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Commitment to the Teacher's Loyalty as a Customer

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Abstract—Customer loyalty is the major importance in maintaining customer and to attract new customer at SMEs. It becomes also the important attention for Koperasi Sejahtera Bersama. In maintaining customer, it is needed Customer Relationship Management and Customer Commitment, especially for the customer who comes from school, in this case, is Teacher. Remember that the teacher can give a good recommendation to students, parents and even co-workers. Reviewing problem phenomenon, so the aim of this study is to review the correlation of Customer Relationship Management and Commitment to the teacher's loyalty as a customer. This quantitative research uses 95 respondents from a customer of Koperasi Sejahtera Bersama that mostly are Teachers, through hypothesis test. The research finding is found that there is a positive correlation between Customer Relationship Management and Commitment on Loyalty. Commitment has a stronger bond on loyalty than Customer Relationship Management. The difference seems on there is no significant correlation between Customer Relationship Management with Loyalty, in which in the previous research those correlations are found very closely. This research result explains the importance of Relationship Management on Teacher as a customer, in order to improve loyalty bonding. It is expected that those loyalties provide the impact on Teacher's recommendation to their environment

Keywords—customer relationship management; commitment; loyalty

I. INTRODUCTION

SMEs is part of the economic arrangement, it means that in its activities SMEs take play part for the achievement of prosperous economic life, both for people who become SMEs' customer itself and for surrounding society [1]. SMEs is an institution where people who have an interest, gathering to improve prosperity. In the implementation of its activities, SMEs is based on the values and the principal as the economic institution that is much closed with business. The values contained in SMEs are like helping himself, trust to himself, and togetherness [2].

Saving and Loan of SMEs are included in the non-Bank institution. Saving and Loan of SMEs play an important role as the alternative of the effective financial institution to reach a cycle of small, medium enterprises [3]. During the latest five years period, the development of SMEs number in Indonesia is increased from the quantity side [4]. Many numbers of SMEs is very closed the competition among SMEs in Indonesia; only for the more outstanding SMEs is compared than the competitor of SMEs will win the competition [5]. Koperasi

Sejahtera Bersama is located in Bandung City; it is SMEs runs in several business fields, such as saving and loan business and trading business. One of SMEs that feels the tight competition is Koperasi Sejahtera Bersama and the developing phenomenon today is the customer reducing, particularly for the customer who works as Teacher. It happens because the customer only does save transaction without there is no routine or repeated borrowing. It is assumed that the low of customer's loyalty at SMEs, and there is a commitment problem from SMEs' member who has less commit to Koperasi Sejahtera Bersama.

In creating faithful customers, the company is demanded to do discrimination between profitable and non-profitable customers for the company [6]. One of the strategies that can be applied by the company is creating a relationship between the company and its customer [7]. Those strategies are known by the term Customer Relationship Management. In this study, it focuses on SMEs' customer, so the review on the correlation between Customer Relationship Management with Customer Loyalty that is stated before by Oliver [8]. The correlation of Customer Relationship Management to Loyalty is to change the paradigm of product driven company becomes a consumer-driven company. The customer has different needs so SMEs must be more sensitive towards customer's complaints. Customer Relationship Management has a database which becomes the main weapon of service in information availability [9].

On the other hand, Loyalty has also a correlation with Commitment [10]. The relation of customer commitment to customer loyalty is the concept of Valued Relationship shows that customer will have a strong commitment if the relationship is done assumed to be important. Commitment is an attitude or intention to maintain an openness in the long period; it is a success to reveal that the consequence of Commitment exists is Loyalty [3]. Commitment is a psychological feeling level inside individual who is influenced by a difficulty factor, emotional, and willingness to involve in a relation to other parties; it shows that Commitment is antecedents of Loyalty [10].

This study reviews the correlation of Customer Relationship Management and Commitment to customer loyalty by doing the case study on the customer who works as a Teacher. So, it seems the importance of Customer Relationship Management and customer Commitment in reviewing other cases which is customer loyalty in Koperasi Sejahtera Bersama.

II. LITERATURE REVIEW

A. *Customer Relationship Management*

It is company orientation lies on the benefit of the product and for a long period. Imasari and Nursalin [9] stated that "customer relationship management is a series of strategies and processes that create new and mutual value for individual customers, build preference for their organizations and improves business result over a lifetime of associations with their customers". Customer Relationship Management is a whole process in building and maintaining the relationship to the customer, which is giving the best value of relation to customer and giving satisfaction to the customer [11]. So, it orientates to the customer's point of view; customer can get the best service. In the organization, Customer Relationship Management is interaction with a customer who aims to do supervision to their customer [12]. While Customer Relationship Management is beginning, increasing, and maintaining the relationship in the long period between the company with customer and partner through business intelligence and it depends on information owned by company [13].

Customer Relationship Management is a process where the company orientates to the customer by collecting some information about customer used [14]. In Customer Relationship Management, there is a universal activity cycle that will encourage Customer Relationship Management [15]. As it seems in a cycle, for every organization, business is started with customer acquisition. A company does not have a relationship with the customer except that the company understands them [16]. What is valued, what services are needed, how and when to interact and what customer wants to buy [17]. Baran, Galka, and Strunk [13] explains several functions of Customer Relationship Management that are used by company to improve productivity, like identifying prospect, obtaining customer, developing customer, cross-selling, up-selling, managing, moving, serving customer, maintaining customer, and improving loyalty. There are 4 (four) programs of Customer Relationship Management that become dimension according to Imasari and Nursalin [9], which is Technology, Man, Knowledge Process and Insight. Customer Relationship Management is a process where it manages information about each customer and accurately manages the touch point of the customer in order to improve customer loyalty.

B. *Loyalty*

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Every company must have Loyalty's strategy that will make the customer keep loyal to the long-term survival of the company. Loyalty is the customer's decision to subscribe voluntarily to a certain company in a long period [18].

Customer Loyalty is the result of product effectiveness built from the relationship maintenance with the customer [19], avoid things that can make disappointing to the customer, and it can offer a solution for customer's complaints [12]. Loyalty is a relationship between company and customer in which the creation of satisfaction so it provides a good basis to do re-buying towards the same product and it forms a recommendation from mouth to mouth [8].

From some experts, so Loyalty refers more to the decision to buy a product or use service continuity with long-term towards company selected. According to Gaffar [20], Loyalty is influenced by 5 (five) factors, which are satisfaction, emotional power, trust that reduces risk, decreasing in choice becomes habit and experience towards the company. A loyal customer is an asset to the company. According to Shaon and Rahman [21], loyalty can be measured by the characteristic like: do re-purchasing regularly, buy between lines of product or service, ask people, and show immunity from a competitor or it cannot be easy to influence by the competitor. Based on Kotler and Keller [22], there are three dimensions explain that customer of Loyalty can be measured by Word of mouth, Reject another and Repeat purchasing. Loyalty is customer commitment to survive in depth to do re-purchasing product or service with the consistency in the future. In the previous research, it found there is a correlation of Loyalty to Commitment [23]. So, it is very important in improving customer Loyalty in SMEs through the improvement of Commitment. Based on those theoretical reviews so it is determined the first hypothesis research (H1).

H1: Customer Commitment has a correlation to Customer Loyalty.

It is also found in the previous research that there is a correlation of Loyalty to customer relationship management [9]. So, it can be interpreted that the importance of Customer Relationship Management when it will improve customer Loyalty in SMEs. Based on the theoretical analysis above, so it is made the second hypothesis research (H2).

H2: Customer Relationship Management has a correlation to Customer Loyalty.

Research variable that was measured in the research model, also in reviewing the correlation between variable is used hypothesis test.
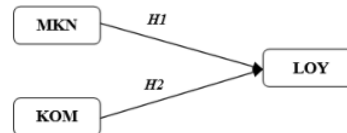
MKN = Customer Relationship Management, KOM = Commitment, LOY = Loyalty

Fig. 1. Research model.

III. RESEARCH METHOD

In quantitative research by using experimental method towards respondents from the customer of Koperasi Sejahtera Bersama in Bandung who had profession as Teacher, with the

number of respondents were 95 people. Research data was stated in the form of a questionnaire and it was processed its data through SPSS. Those processing reviewed the correlation between research construct which was Customer Relationship Management, and Commitment to Customer Loyalty.

A research questionnaire was done by using Likert scale approach. Through scale from 1-5 with the measurement "very disagree" until "very agree". Research instrument consists of 3 (three) constructs, with some indicators of dimensions. Customer Relationship Management is the whole process in building and maintaining the relationship to the customer, which was giving the best value relation with customer and giving satisfaction to the customer [11]. Some measurements in Customer Willingness Management was determined as Technology (the use of technology, the use of application), Man (labor service, labor hospitality, labor professionalism), Process (SMEs service, transaction, handling complaints), and Knowledge (custom is the relationship between attitude to physical prove, process and labor with connectedness quality, also its role in causing re-invention to buy and Loyalty [3]. Several dimensions used in this construct such as affective Commitment (proud feeling becomes customer, possessive feeling towards SMEs), continuance Commitment (attention to successful of SMEs in the long period, assuming SMEs as necessity), and Normative Commitment (becoming a faithful supporter for SMEs, do not attract to other SMEs). Customer Loyalty is the customer's decision to keep subscribing voluntarily with a certain company in a long period [18]. In loyalty is formed some measurements indicators, like: word of mouth (customer recommends product to others, customer's tendency says positively about SMEs product), reject another (customer intend to others to use product, rejection of other SMEs product by customer), and repeat purchasing (loyal to product, using more products).

IV. RESULTS AND DISCUSSION

TABLE I.   RESULT OF R_{count}

| Indicators	r_{count}	Result
MKN 1	0.619	Valid
MKN 2	0.550	Valid
MKN 3	0.552	Valid
MKN 4	0.580	Valid
MKN 5	0.587	Valid
MKN 6	0.614	Valid
MKN 7	0.416	Valid
MKN 8	0.536	Valid
MKN 9	0.611	Valid
MKN 10	0.421	Valid
MKN 11	0.336	Valid
KOM 1	0.710	Valid
KOM 2	0.646	Valid
KOM 3	0.707	Valid
KOM 4	0.754	Valid
KOM 5	0.664	Valid
KOM 6	0.652	Valid
LOY 1	0.764	Valid
LOY 2	0.830	Valid
LOY 3	0.760	Valid
LOY 4	0.722	Valid
LOY 5	0.657	Valid
LOY 6	0.728	Valid

The next result is stated the reliability value of the research instrument. Testing of reliability result is conducted through the value of Cronbach's alpha. Where in those testing, the value of Cronbach's alpha must be bigger than 0.5. After it is conducted testing, it is obtained the value of Cronbach's alpha. For all of the research instruments, where all of the values qualify which is above the value of 0.7. Based on those results, so it can be stated that all of the research variables are reliable. The result is more completely to the reliability test presented in Table 2.

TABLE II.   RESULT OF CRONBACH ALPHA.

Variables	Cronbach's Alpha	Result
Customer Relationship Management	0.732	Reliable
Customer Commitment	0.772	Reliable
Customer Loyalty	0.787	Reliable

A. Structure of Model

Data processing result on respondents by testing the correlation among variable is found that there is a positive correlation between Customer Relationship Management and Customer Commitment to Customer Loyalty. Those results are presented on figure 2.
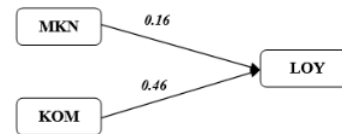
MKN = Customer Relationship Management, KOM = Commitment, LOY = Loyalty

Fig. 2. Research finding.

Research result in figure 2 is explained that there is a different correlation value. In which correlation value of Commitment to Loyalty is higher than Customer Relationship Management. It marks that customer Commitment is more important than Customer Relationship Management. Then, if it is seen from the hypothesis test is found that Customer Relationship Management is not significant. For more detail, it is explained in Table 3.

TABLE III.   THE VALUE OF COEFFICIENTS PATH

Path	Coefficients	t_{count}	Result
CRM → LOY	0.16	1.417	Not Support
COM → LOY	0.46	4.009	Support

The research result is found that Customer Relationship Management has the value of t_{count} is smaller than t_{table} (1.661). Those results mark that Customer Relationship Management does not have a significant correlation to Customer Loyalty. It is different with Commitment that has a significant result.

B. Discussion and Implication

This study produces information about description data from the respondent and the correlation among the research variable. For respondent is dominated by a male about 51,6% with the age of >46 years old is 31,6% and the average of occupation is as a private employee about 36%. In Customer Relationship Management, mostly customers argue that the

technology dimension applied by SMEs has been good, so as the condition of SMEs' staffs. The last, for the dimension of SMEs implementation process and knowledge to the customer is also stated well by the customer so the conclusion of Customer Relationship Management at SME is assessed well by customer.

Next, it has been known that Commitment from the customer is high, where affective commitment, continuum commitment and normative commitment from the customer are on the high criterion. It impacts obviously to the higher of Customer Loyalty; those seem from the higher of customer's word of mouth for SMEs, reject other SMEs and does re-purchasing. This problem fact is not truly appropriate with the existing problem phenomenon, in which there is a problem of Customer Loyalty. It is common to remember customer's limitation and it is not too influence to the value of Customer Relationship Management on Customer Loyalty. Those facts can be seen in the study of the relationship between research variables. Where Customer Relationship Management has not close correlation to Loyalty; it is different from Customer Commitment that has a closeness relationship to Loyalty. It can be made input on Koperasi Sejahtera Bersama in determining its customer management strategy. The importance level of Commitment to improving customer Loyalty is very important than Customer Relationship Management. Those inputs can surely change the strategical pattern of SMEs' leaders in managing customer Commitment.

This study has an obvious advantage to be known that customer who has a profession as Teacher prefers to Commitment than Relationship Management. It means that the Teacher will give high loyalty by recommending SMEs to their colleagues. It is surely not in line with the study of Lee-[24], explains the importance of relationship management compared than Commitment to customer loyalty. It is common because there is a different profession, where it focuses on the Teacher as a customer at this time.

V. CONCLUSION

Customer Relationship Management is an important thing in SMEs, where those things can change the value of Teacher's Loyalty as a customer. However, Teacher's Commitment keeps an important role in improving Loyalty because it has the value of a closer relationship than Customer Relationship Management. Koperasi Sejahtera Bersama can increase customer number through the improvement of Customer Loyalty. For that reason, Koperasi Sejahtera Bersama is demanded to be able to improve the commitment that relates to the customer who has profession as Teacher. Customer Commitment needs to be created is Affective Commitment, Continuum Commitment, and Normative Commitment from SMEs' customer. And those commitments can be improved through the improvement of customer trust. So in the next research, it is recommended to use Trust in improving Loyalty through Commitment. On the other hand, Customer Relationship Management still needs to be re-reviewed its relation to Loyalty, remember the lowest impact on the creation of customer Loyalty, especially at Koperasi Sejahtera Bersama

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