

# Analysis Of Customer Relationship Management And Marketing Strategies Against Competitive Advantage On The Company's Distributor In Medan City

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**Abstract:** Competitive advantage required by any company that wants to be able to reach a much larger target market. Competitive advantage will show the market against all forms of goodness that want to be given to the market of what it produces. The high level of competition that exists, requires every company to be able to do a variety of strategies in reaching the target market. This research aims to know and analyze the effect of Customer Relationship Management and marketing strategies Against competitive advantage. This research uses the associative research and quantitative approach. This research used the now with 100 respondents. Technique of data analysis using multiple regression correlation coefficient. Customer Relationship Management (X 1), marketing strategies (X 2) and competitive advantage (Y).

**Keywords:** Customer Relationship Management, Marketing Strategies, Competitive Advantage

## 1. Introduction

The loyal customers is one of a very important company asset. In the global era, in which free trade is not protected at all, then the object of the company to be able to survive is the loyal customers. The meaning of loyalty is a deep commitment to making a purchase of a product or birthday suits favored consistently in the future. Every company is required to recognize the market or consumers as possible in order to successfully compete in every business (Daulay and Rany, 2018)

Most of the activities and responsibilities of the company only to the appearance of the product from warehouses. It is this principle which is very wrong. Prusahaan shall be responsible for a whole series of processes ranging from the design of the product requirements, forecasting, procurement of materials, production, inventory control, storage, distribution/transportation to distributor center, wholesaler, small traders, retailer, service to customers, process payments, and to the end consumer. More and more companies are adopting customer-centric strategies, programs, tools, and technology for efficient and effective customer relationship management. They are realizing the need for in-depth and integrated customer knowledge in order to build close cooperative and partnering relationships with their customers. (Atul & Jagdish, 2001)

Competitive advantage, but after several decades the presence of prosperity and large expansion resulted in many people losing sight of competitive advantage in the struggle to develop more in pursuit of diversification. (Porter, 2008, p. 1).

Competitive advantage is a set of privileges of a company and the products it produces to be accepted by your target market as an important factor in the advantages of competition.(DAULAY and MANAF, 2017). Getting a favorable position in a global

competitive environment depends on determining the right strategy and creating different values. In the global competitive environment, organizational and managerial innovations are the keys to success for companies. (Dereli, 2015)

Companies that occupy a position of primacy in comparative value produce superior resources at lower costs. Competitive advantage cannot be understood by looking at the company as a whole. Competing excellence comes from many different activities that are carried out by the company to design, produce, market, hand over, and support its products. One of the factors that affect excellence in competing is a Customer Relationship Management (CRM). CRM is a new approach in corporate relationships and manage subscriber on a business level so as to maximise the marketing communication, through the management of a variety of different contacts with customers. This approach makes it possible to retain customers and add value to continual customers, as well as a sustainable profit.

Customer Relationship Management (CRM) is an integrated support functions of a company in the field of marketing, sales and service that can increase the value of customer satisfaction (Customer satisfaction), with the increase the level of customer satisfaction, increased occurrence of expected value of the sales and profits of the company to its full potential. Thing to understand is that from the outside, customers interacting with companies only understand the business conducted by the company as a single entity, not more; Although customers also interacts with a number of different roles and worker dapertemenya. All that remains is considered a single entity. With CRM, business process support, information about customers and their interaction can be entered, stored, and provided to customers, and use the customer's contact information for target marketing.

CRM (Customer Relationship Management) combining the policies, processes, and strategies implemented organization into one unit that is used to perform the interaction with customers and also to search for customer information. At this time, the CRM implementation will always use information technology to attract new customers who benefit, until they have attached to the company. This concept is also widely used as a term in information industry as a we, software, and even as internet capabilities that help corporations manage the customer relationship. This tool allows the Corporation to explain the relationship in enough detail so that management, sales staff, service staff, and even customers can directly access information, customize the needs between needs and products, the increase in customers on certain services, and so on. In the development of CRM software to do a holistic re-purposed. Software implementation of a CRM initiative failed only only in tool installation only, regardless of the context, support and understanding staff, and fully utilization of system information.

Another factor that affects the most important competitive advantage in the company's marketing strategy. In developing a business marketing strategy can also help business owners to develop stronger efforts. Strategy in the business world first greatly on its customers, thus winning or whether a company influenced how the bank was able to maintain its customers through proper marketing strategies. The purpose of business is to bring profit for companies through the promotion and distribution of the product. Marketing strategies into demands for managers in the running tactics and other business activities to support international business target, in short the core of marketing strategies are being resposif against the market. The orientation of the business makes the company became responsive and always pursuing market opportunities, therefore a lot of effort which will respond to the pressures of globalisation by expanding their sales activities, it is able to improve the competitive advantage.

The importance of competitive advantage that carried the company distributor in Medan, as dealers of the cosmetic goods, drug free, as well as other consumer goods, with the marketing area province of Nanggroe Aceh and North Sumatra, to be able to improve customer relationship by adding the officers concerned with the cashier and customer service so that consumer services better, so as to speed up providing information on the latest products and customers required the needs of the market and other issues surrounding the development of the market. With the presence of interactions that very often with its customers and the trust of customers to buy repeatedly, have the potential to buy other products.

It is a marketing strategy management tailored to accelerate the solution of the question of marketing and make decisions – decisions that are strategic. Each management function gives a specific contribution at the time of the preparation of strategies at different levels. Marketing is a function that has the most contact with the external environment, but the company has only limited control of the external environment. Therefore, marketing plays an important role in the development of the strategy.

The problems on the company's marketing strategy is in the market, companies tend to be more focus to inform the types of services or any products offered by passing on the advantages of the products or services offered from in informing profit or benefit that would be obtained by the customer. So many customers who are not interested in the offer submitted, so customers feel doesn't find a solution they need, in addition to a lack of regard for the company in the presence of the consumer. It can be seen that the company less build closeness and familiarity with customers by giving attention to the business conditions of the customer, the company reasonably be part of the solution of the problem of the customer. The companies are close to customers and success are those who managed to become experts in the business of its customers and managed to create a variety of solutions.

Understanding customers is important, but not enough. Build profitable customer relationships and excellence (competitive advantage) require transfers of value and satisfaction to customers more than the competition. CRM is increasingly important to firms as they seek to improve their profits through longer-term relationships with customer (Bohling et al., 2006). Based on the description above, the purpose of the research was to analyze the Customer Relationship Management and marketing strategies Against competitive advantage on the company's Distributor in the city of Medan.

## **2. Literature Review**

### **2.1 Competitive Advantage**

At this moment, the importance of competitive advantage is huge. So it's competitive advantage is about how a company can actually implement these generic strategies into practice. Basically developing competitive advantage of the company is able to create value for purchasers. Competitive advantage might take the form of a lower price than the competitor for the benefit or the provision of more unique benefits, only offset the price premium.

According to Kotler (2009, p. 311) it is argued that "competitive advantage over competitors gained by offering a low value or gives the benefits of greater due to higher prices".

According to Porter (2008, p. 1) it is argued that "competitive advantage is the heart of the company's performance in the competitive market, but after a few decades the existence of

a great expansion and prosperity resulted in many companies lose views on competitive advantage in the struggle for more developed in pursuit of a verified ".

Next Sampurno (2010, p. 89) stated that "competitive advantages are capabilities, assets, skills, capabilities and other showing companies to compete effectively in the industry. "While the competitive advantages ". While the competitive advantage, Peter Senge (2008, p. 148) stated that "competitive advantage that continue to survive is the ability of your organization to learn more quickly than its competitors ".

Based on the above opinion of competitive advantage is the ability of an organization to formulate strategies that put it in a favourable position with regard to other companies. Competitive advantage arises when customers feel that they receive more value from transactions carried out by an organisation rivaling. According to Kotler (2009, p. 230) there are five goals the implementation of competitive advantage are: 1) form a proper positioning; 2) retain loyal customers; 3) Get a new market share; 4) Maximize sales and 5) Creating effective business performance

## **2.2 Customer Relationship Management**

Over recent years, organizations have Recognised the benefits of CRM, which allows them to manage their customers, create loyal consumers, assess customer satisfaction levels leading to consumer loyalty, customer retention and business profitability (Lei and Tang, 2005). Shani and Chalasani (1992) in Atul & Jagdish, (2001) have defined relationship marketing as "an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and valueadded contacts over a long period of time.

The effective use of a sophisticated CRM system is achieved by matching organisational capabilities and market context, rather than by uncritical adoption and development. Sophisticated CRM management is strategically oriented and integrated with a company's competitive strategy. (Henry Stewart, 2002).

CRM system was born out of necessity; from sales transactions (such as call centers) and customer complaint handling. . There are three levels of CRM that progress in sophistication with each level up. They are transaction-based data processing customer services; informed decision based customized services, and knowledge-based customer and value driven relationship management. In order for an enterprise to achieve the third level of CRM sophistication by upgrading its core competency and competitiveness. (Chor-Liew, 2008). According to Payne (2001) in Ghazaleh Hasanian (2015) (Hasanian, Chong and Gan, 2015)

CRM process consists of five main components: (1) strategy development; (2) value creation; (3) multi-channel integration; (4) information management; and (5) performance assessment. CRM represents a singularly good example of a higherorder construct or meta-capability that is underpinned by specific technological, organizational and human capabilities. (Tim Coltman,et.al, 2011)

## **2.3 Marketing Strategy**

Efforts in achieving the objectives and in order to achieve a good marketing, a business needs to make the appropriate marketing strategy. According to Tjiptono and Chandra (2012, p. 193) marketing is a plan that lays out the ekspetasi the company will be the impact of various activities or marketing program to a request product or product line specific target market. In brief, Pandji Anoraga (2012, p. 230), stating that marketing is a form of directional in the marketing plan to obtain an optimal result.

According to Echdar (2013, p. 125), the marketing strategy is the entrepreneurial performance with sales results and previous market research in developing the successful marketing strategy. To attract consumers, entrepreneurs could maximise the indicators contained in the marketing mix, namely research and development of the market, the product, the price, the location or place of business, and promotion.

According to Sunyoto, (2015, p. 2) said that marketing strategy is the principal approach to be used by business units in achieving the targets set therein listed first, decisions regarding the principal target market, product placement the market, the marketing mix and the required level of marketing costs. Detailed approach or strategy is determined through a special program marketing programs, such as advertising programs, sales promotions, product development program, as well as sales and distribution programs. An understanding of the marketing needs for the implementation of more concrete with the consumer, and to be successful in the market requires strategies, namely management marketing strategy.

In the role of a marketing strategy, including any attempt to achieve conformity between companies with their environment in order to find a resolution and the provisions of the main considerations. According to Sunyoto, (2015, p. 4), the concept of a marketing strategy that consists of five interrelated elements, namely: 1) Selection of the market, i.e., choose a market that will be served; 2) product planning, covering specific products sold; 3) pricing, i.e., determine the price that can reflect the quantitative value of the product to the customer; 4) Distribution System, namely wholesale and retail trading channel that traversed the product until it reaches the end consumer who buy and use it; 5) marketing communications (promotion) that includes advertising, personal selling, sales promotion, direct marketing, and public relations.

### 3. Research Methods

In this study using associative research and quantitative approach, namely the research to know how the relationship between the free variables or variable bound. where seen from research using data types then the associative. According to Sugiyono (2012, p. 12-13) stated that the quantitative research is not done in depth. generally investigate the surface only. thus takes a comparatively shorter compared to qualitative research.

In this study data used is primary data, i.e. data obtained directly from the location of the research in the form of data regarding each of the variables (Customer Relationship Management, marketing strategies and competitive advantage). Data collection techniques used in this research use the question form provided to 100 customers a company distributor.

### 4. Result And Discussion

#### 4.1 Result

Regression analysis is used to find out the influence of the variables the dependent variable are independent.

**Table 1.** Multiple Linear Regression

Model	Ustandarduzid			
	Coefficient			
	B	Std,	t	Sig,
		Erro		
(Constant	7.533	3.945	1.909	.062

CRM	.448	.096	4.666	.000
Marketing strategy	.335	.095	3.531	.001

Dependent Variabel : competitive advantage.

The table above shows the multiple regression are:

$$Y = 7.533 + 0.448X_1 + 0.335X_2$$

The regression equation from above the variable Customer Relationship Management generate  $b_1 = 0.448$  which means that every variable increases Customer Relationship Management by 1% the competitive advantage will be up by 0.448 assuming the other variables fixed and influence Customer Relationship Management towards competitive advantage is significant.

Variable marketing strategy generates  $b_2 = 0.335$  which means that every variable marketing strategy increases by 1% the competitive advantage will be up by 0.335 assuming the other variables fixed and the influence of marketing strategy against competitive advantage is significant.

#### 4.1.1 Test – t

Statistical tests t basically aims to show how far the influence of one independent variable individually in the dependent variable explained. Testing conducted with the significant use their real level 0.05 level ( $\alpha = 5\%$ ).

**Table 2.** Test-t

Model	Ustandarduzid		t	Sig,
	Coefficient			
	B	Std, Error		
Constant	7.533	3.945	1.909	.062
CRM	.448	.096	4.666	.000
marketing strategy	.335	.095	3.531	.001

Dependent Variabel : competitive advantage

The results of calculation of test-t can be seen in the table above: coefisien

1. Customer Relationship Management variables are positive and significant effect against the competitive advantage with t calculate 4,666 > t table and have significant numbers 1.984 of  $0000 < 0.05$  .
2. Variable marketing strategy to competitive advantage with value t calculate of 3.531 > 1.984 table t and has significant numbers of  $0.001 > 0.05$  .

#### 4.1.2 Test- F

Test statistic F (simultaneous) will be conducted to find out whether free variables (independent) together-the same effect significantly or not against a variable is bound (the dependent) and also to test the second hypothesis. This testing is done by using the significance of the real extent of 0.05 level ( $\alpha = 5\%$ ).

**Table 3.** Test-F

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	570.32222	2	258.161	31.636	.000 <sup>a</sup>
Residual	432.658	97	9,014		
Total	1002,958	99			

Predictor : (Constant), marketing strategy, CRM

In the table above are known to value F calculate registration ( $31,636 > 2.70$ ) with significant value  $0.000 < 0.05$ . Shows there is a significant influence on Customer Relationship Management and marketing strategies against competitive advantage on the company distributor of Medan City.

#### 4.1.3 Coefficient of Determination (R2)

Koefesien Determination (R2) is a quantity which addresses the magnitude of the variation of the dependent variables that can be explained by the independent variable. With, among others, koefesien determination is used to measure how much variables in explaining the dependent variable. Koefesien determination of value is determined by the value of the R square, as can be seen in the following table.

**Table 4.** Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std,Error of The Estimate
1	.754 <sup>a</sup>	.569	.551	3.00229

Predictor : (Constant), marketing strategy, CRM

Dependent Variable : competitive advantage

From the results of the above calculation note that R is the Square of 0.569 meaning 56.9% competitive advantage derived from variable Customer Relationship Management and marketing strategies and the remaining 45.5% were influenced by other factors.

#### 4.2 Discussion

From the above table about Customer Relationship Management variables (X1) on competitive advantage (Y) obtained t-count  $4.666 > t\text{-table } 1,984$  with probability sig  $0,00 < 0,05$  it shows that H0 is rejected and H1 is accepted. It can be concluded that this showed there was significant influence between the CRM variable against a competitive advantage.

From the above table about marketing strategy variables (X2) on competitive advantage (Y) obtained t-count  $3.531 > t\text{-table } 1,984$  with probability sig  $0,00 < 0,05$  it shows that H0 is rejected and H1 is accepted. It can be concluded that there are significant variables influence the marketing strategy against competitive advantage.

Competition is global and sharp led to percutian profits that accrue to the companies that entered the competition level of the world. This situation forced the management looking for various new strategies for making a new strategy which makes the companies able to survive and thrive in the world level competition. This situation forced the management looking for various new strategies that make the company capable of surviving and thriving the world level.

Test results showed there was a simultaneous influence of CRM and marketing strategies against competitive advantage. F value count (31.636) > F table (2.70) that there is a significant influence simultaneously between CRM and marketing strategies against competitive advantage on the company's distributor in the city of Medan. The better CRM and marketing strategies it will be ever increasing competitive advantage.

## 5. Conclusions

1. T-test results indicate that there is significant influence between the variables CRM against competitive advantage on the company's distributor in the city of Medan. The better the CRM Customer towards companies that are done it will be the higher competitive advantage.
2. T-test results showed that there was significant influence between the variable marketing strategies against competitive advantage on the company's distributor in the city of Medan. The more effective strategy that the company carried out it will be the better ability of competitive advantage of the company.
3. Test results F there is the influence of CRM and marketing strategies against competitive advantage on the company's distributor in the city of Medan. CRM and marketing strategy are the two parts that must be maintained and improved so that the company's competitive advantage in the snatch market competition can be controlled.

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