

ANALYSIS OF CUSTOMER RELATIONSHIP MANAGEMENT AND SERVICE QUALITY TOWARDS CUSTOMER LOYALTY WITH CUSTOMER SATISFACTION AS AN INTERVENING VARIABLE AT PT. BADAK ICE DRINK FACTORY IN PEMATANG SIANTAR

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Abstract

This research aims to analyze the influence of Customer Relationship Management (CRM) and service quality on customer loyalty, with customer satisfaction as an intervening variable at PT. Badak Ice Drink Factory in Pematang Siantar. The study employs a quantitative research design, utilizing a survey to collect data from a sample of 190 respondents. Data analysis techniques include validity and reliability testing, as well as hypothesis testing using SmartPLS. The results reveal that CRM and service quality have a positive and significant effect on both customer satisfaction and customer loyalty. Furthermore, customer satisfaction mediates the relationship between CRM, service quality, and customer loyalty. These findings highlight the importance of implementing effective CRM strategies and providing high-quality service to enhance customer satisfaction and ultimately foster customer loyalty in the beverage industry.

Keywords: *Customer Relationship Management (CRM), Service Quality, Customer Loyalty, Customer Satisfaction, Beverage Industry*

INTRODUCTION

A. Background

Competition in the beverage industry is increasingly fierce with the increasing number of players in the local and global markets. One key strategy to win this competition is to retain customers through increased loyalty. PT. Pabrik Es Minuman Badak, which has become an icon of the beverage industry in Pematang Siantar, faces the challenge of maintaining its competitive edge amid changing consumer preferences and the emergence of new competitors. Therefore, research into the factors influencing customer loyalty is highly relevant for developing the company's business strategy. Customer Relationship Management (CRM) is a key factor in building customer loyalty. Through an effective CRM approach, companies can understand customer needs, create more personalized relationships, and increase customer satisfaction. However, suboptimal CRM implementation can reduce the value of long-term relationships between the company and its customers. Therefore, it is necessary to examine the extent to which CRM influences customer loyalty at PT. Pabrik Es Minuman Badak. In addition to CRM, service quality also plays a significant role in shaping customer perceptions of a brand. High service quality can increase customer trust, thereby strengthening their loyalty to the company. On the other hand, failure to provide consistent and high-quality service can negatively impact the customer experience and hinder the customer retention process.

Based on the observation, the researcher estimates that PT. Pabrik Es Siantar will be in a competitive position in the business activities other than that, there are only a few untapped and innovative products that started popular in Indonesia. The market is also quite strong through marketing so that people can find out what is going on and deal with it. It's a different matter with PT. Pabrik Es Siantar. Yang not into activities market seperti Promosi or setoran for me until I introduce the product, mere you too, mere you who bel don't know PT. Pabrik Es Siantar. Until now, PT. Pabrik Es Siantar still has the ability to maintain the position of many contents of other companies. Tebut, not too close to PT. Pabrik Es Siantar will be experiencing the situation like that. PT. Pabrik Es Siantar will be facing a lot of things until it is innovative and can result in the sales of PT. Pabrik Es Siantar experienced the inheritance or even the change of the product or the innovation that is more pull the public concern. Oleh karena itu, PT. Pabrik Es Siantar perlu untuk membangun strategi yang sesuai untuk dapat bersaing dan mengembangkan bisnisnya dalam menghadapi kompetisi. With this background, this

study aims to analyze in depth the influence of CRM, service quality, price perception, and brand image on customer loyalty with satisfaction as an intervening variable. It is hoped that the results of this study can serve as a basis for PT. Pabrik Es Minuman Badak in formulating customer-oriented strategic policies.

LITERATURE REVIEW

A. Theoretical basis

1. Customer satisfaction

a. Understanding Customer Satisfaction

Mentor, nd(2019:83) Every company wants to satisfy its customers. Meeting customer needs can provide a competitive advantage and is essential for business survival. Customer satisfaction is crucial for repeat purchases, which account for the largest portion of a company's sales. Daga, (2017) Customer satisfaction is a customer's response to the service or performance (result) they receive. If the performance (result) exceeds expectations, consumers are satisfied. However, if the performance (result) falls short of or does not meet expectations, consumers may feel dissatisfied. Meanwhile, according to Hasan (2014:90)(Daga, 2017), satisfaction or dissatisfaction is a consumer response to the evaluation of perceived dissatisfaction between pre-purchase expectations and the actual performance of the product/service felt after use. From the definition above, it can be concluded that consumer satisfaction is a comparison between expectations and perceived performance results and also a comparison between expected performance results and those that have been achieved.

b. Factors That Influence Customer Satisfaction

In determining consumer satisfaction, there are five factors that the Lupiyoadi company must pay attention to, (Daga, 2017) among others:

1. Product Quality, namely customers will feel satisfied if their evaluation results show that the product they use is of good quality.
2. Quality of service or service, namely customers will feel satisfied if they get good service or service that meets their expectations.
3. Emotional, namely the customer Consumer feels satisfied when people praise him for using an expensive brand.
4. Price, namely products that have the same quality but set a relatively low price will provide high value to customers.
5. Cost, Consumers who do not need to incur additional costs or do not need to waste time to get a product or service tend to be satisfied with the product or service.

c. Customer Satisfaction Indicators

According to Tjiptono (Mentor, nd2019:92) Customer satisfaction indicators are:

1. Conformity to expectations. The comfort experienced by customers during service delivery.
2. Interest in returning. Customer confidence in the service provided
3. Willingness to recommend. Interest in continuing to use the service/product.

2. Customer Relationship Management

a. Understanding Customer Relationship Management

Customer Relationship Management is a business approach based on managing relationships with customers. Nanda et al., 2020, argues that Customer Relationship Management is an approach that views customers as the core of a company's success, depending on how well they manage relationships. Customer Relationship Management is a strategy used by a company to better understand and understand its customers, so that the company can build good long-term relationships with them. The concept of customer value is crucial for Customer Relationship Management. This is more focused on the economic value and customer relationships with the company. Companies can measure and maximize their marketing efforts by using customer value in decision-making (Aggarwal & Kumar, 2018). According to Priansa (2014), Customer Relationship Management is one of the company's efforts to manage its customers more optimally. Good relationships with customers are stated as a company's method for creating long-term, mutually beneficial and valuable relationships (Hayati et al., 2020). Purchase intention will increase if customers feel the benefits of the transaction to be carried out (Richardson, 2023).

b. Customer relationship management indicators

Customer relationship management indicators according to Sheth et al (2001) in Dodi Putra Sirait (2018: 81-82), the indicators that are bound in customer relationship management are:

1. Continuity Marketing Program
Developing sustainable marketing programs to retain customers and increase loyalty. For example, offering membership cards to loyal customers with discounts or other rewards.
2. One to One Marketing Program
The approach to customers is individual based on fulfillment, examples include problem solving skills, politeness, friendliness, etc.
3. Partnering Program
This is a collaborative relationship between a company and another party to provide services to customers. There are two types: co-branding and affinity programs. In co-branding, two marketers combine their skills and resources to offer new products and services to customers. In affinity partnering programs, marketers don't create new products but rather cross-sell other products and services to customers.

3. Quality of Service

a. Definition of Service Quality

According to Arianto (2018:83) quality of service can be interpreted as focusing on meeting the needs and requirements, as well as on the timeliness to meet customer expectations. According to Kotler (2019) service quality is a form of consumer assessment of the level of service received with the level of service expected. According to Goesth and Davis (2019) service quality is a dynamic condition related to human service products, processes, environments that are able to meet and or exceed consumer expectations. Based on the explanation of the experts above, it can be concluded that service quality is a dynamic condition that focuses on meeting the needs and requirements of consumers regarding the services expected and to be received.

b. Service Quality Indicators

Service quality indicators (Tjipto and Candra, 2019) are:

- 1) Reliability
- 2) Responsiveness
- 3) Assurance
- 4) Empathy
- 5) Physical evidence (tangible)

4. Characteristics of Customer Loyalty

Loyal customers are a vital asset for a company. This can be seen from their characteristics, as outlined by Griffin in Nyonyie, Kalangi, and Tamengkel (2019: 21), including:

- a. Make regular repeat purchases.
- b. Purchasing outside the product or service line (purchase across product and service lines).
- b. Demonstrates immunity from the attraction of similar products from competitors.
- c. Reject other products.
- d. Recommend to others.

a. Customer Loyalty Factors

Customer loyalty is formed due to several influencing factors, as follows:

- a. Satisfaction is the comparison between customer expectations and the reality they experience. Companies that are able to meet customer expectations will make customers more satisfied with the company.
- b. Emotional bonding describes the bond between consumers and a brand through the strength of the bond created between consumers and other consumers who use the same product or service.
- c. Trust, consumer trust is the will that consumers themselves have in entrusting a company or brand to fulfill their expectations.
- d. Convenience, companies or brands that can provide convenience when transacting with their consumers can create comfort for consumers.
- e. Experience with a company: A consumer's experience with a company can shape their behavior. When a company provides good service to consumers, they are more likely to repeat that behavior with that company.

b. Customer Loyalty Indicators

According to Kotler and Keller (2016; 160), the three indicators of customer loyalty are as follows:

- Repeat purchase (loyalty to product purchases), customer loyalty to products or services that have been purchased by making repeat purchases or continuous purchases.
- Reject another (Resistance to negative influences regarding the company), loyal customers will continue to use the product or service and have no intention of switching to a competitor's product or service even if there is negative information about a product or service.
- Word of mouth (referring to the total existence of the company), customers are willing to recommend or talk about good things about the products or services they have experienced to family or friends.

B. Conceptual Framework of Research

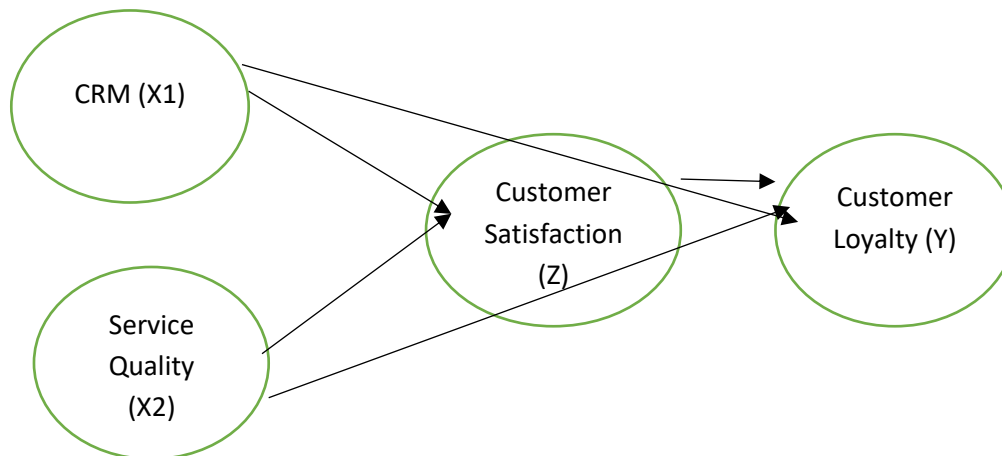


Figure 2.1 Research Conceptual Framework

C. Hypothesis

According to (Sugiyono, 2020) A hypothesis serves as a tentative solution to a research problem, written in the form of a statement. However, the answer is based on relevant theory, not empirical facts gathered through data collection. Based on the conceptual framework, the researcher formulated the following research hypothesis:

- | | | |
|----|-----------------------|---|
| H1 | Ho : $\beta_1 = 0$ | There is no significant influence of Customer Relationship Management on Customer Satisfaction at PT. Badak Beverage Ice Factory in Pematang Siantar. |
| | Ha : $\beta_1 \neq 0$ | There is a significant influence of Customer Relationship Management on Customer Satisfaction at PT. Badak Ice Drink Factory in Pematang Siantar. |
| H2 | Ho : $\beta_2 = 0$ | There is no significant influence of Service Quality on Customer Satisfaction at PT. Badak Beverage Ice Factory in Pematang Siantar. |
| | Ha : $\beta_2 \neq 0$ | There is a significant influence of Service Quality on Customer Satisfaction at PT. Badak Beverage Ice Factory in Pematang Siantar. |
| H3 | Ho : $\beta_3 = 0$ | There is no significant influence of Customer Satisfaction on Customer Loyalty at PT. Badak Ice Drink Factory in Pematang Siantar. |
| | Ha : $\beta_3 \neq 0$ | There is a significant influence of customer satisfaction on customer loyalty at PT. Badak Ice Drink Factory in Pematang Siantar. |
| H4 | Ha : $\beta_4 = 0$ | There is no significant influence of Customer Relationship Management on Customer Loyalty at PT. Badak Ice Drink Factory in Pematang Siantar. |

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	$H_0 : \beta_4 \neq 0$	There is a significant influence of Customer Relationship Management on Customer Loyalty at PT. Badak Ice Drink Factory in Pematang Siantar.
H5	$H_0 : \beta_5 = 0$	There is no significant influence of Service Quality on Customer Loyalty at PT. Badak Beverage Ice Factory in Pematang Siantar.
	$H_a : \beta_5 \neq 0$	There is a significant influence of Service Quality on Customer Loyalty at PT. Badak Beverage Ice Factory in Pematang Siantar.
H6	$H_0 : \beta_1 \beta_3 \beta_4 = 0$	There is no significant influence of Customer Relationship Management on Customer Loyalty through Customer Satisfaction as an intervening variable at PT. Badak Beverage Ice Factory in Pematang Siantar.
	$H_a : \beta_1 \beta_3 \beta_4 \neq 0$	There is a significant influence of Customer Relationship Management on Customer Loyalty through Customer Satisfaction as an intervening variable at PT. Badak Beverage Ice Factory in Pematang Siantar.
H7	$H_0 : \beta_2 \beta_3 \beta_5 = 0$	There is no significant influence of Service Quality on Customer Loyalty through Customer Satisfaction as an intervening variable at PT. Badak Beverage Ice Factory in Pematang Siantar.
	$H_a : \beta_2 \beta_3 \beta_5 \neq 0$	There is a significant influence of Service Quality on Customer Loyalty through Customer Satisfaction as an intervening variable at PT. Badak Beverage Ice Factory in Pematang Siantar.

RESEARCH METHODS

Research Design

This research was conducted from November 2024 to January 2025. And this research was conducted at PT. Pabrik Es Siantar which is located at Jl. Pematang No. 3, Kel. Simalungun, Kec. South Siantar, Pematang Siantar City. The research type is the method used by the author in their research. Based on the research problem, this type of research is categorized as quantitative research based on its method. According to Karimuddin et al. (2022), quantitative research is defined as a systematic study of phenomena by collecting measurable data using statistical, mathematical, or computational techniques. The author used a survey in this quantitative research to collect data on opinions, behaviors, variable relationships, and hypothesis testing. Information was collected through questionnaires given to respondents or populations that would be used as research samples. The Likert Scale design was used to distribute the survey randomly (Table 3.1). The Likert Scale is a scale that can be used to measure the attitudes, opinions, and perceptions of a person or group of people about a social symptom or phenomenon (Junaidi, 2015) with five columns of choices, namely; "Strongly Agree (SS)", "Agree (S)", "Neutral (N)", "Disagree (TS)", "Strongly Disagree (STS)". Then, the data was processed using the SPSS version 28 application.

Population and Sample

Population is a ge regionnerealization thatstand on obyek or subjectk yang mehave quantity and characterristik tertethat which is testedtap oleh peneliti to dipelearn and tothen pulled tothe conclusion(Sugiyono, 2018). Populsation is tosesubject matterk penelitian, if seseorang wants meneliti semua elemen which is in the area of penelitian maka penemy researchlook like penelitian population. Whereas Arrivedl is part of populsation and will be dipeconsider using in one penelitian. Tesampling technique is melook like teknik pepick up untill for meneset untill to be used in peneSugiyono's researchno(2019: 81). Meaccording to Amaruddin (2022) Teknik pepick up untill in penethis research meuseNon-Probability Samplingwith the Saturation Sampling type (Saturated Sample). Determining sample size uses the formula proposed by Slovin:

$$n = \frac{N}{1 + N \cdot 0.05^2}$$

$$n = \frac{370}{1 + 370 \times 0.05^2} = 190$$

D. Data Collection Techniques

In research, collecting primary and secondary data is considered data collection. The data collection process is crucial because the data will be used to test hypotheses or solve the problem being studied.

RESEARCH RESULTS AND DISCUSSION

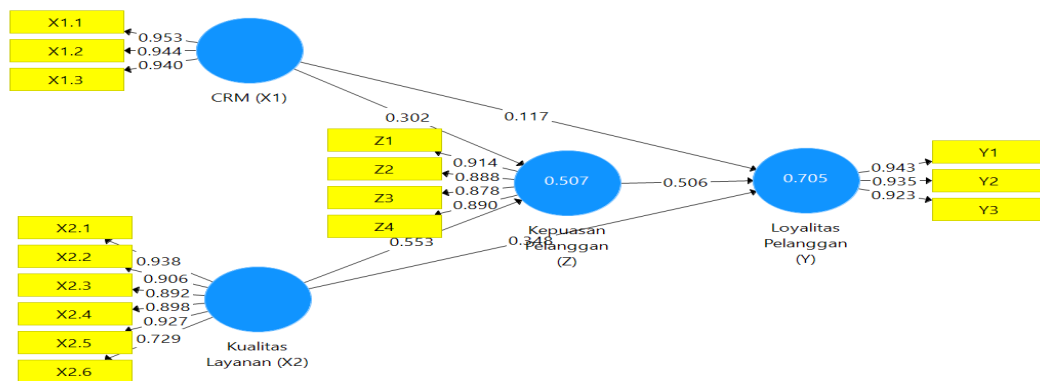
Outer Model Evaluation (Measurement Model): Validity and Reliability Testing

Convergent validity is part of the measurement model, usually referred to as the outer model, while in covariance-based it is called confirmatory factor analysis (CFA) (Mahfud and Ratmono, 2013:64). There are two criteria for assessing whether the outer model (measurement model) meets the requirements for convergent validity for reflective constructs, namely (1) the loading must be above 0.7 and (2) the p-value is significant (<0.05) (Hair et al. in Mahfud and Ratmono, 2013:65). However, in some cases, the loading requirement above 0.7 is often not met, especially for newly developed questionnaires. Therefore, loadings between 0.40-0.70 must still be considered for maintenance (Mahfud and Ratmono, 2013:66). Indicators with loadings below 0.40 should be removed from the model. However, for indicators with loadings between 0.40 and 0.70, we should analyze the impact of the decision to remove them on the average variance extracted (AVE) and composite reliability. We can remove indicators with loadings between 0.40 and 0.70 if they can increase the average variance extracted (AVE) and composite reliability above their thresholds (Mahfud and Ratmono, 2013:67). The threshold value for AVE is 0.50 and for composite reliability is 0.7. Another consideration in removing indicators is their impact on the content validity of the construct. Indicators with small loadings are sometimes retained because they contribute to the content validity of the construct (Mahfud and Ratmono, 2013:67). Table 4.7 presents the loading values for each indicator.

Table 4.5 Validity Testing based on Factor Loading

	CRM (X1)	Customer Satisfaction (Z)	Service Quality (X2)	Customer Loyalty (Y)
X1.1	0.953			
X1.2	0.944			
X1.3	0.94			
X2.1			0.938	
X2.2			0.906	
X2.3			0.892	
X2.4			0.898	
X2.5			0.927	
X2.6			0.729	
Y1				0.943
Y2				0.935
Y3				0.923
Z1		0.914		
Z2		0.888		
Z3		0.878		
Z4		0.89		

Source: SmartPLS



Source: Smart PLS

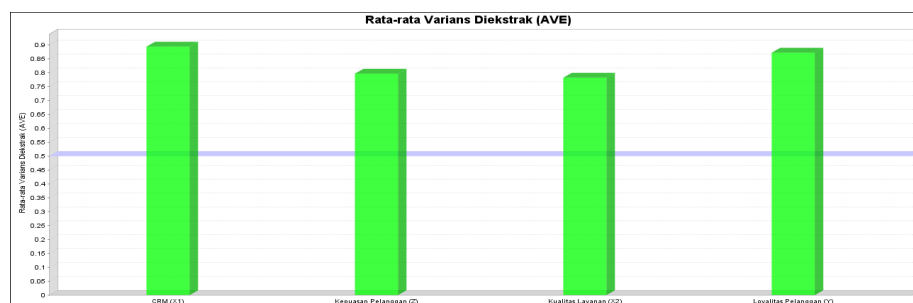
Figure 4.2 Validity Testing Based on Factor Loading

Based on the validity testing of the factor loadings in Table 4.5 and Figure 4.2, all loading values were found to be >0.7 , which means they met the validity requirements based on the loading values. Next, validity testing was conducted based on the average variance extracted (AVE) value.

Table 4.6 Validity Testing based on Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
CRM (X1)	0.894
Customer Satisfaction (Z)	0.796
Service Quality (X2)	0.782
Customer Loyalty (Y)	0.872

Source: SmartPLS



Source: Smart-PLS

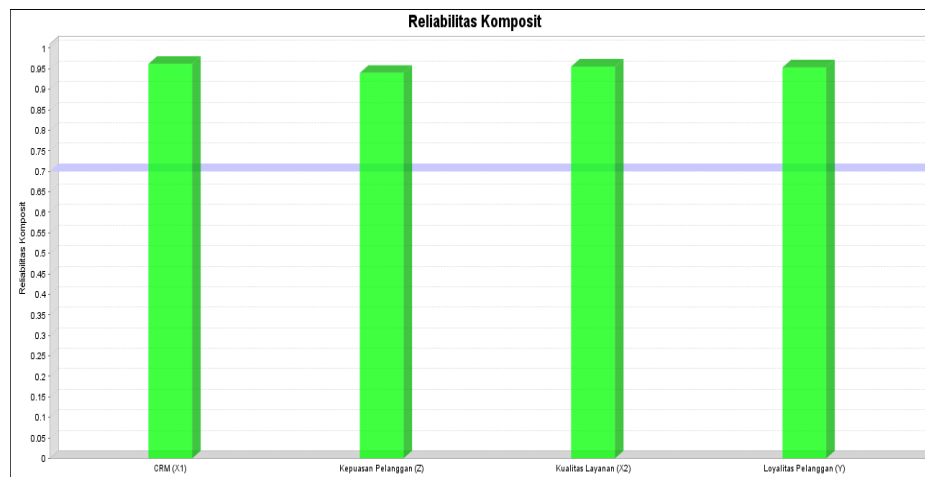
Figure 4.3 Validity Testing based on Average Variance Extracted (AVE)

The recommended AVE value is above 0.5 (Mahfud and Ratmono, 2013:67). All AVE values are >0.5 , which means they meet the validity requirements based on AVE. Next, reliability testing is conducted based on the composite reliability (CR) value.

Table 4.7 Reliability Testing based on Composite Reliability (CR)

	Composite Reliability
CRM (X1)	0.962
Customer Satisfaction (Z)	0.94
Service Quality (X2)	0.955
Customer Loyalty (Y)	0.953

Source: SmartPLS



Source: Smart-PLS

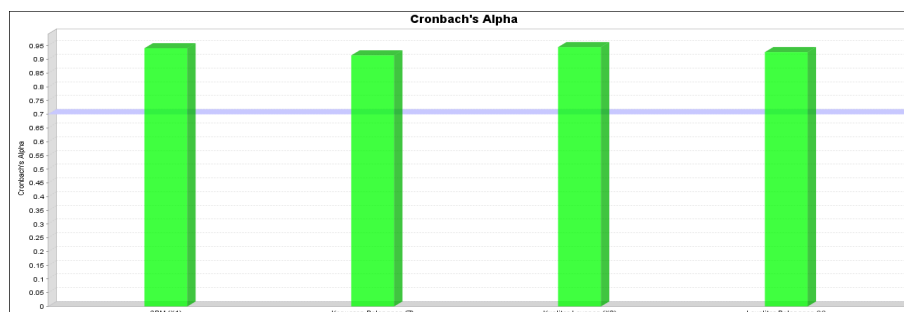
Figure 4.4 Reliability Testing based on Composite Reliability (CR)

The recommended CR value is above 0.7 (Mahfud and Ratmono, 2013:67). All CR values were found to be >0.7 , which means they met the reliability requirements based on CR. Next, reliability testing was conducted based on Cronbach's alpha (CA) values.

Table 4.8 Reliability Testing based on Cronbach's Alpha (CA)

	Cronbach's Alpha
CRM (X1)	0.941
Customer Satisfaction (Z)	0.915
Service Quality (X2)	0.945
Customer Loyalty (Y)	0.926

Source: SmartPLS



Source: Smart PLS

Figure 4.5 Reliability Testing based on Cronbach's Alpha (CA)

The recommended CA value is above 0.7 (Mahfud and Ratmono, 2013:67). All CA values were found to be >0.7 , which means they met the reliability requirements based on Cronbach's alpha. Next, discriminant validity

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testing was conducted using the Fornell-Larcker approach. Table 4.9 presents the results of the discriminant validity testing.

Table 4.9 Discriminant Validity Testing

	CRM (X1)	Customer Satisfaction (Z)	Service Quality (X2)	Customer Loyalty (Y)
CRM (X1)	$\sqrt{AVE_{X1}} = 0.945$			
Customer Satisfaction (Z)	0.485	$\sqrt{AVE_Z} = 0.892$		
Service Quality (X2)	0.332	0.653	$\sqrt{AVE_{X2}} = 0.884$	
Customer Loyalty (Y)	0.478	0.79	0.717	$\sqrt{AVE_Y} = 0.934$

Source: Smart PLS

In discriminant validity testing, the square root of the AVE of a latent variable is compared with the correlation between that latent variable and other latent variables. The square root of the AVE for each latent variable is greater than the correlation between that latent variable and other latent variables. Therefore, it is concluded that the discriminant validity requirements have been met.

Significance Test of Influence (Bootstrapping) (Hypothesis Test) (Inner Model)

Table 4.10 Direct Influence Between Variables

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
CRM (X1) -> Customer Satisfaction (Z)	0.302	0.305	0.062	4,899	0.000
CRM (X1) -> Customer Loyalty (Y)	0.117	0.116	0.045	2,567	0.011
Customer Satisfaction (Z) -> Customer Loyalty (Y)	0.506	0.51	0.084	6.03	0.000
Service Quality (X2) -> Customer Satisfaction (Z)	0.553	0.549	0.059	9,355	0.000
Service Quality (X2) -> Customer Loyalty (Y)	0.348	0.347	0.057	6.08	0.000

Source: Smart-PLS

Based on the results in Table 4.10, the following results were obtained:

1. Customer Relationship Management (X1) has a positive effect on Customer Satisfaction (Z), with a path coefficient value (Original Sample column) of 0.302, and is significant, with a P-Value = 0.000 (H1 Accepted).
2. Customer Relationship Management (X1) has a positive effect on Customer Loyalty (Y), with a path coefficient value (Original Sample column) of 0.117, with a P-Value = 0.011 (H2 Accepted).
3. Customer Satisfaction (Z) has a positive effect on Customer Loyalty (Y), with a path coefficient value (Original Sample column) of 0.506, with a P-Value = 0.000 (H3 Accepted).
4. Service Quality (X2) has a positive effect on Customer Satisfaction (Z), with a path coefficient value (Original Sample column) of 0.553, with a P-Value = 0.000 (H4 Accepted).
5. Service Quality (X2) has a positive effect on Customer Loyalty (Y), with a path coefficient value (Original Sample column) of 0.348, with a P-Value = 0.000 (H5 Accepted).

Table 4.11 R-Square & Adjusted R Square

	R Square
Customer Satisfaction (Z)	0.507
Customer Loyalty (Y)	0.705

Source: Smart-PLS

It is known that the R-Square value of customer satisfaction (Z) is 0.507, which means that Customer relationship management (X1), service quality (X2), customer loyalty (Y) are able to influence customer satisfaction (Z) by 50.7%. The R-Square value of customer loyalty (Y) is 0.705, which means that Customer relationship management (X1), service quality (X2), are able to influence customer loyalty (Y) by 70.5%.

Table 4.12 Goodness of Fit Model Testing

	Estimation Model
SRMR	0.114

Source: Smart PLS

Table 4.13 Mediation Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
CRM (X1) -> Customer Satisfaction (Z) -> Customer Loyalty (Y)	0.153	0.157	0.047	3,275	0.001
Service Quality (X2) -> Customer Satisfaction (Z) -> Customer Loyalty (Y)	0.279	0.282	0.063	4.46	0.000

Source: Smart PLS

Based on the results of the mediation test in Table 4.13:

1. Customer Loyalty (Y) significantly mediates the relationship between CRM (X1) and Customer Satisfaction (Z), with P-Values = 0.001 < 0.05 (H6 Accepted).
2. Customer Loyalty (Y) significantly mediates the relationship between service quality (X2) and customer satisfaction (Z), with P-Values = 0.000 < 0.05 (H7 Accepted).

Discussion of Research Results

1. The Influence of CRM (H1) on Customer Loyalty

Based on the results of the data analysis that has been conducted, it is known that Customer Relationship Management (CRM) has a positive and significant effect on Customer Loyalty. This finding indicates that the better the CRM implementation in a company, the higher the level of customer loyalty that can be achieved. These results support the theory of Kotler and Keller (2016) which states that CRM is a strategic approach used by companies to understand, anticipate, and manage current and future customer needs effectively. This strategy includes activities such as service personalization, customer database management, and intensive two-way communication. Therefore, companies are advised to continue to improve the quality of CRM, both in terms of technology and a humanistic approach in interacting with customers. Investment in CRM systems and staff training in building long-term relationships with customers can be important strategies in retaining customers amidst fierce market competition.

2. The effect of CRM (H2) on customer satisfaction

Based on the results of the hypothesis testing that has been conducted, it was found that Customer Relationship Management (CRM) has a positive and significant effect on Customer Satisfaction. This finding indicates that the better the implementation of CRM in an organization or company, the higher the level of satisfaction felt by customers. This result is in line with the opinion of Kotler and Keller (2016) who stated that CRM is an approach that aims to create long-term and mutually beneficial relationships between companies and customers. By implementing CRM, companies can understand customer needs and preferences more personally so they are able to

provide services and products that are more in line with expectations. This high customer satisfaction not only has an impact on repeat purchases, but also strengthens loyalty and increases the likelihood of customers recommending the company to others. Therefore, companies are advised to continue to develop more innovative, integrated, and data-driven CRM systems to create more value for customers.

3. The Influence of Service Quality (H3) on Customer Loyalty

The analysis results show that Service Quality has a positive and significant effect on Customer Loyalty. This finding indicates that the higher the quality of service provided by a company, the higher the level of customer loyalty to the products or services offered. The results of this study are consistent with previous research such as that conducted by Tjiptono (2017) and Caruana (2002), which found that high service quality has a significant impact on the formation of long-term customer loyalty. Customers who are satisfied with service quality are usually more likely to stay and build long-term relationships with service providers. Therefore, companies need to continuously maintain and improve service quality in all aspects, including improving the skills of customer service staff, providing adequate facilities, and a fast and solution-oriented complaint response system. These efforts are an important strategy in creating loyal customers and becoming active promoters of the company in the market.

4. The Influence of Service Quality (H4) on Customer Satisfaction

The results of testing hypothesis H4 indicate that service quality has a positive and significant effect on customer satisfaction. This finding indicates that the higher the service quality provided by a company, the higher the level of satisfaction experienced by customers. Customer satisfaction is an emotional response to the comparison between customer expectations and perceptions of the actual performance of the service received. When service quality exceeds customer expectations, satisfaction levels will increase significantly.

5. The Influence of Customer Satisfaction (H5) on Customer Loyalty

The analysis of hypothesis H5 shows that customer satisfaction has a positive and significant effect on customer loyalty. This means that the higher the level of customer satisfaction with a product or service, the more likely they are to remain loyal to the company. Therefore, companies need to make customer satisfaction a strategic priority. Regular evaluation of service quality, products, and customer complaint handling systems need to be continuously improved to maintain high levels of satisfaction and maintain customer loyalty.

6. The Influence of CRM on Customer Loyalty (H6) through Customer Satisfaction

The analysis results show that Customer Relationship Management (CRM) has a positive and significant effect on Customer Loyalty through the mediating variable of Customer Satisfaction. This means that CRM not only has a direct impact on customer loyalty but also has a significant indirect effect with customer satisfaction as an intermediary. Thus, Customer Satisfaction is proven to be an important and strategic mediating variable, which strengthens the influence of CRM on Customer Loyalty as a whole.

7. The Influence of Service Quality on Customer Loyalty (H7) through Customer Satisfaction

The results of testing Hypothesis H7 indicate that Service Quality has a positive and significant effect on Customer Loyalty through Customer Satisfaction as a mediating variable. This means that good service quality not only has a direct impact on customer loyalty but also has an indirect influence through increased customer satisfaction. Thus, Customer Satisfaction is proven to be a strong mediating variable in strengthening the relationship between Service Quality and Customer Loyalty. Companies must make satisfaction the primary target of service improvement to create sustainable loyalty.

CONCLUSION

Based on the results of the analysis and discussion that has been carried out, the following points can be concluded:

1. **Customer Relationship Management (CRM) has a positive and significant effect on Customer Satisfaction**, which shows that the better the CRM implementation, the higher the level of satisfaction felt by customers.
2. **Customer Relationship Management (CRM) has a positive and significant effect on Customer Loyalty** This means that the better the CRM implementation in a company—through effective communication, personalized service, customer data management, and responsive follow-up—the higher the level of customer loyalty that is formed.

3. **Service Quality has a positive and significant effect on Customer Loyalty**, which means the higher the customer's perception of service quality, the stronger the loyalty that is formed.
4. **Service Quality also has a positive and significant effect on Customer Satisfaction**, so that optimal service quality becomes an important factor in creating customer satisfaction.
5. **Customer Satisfaction has a positive and significant effect on Customer Loyalty**, showing that satisfied customers tend to be loyal customers.
6. **Customer Relationship Management (CRM) has an indirect effect on Customer Loyalty through Customer Satisfaction**, which means CRM can build stronger loyalty if supported by high levels of customer satisfaction.
7. **Service Quality has an indirect effect on Customer Loyalty through Customer Satisfaction**, meaning that customer loyalty will be increasingly formed when the quality of service is able to create high satisfaction.

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ANALYSIS OF CUSTOMER RELATIONSHIP MANAGEMENT AND SERVICE QUALITY TOWARDS CUSTOMER LOYALTY WITH CUSTOMER SATISFACTION AS AN INTERVENING VARIABLE AT PT. BATAK ICE DRINK FACTORY IN PEMATANG SIANTAR

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