

Managerial Factors Influence and Customer Relationship Management of Competitive Advantage for Improving Performance in Transportation and Logistics in Semarang

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Abstract

This study discusses the influence of managerial factors and customer relationship management toward competitive advantage to increase performance in transportation and logistics service companies in Semarang. Total sample in this research is 127 companies. Collecting data using a questionnaire, an analyzed data tool which has been used is Structural Equation Modeling (SEM) through the AMOS 24.0 program. The result of data analyzed showed that the research model can be accepted with goodness of fit, they are chi-square = 145.188; probability= 0.156; GFI= 0.893; AGFI= 0.858; TLI= 0.985; CFI= 0.988; CMIN/DF= 1.125; and RMSEA = 0.032. All hypotheses can be accepted after SEM analysis is conducted. This matter means that managerial factors and customer relationship management have a positive effect and are significant toward competitive advantage. Then competitive advantage has a positive effect and is significant toward company performance.

Keywords

managerial factors; customer relationship management; competitive advantage; company performance



I. Introduction

This study discusses the influence of managerial and customer relationship management to competitive advantage in order to improve the performance of transportation and logistics service companies in the city of Semarang. At this time the growth and development of transportation and logistics services is growing faster, both in terms of the number or quantity of the existence of these service companies in the form of domestic companies or international companies as well as in terms of the quality of the services provided are increasingly diverse, service businesses certainly require the existence of specifications and design of service systems to be provided to consumers. The service system will make people or employees involved in different service businesses able to implement and understand it objectively regardless of the consumer's point of view. In the business of transportation and logistics services, it must be adjusted to the specifications and needs of its customers. Therefore, the ability to perform various combinations and responses or a series of different activities for each consumer is very important for transportation and logistics service businesses.

According to research by Bititci et al (2011), there is a significant positive relationship between managerial factors and competitive advantage. Managerial factors can be measured from hard work, taking risks, independence and responsibility. By applying managerial factors properly, the manager or owner of a transportation and logistics service company will get a good competitive advantage and good company performance as well.

According to research by Reinartz, Werner, Kraft and Hoyer, Wayne D. (2004), there is a significant positive relationship between customer relationship management and competitive advantage. With these results, managers or owners are expected to further increase the application of closeness, trust, cooperation, commitment and recommendations.

II. Review of Literatures

Resource-based companies owned by certain resources, if managed and controlled properly, will produce competitive advantages which in turn increase the company's performance to be superior (Rose et al, 2010). According to Elango and Pattnaik (2007), companies that have quality resources above their rival companies can use their competitive advantages to acquire new customers to strengthen their foothold in the market. One of the company's internal resources, namely managerial factors that are managed or controlled by the company, allows the company to implement strategies that can increase its efficiency and effectiveness.

H1: Managerial factors have a positive effect on competitive advantage

Doyle (2001) explicitly applies the concept of Customer Relationship Management in the hospitality industry in relation to loyalty, which states that the Customer Relationship Management process in a hotel will run if based on the basic principle that good service does not guarantee customer satisfaction and satisfaction does not guarantee loyalty. Therefore he said that strong customer relationships will be able to build loyalty.

H2: Customer relationship management has a positive effect on competitive advantage. The competitive

Advantage of a company is something that is not easily imitated by other companies so that it becomes a sustainable competitive advantage. According to Tomaz Cater; Danijel Pucko (2005) Competitive advantage by increasing the competence variable of innovating resources has a positive effect on effective company performance, and also strengthened by Robert M Grant (1991).

H3: Competitive advantage has a positive effect on company performance.

Company performance is a measure of the success and development of small and medium and large companies. Measurement of return on investment, growth, volume, profit and labor in general companies is carried out to determine the company's performance (Sarwoko and Hadiwidjojo 2013). Based on research by Rue and Ibrahim (2008), it is stated that small and medium-sized companies that formally have strategic planning influenced by environmental and managerial factors produce above average performance compared to companies that do not have strategic planning. This is also similar to that proposed by Gibcus & Kemp (2003) which relates the relationship between strategic planning and performance, it is found that there is a positive relationship with profitability when performance resources are used.

H4: Managerial factors have a positive effect on company performance.

Customer relationship management (CRM) is a strategy that companies need to optimize profits by increasing customer satisfaction. Utilization of technology in CRM makes companies understand customer wants and needs will strengthen the relationship between.

H5: Customer relationship management has a positive effect on company performance.

Theoretical Framework

The framework for this research is shown in Figure 1 below.

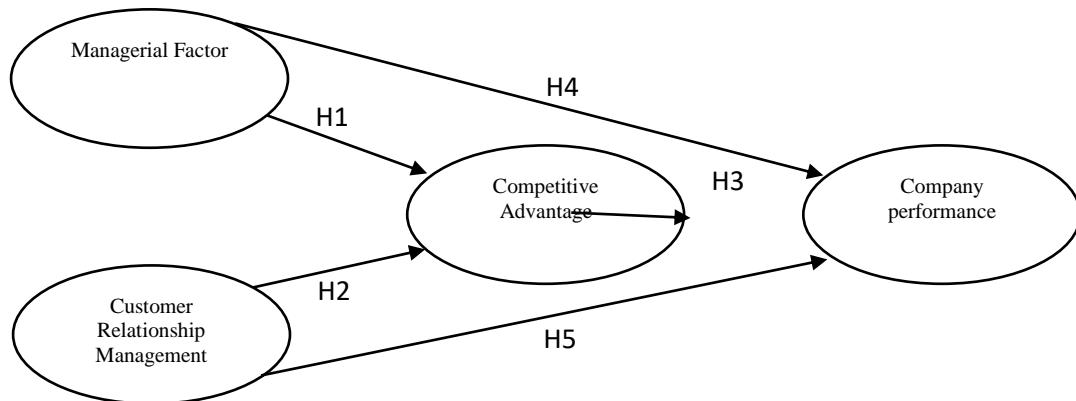


Figure 1. Theoretical Framework

Source: The Concept Developed in this Study (2021)

III. Research Methods

3.1 Operational Definition of Variables

The operational definition of variables contains the operational meaning of the variables developed in this study, there are 5 variables developed, namely managerial factors, Customer Relationship Management, Competitive Advantage and Company Performance. The following is a description of the operational definitions of the variables used in this study.

a. Managerial Factors

The construct of personal values from the Rokeach instrument (1973) includes ambition, achievement (sense of satisfaction), equality, social recognition, compassion, competence (ability), courage (risk taking), honesty, and creativity (imaginative), autonomy (independence).) and responsibility, (Cunningham & Lischeron, 1990) also identify honesty, sense of responsibility, reliability and interruptibility (the inability to commit corruption. The indicators used to measure managerial factors are as follows:

- Hard Work
- Bearing Risk
- Independence
- Responsibility

b. Customer Relationship Management

Customer Relationship Management (CRM) is an activity carried out by companies that emphasizes efforts to maintain and foster long-term relationships with old customers. CRM is measured using indicators of closeness / clossness (Barness, 1997), cooperation / cooperation (Morgant & Hunt, 1994), Bendapudi & Berry, 19 97; Farzier, 1983; Shani & Chalasani, 1993), trust / trust, commitment / commitment (Osarenkhon, 2007). The indicators used to measure customer relationship management are:

- Closeness
- Trust
- Cooperation
- Commitment
- Recommendations

c. Competitive Advantage

Day and Ensley (in Cravens, 1996, p.50) suggest that competitive advantage should be viewed as a dynamic process rather than as an end result. It is also stated as a process consisting of sources of advantage, position advantage, and achievement of the final result as well as profit investment to maintain excellence. Some indicators to measure competitive advantage are:

- Having a uniqueness that is not easily imitated
- Having the flexibility of business development
- Having a low cost advantage
- Having superior service quality

d. Company

Business performance is the success of a company or organization in managing its resources to realize the strategic goals that have been set (Mulyadi, 2001). The increase in the value of the company's shares, the higher the company value, the higher it will be (Katharina, 2021). In the current economic development, manufacturing companies are required to be able to compete in the industrial world (Afiezan, 2020). The existence of the company can grow and be sustainable and the company gets a positive image from the wider community (Saleh, 2019). Then Ferdinand (2000) stated that the success of business performance is measured by looking at the quality of its marketing strategy. Several indicators to measure the company's performance are:

- Addition of business assets
- Sales turnover
- Growth profit
- Improved service quality
- Growth in the number of customers

3.2 Determination of the Sample

The population of this study is a transportation and logistics service company in the city of Semarang. In this study, researchers will use 150 respondents as a sample. According to Hair in Ferdinand (2006) states that the sample size needed for the SEM analysis process is 100 to 200 samples. The sampling technique that will be used is purposive sampling technique.

3.3 Analysis Methods

For data processing and analysis, it focuses more on analytical techniques in the form of Structural Equation Modeling (SEM) which is processed by operating the AMOS 24 software. Because this study uses multivariate statistical techniques by performing two variables, namely exogenous variables and endogenous variables.

IV. Discussion

4.1 Description of the Research Sample

The description of the sample in this study is shown in table 1 below.

Table 1. Description of Research Sample

Education	L	P	Total	Percentage
SMA	14	4	18	14%
Diploma	7	0	7	6%
Undergraduate	55	14	69	54%
Postgraduate	33	0	33	26%

Total	109	18	127	100%
Percentage	86%	14%	100%	

Source: Processed Primary Data (2021)

4.2 Discussion of Research Results

a. Normality Data

The results of the normality test showed that the critical ratio (cr) value was in the scale range $- 2.58$ to $+ 2.58$. So it can be concluded that the data are normally distributed in a multivariate manner in terms of the cr value in a multivariate way of 2.237.

b. Outliers Evaluation

Based on the chi-square value with 18 degrees of freedom obtained from the number of variable indicators at a significance level of 0.01, the Mahalanobis d-squared (18;0.01) value was 34,805. Based on the table above, it can be seen that the results of all Mahalanobis d-squared values did not find data that exceeded the value of 34.528. Thus, it can be concluded that there is no outlier data in this study.

c. Confirmatory Factor Analysis of Exogenous Constructs

The results of the feasibility test of the exogenous construct model of managerial factors and customer relationship management have met the goodness of fit feasibility test standard. In addition, the value of each indicator is also seen from the loading factor. The results of the loading factor value > 0.5 , which indicates that all indicators of managerial and customer relationship management factors are valid and this model can be used.

d. Confirmatory Factor Analysis of Endogenous Constructs

Nuse values chi-square, probability, and AGFI are still marginal, but for the values CMIN / DF, GFI, CFI, TLI and RMSEA already meet the standards fit. Thus, the overall endogenous construct model can be categorized as fit and can be processed. In addition, the results of the value of each indicator can be seen from the loading factor. The results of the loading factor value > 0.5 , which indicates that all indicators of competitive advantage and company performance are valid and this model can be used.

e. Feasibility Test Full Model

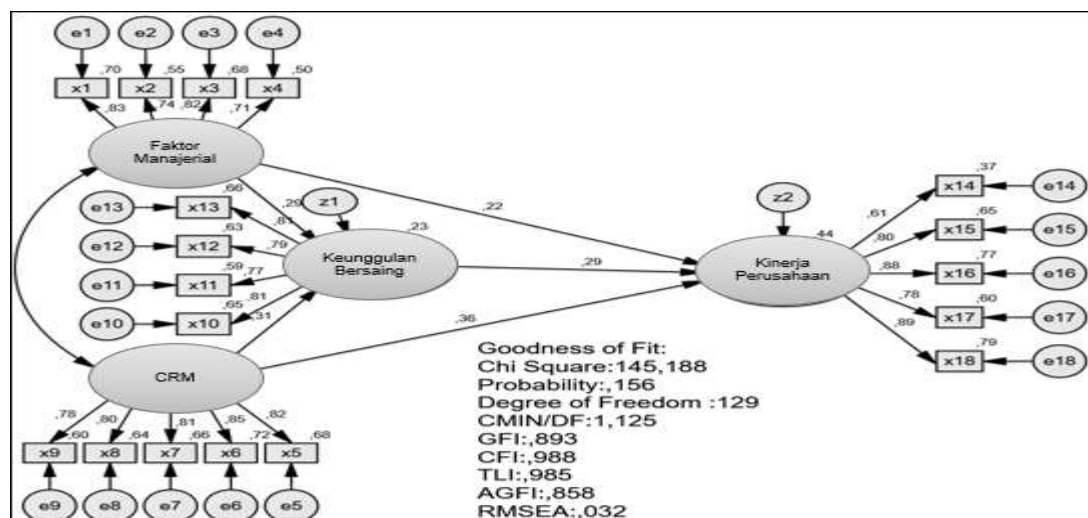


Figure 2. Confirmatory Factor Analysis Full Model

Source: Primary Data Processed (2021)

Based on the table above, it can be seen that the GFI and AGFI values are still marginal, but for the Chi-Square, probability, CMIN/DF, CFI, TLI, and so on. RMSEA has met the fit criteria. Thus, it can be concluded that the full model meets the fit criteria and can be processed. In addition, the results of each indicator can also be seen from the loading factor.

All variable relationships, namely managerial factors to competitive advantage, customer relationship management to competitive advantage, competitive advantage to company performance, managerial factors to company performance, and customer relationship management to company performance, get a significance value (p-value) < 0.05. It can be concluded that all relationships between variables have a significant positive relationship.

f. The Results of the Influence Analysis

Hypothesis is accepted if the significance value (p-value) 0.05 and the critical ratio (CR) 1.970. The results of the acceptance or rejection of the hypothesis are:

1. In the relationship of managerial factors to competitive advantage, the sig value (p-value) is 0.004 and the critical ratio (CR) value is 2.904. This shows that there is a significant positive effect between managerial factors on competitive advantage. It can be concluded that Hypothesis 1 (one) which reads that managerial factors have a significant positive effect on competitive advantage is **accepted**.
2. In the relationship between customer relationship management and competitive advantage, the sig value (p-value) is 0.002 and the critical ratio (CR) value is 3.055. This shows that there is a significant positive effect between customer relationship management on competitive advantage. It can be concluded that Hypothesis 2 (two) which reads that it is suspected that customer relationship management has a significant positive effect on competitive advantage, is **accepted**.
3. In the relationship between competitive advantage and company performance, the sig value (p-value) is 0.004 and the critical ratio (CR) value is 2.849. This shows that there is a significant positive effect between competitive advantages on company performance. It can be concluded that Hypothesis 3 (three) which reads that competitive advantage has a significant positive effect on company performance is **accepted**.
4. In the relationship of managerial factors to company performance, the sig value (p-value) is 0.021 and the critical ratio (CR) value is 2.302. This shows that there is a significant positive influence between managerial factors on company performance. It can be concluded that Hypothesis 4 (four) which reads that managerial factors have a significant positive effect on company performance is **accepted**.
5. In the relationship between customer relationship management and company performance, the sig value (p-value) is *** (assuming close to 0 and < 0.05) and the critical ratio (CR) is 3.634. This shows that there is a significant positive effect between customer relationship management on company performance. It can be concluded that Hypothesis 5 (five) which reads that it is suspected that customer relationship management has a significant positive effect on company performance, is **accepted**.

g. Result of Direct and Indirect Effect Analysis

In relation to company performance, the coefficient of direct influence of managerial factors on company performance is 0.215. The coefficient of direct influence of customer relationship management on company performance is 0.362. Meanwhile, in relation to the indirect effect on company performance, the coefficient of indirect influence of managerial factors on company performance is 0.085. The coefficient of indirect influence of customer

relationship management on company performance is 0.089. Furthermore, in relation to the total effect on company performance, the coefficient of total influence of managerial factors on company performance is 0.290. The coefficient of total influence of customer relationship management on company performance is 0.441.

V. Conclusion

Based on the results of data analysis and discussion described in the previous chapter, there are 5 (five) hypotheses proposed in this study, and the following are the results of the conclusions:

1. Managerial factors have a significant positive effect on competitive advantage. The application of good managerial factors will have a positive impact on the competitive advantage of transportation and logistics service companies.
2. Customer relationship management has a significant positive effect on competitive advantage. The implementation of good and correct customer relationship management can also have a positive impact on the competitiveness of transportation and logistics service companies.
3. Competitive advantage has a significant positive effect on company performance. This explains that the higher the level of competitive advantage of a transportation and logistics service company, the better the company's performance.
4. Managerial factors have a significant positive effect on company performance. This explains that the level of managerial factors owned by the manager or owner can have a positive impact on the level of company performance of the company they lead.
5. Customer relationship management has a significant positive effect on company performance. The better the implementation of customer relationship management, the better the company's performance will be.

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