

# Maintaining Priority Customers by Implementing Customer Relationship Management (CRM): A Case Study at Emerald Banking BNI PTB (Perguruan Tinggi Bandung)

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**Abstract.** The focus of this research is to find out how the sales marketing find the new customers and Customer Relation Officer (CRO) Division maintain the existing customers with CRM program which include several media. This research was conducted at Bank BNI PTB Bandung for 300 hours practical work studies. This research is a descriptive research with qualitative approach in analyzing its data. The primary data were obtained from direct observation and interview with Bank BNI PTB Bandung employees and customers, while secondary data were obtained from books, documents from this company, internet, and research articles. From this research it was found out that the customers' maintenance strategies at Bank BNI PTB Bandung have been run perfectly. The result of this research revealed that if the marketing strategies were implemented constantly to maintain a good relationship between the bank and the customers regarding the customers' loyalty, it would have a positive impact for the bank in terms of customer relationship management.

**Keyword.** Customer relationship management; customers; loyalty; maintenance strategy

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## INTRODUCTION

Banking institutions are companies which always give the best service quality for the customers. Therefore, they must keep customers trust and make them feel safe. The high competitiveness is an indicator of service excellence and good company performance. In this case, the company must improve the service excellence for the customers to make them happy (Ibrahim et al., 2015). If the companies succeed to maintain and give excellent service for the customers, they will be loyal and feel satisfied (Khedkar, 2015).

One of the strategies in banking to maintain the customers is Customer Relationship Management (CRM) strategy. One of the most common theories regarding CRM is concerned with managing detailed information about individual customers and all customers "touch points" to maximize customers' loyalty (Kotler and Armstrong, 2011). That theory could also state as an alignment of several factors such as strategy, process and technology that used to manage the customer, and all section that have to face direct customer. So, CRM in general is about how to managing organizational relationship with the customer in the entire life cycle with effective and profitable manner. Through the process of managing customer through the entire life cycle of customer using CRM, competitor will not be tempted to change however the competitor try to win it over. All of this because customer feel that their entire life cycle is accompanied and fulfilled, Therefore, loyalty becomes the end result of the process.

Every firm will have a different kind of what they called "the right client". This is happened because every firm has their own perception, a new firm will have a different analysis on what they called "the right client" compared with a mature and established firm. Even sometimes, although they meet the right client a firm could not accepting the customer because of the firm workload, location, and even the situation of the competition in the industry. Despite of that, selecting the "right" client is very essentials for every firm and every firm should have a formal process on how they accept and maintain the continuation of the clients.

To help acquiring “the right client”, customer data base is very important especially for banking. This database will help banks to increase their conversion rate and maintain customer loyalty of their bank. This database will also help the bank to know what their customer wants; this objective align with what CRM does.

Although CRM is very common to be used in marketing, sales, and service, CRM could be a management strategy where it could enhance the customer relation and organization performance if the CRM properly implemented with technology, cross functional system, and customer-driven product (Goldenberg, 2000). CRM as a management or business strategies that stated in the previous sentences could increase the performance from every sector of the firm by leveraging customer interaction to keep its maximum profitability. For the customer, CRM is very convenience regardless what the channel used for interaction. The interaction of the customer using CRM will be simpler and more customized than the regular service (Gulati and Garino, 2000).

Bank Negara Indonesia (BNI) is one of the largest state own banks in Indonesia which has spread the service network through 1.826 domestic outlets and 6 branch offices overseas (in Singapore, Hong Kong, Tokyo, London, New York, dan Seoul). Moreover, BNI's ATM network currently has 16,071 ATM units and it is also supported by a shared ATM network. BNI services are also available through 71,000 EDC, Internet Banking and SMS Banking.

BNI in 2020 was awarded as 2nd The Best Corporate Secretary & Corporate Communication-V-2020 Public Company-Bank-State Owned Enterprise, Gold Winner-Annual Report for state owned category, Gold Winner-print media for state owned category.

One of the potential customers at BNI is marketing segment as priority customer called emerald banking customer. They treat their customers by CRM program such as rewards, special programs, gift, and other CRM programs, although with that kind of program the sales didn't increase significantly. With this program BNI only gets additional 214 customer from Q4 of 2018 to Q1 of 2020. Furthermore, they didn't receive achievement related to CRM program.

Based on that facts, this paper is written with the title “Maintaining Priority Customers by Implementing Customer Relationship Management (CRM): A Case Study at Emerald Banking BNI PTB (Perguruan Tinggi Bandung)”.

## **Customer Relationship Management**

Based on their research Kotler and Armstrong (2011) mentioned that CRM is how the detailed information could be managed to maximize the customer loyalty from the interaction of individual information of the customer and customer touch point. CRM is defined by Couldwell (Ibrahim et al., 2015) as an integration of business process and technology that have an objective of to understand business process and technology to understand firm customer from different perspective. Based on that definition, it is concluded that the important aspect in CRM is managing information and the touch points to achieve organization goal.

Applying CRM in an organization means that a change in different areas of the business must be applied, and it must have a proper balance of people, processes, and technology. CRM has a function of seeking information to provide understanding of customer needs, to support a business strategy, and to build long-term relationships with customers. One of the main reasons of CRM failures is considering technology as the main part of the system. CRM project will succeed if the CRM users can identify and recognize people, process, and technology with either individual or collegial handling. Certain researches have shown empirical evidence regarding the implementation of CRM.

## **CRM Framework**

The main problem in implementing CRM is that CRM means different things to different people. For some, CRM means direct e-mails. For others, it is mass customization or developing products that fit individual customers' needs. For IT consultants, CRM is defined into complicated technical jargon related to OLAP (online analytical processing) and CICs (customer interaction centers). What the managers need to know about their customers and how that information is used to develop a complete CRM perspective is based on the basic model of Winner (2001) which contains a set of 7 basic stages:

1. Finding the database of customers' activities;

2. Analyzing the database;
3. Deciding the customers that should be targeted;
4. Choosing the right tools in targeting the customers;
5. Building relationships with the targeted customers;
6. Analyzing privacy issues; and
7. Using metrics to measure the success of the CRM program.

CRM regularly includes business measure change and the presentation of new data innovation, thusly powerful authority is significant (Galbreath and Rogers, 1999). Since pioneers screen the outer conditions of an association, they are regularly the best positioned to set the vision or key bearing for CRM ventures. What's more, pioneers are powerful in the authorisation and control of consumption, the setting and checking of execution and the strengthening and inspiration of key faculty (Pinto and Slevin, 1987).

As CRM ventures into numerous pieces of the business, it has been recommended that associations ought to embrace an all-encompassing methodology (Girishankar, 2000). The all-encompassing methodology places CRM at the core of the association with client arranged business measures and the combination of CRM frameworks. Ciborra and Failla (2000) conceptualize CRM past a front office contact the executive's framework. For other people, CRM goes further to comprise operational, explanatory and collective components (Trepper, 2000). All-encompassing ways to deal with CRM assist associations with planning and adequately keep up the development of unique client contact focuses or channels of correspondence. Notwithstanding, the issues of channel strife have been recognized have an alternate client experience contingent upon the channel (Peppard, 2000).

### **Types of Customers in Banking**

Perceptions of convenience must be distinguished based on customer types because there are two types of customers: high touch and high tech customers, where each customer has a different approach to be able to understand the convenience of banking product (Saputro, 2017).

In the current era of banking industry, high touch customers are often compared to high tech customers. This understanding implies that the effect of CRM activities to the different type of customers will be an interesting study because it is not only related to the generalization of results refers to the findings of empirical research, but also its relevance to development theoretical of CRM itself.

### **BNI Emerald**

BNI Emerald is one of the programs that maintains the customers by implementing special and exclusive facilities, which is divided into three segmentations:

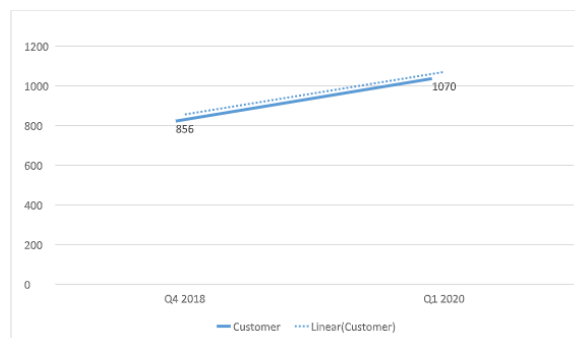
1. BNI Emerald - Personal Banking  
BNI Emerald Personal World Debit Card is a recognition card for individual customers that has a minimum funding composition of AUM (Asset Under Management) IDR500 million < IDR5 Billion. The Relationship Manager will assist the customers and provide solutions in customer financial arrangements.
2. BNI Emerald - Priority Banking  
BNI Emerald Priority World Debit Card is a recognition card for individual customers that has a minimum funding composition of AUM (Asset Under Management) IDR5 billion < IDR15 billion. It will be handled by the Relationship Manager who will help the customers to go further to achieve their financial goals.
3. BNI Emerald Private Banking  
It is a recognition card for individual customers that has a minimum placement composition of AUM (Asset Under Management) IDR15 billion. It will be handled by Senior Relationship Manager that will serve the customers and become an expert in providing guidance and advice that will support their financial goals.

## METHOD

This research uses a qualitative research method, and the object for this research is CRM Programme Bank BNI Bandung Branch for Emerald customers. The data used in this research are primary and secondary data. The primary data were collected directly from the process of interview and observation. While, the secondary data were collected from article and literature review. This research was started from literature review, observation, and interview methods to collect primary data. Data analysis for this research is to categorize the result from observation and interview so the researchers could make a conclusion based on data.

## RESULTS AND DISCUSSION

It was found that BNI has been already implementing CRM to maintain priority customers using the basic model of Winner R. S. (2001). As the result, it can be seen in figure 1 below that there was a significant increase of customers.



**Figure 1 Customer Increase Q4 2018 – Q1 2020**

There was a slight increase by 214 customers from Q4 of 2018 to Q1 of 2020. It was the effort of CRO division that played an important role in attracting customers. They have tried to implement new program to acquire customers and customers' retention. The program was a part of CRM superiority program at BNI. The implementation of CRM program will help the existing and the new clients get the service excellence accurately as needed. The activities that are handled by CRM employees at Bank BNI include building a relationship management by email integration, clients follow-up and project, email marketing, and sales calls. In periodical times the CRM employees call or text with the potential customers to ask indirectly if they want to add their account balance in their account.

Based on the observation and interview result, here are CRM strategies/programs that have been implemented by BNI CRM Department staff:

1. Birthday attention, they give customers some gift or birthday card to their house or office.
2. Chinese New Year celebration, they give some Sincia Card, packages of fruit or Angpao.
3. Being Helpful, they are always helpful to solve the customers' banking or nonbanking problem or issues.
4. Financial wealth management, they give some advice to Emerald customers related to their financial activities.
5. Emerald card, they offer three card option for the customers: Emeralds Personal Banking, Emerald Priority Banking, and Emerald Private Banking. The segmentation is quite different based on the customers' Assets Under Management (AUM), Emerald Personal Banking is about IDR500 million - IDR5 billion, Emerald Priority Banking is about IDR5 billion - IDR15 billion, Emerald Private Banking is about > IDR15 billion.
6. Offering the BNI emerald card products: BNI Emerald Saving, BNI Taplus, BNI Taplus Bisnis, Giro, Deposito, Credit (including derivative product).
7. Offering non-banking products such as BNI products cooperating with other parties' example Reksa Dana, Sukuk Negara Ritel, Bancassurance

8. The CRM staff will offer customer an assistance of Relationship Manager or Emerald RM, they will be invited and accompanied by emerald relationship manager to provide banking services and special services such as financial planning, investment planning, insurance planning, etc.
9. BNI Emerald Airport Limo Transfer, it is a special shuttle service for BNI Emerald customers who will travel in domestic or overseas airport in all over the world.
10. BNI Emerald Airport Assistance such as VIP airport assistant service for BNI Emerald Customer for ease travel through fast track and meet & greet facilities at more than 50 Airports in Indonesia.
11. BNI Emerald Railink: such as a free cash back for BNI Emerald Customers who travel by airport using Railink. Addition such as BNI emerald airport lounge (Domestic) .aea cavailable at the

Facilities such as BNI MasterCard Airport Lounge Experience (MCAE): is a special service provided to BNI Emerald Customers for using airport lounge all over the world including cash back. For international airport lounge it will access the airport lounge all over the world using BNI Emerald World Debit Card (BEC) Private & Priority. The total lounge is more than 1.000 lounges available in more than 120 countries. Then, BNI Garuda Priority Service, it is a collaboration between BNI Emerald and Garuda Indonesia for airport lounge and airport assistance special for BNI Emerald Customers (Private & Priority Banking). For international flight facilities are the premium check-in terminal 3 in gate 1-A5, the priority baggage tag (2 bag), fast track priority security check point, special line immigration clearance, free access Garuda Lounge (Gate 7-8), and fast track priority boarding. For domestic flight, the facilities are premium check-in Terminal 3 in Gate 5-F11, priority baggage tag (2 bag), fast track priority security check point, free access Garuda Lounge (Gate 12-13), fast track priority boarding.

Another offering like Free Cash Withdrawal Fees, setting up overseas automatic teller machines in all over the world offering shopping overseas with cash back system. Then BNI Sapphire Lounge & Airport, located in terminal 2F Sukarno Hatta Airport. For Emeralds Personal Banking card holder free 1 Pax/card, Emerald Priority Banking free 2 Pax/card and Emerald Private Banking card free 4 Pax/card. Also, BNI Emerald outlets, they are available in domestic and international branches. The special benefits: queue free service, free meeting room, free food and beverage, free Wi-Fi, mini library, and small gathering. Next, BNI Private Jet and Heli City. Also, BNI Emeralds Overseas Education Assistance, it is a consultation facility for BNI Emerald customers or their lovely family members who will continue their overseas studies.

Another special offering is BNI Golf Privilege. Point Reward (it can be redeemed with some gift such as cars, handphones, smart phones, motorcycles and many more) From the author experiences, when one of customers' family member passed away or being sick, the CRM staff gave some condolence greeting & visit the customer. Daily call to customers. VIP Lounge for Music festival, e.g. Java Jazz. Fashion events (with LV, Dior and more). Gathering with the customers. Mailing the customers to offer the new program (from BNI office center). Giving a bonus (BNI Poin+ for Emerald Banking Customers)

It was mentioned earlier that CRM has seven basic components, and the result showed that BNI had fulfilled every basic component of the CRM program, from the database of customer activities to metrics of measuring the success of CRM program.

## **CONCLUSION**

Customer Relationship Management is centered around the creation and upkeep of long haul, commonly advantageous associations with deliberately significant business sectors. It depends on the reason that clients with the most noteworthy life-time esteem are those in whom the organization

ought to contribute their maintenance assets. Different clients don't need to be dealt that way. For other people, it might be conceivable to re-arrange or support the relationship to make new wellsprings of significant worth.

Customer Relationship Management isn't humanitarian. It is a necessary chore. Client relationship the board impacts the two sides of the benefit condition. The compensation for an organization is improved gainfulness accomplished through longer client residency and a more prominent portion of client spend.

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