# Customer Relationship Management (CRM) Strategy in an Effort to Maintain Customer Loyalty in Telkomsel Palu Branch

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**ABSTRACT:** Building and maintaining good relationships with customers is one way to maintain the survival of the company. Customer Relationship Management is a disciplined approach to developing and maintaining profitable customer relationships. One thing that can be done to maintain customer loyalty and increase profits is to improve the quality of service through the concept of CRM strategy. Therefore, the purpose of this study is to determine the CRM strategy carried out by Telkomsel Branch Palu in an effort to maintain customer loyalty. This study is qualitative in nature using data collection techniques by conducting observations and in-depth interviews with four informants who have been selected through purposive sampling techniques, namely SPV Mobile Consumer, CX Commander, priority customers and regular customers of Telkomsel Branch Palu.

The results of the study obtained are that Telkomsel Branch Palu has implemented a CRM strategy through the Telkomsel Prestige Loyalty program. Telkomsel Prestige is a loyalty program for Telkomsel and Indihome priority customers. In running the loyalty program, Telkomsel Branch Palu carries out a form of Marketing Communication, especially in the Public Relations aspect as a form of communication that focuses on building and maintaining good relationships and the company's image. In addition, Telkomsel Branch Palu also carries out several stages in the CRM strategy, namely 1) Customer Identification by collecting customer data and can be accessed on the Telkomsel database portal. 2) Differentiate Customer, Telkomsel groups its customers into two categories, namely regular customers and priority customers and priority customers have membership levels ranging from Gold-Diamond. The goal is to focus more on interactions with customers who are considered to provide many benefits. 3) Interact with Customers by actively interacting with customers such as providing information media or special reports, making routine visits for Birthdays, Exchange Points, Hard Complain, special visits and creating loyalty activities for priority customers. 4) Customize some Aspects, namely by making adjustments to priority customers and regular customers such as making special visits on big days, giving greetings, participating in enlivening or welcoming special days by making decorations in the service room

**KEYWORDS:** CRM, Loyalty, Public Relation

## INTRODUCTION

Building good relationships with customers can start from understanding customer needs and characteristics, so that companies can adjust marketing and service strategies to customers to increase customer satisfaction and loyalty and increase the potential for long-term company success. According to Kotler (2007: 215), customer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing their perception or impression of the performance or results of a product and their expectations. In a strategy to increase customer satisfaction, companies can improve products or services, provide good service, adjust prices to the quality of the products or services offered, understand customer expectations, and handle customer complaints well. Service quality is the totality of the characteristics of goods or services that show their ability to satisfy customer needs, both those that are obvious and those that are hidden (Kotler, 2007).

In 2024, Internet users in Indonesia will increase by 1.31% from the previous year. The Indonesian Internet Service Providers Association (APJII) noted that Indonesia's internet penetration rate in 2024 increased from 78.19% to 79.5%. APJII announced that the number of internet users in Indonesia in 2024 will reach 221 million people from a total population of 278 million people in Indonesia in 2023. Then, the official website speedtest.net announced the results of checking the fastest internet network in Indonesia. This test was carried out in the second and second quarters of 2023 by measuring five cellular operators, namely Telkomsel, XL, IM3 Ooredoo, 3 (Tri) and Smartfren. The results showed that Telkomsel was ranked first as the cellular operator with the fastest internet connection in Indonesia with a download speed score of 31.14 Mbps. Meanwhile, there was XL

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with a speed of 20.77 Mbps, IM3 with a score of 20.31 Mbps, 3 (Tri) with a download speed of 19.95 Mbps and Smartfren was recorded with a score of 18.76 Mbps.

Specifically for Central Sulawesi, the home internet services that are popular with the public are offers from two major providers in Indonesia, namely Indihome from Telkom Group and XL Home from XL Axiata. In 2023, XL Home recorded 235,000 users by the end of 2023. This number is said to have grown almost twice the number of users in 2022, which was 120,000 users spread across more than 75 cities/regencies in Indonesia (https://teknologi.bisnis.com). Meanwhile, Indihome recorded that it had served 9.5 million customers in Indonesia by the end of June 2023 or a growth of 7.2% compared to the same period in 2022. (https://www.telkom.co.id).

The comparison of the number of users is quite far between XL Home and Indihome users is not surprising. Because Indihome is a provider that has been around for a long time and is best known to the general public today before the emergence of other competing providers in Central Sulawesi. Reported on tutura.id, the internet penetration rate in Central Sulawesi in 2022 reached 77.3% of the population of Central Sulawesi who use the Internet. With a population of 3,021,879 people, there are around 2.3 million Central Sulawesi residents who are connected to the Internet. (https://tutura.id). At the end of 2018, XL Axiata launched XL Home as a home Internet product that uses a fiber optic network that can only be enjoyed in several cities on the islands of Java, Kalimantan and Bali. This home internet network owned by the operator XL Axiata has attracted quite a lot of public attention with attractive offers. In terms of price, XL Home offers its products cheaper than those offered by Indihome with a price of two hundred thousand customers can enjoy Internet and TV packages. In addition, XL Home offers free installation fees and device rental fees. Meanwhile, Indihome, a home internet service owned by PT. Telkom Indonesia, markets its products at a fairly high price compared to its competitors. However, the added value of this red provider is the availability of internet services in almost all corners of Indonesia, so that people can easily enjoy home internet services anywhere. In addition, even though the price offered is higher, Indihome offers its products with faster, more stable and sophisticated internet service packages using a fiber optic network that can transfer data up to 100mbps.

On July 1, 2023, Indihome officially joined PT. Telekomunikasi Seluler or what we usually know as Telkomsel. Now PT. Telkom Indonesia has officially integrated Indihome into PT. Telekomunikasi Seluler (Telkomsel) with the concept of merging fixed and cellular network services or merging cellular and fixed networks under one roof (fixed mobile conference/FMC). The merger of Indihome into Telkomsel is certainly a new challenge for this company. Given that currently there are many competing providers who offer home Internet products that can be used at home. In terms of retaining its customers, Telkomsel, especially Indihome, uses the Customer Relationship Management Concept to maintain the loyalty of their customers, especially those who have become priority customers. Customer Relationship Management is one of the strategic management functions that specifically discusses the relationship between customers and the company. According to (Storbacka in Yulianti, 2017) there are several main focuses of Customer Relationship Management, namely being able to improve the level of satisfaction and having an influence on maintaining customer loyalty amidst fierce business competition. The purpose of customer relationship management is to achieve good relationships with customers, namely by knowing as much information as possible about how customer needs and behavior so that companies can improve operational systems and improve their services. According to Don Peppers and Martha Rogers (Roberts and Zahay, 2012:292) the following is a Customer Relationship Management strategy model that can encourage customer relationships based on data and information.

1) Identification of Customer : Identifying customers can have a big impact on the company. Data from each customer is certainly different, such as name, address, and even personality. Therefore, the company identifies the customer. Because building good customer relationships with customers can occur with individuals, no longer with markets, segments, or populations.

2) Differentiate Customer : knowing customer differences can focus the company on customers with more value, and the company can also find out the needs of each customer.

3) Interact with Customer : active interaction can be done with customers. Interaction can be done based on the needs of the customer itself. Effective interaction with customers can bring benefits to establish relationships and gain broader insights into customer needs.

4) Customize some Aspect : companies must adjust some aspects of their behavior towards customers. In order to maintain relationships in the long term with customers, companies must adjust by adapting their behavior to meet customer needs.

Lukas in Muchtar (2013:3) defines Customer Relationship Management as (1). An activity that involves all human resources to maintain existing customers; (2) A strategy to manage and maintain relationships with customers. (3) An effort to find out the desires and needs of customers. By getting closer to customers, companies will have the opportunity to sell more to them, their families or friends. Customers who are satisfied with the company's basic products and services, and feel that the company will continue to understand their needs will refuse to move to competitors. This CRM concept is also related to the concept of Marketing Communications in the Public Relations aspect. Public Relations is a marketing concept whose task is to communicate

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with the public more efficiently and actively. Public Relations is a form of comprehensive effort made by companies to influence the perceptions, opinions, beliefs and attitudes of groups that have an interest in the company and can influence the company in achieving its goals. Several studies related to Customer Relationship Management and Public Relations were previously also conducted with the aim of finding out the strategies used by several companies to attract customers and maintain customer loyalty.

**METHODOLOGY**

This study uses a descriptive research type with the aim of producing data that can describe how the Customer Relationship Management strategy is carried out by Telkomsel Branch Palu in an effort to maintain customer loyalty. Data were obtained through observation techniques at the GraPARI Telkomsel Branch Palu office and in-depth interviews with four informants who were two employees of Telkomsel Branch Palu, priority customers and regular customers of Telkomsel Branch Palu. In this study, the researcher analyzed the data that had been obtained using data analysis techniques proposed by Miles and Huberman, namely first, the data selection process by focusing on the information that the researcher needed that the researcher had found at the research location based on the results of the researcher's observations. Second, the researcher collected data that had been selected in the data selection process and the third was the process of drawing conclusions based on the data that had been collected. (Miles and Huberman, 1992: 15-16).

**FINDINGS & DISCUSSION**

In the world of marketing, one of the elements of marketing communication that can be used by companies to achieve their goals is Public Relations. Public Relations is often interpreted as relationship management because public relations is an aspect that plays a role in an organization that is tasked with communicating with the public more efficiently to build and create good relationships with its public. GraPARI Telkomsel Branch Palu has carried out several forms of marketing communication, one of which is Public Relations. One aspect that is tasked with communicating with the public efficiently and actively is clearly seen in the loyalty activities carried out by Telkomsel Branch Palu through the Telkomsel Prestige program. This program is run using the Customer Relationship Management strategy. The results of research and analysis in the field, Telkomsel Branch Palu has carried out and truly implemented 4 (four) indicators of the Customer Relationship Management Strategy IDIC model by Pappers and Rogers :

1)  **Identification Customer:** In identifying its customers, Telkomsel Branch Palu creates a database by collecting its customers' personal data such as KTP and Family Card at the beginning of their registration as a form of authentication, validation of personal data and can be accessed on the DSC and My CX portals. The results of an interview with one of the informants revealed that: "We need everything. Starting from KTP we ask for, inside it must be complete with name, address and others. We also ask for a family card. An active telephone number, and an active email for data verification. " (Shanty, 06/05/24).

2)  **Differentiatte Customer:** According to Pappers and Rogers that companies must focus on customers with more value and companies must be able to know the needs of each customer. The results of an interview with one of the informants revealed that: "Yes. So the customer is identified first. Is he a regular customer or a loyal customer. Because if the customer is loyal of course the service is different, right?" (Shanty, 06/05/24)**.**
Telkomsel and Indihome differentiate or group their customers by distinguishing their customers into two categories of customers, namely regular customers and loyal customers. For Priority customers, there are membership levels ranging from Gold-Diamond. "Yes, based on the category, it is different. There are silver, gold, platinum and diamond for Indihome. For Telkomsel, from gold to diamond. And Telkomsel Halo customers" (Shanty, 06/05/24).

3)  **Interact with Customer :** Pappers and Rogers said that interaction can be done based on customer needs. Effective interaction with customers can bring benefits to build relationships and gain broader insights into customer needs. As a form of interaction between the company and customers, Telkomsel carries out several forms of active interaction with customers such as providing a special group of priority customers to meet customer needs quickly. The results of an interview with one of the informants revealed that: "If there are many interactions, for all customers there can be walk-in Grapari in service, via call center, via social media, other official channels. But for priority Indihome customers, we have a special WAG for HVC customers" (Insani, 06/05/24)
In addition, the Telkomsel Palu branch makes visits every month, such as routine visits, visits by customers who have birthdays, visits by customers who have Hard Complain, visits to exchange customer points and create loyalty activities for loyal customers in order to establish and maintain good relationships with customers who have been loyal to using Telkomsel products and services. "So we do Indihome customer maintenance every month, there are routine visits, rewards are the term, such as customers who have birthdays, customers who have made serious complaints, right, it's called hard complaints, customers who want to be offered to exchange points, there are also loyalty events." (Insani, 06/05/24)

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**4) Customize Some Aspects :** In order to maintain a long-term relationship with customers, companies must be able to adjust by adapting their behavior to meet customer needs. Telkomsel Branch Palu applies this point not only specifically for its loyal customers but also in general. One example of the adjustment of aspects carried out is by conducting visits on religious holidays, giving greetings to all customers and decorating the service room to welcome and commemorate religious holidays such as Eid and Christmas New Year.

## CONCLUSIONS

Telkomsel Branch Palu has implemented Customer Relationship Management Strategy through Telkomsel Prestige Loyalty Program. Telkomsel Prestige is a loyalty program for Telkomsel and Indihome priority customers. In implementing Telkomsel Prestige program, Telkomsel Branch Palu carries out marketing communication especially in Public Relations aspect as a form of communication that focuses on building and maintaining good relationship, image and reputation of the company. The result of analysis based on IDIC theory by Pappers and Rogers about Customer Relationship Management Strategy, Telkomsel Branch Palu has implemented and truly implemented 4 (four) indicators of Strategy, namely:

1) Identification Customer (Customer Identification) by collecting customer data and can be accessed on DSC and My CX portals.
2) Differentiation Customer (Customer Differentiation), Telkomsel groups its customers into 2 (two) categories, namely Regular customers and Priority customers. For Priority customers have membership levels ranging from Gold-Diamond. Grouping \ is done to focus more on interactions with customers who are considered to provide many benefits to the company, such as customers in the priority category.
3) Interact with Customers, conducting active interactions with customers such as conducting routine visits for Birthdays, Point Exchanges, Hard Complain Visits, visits on special days and creating loyalty activities for priority customers.
4) Customize Some Aspects, in this point, researchers see that Telkomsel Branch Palu applies this point not only specifically for its loyal customers but also generally. One example of the adjustment of aspects carried out is by conducting visits on religious holidays, giving greetings to all customers and decorating the service room to welcome and commemorate religious holidays such as Eid and Christmas New Year.

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