

CHAPTER 1

INTRODUCTION

1.1. Background

In doing business we need to deliver our good to our customer. If we are a big company we will have transportation for our goods. But if we small business and our market not that big, it will cheaper if we use expedition that already exist. It's not just solution for the business owner, but also solution for customer. We usually just buy things that we need in small quantity, so what we need is just expedition that can deliver our goods without damage from seller to our house in time that they already promise.

To answer seller and customer needed JNE provide expedition that have simple procedure and guarantee your good will be save. JNE also keep their promise to deliver your good in time that they already promise. JNE start their business in 1990 until now. They provide expedition for local shipping in Indonesia. Not just local shipment, but they also provide international service. They also available anywhere, because they have many branches. For their shipping rates, you can also check it online, so you don't need to worry if you don't bring much money in your wallet.

With use JNE you can store your delivery information so you don't need to refill the same information. JNE also provide online booking, so JNE's courier will pick up our goods and invoice number will be automatically upload to ecommerce if we use one. Also, you can track your shipment with receipt number via website and also via application at your phone. So, customer no need to worry about their location of their goods. JNE will always update of your receipt number. With the growing of online shopping in Indonesia it's make expedition is one of our need. According to kompas.com from 70% of JNE shipment, 50% from E-commerce and 30% logistic shipment from corporate sector.

Table 1.1
Top brand Courier Service 2018

Brand	TBI	TOP
JNE	45.0%	TOP
J&T	13.9%	TOP
Tiki	13.6%	TOP
Pos Indonesia	11.6%	
DHL	3.5%	

Source: <http://www.topbrand-award.com/> (2018)

TBI stand for Top Brand Indonesia and TOP show the top three. From this table above we can see that people trust JNE more than courier services that also exist with good service quality. The problem here is people still use JNE in Eid Mubarak day, according to kaltara.prokal.co JNE overload in Eid Mubarak day, their order will be increase from 30% until 50%. Even package that should be deliver in one day will be deliver in 2 or 3 days. But people willing to wait than use other courier services. Because they already trust and believe in JNE reputation. This situation shows that JNE can bring customer loyalty, people don't care if their package get delay as long their package deliver by JNE.

Loyal customers are critical asset for the firm. According to Zineldin (2006) in Nyadzayo and Khajehzadeh (2016) firm need to build and develop sustainable and high quality relationship with their customer that can deliver beyond the core product. This can be seen by people trust JNE for being their daily expedition. According to Cooil et al (2007) in Nyadzayo and Khajehzadeh (2016) Marketer and practitioners recognize the importance of customer loyalty as a strategic objective in all table service industry. Loyal customer become true asset for JNE. Because they involve in deep and long-term relationship with JNE.

JNE try to provide best service quality to fulfill customer expectation. As expedition service is important to know what that our customer expect from us. Because sometimes good services is not enough, every expedition can give same quality of services, what customer want beside a good services is efficiency. Gaspersz (2001:5) also add an addition that “Quality is defined as totality from the characteristic of the product that has an ability or quality to satisfy the needs of the consumer more than it is predicted”. Efficiency can become a good value for JNE. if you have business that need expedition service every day in big quantity, JNE provide pickup service. So, it will be more efficient for seller.

Customer satisfaction will show customer loyalty and affect their repurchase. If customer satisfy with JNE service, if they need to use expedition again, their first choice will be JNE, because JNE can fulfil their expectation and also can bring efficiency for them, Not just repurchase, customer will also recommend JNE that can bring satisfy to their friend. So, their friend can also experience it. Now the problem is how to get customer value from our customer. Customer value is perceived by customer that get benefit from the product and services. If customer feel no differences what we provide with other expedition services, it's mean JNE's value can't reach their customer. It's not easy for JNE to bring something different for their customer. Because if JNE bring some new feature of course other Expedition service will also bring that feature so they can keep compete with the others

JNE should know how to know what their customer needs and what their customer wants to bring loyalty. So, JNE need Customer Relationship Management (CRM). According to Nyadzayo and Khajehzadeh (2016) CRM is process of managing relationship between company and their customer. It can be through various contacts, interactive processes and communication element. The purpose of CRM is to attract, develop, Maintain successful customer relationship overt time. According to Li and Mao (2012) in Nyadzayo and Khajehzadeh (2016) CRM has been identified for the best technological innovation for enhance employee's work efficiency and facilities the interaction with customer. In this mobile

communication era, innovation and change play a critical role in successful of business.

According to Cronin et al (2000) Existing literature supports the simultaneous investigation of the service evaluation variables namely ; service quality, customer satisfaction and customer value, on outcome variables such as loyalty be that as it may, Lai et al (2009) in Nyadzayo and Khajehzadeh (2016) said most research has concentrated basically on straight forward direct impact between these factors and customer loyalty which may camouflage relationship. According to Seiders et al (2005) in Nyadzayo and Khajehzadeh (2016) earlier research distinguishes a few factors that can intervene and direct the impacts of the service assessment factors on customer loyalty, Chen and Hu (2013) in Nyadzayo and Khajehzadeh (2016) said Researcher suggest high service quality evaluation to drive customer loyalty suggesting that the quality of customer relationship management (CRM) is fundamental.

To achieve these objective, a literature review was conducted to identify our research model. Because research in CRM is still in preliminary stage, therefore, an extended range of relevant studies was reviewed, including literature on CRM. DeLone and McLean (2003)'s model in Nyadzayo and Khajehzadeh (2016) was employed as the basic theoretical foundation to construct a theoretical framework that focuses on three dimensions: information quality, system quality and service quality. Because of the background that was mention, then this research was conducted, with the title impact of service quality, customer satisfaction, customer value, through CRM quality to customer loyalty of JNE.

1.2 Research Question

1. Does CRM impact to Customer Loyalty?
2. Does Service Quality impact CRM Quality?
3. Does Customer Satisfaction impact CRM Quality?
4. Does Customer Value impact CRM Quality?

1.3 Objective Study

1. Influence of CRM Quality on Customer Loyalty
2. Influence of Service Quality impact on CRM Quality
3. Influence of Customer Satisfaction on CRM Quality
4. Influence of Customer Value on CRM Quality

1.4 Research Purpose

1.4.1 Academic

Expected to able to inform reader to understand the impact of Service Quality, Customer Satisfaction, Customer Value, and CRM Quality to Customer Loyalty of JNE Expediton.

1.4.2 Practical

Expected that this research can be useful for JNE expedition on their Service Quality to bring Customer Satisfaction, Customer Value, Customer Loyalty, and CRM Quality.

1.5 Systematic of Writing

This research is divided into five chapters. The details of each chapter are shown below:

CHAPTER 1: INTRODUCTION

This chapter describes the research topic and the aim of this research. This includes the background, research question, objective, scope of research, significance of research, and finally the chapter outline.

CHAPTER 2: LITERATURE REVIEW

This chapter provides the brief description of previous study that is used and the theoretical framework that has been used throughout the study. Some concepts are used to analyze the results and findings of the study.

CHAPTER 3: RESEARCH METHOD

This chapter provides a brief explanation of how the data was collected and how these data will be analyzed to achieve the objective of this research.

CHAPTER 4: ANALYSIS AND DISCUSSION

This Chapter contains data description, data analysis, and discussion. It is also discussing respondent description, research variable statistic description, and hypothesis testing

CHAPTER 5: CONCLUSION AND SUGGESTION

This chapter is the closing of this study and gives conclusion and suggestion for the research object and for the consumer or researcher to do a further research