

# **MODEL OF SOCIAL CUSTOMER RELATIONSHIP MANAGEMENT AS A BUSINESS STRATEGY OF BANKING (CASE STUDY BANK BPD DIY MAIN BRANCH YOGYAKARTA)**

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## **ABSTRACT**

The development of information technology is changing the paradigm of business participation, product oriented became customer oriented. Customer Relationship Management (CRM) is a business strategy that integrates business processes with customers, business processes and supporting technology to acquire customer retention, then growing into a Social CRM. Social CRM is designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value BPD DIY main branch office located in the middle of the city has a growing number of borrowers from 2013 until 2014 a number of 4.3% and there is a reduction in the number of accounts under 1%. Therefore the Bank BPD DIY are required to give priority to the quality of service on the client. (F. Zhao) (F. Zhao) This research will focus on modeling social CRM in banking as business strategy at the Bank BPD DIY, in this case to improve relationships and quality of service on customer service one customer complaints against Banks in a timely, accurate and effective. The Bank in this case Customer services can interact with customer collaboration using web 2.0 as well as resolve complaints customer complaints quickly and precisely. The method used is the method of software development methodologies that many developed waterfall.

This research resulted in the model of the SCRM as business strategy to establish relationships with customers through pemanfaatan web technology and introduces different approaches in establishing relationships with customer relations especially in regarding the complaint of the customer through the social web. Based on the results of the modelling application development on SCRM on BPD DIY, software has been successfully developed in accordance with predetermined functionality

**Keywords :** Social CRM, business banking strategy, BPD DIY

## **1. PENDAHULUAN**

The current technological development undertook to revamp the business paradigm (f. Zhao, 2014). The business has been transformed from being a customer oriented product oriented, not only how to produce a product but also how to keep the loyalty of the customer (m. Bahrami, 2012). CRM is introduced as the information system in line with the development of the Enterprise Resource Planning (ERP) and Supply Chain Management (SCM). Customer Relationship Management (CRM) is a business strategy that integrates business processes which are in touch directly with the consumer (marketing, sales, and service) and businessmen, business processes, and technology advocates in order to obtain customer rentention (n. Woodcock, 2011).

Bank BPD DIY main branch located in the downtown entertainment and educational services has clients who use the internet amounted to 93%. Bank BPD DIY main branch offices have customer number 64863 and has 107 employees number of employees plan to improve a service by memanfaatkan the internet as a medium to better cultivate a relationship with the customer. For a business like banking, keeping a good relationship with the customer is not an option, but has become a liability that should be implemented if you want to increase your competitive edge and achieve profit dihrpkan in accordance with the vision and mission of BPD DIY. (BPDDIY, 2001). This is one of the background in doing this penelitian. According to Jackson (2005) strategies to acquire, enhance and maintain the customer requires the CRM concept is good. By looking

at the growth of the internet and social media, munculah new opportunities of web 2.0-based CRM and social CRM. Social CRM is designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in business (Greenberg, 2009). By combining social networking features, intended to analyze the behavior of Social CRM and recipients, as well as by business users customers (Askool & Nakata, 2010). This has to be one of the background research.

Based on the background of the above issue, it can be formulated the problem is how to determine the model of the SCRM and web 2.0 appropriate for applying in BPD DIY by leveraging the web and CRM model for supporting business strategy plan on the Bank BPD DIY. The focus of the research is becoming a major concern is how the concept of web 2.0 it's applied and combined with CRM concept for developing effective SCRM and capable of delivering a positive impact in supporting the implementation of business marketing strategy in banking.

## 2. REVIEW OF THE LITERATURE

Customer Relationship Management is one of the business strategies to improve profitability, revenue, and customer satisfaction with how to set up a consumer segmentation, how to provide treatment of the consumer, and implement customer-centric processes (Buttle, 2009). In addition the CRM should be memperhitungan ROI as well. Because if only as implementing CRM only and not memperhitungan ROI, then the company will just get the deficit only and does not benefit the most (Milovic, 2012).

According to Dileep Kumar (2013) with the title of Customer Relationship management in Industrial Bank, the function CRM is adding to the Bank's relationship with the Customer because the banks can participate in the development efforts of its customers and customer proximity relationships with the Bank (Dileep Kumar, 2013). One of the techniques offered by Jackson (2007) is the concept of combining CRM and information technology by utilizing web usage to apply personalization method approach that is able to help the maintainer's web site in order to get visitors, maintain, was able to bring it back for a visit through the provision of information or the right content in the form of products, services,

or data at the right time through the right means and venues. A merger between the technology and the traditional concept of this resulted in the transformation of the paradigm that resulted in the birth of the concept of E-CRM (Jackson, 2007).

While the study conducted by Stone (2009) suggests a combination of the classical approach to CRM and web 2.0 technology as one of the CRM implementation strategy at the financial services company as an important point in his research recommendations (Stone, 2009). Several studies addressing the use of web 2.0 as well as its influence in support of the Organization's business processes and corporate (Almeida, 2012).

## 3. THE CORNERSTONE OF THE THEORY

### 3.1 CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

CRM as a unity that can not be separated from the term Relationship Marketing (RM) and Customer Management (CM). The definition of the RM itself spelled out as a strategimanajemen relationship that involves the whole stakeholders to get stakeholder value long term. CRM definition is displayed as relationship management strategy that involves the customer with the right technology users. While CRM is defined as a form of tactical management and implementation in interacting with customers (Frow & Payne, 2009).

### 3.2 The CRM Architecture

Architecture of CRM is CRM process organizing around customers and not on the internal processes within functional processes such as marketing and sales. The feedback from the customers become an integral of a process to improve CRM processes which allow the process beradaptasi CRM with customers needs. In other words, the act committed company is not prioritized in the functional unit of the company but instead prioritized on the purpose of the company as a whole to create customer satisfaction. The process that must be done

before the process of restructuring is to conduct interactions with customers, because the company's organizational and functional structures tend to separate the activities done in providing customer service, thus preventing the dissemination of useful information to all parts of the company that needs the information because the information cannot be given companies when customers need will prevent the formation of a relationship that is up close and personal with the customers (Kalakota & Robinson, 2001). By looking at the above reality, then a CRM architecture can be described in Figure 1 below:

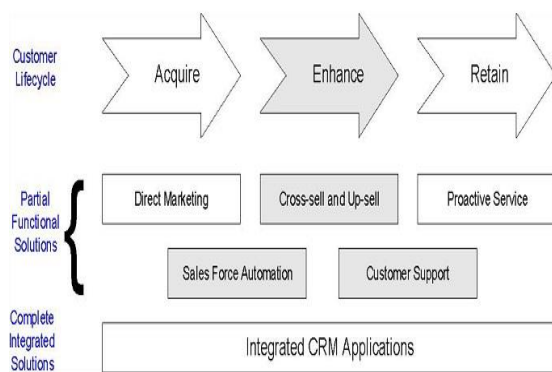


Figure 1.  
Integrated CRM (source: Kalakota and Robinson, 2001)

### 3.3 CRM models

According to Berson (2005) there are three application outline, namely, operational CRM and analytical CRM, collaborative CRM (Berson et al., 2000):

#### a) Operational CRM

Applications which relate to business processes (sales, marketing, services) including customer touchpoints and customer channels and front office integration-the back office.

#### b) Analytical CRM

The CRM application that allows companies to get a knowledge of the customer and perform analysis, valuation or estimate against customers based on analysis of the data used.

#### c) Collaborative CRM

A set of application services including e-mail collaboration, ecommunities, discussion forums

and other similar tools designed to traverse the interaction between the customers with the company. With collaborative CRM companies collaborating with partners, suppliers and customers to improve processes and improve the customer's needs.

### 3.4 Web 2.0

In research Constantinides and Fountain (2008) describes the definition of web 2.0 as a collection of open source applications that are interactive and controllable by the user to improve pengalaman, knowledge and market power of users as participants in the process of business social mupun. According to Aghaei (2012) a number of major technology as well as web 2.0 services as follows (Aghaei et al., 2012):

«a BBlog) – the term blog was first introduced by John Barger in 1997. The blog includes a web page called the post published chronologically follows the writing style of the journal as well as arranged by latest post published.

b) RReality Simple Syndication (RSS) – RSS is a files of type XML that encapsulates the fine points of information and provide links to sources of information.

c) WWiki-a wiki is a web page (or a set of web pages) that can be easily modified its contents by anyone who has access.

d) MMashup – a Mashup is a web page or a web site that combines service and information from many sources on the web. Mashup itself can be categorized under seven categories, namely mapping, search, mobile, messanging, support, shopping and movie. Technology based on web 2.0 using Social CRM so that communication became interactive dialogue.interaktif.

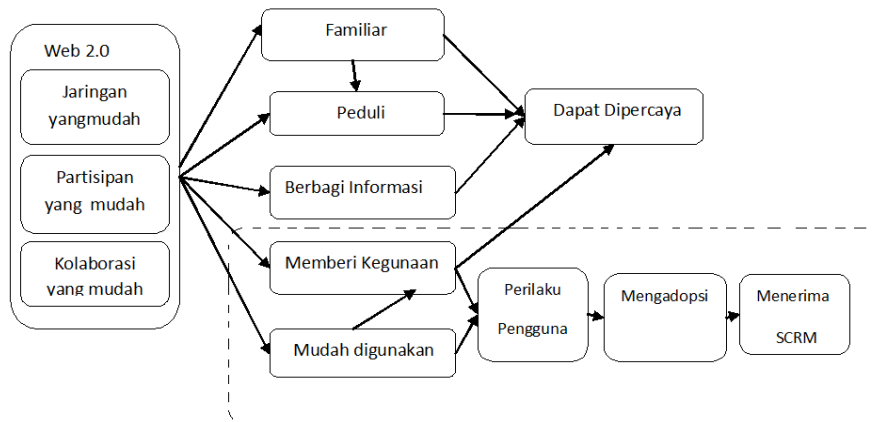
### 3.5 Social CRM

Web 2.0 technology called social media as a tool of critical digital company used by some with CRM to improve relationships with customers-organizations. It provides excellent opportunities and challenges for business. A SCRM system designed for businesses to manage collaborative business relationships and to create the collaborative customer experience (Greenberg, 2009)

Model research on the picture 2 discusses the problems faced in its efforts to adopt and implement the SCRM. It should be noted that,

several factors included in the Model have been studied in terms of social networks and social relationships, and is proven to improve the

strength of the relationship, but there is no study that tested this combination of factors in the adoption of CRM (Askool & Nakata, 2010).



**Figure 2.** A Conceptual Model for Social CRM (Sumber: Askool, 2010)

## 4.1 RESEARCH METHODOLOGY

### 4.1.1 Data collection Methods

Research on data collected using several methods including:

#### 1. Study of Keperpustakaan

Keperpustakaan study done by searching library sources that support research and provide sufficient information to complete these studies. The study of librarianship that are used among other things: books, journals, articles and papers.

#### 2. Observations

Obervasi done with observation go directly towards the object examined related issues will be discussed, namely by visiting the Bank BPD DIY Yogyakarta to see and observe the activities that took place between the companies.

#### 3. Interview

Do faqs orally the related parties with the object of research to get the information and gain the detailed data that will be used to build a system that will be built.

#### 4. The questionnaire

Is the list of questions given to others willing to give a response (respondents) in accordance with the request of the user.

The goal is to seek information about a problem and the respondent without feeling worried when respondents gave answers that do not correspond to the reality in the filling of the list of questions.

### 4.1.2 Software Development Method

#### 1. Analysis of business strategy

Business strategy analysis is done to verify kebutuhan CRM.

#### 2. Selection the CRM Modeling

CRM modeling elections conducted in accordance with the results of a questionnaire to determine the features needed on E-CRM that refers to a web-based CRM 2.0 models are aligned with business strategy in BPD DIY.

#### 3. Needs Analysis software

Software needs analysis was conducted to explore the software needs to be built.

#### 4. The design of the software

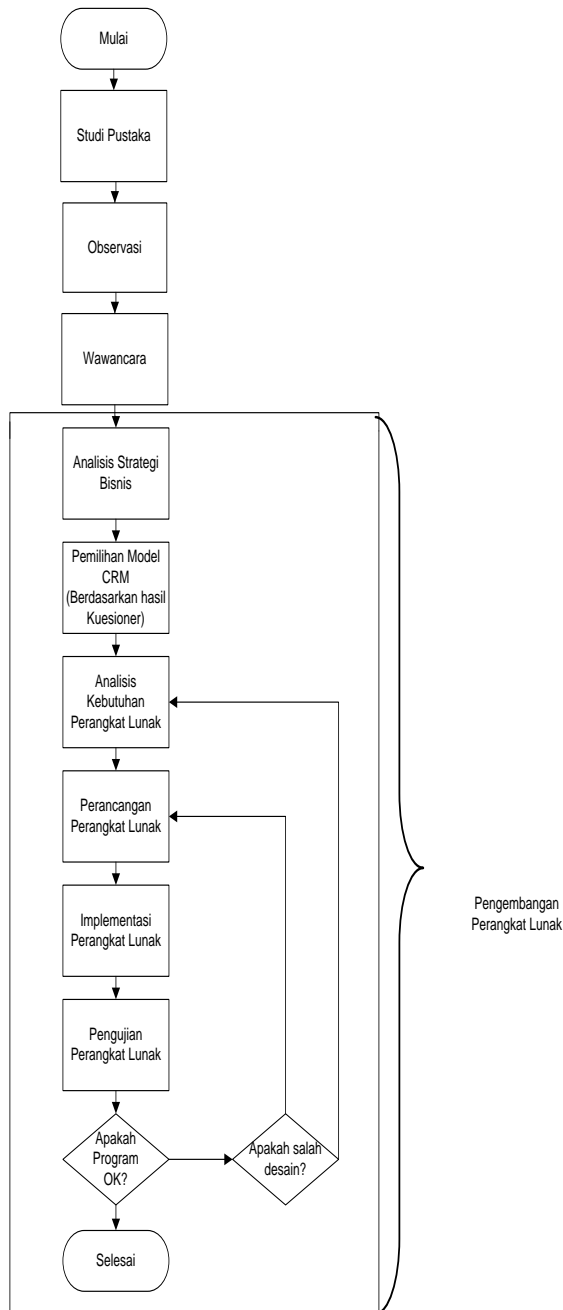
The design of the software done to design software to be built so that it can be obtained from portrayal of the detail system.

#### 5. Software implementation (coding)

Software implementation is done by making application information system to help deliver information products, promos, as well as related information.

#### 6. Software testing

Software testing is done directly black box testing. This testing done by developers and have tested sample testing of the existing staff of BPD DIY E-CRM on Bank BPD DIY Yogyakarta branch. Flowchart (flowchart) research methods can be illustrated in Figure 3 below.



**Figure 3.** Flowchart for planning applications

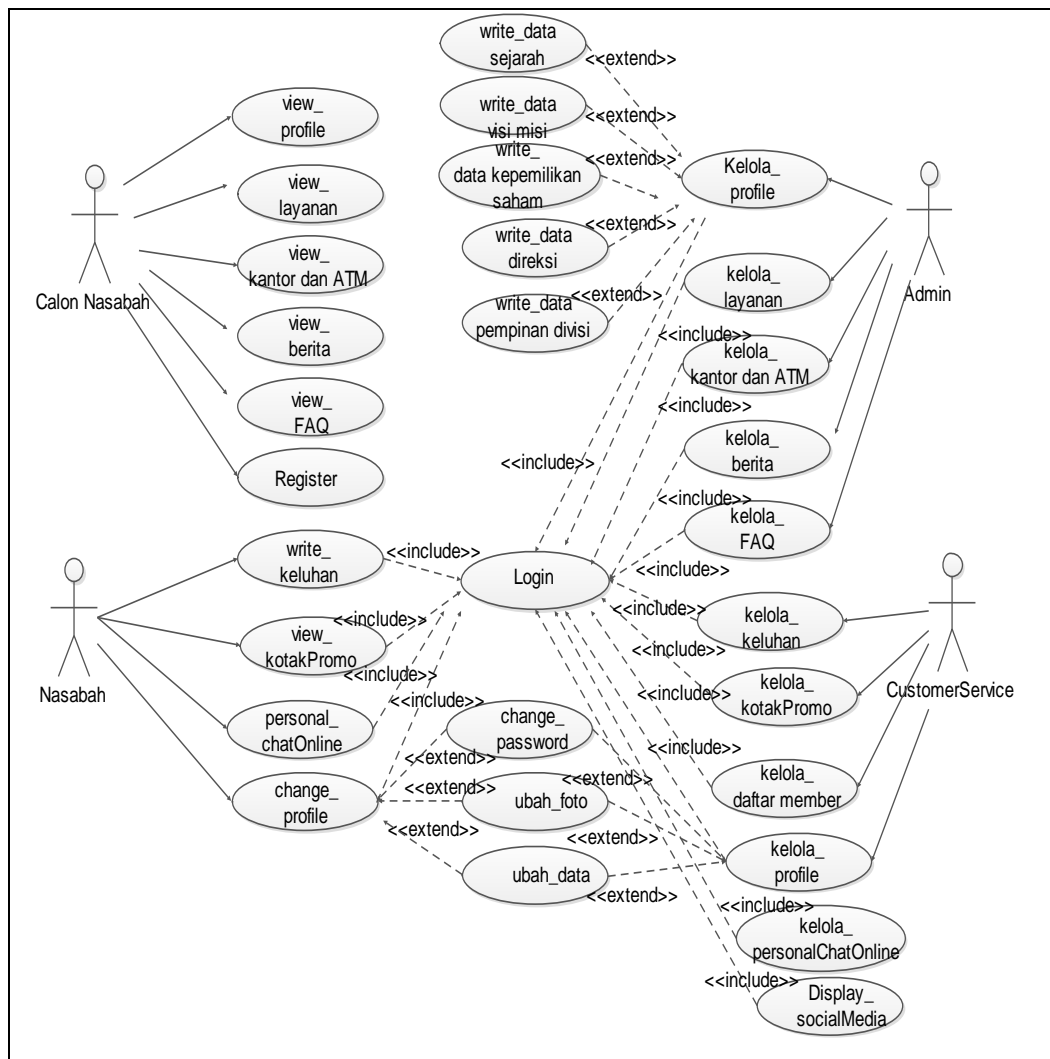
## 5. RESULTS AND DISCUSSION

The following section later on will be discussed about the system needs analysis conducted, software architecture, system

implementation and testing against the applications that have been developed.

### 5.1 Needs Analysis System

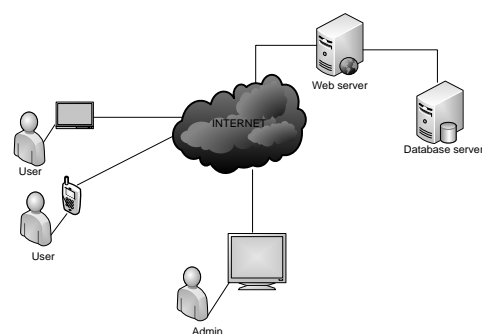
Based on problems occurred, the researchers found this application development requirement as stated in Figure 4.



**Figure 4.** Use Case Diagram SCRM BPD DIY

### 5.1.1 Software Architecture

Based on the analysis of the problem by using the steps in the method of software development in the design phase, it can be retrieved overview of software architecture of E-CRM BPD DIY which will be created, as stated in Figure 5



**Figure 5.** Software Architecture SCRM BPD DIY

## 5.2 MODEL OF SOCIAL CRM

Bank BPD DIY has been using a website as a promotional medium. The website is not integrated with social media, still using static pages and not interactive.

**Hot Links**

- Berita dan Publikasi
- Simulasi Kredit
- Pengumuman
- Jaringan Pelayanan
- Visi dan Misi Bank

**Jaringan Pelayanan**

- Kantor Pusat/Cabang Utama
- Cabang Sleman
- Cabang Bantul
- Cabang Wates

**“Peresmian Pasar Semin, Gunung Kidul”**

**Suku Bunga Dasar Kredit (Prime Lending Rate) Per 31 Maret 2016**  
(efektif per tahun)

	Suku Bunga Dasar Kredit Rupiah				
	Berdasarkan Segmen Kredit				
	Kredit Korporasi	Kredit Ritel	Kredit Mikro	Kredit Konsumsi	
KPR				Non KPR	
SBDK	7,76%	8,34%	7,75%	7,54%	8,82%

**Testimonial**

bpd dan semangat buat para tellernya yang cantik-cantik.

17 Feb 2013 12:30:41  
Dikirim oleh: Khriyanto Adi Raharjo

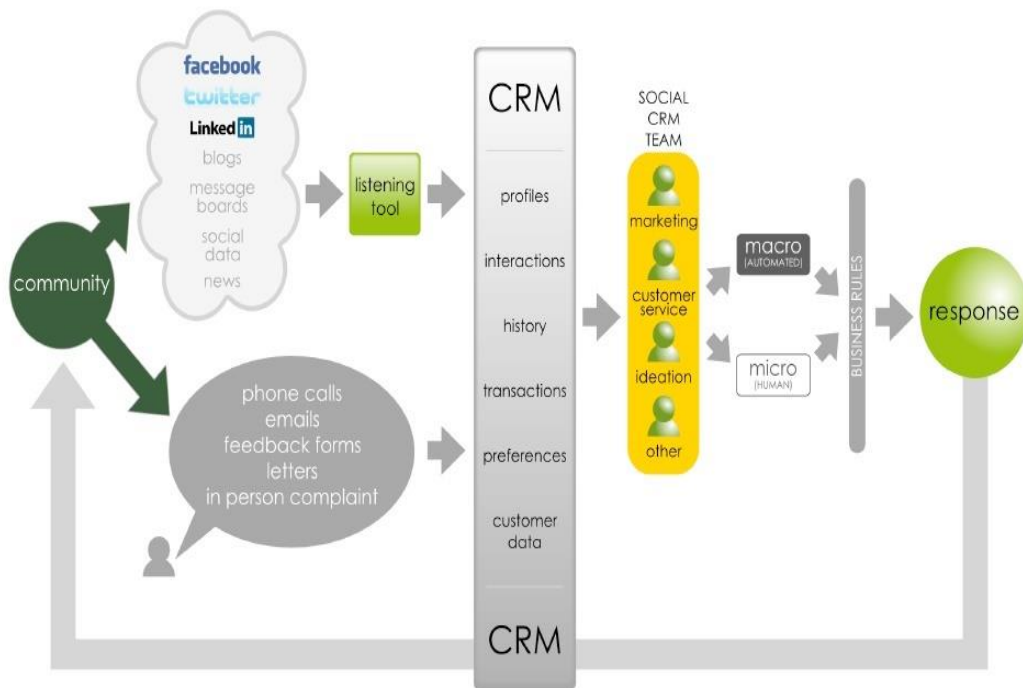
Salut dengan BPD DIY yang pelayanan dan inovasinya semakin meningkat dari tahun ke tahun dan khususnya beberapa tahun terakhir ini semoga dapat selalu memertahankan

**Figure 6.** The Home Page Of E-CRM BPD DIY

This research proposes a model of social CRM such as those in Figure 8 refers to research (Strategies, 2011). Social media is utilized as a medium to absorb information from travelers. On this model there are already social CRM team who cultivate uptake information from travelers and put it into knowledge. Knowledge gained from social media clients will help policy makers when planning work program the Bank BPD DIY.

Complaints, comments and suggestions from the customer if addressed properly will be a asset for the Bank BPD DIY to make improvements so that customer satisfaction is met and become loyal to a visit to the Bank BPD DIY.





**Figure 7.** Model Social CRM

## 6. CONCLUSION

Based on the identification of problems, the purpose of the research and the research results as well as the discussion on the previous chapter then the conclusion is to be drawn has been successfully developed in accordance with the functionality of a model web-based banking on SCRM 2.0 with a case study in the Bank BPD DIY main branches.

Her recommendation is the development of the implementation of the model of social CRM at the website of the BankBPD DIY.

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