THE INFLUENCE OF CUSTOMER RELATIONSHIP MANAGEMENT THROUGH CUSTOMER RETENTION OF CREATIVE INDUSTRY IN A CULINARY SUB-SECTOR AT BANDUNG CITY

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ABSTRACT

Bandung is one of cities in Indonesia that has the highest contribution on the growth of creative industries nationwide at Indonesia. The research objective is to study and examines how the influence of Customer Relationship Management through Customer Retention on Creative Industry Culinary Sub-sector, especially in business restaurant. This research uses Product Moments Correlation Coefficient analysis and Simple Linear Regression Equation Analysis and uses SPSS 23.0 program. The results of this study found that the CRM has a strong correlation through Customer Retention, and has an influence on Customer Retention of 49.6%. CRM has a significant influence on customer retention in Creative Industry Culinary Subsector, therefore it is important for restaurant business at Bandung to implement CRM effectively.

Keywords: Customer Relationship Management, Customer Retention, Creative Industry.
1. INTRODUCTION

Economy creative that is presented through creative industry has a creativeness, innovation and skilful ideas those are expected becomes a backbone of country’s economy. Creativeness is able to change the paradigm of the economy that is initially centered on the limitations of being centered on abundance, if it continues to be developed and managed properly. Regarding to the data from Bekraf and BPS (2016) describes that the PDB of Creative Economy that was created in 2015 for approximately IDR. 852 trillion, with the development at about 4.38%, and it contributes to the total of national economy at around 7.38%. Indonesian government tries to pay more attention to the creative economy sector, with the aim of maximizing the potential and developing creative economic opportunities in Indonesia.

Bandung is one of cities in Indonesia that has the highest contribution on the growth of creative industries nationwide. In this research will focus on the creative industries in a culinary sub-sector in Bandung, especially in business restaurant. It needs strategies on creative industry of culinary sub-sector in Bandung, so the contributions for each of sub-sector are increasingly developed. The strategy that can bring the costumer relationship effectively can be done through Customer Relationship Management (CRM). CRM can help creative industry in developing their products based on knowledge and insight related to customer desires, ideas, creativities or innovation that are appropriate with customer’s expectation.

CRM assists companies to make customer needs understandable and helps companies maintain these relationships more intelligently and help foresee the future. Such knowledge provides a key competitive advantage for businesses to achieve market share and reduce overall costs for retaining their customers (Behravan and SabbirRahman, 2012). Marketing scholars strictly believe that retaining valuable customer and winning back defecting customers can be conducted only with appropriate strategy for customer relationship management (Rightnow, 2005). The primary scope of CRM concept refers to identify customer needs and retain current customer. Customer retention is important when loyalty is decreasing and sales cycles are aggravating the business environment. Thus, in a situation where sales of a company is declining, and customer loyalty is on its lowest ebb, losing customers will have devastating consequences on the firm’s performance in terms of profitability, business growth and expansion. This underscores the importance of customer retention in a keenly competitive business environment (Akintunde and Akaighe, 2016). Developing and maintaining long term consumer potential becomes the key for life continuity and organization development.

CRM and customer retention has been realized as important thing by managers in big companies, where it can give a big benefit and profit. But, the researches that observe CRM through customer retention on industry creative in academics are rarely to do it. The researcher has mapped for both topics on research with System Mapping Study (SMS) method. The result from SMS stated that bank sector, insurance and company that are in financial services as research object that always being researched at about 30.77% tourism and hotel that have percentage at about 23.08 %, meanwhile, social media and companies sector have percentage for approximately 15.38 %.

The research has been done by Soliman (2016) on pharmacist industry in Tunisia. The aim of the research is to give the understanding for better customer retention about the influence of CRM strategy through company profitability in a development country. The result shows that CRM has good correlation not only with customer retention but also profitability. Creative industry culinary sub-sector needs to be consistent and responsive through the fulfillment and desires of consumer, so the costumer is not easy to move to the competitor, it will give influence on long term profit. According to phenomena, gaps, short discussions and facts above, the researcher has interest to have deeply research about the influence of Customer Relationship Management through Customer Retention on Creative Industry Culinary Sub-sector.

2. LITERATURE REVIEW

2.1 Creative Industry Culinary Sub-sector

The definition of culinary on creative economy in Indonesia regarding to The Ministry of Tourism and Economic Creative Republic Indonesia (2015) stated that preparation activity, process, product presentation, foods and drinks that becomes the element of creativity, esthetic, tradition, and local wisdom as the important elements in developing tastes and product values, to attract purchasing power and give experiences for consumer.
It is cited from The Ministry of Tourism and Creative Economy (2015) that based on some literatures, criteria that is usually used in deciding the scope of culinary industry in creative economy are as follows:

1. Involving professional chef
2. Producing new menu sustainably
3. Serving or inviting local foods or traditional
4. Giving culinary experiences for consumer

2.2 Customer Relationship Management (CRM)

Generally, the concept of CRM can not be separated from perspective of relationship marketing. Gaffar (2007) stated that if in marketing relationship a company tries to have relationship with all stakeholders in service organization, so the concept of Customer Relationship Management emphasizes only on customer's side. The costumers are not only on external stakeholders but also internal customers are employees from organization service. CRM builds on the principles of relationship marketing and recognizes that customers are a business asset and not simply a commercial audience, implies the structuring of the company from functions to processes and information are used proactively rather than reactively and develops the one to one marketing approaches (Payne and Frow, 2005).

Lukas (2001) claimed that CRM is an activity, an effort and a strategy that involves all resources to wreathe, manage and maintain relationship with customer, to know the costumer's desires and needs. Buttle (2006) declared that CRM is the core of business strategy that integrates internal processes and functions and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality customer related data and enabled by information technology.” Barnes (2011) stated that the aim of CRM is to get customer retention through company, product and service that are offered. Lukas (2006) claimed that CRM has 3 (three) core components that integrated each other are people, process and technology. The combinations of three dimensions are integrated and it will create an excellent understanding related to the customer and it becomes as material evaluation to develop creative industry.

2.3 Customer Retention

Customer retention refers to keeping business relation with customer where the customer as the one of the top targets of the CRM method. Payne and Frow (2005) states that Customer retention is a key antecedent of long term relationship. Regarding to Schmit (2002: 2014) stated that the customer interface affect retention because interface exchanges and interactions determine whether customer are satisfied for their relationship with the company and whether they buy again. Thus, the customer interface is generally the most important determinant of customer retention. The costumer relationship with company influences costumer retention because each interaction decides of customer's satisfaction through their relationship with company and their decision to buy again from the company. So, the consumer relationship with organization is very important in influencing customer retention.

Based on Chiat LW et.al (2012) customer retention is determination to be a continuous costumer in a service and product with a certain period. Becker et al. (2009), Reinartz et al. (2004) cited in Bahri and Anil (2017) declared that retention is related to top management approach to successful customer relationship management. In organization that put costumer as basic focus tries to maintain costumer and continue business relationship through customer retention.

Based on Gengeswari, et. Al (2013) in the research stated that repeat purchases, price insensitivity, word-of-mouth communications and non-complaining-behavior are the key measures of customer retention practice. Kelley et al. (2003) found that it is more economical to maintain relationships with old customers because it is lower cost of responsiveness than new customers. Consistent with Ferrell et.al (2002) stated that customer retention can lead to many corporate benefits including reducing operational cost and gaining new customer through word of mouth referrals which increase revenue. Acquiring new customers can cost 5 times more than the cost of satisfying and retaining current customers. On average, companies lose 10% of their customer each year. Yet by reducing the customer defection rate by 5%, companies can increase profits by 25-85% depending on industry. Also, the customer profit rate tends to increase over the life of the retained customer, due to increased purchases, referrals, price premiums and reduced servicing costs (Reichheld, 1996). Gee et al. (2008) stated that customer retention directly affects the value and benefits of a better lifetime, which is a more lucrative opportunity for organizations that seeks for improvement and
extend business activities and those who are looking for ways to protect them from the marketing decline which is a consequence of the decreasing economy.

2.4 Relation of CRM and Customer Retention

CRM is recognized as multi-functional organization practice, which concentrates on embarking, sustaining and improving long period relationship with profitable customer (Wang and Feng, 2012). Motiwala (2008) described that maintaining the existing customer by establishing good relations with those who buy the company's product. Research that was conducted by Kim, et.al (2012) indicated that there is an incompatibility between the actual CRM implementation activity interval and customer expectations towards the interval and that this incompatibility has adverse effects on customers' willingness to stay in the relationship. The results of this research proves that the importance of understanding the fulfillment and desires of customers in order not to adversely affect to the continuity of the business organization.

Forgacs (2010) found that understanding both customer retention and the long-term value of a customer are important research objectives for hotel and restaurant management. Pfeifer and Farris (2004) declared the variety of CRM activities can work together to enhance customer retention. The same opinion was expressed by Becker et al. (2009), and Reinartz et al. (2004) claimed that retention is related to top management approach to successful customer relationship management. A long with the statement, it can be stated that CRM can run successfully in a creative industry and it can improve customer retention rate.

Parida and Baksi (2011) found that the management of customer relations affect their satisfaction as well as their retention resulting in greater profits, long term relationship (employees, processes and technologies). Research conducted by Soliman (2016) in the pharmaceutical industry in Tunisia. The research aims to provide a better understanding of customer retention on the impact of CRM strategies on corporate profitability in the context of developing countries. The results show that CRM correlates well with customer retention, as well as with profitability. Behravan and SabbirRahman (2012) revealed that to achieve high level of customer retention in service based organization, can be notified for CRM implementation. The results also advocated the importance of CRM implementation ensuring high level of customer retention for service based organizations. Based on literature review, the implementation of CRM in a company has both direct and indirect influence on performance of the company as well as retaining the customers.

3. METHODOLOGY

The research method used is quantitative and descriptive research where the aim of research are to record, process, present, and interpret the data to provide a clear picture of actual data on CRM to customer retention in creative industries culinary sub-sector especially the type of restaurant business. The conceptual framework is expected to provide an overview and guide the assumptions about the variables to be researched. Premised on the literature reviewed and the conceptual framework of this study, the following hypotheses were formulated:

H0: Customer Relationship Management not has a significant influence on Customer Retention in Creative Industry Culinary Subsector

H1: Customer Relationship Management has a significant influence on Customer Retention in Creative Industry Culinary Subsector

![Figure 1. Conceptual Framework](image.png)
In this research, the researcher spreads questionnaires to existing restaurant customers in Bandung and there are 41 respondents. The data have been collected from the results of further questionnaires, data processing is done by ordinal scale data measurement techniques uses Likert scale. This research uses Product Moments Correlation Coefficient analysis and Simple Linear Regression Equation Analysis and uses SPSS 23.0 program.

Firstly, the researchers do mapping based on scientific literature on CRM related on research topics to customer retention. Then, System Mapping Study (SMS) is used in mapping and structuring specific research topics. The SMS method can help researchers focus on research topics to be researched before systematic reviews. The researcher conducted a journal search through web-based search engines in 4 online journals.

This research adapted the process of SMS from Petersen et.al. (2008) stated that in each step of the process has systematic results and mapping as the end result of the process. The researcher applies several inclusion and exclusion criteria to minimize risks in journals that are irrelevant to the research topic or duplicated articles. The total numbers of 13 articles were obtained into the inclusion criteria with the following divisions:

<table>
<thead>
<tr>
<th>Source: Processed by researchers (2017)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Frame of Thinking CRM</th>
<th>Quantitative</th>
<th>Qualitative</th>
<th>Mixed Methods</th>
<th>CR framework</th>
<th>CRM framework</th>
<th>CRM &amp; CR framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article numbers</td>
<td>6</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>9</td>
</tr>
</tbody>
</table>

Based on the research results through SMS as has been described in the previous chapter that the creative industry culinary sub-sector can be a research object interesting and new to be explored more in depth. The creative industry of the culinary sub-sector as the biggest contribution to Indonesia's creative economy that is increasingly needed to be studied related to the customers. If customers have partnership with the culinary industry of the culinary sub-sector especially in the restaurant over the long term, then customers will consume more products and often so the bonding relationship grows long lasting. The increasing retention rates will automatically increase the number of consumers owned by the creative industries of the culinary sub-sector.
4. RESULT AND DISCUSSION

The marketing paradigm of the modern business world has now transformed into long-term customer relationships. The creative industry of the culinary sub-sector must be convinced to create and improve the customer needs to be done in a sustainable relationship with customers to know the desire and need in a market. The researcher conducted a research of business actor creative industry of culinary sub-sector by doing observations and spreading questionnaires to restaurant customers. This research uses three dimensions of CRM (Luke, 2001) among others people, technology, and process. The successful implementation of CRM can not be achieved simply only by paying attention to one dimension and leaving other dimensions. The field result from data obtained showed that most respondents agreed to the question items on the CRM variable.

\[
\text{Rentang skor kategori} = \frac{(41 \times 8 \times 5) - (41 \times 8 \times 1)}{5}
\]

\[
= \frac{1640 - 328}{5} = 262.4
\]

The length of the interval for each category at about 262.4, the total score for the CRM variable is 1261 which lies between the range from 1115.2 and 1377.6. It means that in general, the dimensions associated with CRM in the Creative Industry of Culinary Sub-sector in Bandung City are generally in the high category.

\[
\begin{array}{ccccc}
328 & 590.4 & 852.8 & 1115.2 & 1377.6 & 1640 \\
20\% & 36\% & 52\% & 68\% & 84\% & 100\%
\end{array}
\]

Similar results were obtained from the questions on Customer Retention Dimension. On customer retention variable uses four key measures of customer retention practice (Gengeswari et al, 2013) consists of word of mouth, price insensitivity, repetition purchase and non complaining behavior.

\[
\text{Rentang skor kategori} = \frac{(41 \times 7 \times 5) - (41 \times 7 \times 1)}{5}
\]

\[
= \frac{1435 - 287}{5} = 229.6
\]

The interval length for each category at about 229.6, the total score for the Customer Retention variable is 1097 which is located between the range 975.8 and 1205.4. Generally, it means that the dimensions that are associated with Customer Retention in Creative Industry Sub-sector Culinary are generally in the high category.
Before doing formation of regression model, the assumption test is done firstly. Normality the test is used to determine whether the data/samples used are distributed normally or not. A good regression model is distributed normally or closely to normal. If the data does not follow the normal distribution pattern, there will be ray estimates. Normality test in this research uses Kolmogorov-Smirnov.

**Table 1 Kolmogorov-Smirnov test**

<table>
<thead>
<tr>
<th>One-Sample Kolmogorov-Smirnov Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unstandar dized Residual</td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>Normal Parameters(^{a,b})</td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
</tr>
<tr>
<td>Absolute</td>
</tr>
<tr>
<td>Positive</td>
</tr>
<tr>
<td>Negative</td>
</tr>
<tr>
<td>Test Statistic</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
</tr>
</tbody>
</table>

\(^{a}\) Test distribution is Normal.
\(^{b}\) Calculated from data.
\(^{c}\) Lilliefors Significance Correction.
\(^{d}\) This is a lower bound of the true significance.

The normality test based on the Kolmogorov-Smirnov requires a normal curve when the value of Asymp. Sig. is up to maximum error limit at about 0.05. The result of the test obtained Kolmogorov-Smirnov for approximately 0.200. On sig value > 0.05 it can be concluded that residual data is normally distributed.

This research uses analysis Coefficient Correlation Product Moment, this analysis used to know the degree or strength relation between Customer Relationship Management (X) through Customer Retention (Y) at once. By using SPSS version 23.0 it is described as follows:

**Table 2. Product Moment Correlation Coefficient**

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Customer Relationship Management</th>
<th>Customer Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Relationship Management</td>
<td>1</td>
<td>0.704**</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.000</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>N</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>Customer Retention</td>
<td>0.704**</td>
<td>1</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>0.704**</td>
<td>0.000</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>N</td>
<td>41</td>
<td>41</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).**
Based on the above analysis it can be seen that the correlation coefficient is 0.704. The value is included into a strong correlation that is between the Coefficient Interval 0.600-0.799. The significance test of the product moment correlation can give an interpretation of the correlation coefficients found, it can be guided by the provisions listed in the following table:

Table 3. Correlation Coefficient and Estimation

<table>
<thead>
<tr>
<th>Coefficient Interval</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00 - 0.199</td>
<td>Very Low</td>
</tr>
<tr>
<td>0.20 - 0.399</td>
<td>Low</td>
</tr>
<tr>
<td>0.40 - 0.599</td>
<td>Medium</td>
</tr>
<tr>
<td>0.60 - 0.799</td>
<td>Strong</td>
</tr>
<tr>
<td>0.80 - 1.000</td>
<td>Very strong</td>
</tr>
</tbody>
</table>

Source: Sugiyono, 2013

There result can be stated that the relationship between Customer Relationship Management (X) to Customer Retention (Y) on Creative Industry Culinary Subsector simultaneously have a strong correlation.

Simple Linear Regression Analysis Equation is intended to know the influence between Customer Relationship Management (X) to Customer Retention (Y). The goal is to predict or estimate the value of the dependent variable in relation to the value of another variable. From the calculation results using SPSS 23.0 then obtained the output and equation of simple regression relationship as follows:

Table 4. Simple Linear Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Standardized Coefficients</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td>3.010</td>
<td>3.197</td>
<td>3.941</td>
<td>.352</td>
<td></td>
</tr>
<tr>
<td>Customer Relationship Management</td>
<td>.761</td>
<td>.123</td>
<td>.704</td>
<td>6.194</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Retention

Obtained equation is Y = 3.010 + 0.761X, thus it can be stated that, if Customer Relationship Management is zero (0), then Customer Retention will be worth 3.010. If Customer Relationship Management increases by one unit, then the Customer Retention will increase by 0.761 units. After obtained correlation coefficient value, then done calculation percentage of influence of CRM to Customer Retention by using formula of Coefficient of Determination (KD). The coefficient of determination essentially measures how far the ability of the model in explaining the variation of the dependent variable. The coefficient of determination is between zero to one (0 <R² <1). The small value of R² means that the ability of independent variables to explain the variation of the dependent variable is very limited. A value close to one means the independent variables provide almost all the information needed to predict the variation of the dependent variable.

Table 5. Coefficient Determination

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.704</td>
<td>.496</td>
<td>.483</td>
<td>3.44571</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Customer Relationship Management

The results of Coefficient Determination is obtained at about 49.6%, from the above analysis it can be seen that CRM has an influence on Customer Retention of 49.6%, while the remaining 50.4% influenced by other factors are not observed. After doing analysis of coefficient of determination then hypothesis testing is done to test whether there is or there is not a significant influence between two variables by using T-test.
Based on the result of SPSS above, it can be calculated that $t_{\text{count}}$ at about 6.194 with alpha ($\alpha$) = 5% and degrees of freedom $v = n-(K+1) = 39$, then, based on table distribution $t$ two parties can get result $t_{\text{table}}$ at about 2.023.

Level of significance is the level of error set by the researcher in making the decision to reject or accept the hypothesis or the level of error that is tolerated by the researcher (Sugiyono, 2012). Level of significance used $\alpha = 5\%$ or 0.05. The reason for using the significance level of 5% because it is most commonly used for research and is considered enough to provide a relationship between the variables studied. The curve of $T$-test both parties gets results $t_{\text{count}}$ bigger than $t_{\text{table}}$ (6.194 > 2.023) so $H_0$ is rejected and $H_1$ is accepted. The level of trust for approximately 95% and it reflects that there are significant influences between Customer Relationship Management through Customer Retention on Creative Industry Culinary Sub-sector. Thus, CRM has a significant influence on customer retention in Creative Industry Culinary Subsector, therefore it is important for restaurant business in Bandung to implement CRM effectively.

The results of this study are consistent with research conducted by Frederick, et.al, (2013) in a company such as bank, invest, insurance and company that have the orientation level with high relation in Hongkong. The research that was conducted by Famiyeh and Jasper (2015) shows there is a positive relation between CRM and customer retention. The research result gives insight about CRM and customer retention in Bank sector Ghana. Besides, the result also gives the additional knowledge about the importance of CRM dimension in development country. Akintunde and Akaighe (2016) concludes that customer relationship management has a significant relationship with customer retention. Customer relationship management is imperative in the banking industry so as to retain customers for better capital adequacy, earnings, profitability and liquidity. Research conducted by Tawinunt et.al. (2015) conducted research on the tourism industry in Thailand, with research topics related to service quality, CRM and its impact on customer retention. This research used SEM approach, research result proves that CRM has direct and positive influence to customer retention as well as positive and indirect influence to customer retention through

### Table 6. T-test Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>Customer Relationship Management</td>
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</tr>
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<td>.761</td>
<td>,123</td>
<td>,704</td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Retention
service mediation mediation variable. The study found that the application of CRM can also lead to increased customer retention.

5. CONCLUSION

Based on the research result that has been done through analysis data and literature, it can be concluded that CRM has a strong correlation through Customer Retention. Beside that, there are significant influences between Customer Relationship Management through Customer Retention on Creative Industry Culinary Sub-sector, especially restaurant in Bandung. CRM dimensions include people, process and technology have influence on Customer Retention of 49.6%, while the rest of 50.4% influenced by other factors that are not observed. Further research is expected to add the influence of other variables not observed in this research, such as service quality, customer satisfaction, customer loyalty, firm performance, and others.

The existence of the customer can not only be seen as a source of income only, but customers as well as long-term assets that need to be managed and maintained. Creative industry has potential and big opportunity in developing contribution of economy, employment and export development in Bandung. Nowadays, the developments of restaurant business in Bandung are increasingly, but there are many restaurants which can not be able to stay in a tight competition. Strategies, unique concepts and creativities needs to be developed to fulfill costumer’s desire and needs. CRM as one of business strategies that can give long term profit, if it is implemented a culinary businessman, especially restaurant. CRM combines all integrating resources to create value and customer desires and needs, so it produces future benefits and feedback sustainably.

The results obtains that the improvements that occur in CRM simultaneously will increase customer retention in creative industry culinary sub-sector. Sun and Li (2011) investigated the relationship between customer retention rate and a firm’s profit using data provided by a digital internet service firm. They found that increasing customer retention by 0.8%, 1.2%, 2.6%, and 3.7% would increase firm profits by 0.3%, 0.8% 1.6%, and 7.0% respectively. By developing and retaining long-term customers is the key as a survival and growth of the creative Industry. Through customer retention, the positive impact of WOM indirectly will be able to promote culinary creative industry without spending the cost of marketing. The retention can reduce costs of the creative industry culinary sub-sector in acquiring new customers, lower management costs and improve financial performance.

6. RECOMENDATION

The increasing number of restaurants in Bandung will create a tight competition in the creative industry culinary subsector. Implementation of CRM needs to be developed and managed effectively so that customers can still maintain their confidence to restaurant business in Bandung. Other strategies that can be used to increasing the level of customer retention in the restaurant business are:

1. Membership program or special member who will provide many benefits for its loyal customers, for example special discount for customers, point, bonus for members who often transact at the restaurant.
2. Utilization A good technology can accelerate and optimize people and process factors on CRM activities. Creative culinary sub-sector entrepreneurs need to optimize their business network through website, social media with the aim of expanding the target market, promoting new and favorite menus, giving special discounts and maintaining their existence.
3. Give special attention to the customers, both pre and post purchase. Restaurant business actors can position as listeners, and customers as the main source, thus the relationship built between customers and creative industries can be balanced and mutually beneficial.
References


