

THE IMPORTANCE OF CUSTOMER RELATIONSHIP MARKETING TO PARTICIPANT LOYALTY THROUGH PARTICIPANT SATISFACTION IN BUSINESS ENTITIES: AN EMPERICAL STUDY IN HEALTH PROVIDER BPJS JAMBI CITY

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Abstract

BPJS Health as a provider of Health Insurance in Indonesia should increase service business efforts to increase customer loyalty. Especially in the competition in the insurance industry from time to time which is increasing competitive. One of the steps that can be taken is through increasing Customer Relationship Marketing which is expected to increase participant satisfaction. This study aims to analyze the effect of the variable Customer Relationship Marketing, on participant loyalty through the satisfaction of BPJS Health Business Entity Participants in Jambi City. The sample used was 100 PICs from business entities registered with BPJS Health Jambi City. The analytical tool used is SEM PLS. The results of the study found that Customer Relationship Marketing had a positive and significant effect on Participant Satisfaction, Based on the results of this study, it can be recommended that BPJS Health can maintain and develop their Customer Relationship Marketing again. So that the satisfaction and loyalty of participants can be increased.

Keywords: Customer Relationship Marketing, Participant Loyalty, Participant Satisfaction, BPJS Health

Introduction

Health Insurance is health protection so that participants get the benefits of health care and protection in meeting basic health needs which is given to everyone who has paid dues or whose contributions are paid by the government in accordance with Presidential Regulation no. 12 of 2013. In accordance with the mandate of Law Number 24 of 2011 article 1 paragraph 1, the Social Security Administering Body, hereinafter abbreviated as BPJS, is a legal entity established to administer social security programs. Where the participants are everyone, including foreigners who work for a minimum of 6 (six) months in Indonesia, who have paid the dues. (Health, 2015)

BPJS Health as the National Health Insurance Administering Body needs to understand that the sustainability and resilience of an organization is the loyalty of participants to programs that are well targeted and implemented and how to build public trust in the implementation of National Health Insurance. The community is the program implementer who is certainly able to feel from the process to the results that are felt to be satisfied or not. Participant satisfaction is the key to the growth of participant loyalty, where participant loyalty is an invaluable asset for the organization.

P. Kotler, (2009) stated that loyalty is a deeply held commitment to buy or re-support a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause customers to switch. On the other hand, loyal participants will provide better benefits for the organization. BPJS Health is a Public Legal Entity which of course is carried out in accordance with applicable laws, but it does not close itself that BPJS Health must also be able to compete with other Health Insurance. Therefore, loyalty is absolutely necessary for this organization to survive and be able to compete with other health insurances.

Participant loyalty exists if the participants itself get good satisfaction from the services that have been provided. Therefore, BPJS Health as the National Health Insurance Administering Body also needs to understand that participant satisfaction is important to build public trust in the implementation of the National Health Insurance. Through this data, it can be seen how the satisfaction of the participants in the Business Entity Wage Recipient Worker (PPU BU) segment has progressed in the last 5 years, namely 2016-2020.

From BPJS Health data (2020) it was found that the national business entity satisfaction index had increased both measured by the mean score method. With the mean score method, there is an increase from 78.7 in 2019 to 80.6 in 2020. In this study, what we will propose is the service provided by BPJS Health to Business Entities, because as is known BPJS Health is social insurance or public service that currently also being discussed a lot by the community service. The satisfaction of these participants is certainly a matter of public awareness in having health insurance services that are expected to be good. However, this certainly cannot be a satisfaction for BPJS Health so that it makes the best service provided loose. On the other hand,

For this reason, this certainly must be an important concern for BPJS Health to be able to reduce the dissatisfaction index of this business entity every year, because the business entity is a participant in the Wage Recipient Workers (PPU) segment which includes participants who are able to make a substantial contribution to the sustainability of the workforce. organizational life. If BPJS Health cannot keep business

entities committed to choosing BPJS Health as their health insurance, then several possible problems will arise in the organization.

Moreover, it is known that business entities must have a PIC or HRD which is an extension for business entity workers to register and also convey their complaints and problems while in the field by communicating with the BPJS Health Relationship Officer. This Relationship Officer is responsible for building good relations with the PIC of the business entity. If BPJS Health is not able to create a good relationship, one of them will have a negative impact on the survival of the organization. In this case, of course, there are several components that must be considered, one of which is the Customer Relationship Marketing provided by BPJS Health to Business Entity Wage Recipient Workers (PPU BU) for long-term relationships with participants for the survival of the organization.

Basically, the implementation of Customer Relationship Marketing is not only about retaining participants that are already owned by BPJS Health, but also as part of the marketing communication strategy efforts carried out in informing, persuading, and increasing the awareness of prospective participants, either directly or indirectly about the program. BPJS Health, with the ultimate goal of creating a decision to make BPJS Health a public health insurance, as in the decision-making process mechanism created through the application of CRM technology.

Therefore, here CRM can provide a relationship to Participant Satisfaction and Participant Loyalty based on theoretical exposure and previous research results, and shows that Customer Relationship Marketing is predicted to be a factor in the growth of satisfaction as well as a cause of loyalty. It is necessary to carry out further empirical studies to determine the extent of the influence of the Customer Relationship Marketing variable on participant loyalty through BPJS Health Business Entity Participant Satisfaction in Jambi City.

Literature Review

Customer Relationship Marketing

According to (P. & A. Kotler, 2011) defines that Customer Relationship Marketing (CRM) is the highest concept in modern marketing. In a broader sense, CRM is the entire process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. The definition of Customer Relationship Marketing put forward by Samuel & Hutane (2012) is the introduction of each customer more closely by creating two-way communication.

Satisfaction

According to P. & K. Kotler, (2013) satisfaction is a person's feeling of pleasure or disappointment arising from comparing the perceived performance of the product (or result) against their expectations. If performance fails to meet expectations, customers will be dissatisfied. If performance matches expectations, customers will be satisfied. If performance exceeds expectations, the customer will be very satisfied or happy.

Loyalty

According to P. Kotler, (2009) loyalty is a deeply held commitment to buy or re-support a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause customers to switch. Loyalty is a customer's commitment to a brand, store, supplier based on a very positive attitude and is reflected in consistent repeat purchases. Tjiptono, (2010) According to Gramer and Brown (Utomo 2006:27). Understanding loyalty is the degree to which a consumer shows repeat purchase behavior, a positive attitude, and uses a product from a brand in the long term.

Previous research related to this article was conducted by Safira et al., 2021, Saputri et al., 2020, and (Juandy Livingstone Rompas et al., 2020) which stated that Customer Relationship Marketing had an effect on participant satisfaction. They explain that CRM aims to generate customer satisfaction for a product or service offered by the company. Customer Relationship Management (CRM) is a business approach based on the management of relationships or relationships with customers. Meanwhile, the research of Putra et al., 2017, (Ningsih et al., 2016 and Putra et al., 2017 stated that Customer Relationship Marketing has a positive and significant influence on Participant Loyalty. This means a good increase in CRM implementation in a unit business, then it has a positive impact on customer loyalty. As well as research (Ersi & Samuel, 2014) which states that participants and customers have a positive effect on Participant Loyalty.

Based on a review of the theoretical basis and previous research, a framework can be drawn up. As presented in the following image:

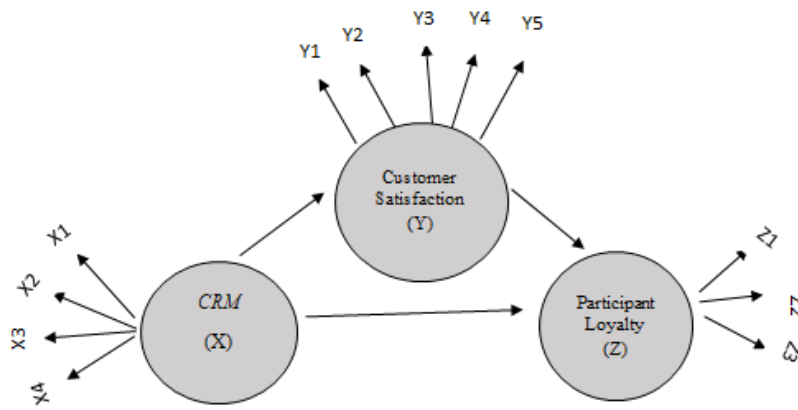


Figure 1. Model of Research

Hipotesis

From this model, the following hypothesis is formulated:

- H1 : Customer Relationship Marketing has a significant effect on Business Entity Participant Satisfaction at BPJS Kesehatan Jambi City.
- H2 : Customer Relationship Marketing has a significant effect on the Loyalty of Business Entity Participants at BPJS Kesehatan Jambi City.
- H3 : Participant Satisfaction has a significant effect on Business Entity Participant Loyalty at BPJS Kesehatan Jambi City.
- H4 : Customer Relationship Marketing has a significant effect on Participant Loyalty mediated by Business Entity Participant Satisfaction at BPJS Kesehatan Jambi City.

Methods

This research is a quantitative research using survey method. This study consists of three variables, these are customer relationship marketing (X) and satisfaction (Z) as the independent variable, and loyalty (Y) as the dependent variable. While the data sources used in this study include primary data and secondary data. The data used was obtained through distributing questionnaires using a scale of 1 to 5. In this study, the sample used was 100 PICs from business entities registered at BPJS Health Jambi City. This analysis method uses SmartPLS 3.0 software.

Result and Discussion

In this study, there are 3 variables used, these are Customer Relationship Marketing (CRM), Participant Satisfaction and Participant Loyalty. Each variable has an indicator. The Customer Relationship Marketing (CRM) variable has 4 indicators, the Participant Satisfaction variable has 5 indicators and the Participant Loyalty variable has 3 indicators. The following shows the initial model of this research:

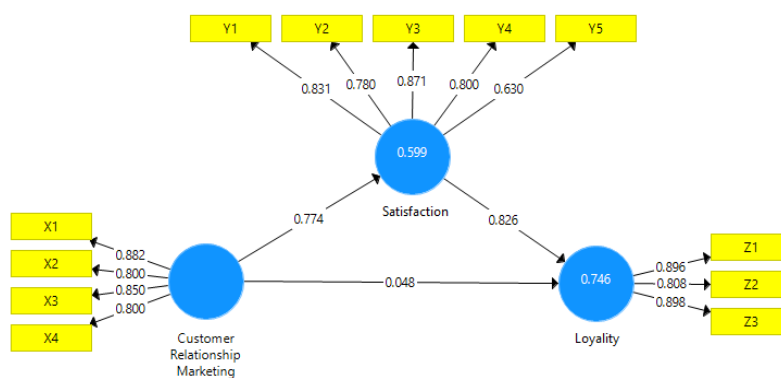


Figure 2. Initial Research Model

Based on this figure, indicators that have a loading factor below 0.7 will be excluded from the research model. So the second model is made as follows:

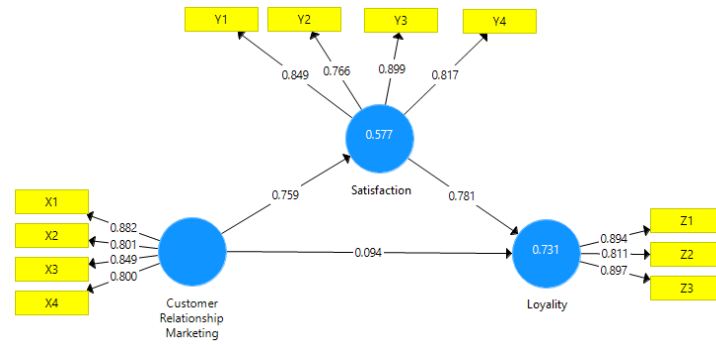


Figure 3. Final Research Model

Based on Figure 2. it can be seen that all indicators already have an outer loading value above 0.7. The model was then tested for hypotheses using the research bootstrapping test. The following shows the results of the bootstrapping test of this study:

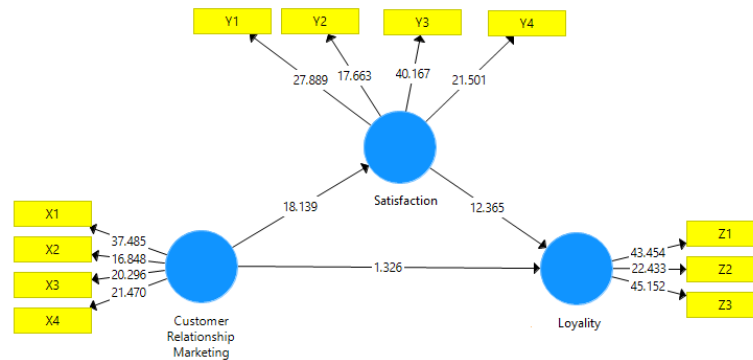


Figure 4. Bootstrapping Test

The following table also shows the indirect effect of research:

Tabel 1. Indirect Effect					
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Customer Relationship Marketing -> Satisfaction -> Loyalty	0.593	0.590	0.062	9.635	0.000

Source: SMART PLS output

Customer Relationship Marketing to Participant Satisfaction

Based on the results of hypothesis testing, it is concluded that Customer Relationship Marketing (X) has a positive and significant effect on Participant Satisfaction (Y) with an Original Sample value of 0.759 and significant with t-statistics of 18.139 and greater than t-table. Therefore, it can be concluded that the ability to maintain relationships with customers based on trust, commitment, good communication skills and always try to control existing conflicts will increase participant satisfaction as evidenced by their willingness to continue using the product, buy products that are laughed at, recommend products. and a willingness to pay more. On the other hand, it can also be concluded that the increase in Customer Relationship Marketing carried out by BPJS will increase the satisfaction of BPJS participants as well.(Juandy Livingstone Rompas et al., 2020)which states that Customer Relationship Marketing has an effect on participant satisfaction.

Customer Relationship Marketing to Participant Loyalty

Then the results of the second hypothesis test conclude that Customer Relationship Marketing (X) has a positive and significant effect on Participant Loyalty (Z) with an original sample value of 0.687 (positive) and significant with a t-value of 13.176 and greater than 1.96. Therefore, it can be concluded that the ability to maintain relationships with customers based on trust, commitment, good communication skills and always trying to control existing conflicts will increase participant loyalty which can be proven by repeat purchases, the ability to retain customers and be able to encourage customers. to invite other customers. Therefore, it can also be concluded that the increase in Customer Relationship Marketing is able to increase participant loyalty.

Participant Satisfaction to Participant Loyalty

Meanwhile, Participant Satisfaction (Y) has a positive and significant effect on Participant Loyalty (Z) with an original sample value of 0.781 (positive) and a significant t-value of 12.365 and greater than 1.96. This means that BPJS participants are willing to continue using the product, buy products that are laughed at, recommend products and the willingness to pay more which indicates their satisfaction will have implications for increasing their loyalty to BPJS with the ability of customers to repeat purchases, BPJS which is able to retain customers and be able to encourage customers to invite other customers. So on the other hand, it can be concluded that increasing BPJS Participant Satisfaction will also increase Participant Loyalty. This research supports research conducted by Ersi & Samuel,

Customer Relationship Marketing to Participant Loyalty mediated by Participant Satisfaction

Lastly, Customer Relationship Marketing (X) has a positive and significant effect on Participant Loyalty (Z) mediated by Participant Satisfaction (Y) with an original sample value of 0.593 (positive) and significant with a t-value of 9.635 and greater than 1.96. Therefore, it can be concluded that the satisfaction of participants as evidenced by their willingness to continue using the product, buy products that are laughed at, recommend products and willingness to pay, is better able to become an intermediary for BPJS Health customer service which is realized through the ability to maintain relationships with customers based on trust, commitment, good communication skills and always try to control existing conflicts. This ability will also increase participant loyalty which can be proven by customers who repeat purchases, the ability to retain customers and be able to encourage customers to invite other customers. Therefore, it can also be concluded that increasing Participant Satisfaction is able to mediate the influence of Customer Relationship Marketing on Participant Loyalty.

Conclusion

Based on the description above, the conclusions of this study can be detailed that Customer Relationship Marketing has a positive and significant effect on Participant Satisfaction, Customer Relationship Marketing has a positive and significant impact on Participant Loyalty, Participant Satisfaction has a positive and significant impact on Participant and Customer Loyalty Relationship Marketing has a positive and significant effect on Participant Loyalty which is mediated by Participant Satisfaction. The results of this study can be used for further researchers to be able to expand the object of research not only on BPJS Health services and add other variables that might show more influence that was not examined in this study. For example the variable Customer Value, SWOT Analysis, Service Quality and other variables. Meanwhile, for BPJS Health, it is necessary to maintain and develop their Customer Relationship Marketing. This is intended so that Participant Satisfaction and Loyalty can be increased.

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