Mediating Role of Customer Relationship Marketing Improve Business Performance Base on Culture Organizations: Case Study on Computer Hardware Industry in Indonesia

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Abstract: Customer Relationship Marketing (CRM) requires maximum integration for all potential resources of the company and no exception of both internally and externally resources. Theoretically and supported by the results of previous studies show that CRM and organizational culture plays an important role to improve business performance. This study aims to analyze the contribution of cultural variables on the performance of the organization and CRM business in the computer industry in Indonesia. The data used is the cross section data from primary and secondary sources, both quantitative and qualitative. The study design is a mix method using 250 respondents and 10 informants. The results of quantitative design analysis with PLS program shows that a positive influence organizational culture but no significant effect on CRM and business performance; CRM positive and significant impact on the performance of the business; CRM is not capable of being a cultural mediation organizations to improve business performance. This study resulted in three propositions: organizational culture transformation occurs through computer marketing; computer marketing business is largely determined by the quality of resources marketers; marketing business computer using a quota system so that the culture of the organization does not have much effect on business performance. The findings which constitute originilatas this study were: organizational culture was not significant effect on CRM and business performance; CRM is not capable of being a cultural mediation organizations to improve business performance.

Key words: Organizational culture, CRM, business performance and the computer industry in Indonesia, design, culture

INTRODUCTION

Globalization has changed the behavior of consumers and the business environment in all business areas. The businesses are forced to find new ways to optimize their business processes, improve business performance and win the global competition. The business competition conditions cause a paradigm shift in the world of marketing which stems from the traditional manner shifted towards transactional marketing and even now towards relationship marketing. The importance of implementing a business strategy based relationship marketing, namely developing and maintaining long-term cooperative relationships with other companies and consumers (Hunt, 1997). Business strategy that based on relationship marketing is also influenced by environmental factors, including economic trends in the company forward to a service-oriented, IT adoption are global, niche-oriented (niche) and oriented information (Gronroos, 2000; Gummesson, 2002). Furthermore, the implementation of CRM in building, developing and maintaining business performance is closely related to the IT and culture organization are applied (Chung et al., 2012).

The development of the computer business in the world in general showed a shift in sales of computer type of Personal Computer (portable PC) to the tablet computer. Based on International Data Corporation (IDC) in the first quarter of 2013 (January to March), it is known that the tablet computer sales reached 229.3 million units by the end of 2013 compared to 144.5 million units in 2012. Thus, the growth during the period 2012-2013 amounted to 58.7% while sales of portable computers has decreased by 6.7% during the period 2012-2013.

Similarly, the development of computer usage in Indonesia is very rapid. This is shown by the data of the Ministry of RI, reaching 6.5% in 2012. The data also gave the meaning that Indonesia is one of Asia's largest computer market. In addition, the population of Indonesia is also the largest in Southeast Asia, namely 240 million in 2013. GNP (Gross National Product/GNP) is also quite large, at US $2,500 billion while the IT resource expenditures in 2011 was the Southeast Asia's largest which amounted to US $10.9 billion with a Compound Annual Growth Rate (CAGR) of 16.1%.

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More data is the use of computers in the public sector, particularly the education sector in Indonesia in 2011 occurred the demand for 5,419,331 units in 2012 increased to 6.19605 million units in 2013 increased to 7,200,129 units while the 2014 projection for 8428.210 units and 2015 is projected to reach 9,904,667 units. In this study, the development of research conducted by Chung *et al.* (2012), the use of high-tech industries in Taiwan. The research development is the addition of indicators of organizational culture and CRM, mixed method research design and the use of SEM with the help of Software PLS. The experiment was conducted in the computer industry in Indonesia within limited research subject on the principal, distributors and resellers in major cities in Indonesia.

Literature review: This research uses of Marketing Management Theory and Relationship Marketing Theory as the main theory in explaining the importance of maintaining long-term relationships with customers and business partners in the face of business competition is getting tighter. Other studies support this research is an empirical study of organizational culture, CRM and business performance. All theory and the study are further explained as follows.

Managemen Marketing Theory: According to Kotler and Keller (2012), marketing management occurs when at least one party in a potential exchange of talk about ways to achieve the desired response of others. Accordingly, marketing management is seen as the art and science of choosing target markets. In addition, also achieve, maintain and grow customers by creating, delivering and communicating superior customer value. Kotler and Keller (2012) argue that the essence of marketing is to satisfy the needs and desires of consumers. Business objectives are to deliver customer value to generate profit. To create and deliver value may include the phase select a value, the phase providing value and communicate the value of the phase. According to Kotler and Keller (2012), the order of creating and delivering value through three phases, namely the phase select a value, marketers must segmenting the market, choosing the right target market and develop offers value positioning (STP); phases provide value, marketers must determine the specific product features, price and distribution; phase of communicating value, marketers utilize the sales force, sales promotion, advertising and other means of communication to promote the product.

Moreover, Kotler and Keller (2012) said that basically marketing activities include several concepts. The concept is the production concept, product concept, sales concept, marketing concepts and holistic marketing concept.

Relationship Marketing Theory: One model which is currently developing marketing is marketing with cooperation to achieve mutual benefit long term. Marketing model that involves all stakeholders including competitors known as relationship marketing. Theoretically, there are ten forms of relationship that shows a relationship marketing is based on the concept of Morgan and Hunt (1994), namely a partnership in the long term relational interaction between manufacturers and suppliers; relational interactions involving suppliers of services; strategic alliance between the company and its competitors; an alliance between a company and nonprofit organizations; Partnership (PPP) for joint research and development; the long-term interaction between companies and consumers; working in partnership relational relationship; relational relationships (relational exchange) which involves the parts (department) functional; interaction relational relationships (relational exchange) between a company and its employees and the interaction relational relationships (relational exchange) in the company.

Culture organization: David (2011) said that culture organizational is a pattern of behavior developed by an organization when trying to deal with the problems of external adaptation and internal integration that has functioned well enough to be considered valid. In addition, it can be taught to new members as the correct way to perceive, think and feel. The success of the organization's strategy is closely related to organizational culture (Yip, 1995).

Business performance: Dessler stated business performance is closely linked to the performance of the individual, i.e. as actual achievement of employees compared with the expected accomplishments of employees. Thereby, both the work performance and job performance are reflecting the results achieved by a person or group of people. There is a close relationship between individual performance and the performance of the institution or company performance.

MATERIALS AND METHODS

Research design: This research used combines of quantitative and qualitative research design.

Research location: The experiment was conducted in sixteen cities in Indonesia such as Jakarta, Surabaya, Bali, Yogyakarta, Jember, Madiun, Malang, Kediri, Jombang, Mataram, Jayapura, Bandung, Palembang, Medan, Balikpapan and Makassar which has a principal, distributors and resellers computer.

Population: The total population involved in this study were all principal companies, distributors and resellers of computers in Indonesia with the distribution of data, namely: 1087 in Jakarta, Surabaya 116,13 in Bali, 3 in Yogyakarta, 2 in Jember, 5 in Madison, 7 in Malang, 1 in Kediri, 1 in Jombang, 4 in Mataram, 1 in Jayapura, 167 in Bandung, 29 in Palembang, 59 in Medan, 80 in London and 34 in Napier. The total number was 1,609 companies.

Sampling techniques: The sampling technique using the Krejcie and Morgan (1970) concept which is the amount of sample 250. Random samples were taken with Probability Sampling Method, i.e., proportional stratified random sampling and strata based on the location of the company. All respondents were principals, distributors and resellers computer. The sampling respondents for this study using Simple Random Sampling Method. Moreover, the analysis of qualitative determination informant design is done by Non-Probability Sampling Method, i.e., purposive sampling of 10 informants.

Research variable: The variables identified in this study are as follows:

- Exogenous variables (exogenous variables)
- Organizational culture is reflected by a rational culture, hierarchy culture, cultural groups, cultural development, the specific atmosphere and the perception of business owners
- Endogenous variables (endogenous variable)
- CRM is reflected by the findings of knowledge, marketing planning, customer interaction, analysis updates, marketing for customer loyalty and service for customer loyalty
- Business performance is reflected by the level of profitability, sales growth, quality of service, customer maintenance level, the success of new products and investment development

Research instruments: Research instruments include questionnaires in-depth interviews (depth interview), active unstructured observation, triangulation, Focus Group Discussion (FGD) and documentation.

Validity and reliability instruments: Test the validity of the instrument performed with SPSS, comparing the output Cronbach alpha column with corrected item total correlation on each variable. Reliability tests performed with the Statistical Test Method Crobach alpha one shot.

Research procedure: This research used a mixed design. Analysis of quantitative design using cross section data of 250 computer company in Indonesia while the analysis of qualitative design using data from 10 key informants with FGD Method. Judging from the source data used are primary and secondary data, both quantitative and qualitative.

RESULTS AND DISCUSSION

Data analysis: Data analysis included descriptive analysis, inferential analysis and analysis of interpretive interaction. Descriptive analysis describes the research data presented in tabular form. Moreover, Inferential analysis using SEM analysis of alternative methods of PLS. Measured data for each indicator in the quantitative analysis using the rating scale unit, i.e., from one to seven. Interpretive interaction analysis conducted on the next FGD results are summarized, presented, summarized and verified at the same time. The analysis covers before in the field in the field of data analysis and the analysis after in the field. The analysis was performed by the method of discovering cultural themes, namely the process of looking for a relationship between the domain and the overall relationship in accordance with the focus of the analysis/study object. The relationships built in the quantitative analysis is shown in Fig. 1.

Data analysis: Based on the reliability test research instruments (questionnaire) note that all items of questions each-each variable is declared reliable, good for organizational culture, CRM and business performance, the values obtained Cronbach's alpha based on Standardized Ijen each >0.60. Test the validity of all the items that make up the question of business performance variables, organizational culture and corrected item total value CRM>r table at 0.05 (348 (N-1), 0.05) in the amount of 0.113 that has a meaning that all items of questions valid.

Descriptive analysis: Judging from the average score of respondents to variable organizational culture has an
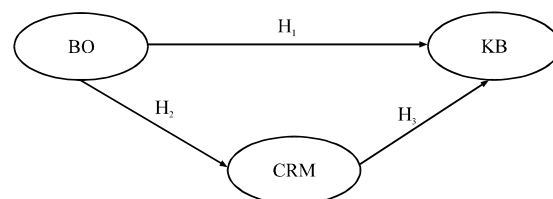
Fig. 1: Research concept; BO: Cultural organizations; KB: Business performance; CRM: Customers Relationship Marketing

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average score of 5.69. Indicators that have an average score above the average score of the variable is a rational culture, entrepreneurial culture and culture building. In contrast, the indicator has an average score below the average score of the variable is the cultural hierarchy, specific culture and perceptions of business owners. That is in the computer business culture that is needed is a culture that focuses on encouraging the performance of marketing to achieve the target set by the principal, distributor or reseller.

The average score was 5.59 CRM variable is an indicator that gets response above average score of variables which include a commitment, customer service and interaction with customers. This value means that the indicator is more important than the indicator had an average score below the average score of variables, namely trust, communication and conflict resolution. This is possible because the reseller only run the system that has been determined by the principal and distributors.

The average score of business performance variables is 5.64. In this study, received a response indicator above the average score of the variable is the quality of service and customer maintenance. In contrast, the indicators that are considered less important is the level of profitability, sales growth, the success of new products and investment development. The score values meaning that the quality of service and maintenance factors consumers are more important factor for improving business performance.

Inferential analysis

Outer Evaluation Model: Evaluation includes the analysis of convergent validity, discriminant validity, composite reliability and Cronbach alpha. The analysis showed that the convergent validity, the entire indicator variables of the study is valid because it has the outer loading >0.60 based on the criteria of convergent validity of Lathan and Ghozali. The following evaluation criteria showed discriminant validity among the variables under study $\sqrt{AVE}$ values ranged from 0.80-0.83 while the correlation between the variables ranged from 0.69-0.80. That is the value of $\sqrt{AVE}$ greater than the value of the correlation between the variables so that all variables are valid. Evaluation criteria Composite Reliability (CR) and Cronbach Alpha (CA) showed that all variables CR reliable because all variables have values >0.90 and CA>0.87. Variables considered reliable if it has a value >0.70.

Inner Evaluation Model: Inner measurement models performed through three methods, namely: the analysis of R-square (R^2), analysis of Q^2 predictive relevance (Q^2) and analysis of Goodness of Fit (GoF). The results of calculation of R^2 for CRM variable is 0.66 includes powerful models. R^2 of 0.67 business performance variables including robust models. On the other hand based on the criteria Q^2 calculated values obtained 88.93% including the classification model is very powerful. That is 88.93% of the relationship between the variables can be explained by the model while the remaining 11.07% are other factors that are not included in the research model. GoF analysis shows the results of calculations by 0.66. That is global models are very fit because it has a value ≥ 0.36.

Analysis of path coefficient: This analysis showed that the correlation coefficient with the CRM organizational culture variable is positive but not significant at 0.22 level of 0.05 (Table 1); organizational culture has positive influence on the business performance of 0.19 but not significant; CRM positive and significant impact on business performance of 0.42.

Analysis of direct and indirect effects: This analysis aims to determine the contribution of organizational culture variables directly and indirectly to the performance of the business. Figure 2 shows that the path coefficients direct relationship of organizational culture on business performance of 0.19 is greater than indirectly through intervening relationship CRM which is equal to 0.09. That is CRM is not able to mediate organizational culture on business performance.

Interaction analysis (qualitative design): Interpretive interaction analysis focused on two variables are not significant relationship, i.e., CRM and organizational culture on organizational culture on business performance. This analysis shows the following results.

Analysis of culture organizational effect to CRM: Organizational culture that is owned by a local reseller not much contribute to the interaction of CRM because the entire business systems already using principal management or distributor. Resellers only run the entire system including the financial system have been determined. Penetration of foreign culture is getting

Table 1: Value of path coefficient and test statistics

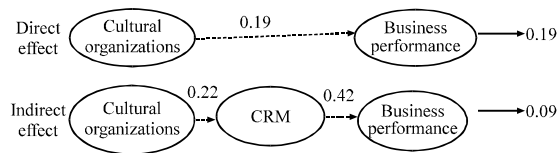| Variables	Original sample	Sample mean	Standard deviation	Standard error	t-statistics	Description
Cultural organizations→CRM	0.22	0.21	0.12	0.12	1.85	Non-significant
Cultural organizations→business performance	0.19	0.19	0.11	0.11	1.69	Non-significant
CRM→business performance	0.42	0.41	0.15	0.15	2.73	Significant

Fig. 2: Direct and indirect effects of culture organizational to the business performance

stronger after the issuance of government regulations that provide flexibility foreign companies became principal and distributor in Indonesia since 2007. The local culture is required confined to marketing at the consumer level by doing approach and foster consumer confidence. In addition, the network is very necessary to build communication skills and sense of commitment of employees to meet sales quotas. Cultures were suitable to be applied in a flexible network that is culturally acceptable to all parties in the network.

Analysis of culture organizational effect to business performance: Business computer based quota system. All parties will compete to meet sales quotas. Therefore, the performance of the business is not much influenced by the existence of organizational culture. Organizational culture is limited to use in the internal relations of the company but not for interaction with the principal and distributors. In addition, more business performance is determined by the quality of the product, after-sales guarantee, the price, the ability to approach and communication compared to the organizational culture.

CONCLUSION

- Organizational culture positive effect but no significant effect on CRM and business performance
- CRM positive and significant impact on business performance
- CRM is not capable of being a cultural mediation organizations to improve business performance

Proposition: Minor proposition is as:

- P1: in the computer business technology transformation through direct marketing along with the transformation of the organizational culture in which the technology was invented
- P2: in building a business network on a computer then apply the appropriate organizational culture is a culture that is able to accommodate all the difference both in ethnicity, race, religion and customs of the different regions

- P3: communication skills based on psychological capability is a key variable to interact and increase customer loyalty in marketing computer
- P4: business marketing computer based on the quota system so that the role of organizational culture is not important

Major proposition is as:

- PA: transformation through marketing of computer technology as well as a transformation of the organizational culture in which the origin of the technology was invented. Culture of the organization is able to adapt to the various tribes, races, religions and customs
- PB: business marketing is highly dependent on the quality of computer resources in communicating marketers to create psychological closeness, both with consumers and in teamwork to meet the marketing quota

RECOMMENDATIONS

- In building a marketing network computer is the time to reduce the role of foreign companies. The Government should give serious attention to domestic IT companies
- In the computer marketing marketers the ability to interact and communicate with consumers is crucial marketing performance. Therefore, it was suggested that the school/college has a curriculum as a reliable energy marketer with courses in accordance with the marketing needs
- Keep the movement in the country to create a culture based network marketing organization, in particular by increasing the commitment and concerted efforts to reduce dependence on foreign resources. Thus, human resources, Indonesia hosted in their own country

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