



CUSTOMER RELATIONSHIP MANAGEMENT ON HAJJ SAVING AT SHARIA BANKING

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Abstract

Customer Relationship Management is a concept used to maintain good relations with customers. Competition in banking industries need bank operations to pay attention to its customers. Customer relationship management has three programs, namely sustainable marketing, one to one marketing and partnering program. This research aimed to determine the implementation of customer relationship management in Hajj Saving at sharia banking. It uses descriptive qualitative approach. Data is collected by interviews and observations. The research results shows that sharia banking has implemented individual marketing program (one to one marketing) by visiting customers as a personal approach and sustainable marketing program by giving good pricing to customers. To support the relationship with customer, sharia banking uses customer database to increase Hajj saving income. In the other hand, partnering program have been implemented but not optimal yet.

Keywords- *Customer Relationship Management, One to One Marketing, Partnering Program Sustainable Marketin*

1. Introduction

The financial services industry is getting a very dynamic growth. Banks should strive to create added value to support the development of long-term customer relationships. Building added value is also very difficult to achieve today because competitors

are also doing very similar things (Lymperopoulos et al., 2013; Heinonen, 2014). Rapid growth also occurs in sharia banking industry in Indonesia. This can be seen in Sharia Banking Statistics published by Financial Services Authority in December 2015. There are 12 Sharia Commercial Banks with 1990

offices spread throughout Indonesia, both branches, mini branches or cash office. Meanwhile, Sharia Business Unit are 22 with 311 offices are scattered throughout Indonesia.

The rapid development of sharia banking also causes the fierce competition to get the market share of customers prospective. The sharia banking need a strategy to survive amid the fierce competition. Sharia bank should change the orientation. Customer orientation is the key to achieve a competitive advantage in the competition. Bank needs to know and understand who the customers, how the life and what the needs. Bank that can identify the customers will be easier to establish a good relationship with customer.

Customer relationship management (CRM) emphasizes to maintain a sustainable relationship rather than individual transactions. Higher implementation of customer relationship management can increase the customer loyalty level to the brand or product. Ragins and Greco (2003) notes that CRM offers several organizational advantages and benefits. They argue that committed customers will have an emotional attachment to seller. Customer satisfaction also becomes antecedent to customer loyalty, retention, behavioral intent, market share and profitability (Beerli et al, 2004). Jamal & Naser (2002) suggest that satisfied customers should more likely to have purchase intentions in future, and engage in positive word of mouth advertising. Hinson (2006) also confirmed that highly satisfied or happy customers are more likely to be loyal or messengers of banking service providers and spread positive news about service providers.

Laudon and Traver (2002) said that CRM is a system to customer information and records all contacts between customer and bank and create a customer profile for bank that needs information about the customer. The emergence concept of CRM strategy is derived from Relationship Marketing concept. The relationship marketing concept of Sharia bank institution is used to communicate with interest parties to the services and costumer relationship management concept rests on bank's own customers (Ghaffar, 2007: 86)

Sharia Bank also implements Costumer Relationship Management for Hajj savings customers. Every customer gets greeting card from Sharia Bank. In addition, Sharia Bank also supports KBIH activities in cooperation with Sharia Bank. Director General of Hajj and Umroh Organizer, Anggito Abimanyu, the stipulated BPS-BPIH must have legal entity of PT, in form of a Sharia Bank or a National Commercial Bank with sharia services. The banks integrate with Ministry of Religious Affairs service system to get prime health condition, implements the LPS guarantee program on initial deposit funds, and does not provide bailout services (Monatour, 2015)

Imasari and Nursalin (2011) said that costumer relationship management affects customer loyalty. A loyal customer performs activities to purchase goods or services with criteria certain, among others, to re-purchase periodically, buy other products offered by same manufacturer, recommending the goods or services to others. The purpose of this study is to determine the application of costumer relationship management on savings of Islamic Sharia Bank.

Costumer Relationship Management (CRM)

Armstrong (2007: 14) explained CRM as the whole process to build and maintaining a profitable relationship with customers through high value and customer satisfaction. This covers all aspects of getting, maintaining, and increasing the number of customers. Meanwhile, Gaffar (2007: 14) explained CRM as an emphasis on cooperation rather than competition and conflict among marketers. This concept is based on value creation between company and related parties. The company provides personalized service with customers and treats customers like a king. Therefore, the company needs a detailed customer database.

Another definition by Peelen (2005: 4) said that CRM is a process to encompasses all aspects to identify customers, creating knowledge about customers, building relationships with customers and shaping buffer opinions about the organization and its products. CRM is positioned in Information

Technology corner and facilitates the possibility to establish relationships between employees from different departments through the internet, telephone and meeting rooms.

Strategies in Costumer Relationship Management (CRM)

CRM strategy is done by developing the sales channel of company. In addition, company also made modifications to know the consumer needs. Kotler and Armstrong defined CRM as the process to establish and maintaining a profitable long-term relationship with customers through satisfaction valuable service providers. So it can be said that CRM is a company business strategy to maintain long-term relationships with consumers, so it will provide added value for both parties.

Processes and Steps in Costumer Relationship Management (CRM)

Nykamp (2001: 6) explained that a company cannot establish a relationship with customers unless the company understands its customers. This understanding involves creating customer profiles as a process to identify customer demographic characteristics (Gaffar, 2007: 38)

Gray and Byun (2001: 38) in Gaffar (2007: 41) stated that whole process and application of CRM is based on basic principles of treating customers individually. In addition, Gartner (2001) in Payne and Frow (2005: 169) also stated that a new approach to business processes in CRM interrelates companies and customers to rethink how processes are visible to customers and optimizing customer engineering skills to become more loyal.

2. Procedure for Paper Submission

Types and Research Approach

Qualitative research objective is to get a complete figure of an object based on views of human being studied. Qualitative research relates to ideas, perceptions, opinions or beliefs of people studied and all cannot be measured by numbers. Data is collected in-depth interviews and documentation. Data analysis is done through the stage of collection,

reduction, data presentation, and conclusion, triangulation method is used to test the data validity.

Research subject

The study subjects are internal and external parties of PT Panin Sharia Bank, Tbk. The internal party is product marketing team of Hajj and Umroh saving of PT. Panin Sharia Bank, Tbk. It consists of Mr Husnan as the Leader of Funding Team, and Mrs. Mala Novita Sari as Funding Officer and two of customers of Hajj Savings Products.

3. Disscussion

Implementation of Costumer Relationship Management at Hajj Savings of PT. Panin Sharia Bank, Tbk

Various strategies were used by PT. Panin Sharia Bank, Tbk to achieve the company's goals. One of them is maintaining good relationship with Hajj Savings customers who have not departed Hajj. Costumer Relationship Management is part of a marketing strategy to increase sales while maintaining the company's existence within society.

D) One to One Marketing

The bank needs some approach to know the needs of customers before doing CRM. CRM will not success without knowing the important aspects inside. Below is the interviews with Mr Husnan as Hajj and Umroh marketing leader related to process to approach the bank customers.

"When I meet with a Hajj customer, we are passionate to make the customer comfortable with us. It does not need to show our aim, because we need them. This is because our product is funding. In this case we need patience, because we have to repeatedly establish communication with customer. With that way, customer it self will close to us. "

The researcher also interviewed Mrs Mala Novita Sari as Funding Officer.

"When I meet new customers, I usually chat with them to get along with them. I usually ask the hobbies, the favorit sports, even their son age.

Those chats will create a familiarity. I do it periodically, because once is not enough. "

Researchers concluded that banks make approaches continuously to establish good relationships with customers. It must be done because the banks need customers, not customers need the bank. Therefore, bank should slowly and painstakingly approach customers, it needs a patience. Researchers assume that marketing team of Hajj and Umroh should provide more and different approaches to Hajj customers who come to bank to save money. For example, they wait in a special room as living room and given a snack and drink to make customers feel privileged. This is consistent with Sheth, Parvatiyar, and Shainesh (2002: 257) that one to one marketing is an individual approach based on needs and desires of consumers. This dimension is focused on one customer at a time. This application can be seen from hospitality and courtesy of bank to serve and communicating, handling complaints, and giving greeting cards.

Below are the interviews with Mr. Abdul Majid as bank customers.

"The bankers ever come here, Sir. Usually once a month, if we cannot go to bank for deposit. We just inform the Mr. Isa to come here to take the money. When my mother-in-law passed away, Mr. Isa and friends came here for takziah. "

It shows that bank really make its customers comfortable with them and the customer relationship management was implemented with sincere and painstaking. Customers consider the bank as brothers and friends.

II) Sustainable marketing

The bank must provide special treatment for customers after approaching the customers. Below is are the interview with Mr Husnan:

"Speaking about specific steps or strategies, I do not think so. We only do our best to serve and maintain communication with customers. My team and I assume that customer is our brother, so we have to serve as we treat our family. I assume our customers are relatives or family, we serve sincerely to help them. For example, if

there are customers who want to deposit the Hajj funds, but the customer cannot come to bank, then marketing team will come to his house (bersilaturrahmi), and chatting casually. We sometimes also bring souvenirs to make customers happy with our arrival. Therefore, our arrival is not only to take money but also bersilaturrahmi.

"Our program is to give reward to customers who can recommend Panin Sharia Bank to others who plan to go Hajj. If you can invite one customer in Panin Sharia Bank, you will be given prize money IDR 500,000 and transferred directly to your account ".

Researcher interviewed Mrs Mala Novita Sari as Funding Officer.

"Indeed, being a Hajj savings customers has a limit. Usually we will give a gift of money IDR 500.00 for customers who recommend or invite others to join in Panin Sharia Bank if they want to go Hajj ".

It can be concluded that to build relationships with customers, Panin Sharia Bank does not have a specific strategy, but they build the mindset that customer is our brother and family and part of us too. They will be sincere to serve customers. If we are sincere and happy in serving the customer, then our service will automatically maximize.

Appreciation of Panin Sharia Bank to give of IDR 500,000 to customers who can invite one person to become customers of Panin Sharia Bank Hajj is very interesting. Through the program, customer has more ties with Panin Sharia Bank because benefits the both parties. Rewarding customers who can invite others to become Hajj customer of Panin Sharia Bank shows one CRM indicators of sustainable marketing program. The customers focus is consistent with theory of Sheth, Parvatiyar, and Shainesh (2002: 257) that Sustainable marketing is an ongoing marketing program to bind consumers. This dimension is a continuous marketing program to maintain and enhance customer loyalty.

Interviews were conducted with Hajj savings customers to find out their response to the program of Panin Sharia Bank. Below is the interviews with Mr Ahmadi.

"Between me and Mr Husnan is like a brother. Mr Husnan even gave me a gift when I sent my neighbors who wanted to go on Hajj to join in Panin Sharia Bank. Actually I did not expect that reward. Just because the treatment of Hussein to me like that brother, it makes me tell my neighbours who want to go Hajj to save in Panin Sharia Bank. Mr Husnan said the gift is for me because I invite my neighbor to save in Sharia Panin Bank. "

Mr. Ahmadi shows that he does not want a prize, but the Panin Sharia Bank still give a gift. The customers feel appreciated for the gift.

III) Partnering Program

The CRM implementation at Panin Sharia Bank has not been perfect because has not made the customers as partners. This can be seen from interview with Husnan.

"We also have relationships with Gus (Islamic leader) who manage Hajj Guidance Group. However, it is only the relationship between us and them. We usually give presents to them, continue to support the activities of Hajj Guidance Group, but we do not work within contracts. Our relationship is limited like family, because they already consider me like brother ".

Then, researcher interviewed Ibu Mala Novita Sari as Funding Officer.

"We have a close relationship with Gus who have Hajj Guidance Group, but we do not bind this relationship with cooperation contract. This means that if they recommend their Hajj Guidance Group members to other banks, it does not matter. We rely on their trust in Panin Sharia Bank."

It can be concluded that Panin Sharia Bank has established a relationship with owner of Hajj Guidance Group, but the relationship is not bound by cooperation contract. When Hajj Guidance Group

recommend the members to other banks, it does not matter. In fact, by making the customer as a partner will increase customer loyalty in long term. This is consistent with theory of Ardiyhanto (2011) in Indah (2013: 53) that partnership program is a company strategy to connect with customers in form of cooperation with other parties to serve and meet customer needs. The relationship built by Hajj and Umroh marketing teams with customers is based the usage of Panin Sharia Bank products, especially Hajj and Umrah Savings.

The Role of Implementation Technology in Costumer Relationship Management at Hajj Savings of PT. Panin Sharia Bank, Tbk.

The CRM application cannot separable from the technology role. One component of Costumer Relationship Management is Technology. Below is the interviews with Mala Novitasari as the funding officer.

"We have a database to stores all Hajj customers, as date of birth, home address, occupation, and others. We use it to classify the Hajj customers, when the time and date to go Hajj. "

The technology role is very important for Costumer Relationship Management activities. It facilitates the identification process and security of customer data will be guaranteed. The number of Hajj customers savings are large, it need customer database system. Although only limited to name Hajj savings account owner, but it can facilitate the marketing team to classify the Hajj customer's savings. This is consistent with Luke's theory (2001: 116) that technology has a role in CRM. The first is to build customer database from operating system to transaction. Second is analyze who is the best customer, what he buys, and how often. Third is to carry out sales activities, marketing, and customer service by integrating different communication channels (operational CRM). Technology is the key to supports sales, marketing and services, data storage, customer data collection, it will help to integrate and analyze data (Osunde, 2014).

In addition to technology role, human resources is also very influential to apply the Costumer Relationship Management. The human

resources ability and communication skills are key for the implementation of Customer Relationship Management. Panin Sharia Bank has 3 marketing staff for Hajj and umroh savings. Two people focus on all Hajj customers while one customer focuses on Umroh customer. They also become telemarketing staff to communicate selling and offering by phone. This is consistent with Peelen's (2005: 6) theory that Customer Relationship Management is a business strategy aimed to develop long-term and profitable relationships between each individual customer and suppliers based on a technology infrastructure to allow the phrases are defined and controlled clearly, and the staff can function optimally.

The implementation of Customer Relationship Management has positive effect on Panin Sharia Bank. Here is an excerpt from interview with Mr. Husnan.

"The approach and service performed by Marketing team to Hajj Savings customers makes the Panin Sharia Bank has customers increased significantly. Alhamdulillah (praise to Allah). What target of leadership ultimately is more than what target is. The initially target is only IDR 1.5 Billion, but the funds obtained is IDR 50.4 Billion"

When looking at these effects, CRM strategy implemented by Panin Sharia Bank has a positive effect to increase Hajj savings. According to researcher's assumption, without bank request to customer to invite relatives or other to become customer of Panin Sharia Bank, the customer itself will invite them her.

4. Conclusion

The implementation of Customer Relationship Management for Sharia Bank uses three indicators. First is sustainable marketing program through *silaturrahmi* (visiting) to customer home of Hajj savings as the process of emotional approach with customers. The second is sustainable marketing program to create creating interesting programs to bind the customer by giving reward to customer. Third is the partnering program, but it has not been implemented optimally, Sharia Bank has not put the customer as its partner.

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