The Effect of Customer Relationship Management and Word of Mouth on Loyalty Intention of Ravel Agent Users in Mataram

Iin Faizah1, Sulhaini2, Baiq Handayani Rinuastuti3

1Faculty of Economics and Business Unram's Master of Management Study Program
2, 3Faculty of Economics and Business

Abstract: This research aims to examine the influence of customer relationship management and word of mouth on the loyalty of the intention of travelers to travel in Mataram. The sampling technique used was purposive sampling. Data analysis uses path analysis with the SPSS program. Based on the results of the research and discussion it can be refuted as follows: first is directly, positively and significantly related between customer relationship management variables towards Intention Loyalty in travel agents in Mataram. There is a direct, positive and significant influence between the Word of Mouth variable on Loyalty Intention on travel agents in Mataram. The values can have a direct, positive and significant influence between customer relationship management variables on Word of Mouth on travel agents in Mataram. Fourth there are direct, positive and significant relationships between Customer variables, management relationship to loyalty intention through Word of Mouth in Travel Agents in Mataram.

Keywords: Customer Relationship Management, Loyalty Intention, Word of Mouth

1. Introduction

The steps that must be taken in anticipating intense competition require that every industry carry out various strategies with quality forms and methods in all aspects. Marketing strategies are needed to obtain and increase market share for the company. In addition, in marketing activities the goal is to produce goods to be consumed by the buyer. In this regard, in achieving various corporate objectives it is important to know, understand and study consumer behavior, one of which is the factors that can influence loyalty intention which continues to experience dynamic changes over time.

According to McDougall and Levesque (2001) loyalty intention is not loyalty about attitude or behavioral loyalty, but intention to be loyal is defined as a subjective possibility that a consumer will behave loyal after making a repeat purchase, recommending to others, or doing positive word of mouth. According to Parasuraman et al in Akbar and Parvez (2009: 27), consumer loyalty does not appear to someone, but is created through several stages that begin with the emergence of a desire or intention to loyal (loyalty intention). Consumer loyalty is a frame of mind of consumers who hold a favorable attitude towards a company and are committed to buying more company products or services (Neupane, 2015).

Consumers are more trusted than Word of Mouth (WOM) than advertising media, this is because the community has long used the Word of Mouth (WOM) model, which is in principle so that news, notifications, invitations and other information are conveyed extensively by word of mouth orally. the reason consumers trust the communication of Word of Mouth (WOM) is that the information obtained comes from the closest people who are considered to influence consumers' perceptions of the superiority of a product. According to Silverman (2001), customer recommendations are promotional and sales tools that are very effective in influencing prospective customers. Consumers who have unique experiences about products, services, and brands from certain companies tend to talk to others (Hasan, 2010). This is consistent with the results of research conducted by Wengenheim (2005) that Word of Mouth (WOM) can affect loyalty customer intention and strengthened by results Research conducted by Trusov, Bucklin & Pauwels (2008) who found that the word of mouth can affect consumer loyalty. But on the contrary, research conducted by Doong (2008) found that word of mouth has no effect on customer intention to loyalty.

From sekavelravel agents, there are 5 travel agents that have been operating in the city of Mataram. Based on the initial interview on the 5 travel agents, the five travel agents in Kota Mataram still rarely build constructive relationships with customers. This causes a lack of customer bonding with travel which might cause customers not to use the travel agent again. This is also evident from the data of the number of customers in the last 5 years on the 5 year Agencies in Mataram from 2012 to 2016.

The research conducted by (Admin, Lubis, & Widayanto, 2013) found that Customer Relationship Management had a positive and significant effect on the intention of loyal PT.Nasmoco Pemuda Semarang customers. Research conducted by (Okhtariana, Fauzi, & Kumadji, 2017) with the title Factors of Customer Relationship Management in Realizing Member Satisfaction and Its Impact on Member Loyalty, this study included explanatory research with a sample of 68 people from 677 populations and the results of this study were that there was no influence between CRM and customer loyalty. Research conducted by (Yurisitika, Faridia, & Dewi, 2015) with the title Effect of Customer Relationship Management (CRM) and Service Quality on Repurchase Through Word of Mouth as Mediation Variables using multi stage random sampling and the number of
respondents 100 people, using techniques Path analysis found that Customer Relationship Management had an effect on word of mouth.

Research conducted by (Rika, 2017) with the title of Customer Loyalty Model Based on Customer Relationship Management by using purposive sampling and using path analysis methods, this study found that there is a positive and significant influence between CRM on customer loyalty. The research conducted by Lubis (2016) entitled the Analysis of the Effect of Brand Equity, Service Quality and Positive Word of Mouth on Consumer Loyalty with Consumer Satisfaction as an Intervening Variable, using random or random sampling techniques, in which all individuals in the population have the same opportunity to represent in research, then data collection using questionnaires and data analyzed with SPSS 20.0 program has the result that from multiple linear regression analysis shows that brand equity has a positive effect on customer satisfaction, service quality affects consumer satisfaction, and positive word of mouth has an influence positive and significant to consumer loyalty.

The research conducted by Topcu and Daygun (2015) with the research title The Impacts of Customer Loyalty on Negative Word of Mouth Communication and Repurchase Intention, data collection was conducted by surveying bank customers in Turkey using multiple regression models having the result that word of mouth the negative will affect or decrease the intention to be loyal and reduce the repurchase behavior of a product. Research conducted by Kim and Han (2008) with the title Determinants of Restaurant Customers Loyalty Intentions: A Mediating Effect of Relationship Quality, data is analyzed using regression multiple and data collected by means of online surveys have the result that relationship quality has an effect as a mediation between perceived value and loyalty intentions. The study was conducted by Riduan (2010) with the title Effect of Word of Mouth Communication on Customer Loyalty in Lampung Tourist Travel Services Lampung-Ja karta using multiple linear regression analysis and with the help of SPSS 13 program it is found that positive WOM communication will influence or will increase customer loyalty in Lampung-Jakarta Route Tourist Travel Services and negative WOM communication will influence or will reduce customer loyalty to services Lampung-Jakarta Route Travel Estuary Travel.

Research conducted by Alias and Roslin (2014) with the research title The Mediating Role of Experimental Values on Services Strategies and Loyalty Intention of Department Stores in Customers in Malaysia, the type of research is explanatory research and uses questionnaires as a data collection tool, the results obtained from research This is that servicescape has an effect on loyalty intention and experiential values act as moderating variables. Research conducted by Carolina (2013) with the research title of the effect of word of mouth on customer loyalty in the Khairstdina salon in Bandung has the effect that word of mouth has no significant effect on salon customer loyalty khairstdina in Bandung. Research conducted by Yunita and Haryanto (2012) with the title of the effect of word of mouth on customer loyalty to ice cream found results that word of mouth has a significant influence on consumer loyalty.

Berdasarkan beberapa penelitian terdahulu di atas, menunjukkan bahwa customer relationship management berpengaruh signifikan dan positif terhadap loyalty intention dan word of mouth berpengaruh signifikan dan positif terhadap loyalty intention, akan tetapi terdapat juga hasil yang berbeda. Oleh karena itu peneliti tertarik mengembangkan penelitian yang berhubungan dengan customer relationship management, word of mouth dan loyalty intention. Dengan adanya fenomena seperti yang dikemukakan diatas dan masih adanya perbedaan hasil penelitian atau adanya research gap (celah penelitian), penulis tertarik untuk melakukan penelitian yang berkaitan dengan customer relationship management, word of mouth dan loyalty intention.

2. Literature Review

Research conducted by Alias and Roslin (2014) with the research title The Mediating Role of Experimental Values on Services Strategies and Loyalty Intention of Department Stores in Customers in Malaysia, the type of research is explanatory research and uses questionnaires as a data collection tool, the results obtained from research This is that servicescape has an effect on loyalty intention and experiential values act as moderating variables. Research conducted by Carolina (2013) with the research title of the effect of word of mouth on customer loyalty in the Khairstdina salon in Bandung has the effect that word of mouth has no significant effect on salon customer loyalty khairstdina in Bandung. Research conducted by Yunita and Haryanto (2012) with the title of the effect of word of mouth on customer loyalty to ice cream found results that word of mouth has a significant influence on consumer loyalty.

Of all the promotional media both Above The Line and Below The Line, Word of Mouth (WOM) is a promotional activity whose level of control by marketers is very low but has a very remarkable impact on the company's products or brands (Solomon, 2007). Sweeney et al (2006) suggested that in essence, Word of Mouth (WOM) is a process of personal influence between senders and recipients in interpersonal communication which can change the behavior and thoughts of the recipient.

Priharmoko (2003) suggests three reasons why Word of mouth (WOM) becomes very important for companies, namely: a) Noise; Consumers get a lot of information about products, and through information from friends, they get a filter to filter the info. b) Skepticism; Consumers do not
According to Godes & Mayzlin (2004: 545-560) in Paulus, Bessie and Kasim, (2015) there are two elements to measure WOM, namely:

1) Volume
- This element will measure how much WOM is there. In addition, it can also be analogous to the frequency of how often people talk or recommend. The more conversations that occur, of course more people will know about it.
- Volume variables are measured using four indicators, namely: a) Frequent listening, b) Frequent discussions with friends or family about the advantages of a particular product or service, c) Often get recommendations from friends or family, d) Often provide recommendations to friends or family to use certain products or services (Godes & Mayzlin, 2004: 545-560).

2) Dispersion
- This element defines as the level where the conversation about the product takes place in broad communication. This can be analogous to the range, namely how many different people talk about.
- Dispersion variables are measured using four indicators, namely: a) Never b) Hear from acquaintances, c) Hear from people who have visited, d) Hear from people who have never visited (Godes & Mayzlin, 2004: 545-560).

According to Swastha (1999: 144) loyalty is seen as a close relationship between a attitude that is relentless with repurchase behavior. Fishbein and Ajzen (1975: 288), defines that intention to behave as a subjective possibility of someone to take certain actions. Furthermore Fishbein and Ajzen (1975: 292) say that intentions are related to four different elements, namely behavior (behavior), object (target) that is targeted, behavior situation (situation) is executed and the time the behavior is raised. Referring to the opinion of Fishbein and Ajzen (1975), the operational conclusions of loyalty variables as intentions to be loyal as used by Mc.Dougall and Levesque (2001), where the intention to be loyal is not loyalty about attitudes or behavioral loyalty, but the intention to loyal is defined as a subjective possibility that a consumer will behave loyal (make a repeat purchase, recommend to others, or do positive word of mouth after feeling the benefits of a product or service that has been consumed).

2.1 Conceptual Framework

![Conceptual Framework Diagram]

2.2 Hypothesis

The hypothesis proposed in this study are as follows:
H1: Customer relationship management has a significant effect on intention loyalty in Travel Agents in Mataram.
H2: Word of Mouth has a significant effect on intention loyalty in Travel Agents in Mataram.
H3: Customer relationship management has a significant effect on Word of Mouth in Travel Agents in Mataram.
H4: Customer relationship management has a significant effect on intention loyalty through Word of Mouth in Travel Agents in Mataram.

3. Research Method

This study uses a type of causality research with a sample of 100 people from the customer population who visited Lombok Island obtained through purposive sampling. Data will be collected using a questionnaire that records the response from the sample.

4. Data Analysis and Result

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship Between Variables</th>
<th>Path coefficient</th>
<th>T-Statistics</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis 1</td>
<td>Customer Relationship Management → Word of Mouth</td>
<td>0.371</td>
<td>3.692</td>
<td>Significant</td>
</tr>
<tr>
<td>Hypothesis 2</td>
<td>Customer Relationship Management → Loyalty Intention</td>
<td>0.366</td>
<td>1.826</td>
<td>Significant</td>
</tr>
<tr>
<td>Hypothesis 3</td>
<td>Word of Mouth → Loyalty Intention</td>
<td>0.236</td>
<td>1.876</td>
<td>Significant</td>
</tr>
</tbody>
</table>

The table above shows that of the 3 relationships between variables proposed 3 relationships between other variables are significant.
Thus it is known that the variable customer relationship management with the mediation of word of mouth can affect the intention loyalty of tourists visiting Lombok island and using a travel agent in Mataram with a path coefficient value of 0.086.

From these calculations, giving meaning that there is an indirect influence between customer relationship management variables with loyalty intention through word of mouth with a path coefficient value of 0.086. Comparison of the indirect effect of customer relationship management with loyalty intention through word of mouth with its direct influence between customer relationship management and loyalty results obtained 0.086 <0.371 so that it can be stated that word of mouth functions as partial mediation in the effect of customer relationship management on loyalty intention on travelers visited Lombok island and used a travel agent in Mataram. This means that customer relationship management is able to influence loyalty intention significantly both through word of mouth or without word of mouth.

This study aims to determine the effect of customer relationship management on the loyalty intention with the mediation of mouthpadattravel agent in Mataram. Testing is shown through existing hypotheses so that it can determine how each variable influences the other variables.

5. Result

1) Effect of Customer Relationship Management on Loyalty Intention

The results of data analysis show that customer relationship management has a positive and significant effect on loyalty intention. So that hypothesis 1 which states “customer relationship management has a significant positive effect on loyalty intention” is accepted.

Customer relationship management (CRM) is an activity to identify, attract and retain customers who are most valuable to the company. Customer relationship management can help companies increase profits by implementing customer-focused strategies and concentrating on what customers value not on what the company sells. The ultimate goal of customer relationship management is to get loyalty intention and eventually become a loyal customer (Semuel, 2012). According to Alma (2010: 296) customer relationship management aims to maximize the company’s profits by focusing and customer-oriented to obtain competitive advantage. The effort undertaken by the company in maintaining relationships with its customers is an effort to continue to maintain customers to achieve sustainability from the company itself.

In order for the company to survive, the company must consider the customer as a very important asset. Thus, the relationship or relationship between the company and the customer is very important for the sustainability of the company. Customer relationship management needs to be implemented in the company, CRM is a relationship-based approach to doing business. The relationship in doing business here is an understanding of what customers need and want and view customers as long-term assets that will provide continuous income as long as customer needs are met. Customer relationship management is the company’s capital to maintain and increase customer loyalty in achieving long-term benefits (Oktariana et al, 2017).

Loyalty intention or intention to be loyal is something that must be addressed by each company. This will be a “helper” for the company when the product offered by the company is not the best product on the market. “Irrational” consumer behavior can be created when a company is able to maintain good relations with customers. Thus, the customer has the intention to be loyal to the products offered by the company even though it is not the best product owned by the company (Imasari & Nurasalin, 2011). This is consistent with the results of research conducted by (Adnin, Lubis, & Widayanto, 2013) found that Customer Relationship Management had a positive and significant effect on the intention of loyal PT.Nasmoco Pemuda Semarang customers. Likewise with the results of this study that found that customer relationship management had an effect positive and significant intention to loyal or loyalty intention to travel agents in Mataram. This means that the better customer relationship management carried out by Travel Agents in Mataram will increase the intention for loyal customers of travel agents in Mataram. This is supported by empirical data that around 47 percent of tourists visiting Lombok island and using travel agents in Mataram are aged 36-50 years, this shows that they are a generation that has rational thinking to determine whether to reuse products - products from the travel agent offered.

2) Effect of Customer Relationship Management on Word of Mouth

The results of data analysis show that customer relationship management has a positive and significant effect on password of mouth. So the second hypothesis which states “customer relationship management has a significant positive effect on word of mouth” is accepted. This means that if customer relationship management is carried out by a travel agent company in Matarammaka, increase the intensity of the mouth of the customer about the products of the travel agent.

According to Bigham (2007) word of mouth communication is informal communication about a product or service different from formal communication because in this

<table>
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<tr>
<th>Variable Influence</th>
<th>Calculation</th>
<th>Path Coefficient Value</th>
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<tbody>
<tr>
<td>Hypothesis 1</td>
<td>Customer relationship management (X) → Loyalty Intention (Y)</td>
<td>-</td>
</tr>
<tr>
<td>Hypothesis 2</td>
<td>Customer Relationship Management (X) → Word of Mouth (Z)</td>
<td>-</td>
</tr>
<tr>
<td>Hypothesis 3</td>
<td>Word of Mouth (Z) → Loyalty Intention (Y)</td>
<td>-</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>Customer Relationship Management (X) → Word of Mouth (Z) → Loyalty Intention (Y)</td>
<td>0.366 x 0.236</td>
</tr>
</tbody>
</table>
communication the sender does not speak in the capacity of a professional or commercial communication. Word of mouth is a form of conversation about products between one person and another about a message that is sometimes not realized by the sender or recipient of the communication itself. Word of mouth makes information faster to be accepted by others for a product and service. This is in accordance with what was stated by Herr (1991) in Bigham (2007) that word of mouth has a greater level of impact compared to written information. Wangenheim (2005) states that Word of Mouth (WOM) can influence behavior, preferences and desires and the decision to buy. In Word of Mouth (WOM), consumers decide about something that is very valuable to talk about. Consumers who have unique experiences about products, services, and brands from certain companies tend to talk to others (Hasan, 2010).

The development of an increasingly complex world of marketing and increasingly fierce competition requires companies not only to find new customers or only sell products that exist in the company. The company is currently required to be able to maintain and increase the loyalty of old customers. This can be achieved through an approach customer based management or customer relationship management. Increasing the loyalty of existing customers is very important because the cost of acquiring new buyers can be five times more expensive than the costs used to retain old customers (Sutrisno, 2015). Establishing a relationship with a customer or customer relationship management is one of the efforts to collide the customer base so that it has the intention to be loyal to the company. Explanation that underlies the influence of customer relationship management refers to the expectancy-disconfirmation theory which explains that the customer buys goods and services with the expectation at the time of pre-purchase carried out performance appraisal of goods and services that have been purchased by customers. After products or services that have been purchased and used, the results can be compared with the expectations (expectations) of customers, if the results match customer expectations, confirmation has occurred. Whereas disconfirmation occurs when there is a difference between expectations and results (Dimyati, 2016).

The results of this study found that customer relationship management has a positive and significant influence on word of mouth. This shows that customer relationship management carried out by travel agents in Mataram will increase word of mouth customers who use travel agents in Mataram or in other words, customers will retell to relatives about travel agents in Mataram after feeling or using them. This research is in accordance with the research conducted by (Yuristika, Faridia, & Dewi, 2015) who found customer relationship management had an effect on word of mouth. 3 to 4 days. This shows that during the customer visit period, of course customers are at the responsibility of travel agents in Mataram so that customers have enough time to feel the service of travel agents and can provide recommendations to their relatives. Thus, the better customer relationship management carried out by travel agents in Mataram will increase customer intensity in telling the travel agent services in Mataram.

3) Effect of Word of Mouth on Loyalty Intention

The results of data analysis show that word of mouth has a positive and significant effect on loyalty intention. So the third hypothesis which states "word of mouth has a significant positive effect on loyalty intention" is accepted. This means that when a customer travel agent in Mataram recommends to his relatives it will increase loyalty intention or the intention of loyal customers to travel agents in Mataram.

Word of mouth is a form of promotion in the form of recommendations and spread by word of mouth about the advantages of a product (Lupiyoadi, 2006). WOM occurs when consumers talk about their opinions about products or services to others. After feeling the products and services of a travel agent, the customer will tell and recommend products from the travel agent. According to MC.Dougall and Levesque (2001), where the intention to be loyal is not loyalty about behavioral attitudes or loyalty, but intention to be loyal is defined as a subjective possibility that a consumer will behave loyal (make a repeat purchase, recommend to others, or do positive word of mouth after feeling the benefits of a product or service that has been consumed).

Based on the descriptive data of the study on the existing variable word of mouth, the average word of mouth variable category is in the quite intense category. This indicates that the intensity of the customer to provide recommendations to relatives in other places and make them loyal enough. This is evidenced by the average value of the category only entering quite intensely so that other customers or relatives who are informed or told have the intention to be loyal to the travel agent in Mataram. The results of this study are in accordance with the results of research conducted by Yunita and Haryanto (2012) who found that word of mouth will make customers loyal, at least customers know the products used and when told the product is good then the intention to be loyal will definitely increase.

6. Effect of Customer Relationship Management on Loyalty Intention with Mediation Word of Mouth

Based on the results shown, this study states that intention loyalty is influenced by customer relationship management with the mediation of word of mouth. This is indicated by the variable customer relationship management with the mediation of word of mouth can affect the loyalty intention of travel agent customers in Mataram with a path coefficient value of 0.086. This gives the meaning that there is an indirect influence between customer relationship management variables and loyalty intention through word of mouth with a path coefficient value of 0.086. Comparison of the indirect effect of customer relationship management with loyalty intention through word of mouth with direct relationship between customer relationship management and intention loyalty obtained 0.086 <0.371 so that it can be stated that word of mouth functions as partial mediation in the effect of customer relationship management on loyalty intention to travel agent customers in Mataram. This means that customer relationship management is able to directly...
influence good loyalty intention through word of mouth and without word of mouth.

This finding provides guidance for travel agent companies in Mataram to improve the quality of customer relationship management so as to be able to have a positive impact on word of mouth and be able to make prospective customers immediately have the intention to be loyal to the company. The influence of customer relationship management on word of mouth is positive and significant, this shows that good customer relations will increase word of mouth from customers of travel agents in Mataram or in other words, if customers feel that travel agents have good customer relations they will recommend it to relatives and word of mouth has a positive and significant influence on loyalty intention. This shows that even if the customer tells or even recommends products and services from the travel agent, it will make the person told directly have the intention to be loyal to the travel agent in Mataram. According to Parasuraman et al. In Akbar and Parvez (2009: 27), customer loyalty does not just appear to someone, but it is created through several stages beginning with the emergence of a desire or intention to be loyal (loyalty intention). This indicates that someone's intention to be loyal can arise when listening or told by relatives who have felt the products and services of the company. This is reinforced by Oliver in Sutrisno (2016) who states that the intention to be loyal is a deep lasting commitment from consumers to subscribe return or re-purchase selected products or services consistently in the future even though the conditions and conditions of trade conditions always have the potential to cause changes in behavior of consumers. That is, consumers have or have previously felt the service of products and services from the company so that it will only lead to intention to be loyal to the company. Word of mouth occurs when consumers talk about their opinions about products or services to others. The results of this study in accordance with research conducted by Riduan (2010) who found WOM will have an effect or will increase the intention of loyalty of customers in Muara Wisata Travel services.

7. Conclusions

Based on the results of research on 100 respondents who used travel agents in Mataram regarding the effect of customer relationship management on loyalty intention with word of mouth as mediation, a number of things could be concluded as follows:
1) Customer relationship management has a positive and significant effect on loyalty intention. This means that the better customer relationship management carried out by Travel Agents in Mataram will increase the intention for loyal customers of travel agents in Mataram.
2) Customer relationship management has a positive and significant effect on word of mouth. This shows that customer relationship management carried out by travel agents in Mataram will increase word of mouth customers who use travel agents in Mataram or in other words, customers will retell to relatives about travel agents in Mataram after feeling or using them.
3) Word of mouth has a positive and significant effect on loyalty intention. This illustrates that the more intense customers who use travel agents in Mataram tell their experiences, it will increase loyalty intention towards travel agents in Mataram.

4) Customer relationship management has a positive and significant effect on loyalty intention which is mediated by partial word of mouth. This shows that both the presence of word of mouth and no word of mouth will still be able to influence loyalty intention of customers of travel agents in Mataram.

The results of this study add to the empirical evidence for theories or concepts that underlie the relationships that have been described in this research model. This study can prove that there is a direct influence of Customer Relationship Management and word of mouth on Loyalty Intention customers of travel agents in Mataram. The direct influence of customer relationship management on customer loyalty in the mataram travel agent and this study provides evidence that word of mouth is a partial mediation of the relationship between customer relationship management to customer loyalty on the travel agent in Mataram.

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