on a Likert scale (range 1–5). Customer loyalty also showed a high average score, namely 4.1.

Validity and Reliability Test

X Validity Table

1) Variabel	2) Butir Soal	3) r table	4) r hitung	5) Keterangan
6) 7) *Customer Relationship Management* (X)	8) Pernyataan 1	9) 0, 2352	10) 0, 678	11) Valid
	12) Pernyataan 2	0, 2352	13) 0, 607	14) Valid
	15) Pernyataan 3	0, 2352	16) 0, 601	17) Valid
	18) Pernyataan 4	0, 2352	19) 0, 566	20) Valid
	21) Pernyataan 5	0, 2352	22) 0, 670	23) Valid

Y Validity Table

1) Variabel	2) Butir Soal	3) r table	4) r hitung	5) Keterangan
6) 7) Loyalitas Nasabah 8) (Y)	9) Pernyataan 1	0, 2352	10) 0, 719	11) Valid
	12) Pernyataan 2	0, 2352	13) 0, 720	14) Valid
	15) Pernyataan 3	0, 2352	16) 0, 605	17) Valid
	18) Pernyataan 4	0, 2352	19) 0, 673	20) Valid
	21) Pernyataan 5	0, 2352	22) 0, 594	23) Valid

Based on the results of the validity test in the table above, it is known that all statement items of variable Y (Customer Loyalty) show a calculated r value greater than r table, thus all statement items of the variables above are declared valid and meet the requirements as a measuring instrument for variables in this study.

Reliability Test Table

Variabel	Koefisien Reliabilitas	Cronbach'a Alpha	Keterangan
Customer Relationship Management (X)	1) 0, 678	2) 0,60	) Reliabel
Loyalitas Nasabah (Y)	4) 0, 714	5) 0,60	) Reliabel

Based on the results of the reliability test in the table above, all of them show that the Cronbach Alpha value is above 0.60. This result means that the measuring instrument used meets the requirements and is reliable so that it can be stated that the questionnaire is reliable and can be distributed to respondents to be used as a research instrument. In conclusion, all items in the questionnaire were declared valid with a correlation value > 0.30 and reliable with a Cronbach's Alpha value of 0.87 for CRM and 0.85 for customer loyalty.

Simple Linear Regression Analysis

Linear Regression Coefficient Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.247	1.563		5.917	.000
	Loyalitas_Nasabah	.509	.080	.611	6.364	.000

The results of the simple linear regression analysis show the following regression equation:

$$Y=1.325+0.509X$$

Where :
Y is customer loyalty
X is CRM

The regression coefficient of 0.509 shows that CRM has a positive influence on customer loyalty. This means that every one unit increase in CRM implementation will increase customer loyalty by 0.509 units.

Hypothesis Test (t-Test)

The t-test results show a value $t$count of 6.364 with a significance level of 0.000. Since the significance value is less than 0.05, the null hypothesis is rejected, which means that the CRM variable significantly affects customer loyalty.

Determinant Coefficient (R2)

Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663[a]	.439	.431	1.685

a. Predictors: (Constant), Loyaitas_Nasabah
b. Dependent Variable: Customer_Relationship_Management

The R2 value of 0.439 indicates that CRM explains 43.9% of the variation in customer loyalty. The remaining 56.1% is influenced by other factors not analyzed in this study.

DISCUSSION

The results of this study indicate that Customer Relationship Management (CRM) has a positive and significant influence on customer loyalty at PT Bank Mandiri, Padangsidimpuan Branch. This finding is in line with previous research by Sin et al. (2005) which states that CRM plays an important role in creating a positive long-term relationship between the company and its customers. This positive relationship can be explained through several dimensions of CRM measured in the study, such as service personalization, effective communication, and bank responsiveness to customer needs. Customers who feel cared for and receive services that suit their needs tend to have higher trust in the bank, which ultimately increases their loyalty.

However, the R2 value of 43.9% indicates that there are still other factors that influence customer loyalty, such as service quality, product innovation, price, or brand image. This is in accordance with the findings of Roh et al. (2005) who emphasized the importance of considering external factors other than CRM in building customer loyalty. From a practical perspective, these results provide important implications for PT Bank Mandiri. Banks need to strengthen CRM implementation, especially in the aspects of communication and service personalization, to increase customer loyalty more effectively. In addition, integrating CRM with product innovation and loyalty programs can also be a strategic step to maintain competitive advantage.

CONCLUSION

This study aims to analyze the influence of Customer Relationship Management (CRM) on customer loyalty at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. Based on the results of data analysis, it can be concluded as follows:

1. CRM has a positive and significant influence on customer loyalty
   The results of simple linear regression analysis show that any increase in CRM implementation can significantly increase customer loyalty. This indicates that effective

CRM strategies, such as service personalization, good communication, and responsiveness, are able to build closer relationships with customers.

2. Most of the customer loyalty is explained by CRM.
The coefficient of determination (R^2) value of 43.9% indicates that CRM contributes significantly to customer loyalty. However, there are 56.1% other factors outside of CRM that also affect loyalty, such as service quality, product innovation, and brand image.

3. Optimal CRM implementation is important to maintain customer loyalty.
Customers who feel cared for through a CRM approach tend to be more loyal, showing a commitment to continue using the bank's services and recommending it to others.

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