

# THE INFLUENCE OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) ON CUSTOMER LOYALTY IN JW MARRIOTT HOTEL SURABAYA

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## Abstract

Customer Relationship Management (CRM) is one of strategies to retain customers. By maintaining the relationship with customers, hopefully they will be loyal to companies. The objective of this study is to determine the influence of CRM on customer loyalty in JW Marriott Hotel, Surabaya using multiple linear regression analysis. The results of this study show that CRM, including financial benefits, social benefits and structural ties have positive effects significantly on customer loyalty in JW Marriott Hotel Surabaya. The most dominant factor influencing customer loyalty in JW Marriott Hotel, Surabaya is the structural ties.

**Keywords:** Customer Relationship Management (CRM), Customer Loyalty *JW Marriott Hotel*

## Abstrak

*Customer Relationship Management (CRM) merupakan salah satu strategi untuk mempertahankan pelanggan. Dengan terjalinnya hubungan yang erat diharapkan pelanggan menjadi loyal pada perusahaan. Penelitian ini bertujuan untuk mengetahui pengaruh CRM terhadap loyalitas pelanggan di Hotel JW Marriott Surabaya dengan teknik analisis regresi linier berganda. Hasil penelitian menunjukkan bahwa CRM yang meliputi financial benefits, social benefits dan structural ties berpengaruh positif dan signifikan terhadap loyalitas pelanggan Hotel JW Marriott Surabaya. Faktor yang berpengaruh dominan terhadap loyalitas pelanggan Hotel JW Marriott Surabaya adalah structural ties.*

**Kata Kunci:** *Customer Relationship Management (CRM), Loyalitas Pelanggan, JW Marriott Hotel.*

## INTRODUCTION

Due to rapid hotel development, the rivalry in hotel industries is getting tighter. One of the five-star hotels in Surabaya, JW Marriott Hotel, a rebranding of the Marriott International also tries to compete with other hotels by focusing on retaining its customers. This is appropriate as loyal customers may provide consistent revenue by making repurchases and can reduce costs. The hotel can save its marketing cost. By doing so, the hotel can increase its profitability. Shoemaker and Lewis (1999) stated that marketing has shifted from customer acquisition to customer retention or loyalty. In addition, McIlroy and Barnett (2000) state that the cost to get new customers is five times more expensive than the cost to maintain existing customers. Loyal customers will always give positive comments and recommendation about the company to others.

Customer Relationship Management (CRM) is one of marketing strategies popularly applied to retain

customers. According to Kotler and Armstrong (2004), Customer Relationship Management (CRM) is a process of building and maintaining long range relationship which is beneficial for both customers and companies. Hotel and airline industries as well as retail companies have also implemented CRM by providing financial, social benefits and structural ties to their customers.

JW Marriott Hotel in Surabaya has also implemented CRM by having *Marriott Rewards Program*. It is a program done for all hotel brands under *Marriott International*, including *JW Marriott, Edition, Autograph Collection, Renaissance Hotels, AC Hotels Marriott, Marriott Hotels & Resorts, Marriott Vacation Club, Courtyard Marriott, Fairfield Inn & Suites Marriott, Springhill Suites Marriott, Residence Inn Marriott, TownePlace Suites Marriott, and The Ritz Carlton®*.

Based on personal interview with Ms. Zoraya on 24<sup>th</sup> February 2012, the objectives of *Marriott Rewards Program* are to maintain positive words of