Membership Administration System & Online Service in Building the Quality of Service for the Customer Loyalty of Papaya Renon

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Abstract

The era of Globalization with an increasingly advanced and technological civilization requires that various sectors are expected to follow suit and take advantage of it. The government and private sectors are also adopting changes, as well as the evolving environmental demands of the industrial revolution 4.0 to further facilitate performance, increase productivity, and more effective and efficient company operational activities. PT. Glory Retailindo is a company in the field of convenience goods supply, utilizing technology in its operational activities, related to membership administration and online service. However, in its implementation, many problems occur, one of which is from the level of data integration and data updating (customer data updates) which are not optimal for the tracking and handover process of customer goods orders which is still simple. Therefore, this study was conducted to find out how the membership administration system and online service papaya in building service quality and the impact of company service quality on customer loyalty. This research uses a descriptive qualitative approach method, where data can be obtained through observation, interviews, and documentation. The results showed that the implementation of the membership administration system and online service has not been optimally running, with a simple system, limited customer data storage space, handover and tracking of customer orders manually, so that the level of loss, data changes is either due to the influence of human error or system error. The quality of papaya fresh gallery service is upheld by the company both quality, speed, and product safety guarantees. The implementation of the membership administration system, and online customer service needs to be improved and developed more optimally so that it is expected to be able to encourage the level of effectiveness and efficiency of the company.

Keywords: Administration System, Membership Card, Online Service, Customer Loyalty.

INTRODUCTION

The increasingly sophisticated and complex world's information technology requires every individual to be able to follow and take advantage of the current conditions. Many sectors have started to utilize the technology, to make their working performance easier and improve the productivity of the company's operational activities. This is for the reason that the organization/ company makes system as an important information and ensures the quality of the information presented as well as the process in making a decision (Prasetyaningrum et al., 2022:820). This condition is aligned with the concept of governance, which refers to a process of change with the implementation of appropriate technology in daily activities. There are three important elements in developing governance, including leadership, sustainability, and good corporate citizenship (Avianti & Syahrir, 2020:61).

Papaya Fresh Gallery Japanese Supermarket as a service provider for the needs of general public, its service quality, trust, security and convenience are very important aspects to be considered consistently and continuously. The service to the public provided by the company is certainly related to the externality aspect in form of rate or value, whether it is the perceived benefits or the charge (costs) received by the community (Nurmadi, 2010:27). Human Resources (HR) who act as the executor of activities must fulfill the standardization of the service quality, thus they are capable to provide satisfaction and encourage the interest of a person (customer). According to the Law Number 07 of 2014 which regulates trade related to the transactions for goods and or services, it must meet the required elements, one of which is the good service standards (Manik, 2020:343).

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Customer relationship approach through a membership administration system (member card) is a kind of strategy carried out by the company. A membership card is a form of acknowledgment of a person's rights as a member, the official customer of a company, group, or organization by providing benefits to the cardholders with the aim of increasing the customer purchasing power for the company products (Anggraini, 2022:35). The membership card owned by the customer is not a coincidence. Lee et. al (2014) states that the loyalty of the membership card holder is influenced by the customer satisfaction and they will be loyal to a company's program when they feel satisfied with the company's services (Apriliani et al., 2020:22). However in its condition, the physical use of membership card also give an effect toward the customers such as card loss, being left behind, easily damaged cards and the barcode of the card registration number cannot be detected in the system. The administration by using form papers and a simple submission process cause the ordering status checks to require a conventional confirmation. This is in contrast with the use of cards in digital form, which will be easier to process tracking and transactions.

Digital technology has become a factor that is capable to drive the efficiency levels and provide more useful value to customers (Avianti & Syahrir, 2020:106). Papaya Fresh Gallery Renon also provides online services by collaborating with partners through the use of the Grab application digital platform (Grabmart), and using Whatsapps Business (WA Business) to communicate with customers. Quoting from the report by Katadata.co.id (June 2020), the pandemic causes the use of e-commerce services to increase by 69%, digital payments increased by 65%, delivery services, digital consulting services increased by 41%, and digital-based transportation services increased by 73% (Avianti & Syahrir, 2020:110).

Online service is able to increase the efficiency and effectiveness in conducting promotions, as it only requires internet subscription fees to run its business (Sukwandi et. al., 2016, in Mustomi et al., 2020:51). The style of online shopping is caused by the limited time of a person or anyone with a full-time job, thus they tend to do shopping via online a lot compared to those who are unemployed (Wirza & Irawan, 2015 in Mustomi et al., 2020:51). Based on the background explained above, the formulation of problem in this research is 'How is the membership administration system and online service implemented by Papaya Fresh Gallery? How is the service quality of Papaya Fresh Gallery toward the customer loyalty?'

METHOD

Research method is an alternative used to obtain data, the information needed to support the conducted research, or in other words, a scientific way to obtain data with certain goals and uses (Sugiono, 2017). This study applies a qualitative descriptive method with data collection techniques carried out through observation, interviews and documentation. The survey method is also performed to obtain facts in the field, including the social, economic, political, and behaviour of the institutions both in an organization and in a region (Nazir, 2009 in Mustomi et al., 2020:52). The steps taken are the preparation stage, to find the existing problems thus can be used as the research objects and data sources. Then, the implementation stage is conducted to approach the customers who shop at the company, especially for those who have a Papaya Supermarket membership card. The third stage is monitoring and evaluation related to the implementation of digitalization, by looking at how far the system and services provided by the company affect their customers. Through these stages of activity, solutions can be provided to answer the problems occurred, thus the company is able to improve the service quality and satisfaction toward the customers in order to create their loyalty to the company. The process of data analysis, checking, and assessing is carried out repeatedly during the research activities until the data saturation point is reached. This step is performed to gain a level of truth for the obtained data. According to Strauss and Corbin (1990:2) in Noor (2010:290), the process of analyzing data puts more emphasis on the aspect of comparing, and asking several questions related to the data becomes one important point.

RESULTS

This community service activity is conducted for 60 days at PT. Glory Retailndo (Papaya Fresh Gallery, Renon Branch). From the results of analysis, it can be seen that there is a gap in the service activities

provided to the company customers. It is regarding the aspect of customer membership administration system that uses a conventional system, which the physical form of the membership card causes problems such as loss, lag, and missed data in the system and in the process of manual satisfaction assessment at the company's location. The level of service quality and online service of Papaya Renon give positive and significant results in supporting the creation of customer loyalty to the company, even though there are some obstacles in the tracking process, product information, and in the speed of response at certain times.

DISCUSSION
Membership System & Online Service of Papaya Fresh Gallery

The administration process of membership and online service at Papaya Fresh Gallery have not yet run optimally using digitalization, since some still apply traditional patterns such as member registration forms and physical membership cards. The membership administration system will be directly linked to the customer data. The successfully registered customer data will be entered into the company's system and become one of the supports in making every decision or program of activities that will be conducted by the company. It is for the reason that data is a very important and inseparable part in every policy process decided by a leader in both private and government organizations (Nursetiawan et al., 2021:464).

However, the referred data is not entirely credible, it must be updated regularly to the latest data thus the customer data is truly valid. To make the process of updating customer data faster, the company uses Electronic Customer Relationship Management (E-CRM) in order to facilitate the process of storing customer data and provide convenience when the data related to the company's customers is needed. The E-CRM system provides some operational advantages, such as faster data processing, easiness in finding customer data, knowing the company customers, more accurate data supply information, being able to build a close relationship between the staff and the customers and connected to each other (Kosasi, 2015:101).

In Papaya Fresh Gallery Renon, the customer data that has been registered and entered into the company's system cannot be updated. This is because the final data will be automatically integrated with the central data, thus it is impossible to revise the data. This is also conveyed by Yuni, the Cashier Supervisor, saying that "the data that has been successfully entered into the system cannot be changed, because it has been entered the central data". This difficulty causes the customers to experience an obstacle in searching for their membership data. The inadequate membership administration system in its operating process gives an impact toward the customers of Papaya Fresh Gallery Renon. This condition is emphasized by one of the customers, Yuwita Dewi, saying that "my data that entered the Papaya system is the old one. I also asked for a data update but it still can't make it, therefore it is difficult for me to shop by using the membership".

This is also experienced by a customer named Delta Jahja, the Member of Surabaya & Renon Branches, saying that "I have updated my data five times, Sis, but it still returns to the old data. This is especially for the cellphone number of someone else that may be included into my membership data". However, the data of registered members which are automatically entered the central database cannot be fully synchronized with the Papaya's customer data between City Branches, resulting in 'data not found'. This is emphasized by Keiko as a customer of Papaya Bandung, saying that "I am a member of Bandung (Branch) and coincidentally shop here (in Bali), but my data is not found there (in the system) even though I have a membership yet forgot to bring the physical (card)". Moreover, there is also a syndicate of passing the customer membership cards unregistered into the company's membership administration system. This proves that the membership administration system needs to be modified, to be repaired and to be improved with more sophisticated, up to date, and transparent quality systems for the sake of the company customers. With the implementation of these points, it may increase the company's Corporate Value. The corporate values that must be developed are including honesty, enthusiasm, openness, inclusiveness, collaboration, mutual trust and mutual respect (Avianti & Syahrir, 2020).

Online shopping is one form of disruptive existence, as a new order of change with the transition process from conventional to digitalization. According to Charles Darwin, human survival is determined by how a person is able to adapt to the conditions and changes occurred

as a result of the experienced learning process (Atiah, 2020:606). The conventional transition to the digitalization is a form of governance implementation. The implementation of digital marketing through online shopping sites is a step of marketing activities, by promoting / selling products digitally to facilitate transactions and communication at any time and supposed to be globally (Wijanarko et al., 2022:90). Hence, the disruption through digital marketing provides benefits for humans in terms of easiness, speed, and accuracy to complete a job and fulfill needs. However in its practice, it doesn't always go well. Online services offered to the public as an alternative in reaching customers broadly must be able to compete with any similar businesses.

However, Papaya Fresh Galley's online service is not yet implemented optimally. The process of handing over goods is still simple by accepting orders with two choices of online shopping models, via Whatsapp (WA) and Grab Mart (GM). For online service via Whatsapp (WA), regarding the items ordered by the customers, it is impossible to know the specifications of the image, type, size, and desired variant. Without a product sample image, it is difficult for both the online staff and the customer to be well communicated. This condition shows that digital marketing is able to reach the target market more accurately, efficiently in evaluating performance, and save the required cost and time (Devi et al., 2022:682).

The researchers conduct interviews with the related officers while handling the online services. Mila states that, "online service is difficult when the ordered item is empty, so we have to going through a complicated process to re-edit". Moreover, it is also impossible to cancel orders as the process of receiving orders is carried out with Online Payment (payments are made before the goods are received). This condition also makes the customers to experience obstacles or problems when the items on the list are empty and there are no substitutes, or the items offered do not match their needs. "For example, if a customer (want to) cancel an order, they can't, because the transactions by using Grab Mart are automatically paid in advance via OVO, so at least they have to buy replacement items for the products that are already on the list," said Mila as an online service handler on July 23, 2022, at Papaya Renon.

Therefore, the company must be able to provide an excellent service to the customers, as a form of incentive for the inconvenience in doing online shopping. Basically, several things that must be considered before providing an excellent service are (1) the level of professional ability; (2) persistent ability; (3) and a sincere attitude, helpful, capable to resolve the customer interests and complaints, and satisfy the customer needs by providing the best service (Maulidiah, 2014:264).

The Service Quality of Papaya Fresh Gallery toward the Customer Loyalty

Quality of service is the most important aspect in all kinds of fields, especially for product marketing in the form of goods and services. Yulianto in Prasetio (2012) states that quality is the overall characteristics possessed by a product in the form of goods and/or services that can provide satisfaction to the recipient (Sastika, 2018:71). Service itself reflects on how a company's business can maintain the viability of their organization. Aside from being able to maintain the level of quality and quantity of its products (goods and services), a company also should optimize its services as a form of providing satisfaction and establishing good relationships with customers. This is also applied to Papaya Fresh Gallery in increasing profits and customer visits. As said by Raisan that "as a customer here, I am happy with the quality of service, especially the online service via WA which is fast response in helping (fulfilling) my needs and quickly providing information related to the goods I ordered".

Papaya Fresh Gallery has a good service in terms of quality assurance of the goods provided. This is also conveyed by Mrs. EEM in her interview while shopping at the store, saying that "the goods sold here are all fresh for the meat, as well as the ready-to-eat foods are always freshly produced. However for discounts or promos, less information is given, especially for us, mothers, who easily forget because of many activities. Maybe, we can be reminded again (about the discounts/ promos) to make the service better." This indicates that customer satisfaction is a top priority for business people, due to changes in customer behavior in the digital era who assesses and sees the quality status of a company's products by using the internet which is much faster in obtaining review results on goods and/or services. However, in terms of complaint administration services and customer assessment (customer voice), it is still lacking in providing solutions for

the problems occurred (problem solving). This is because they are still implementing a manual system through the suggestion box or voice board in the stores.

Mila & Yuni emphasize that "for the customer messages and impressions, we provide direct boards in the store thus they can write directly, and the problem with WA online is that indeed it isn't fast response especially at 18.00 WITA above, since the available officers are handful and there is no customer service officer as we have double duty at the same time." Therefore, guaranteeing the best product quality and service to customers is the main factor in creating the company's attraction (Avianti & Syahrir, 2020:46). This principle is also implemented by Papaya Fresh Gallery, evidenced by the results of an interview with Yuni, "for members and non-members, we must provide the best service to customers, because what we sell besides the products is also the services. This is what distinguishes our supermarket with others," said the Cashier Supervisor.

The level of success in providing a service to the public is largely determined by the index of satisfaction level of the customers it serves. According to Rauf in Maulidiah (2014:271), satisfaction level comes from the ability of a company to provide services, as one determinant of success, which it can specify on how much the customer will decide his choice to buy products according to the desired needs (Arianto, 2019:154). With the fulfilled satisfaction level, it will lead to the trust and loyalty of a customer toward the company, considering that a high satisfaction is directly related to the customer loyalty, market share, and profits obtained by the company (Dewi & Ariana, 2021:564). Ryan explains that "to increase the customer loyalty, we provide special benefits for the membership holders. Every Tuesday, there will be 10% discount for fresh items and double points. On Saturday, we have a full-day double point transaction. Furthermore, there are no additional fees paid by the customers other than (cost charged) at the first time registering for membership. There is no expiration date and (the membership) can be used in all Papaya branches throughout Indonesia". With the benefits and advantages offered by Papaya Fresh Gallery, it may increase the value of customer loyalty toward the company.

CONCLUSIONS AND RECOMMENDATIONS

The membership administration system at Papaya Fresh Gallery has implemented digitalization, however, it is still not running optimally. It can be seen from the synchronization process of customer data between city branches which experiences a difficulty in finding the required data in the system (data not found), the use of physical membership cards which causes frequent card misses, unreadable barcodes, and damage to the membership cards. Regarding the aspects of online service, there are still obstacles and difficulties for customers when the goods are empty or the substitute goods are unavailable, while canceling orders are impossible to do. The process of handing over the ordered goods is conventional and there is no input for each transaction of customer online orders, specifically.

The quality of service provided refers to the company's standard operating procedures (SOP), including the fast response, the ensured level of quality, the quality of the goods offered to customers, the fulfillment of customer needs, which all of these aspects become the differentiator of the company with the others. Nevertheless, the level of handling complaints and customer voice is still conducted manually through billboards available in the stores, and the level of providing solutions to the customer problems (problem solving) is still lacking since there is no special customer service handling the problems.

It is suggested that the use of digitalization system in the administration of Papaya Renon's membership should be increased and developed to optimize the performance and services in processing and storing customer databases, as well as in facilitating the data integration between city branches in Indonesia. In handling customer orders, starting from the process of receiving orders, confirming, finalizing and handing over the ordered goods to the customers of online service, the company may apply a more integrated technology information system (website or application-based). Thus, the online service data tracking process becomes more transparent, effective, and efficient in the use of time and operational costs.

To be able to improve the service quality of Papaya Fresh Gallery Renon, it is better to put more awareness toward the customers by providing any information, whether about promos, new

policies or appeals involving customers, repeatedly and openly. By this way, beside having a satisfactory level of service, the customer trust increases, and the company information can be accessed transparently by customers.

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APPENDIX
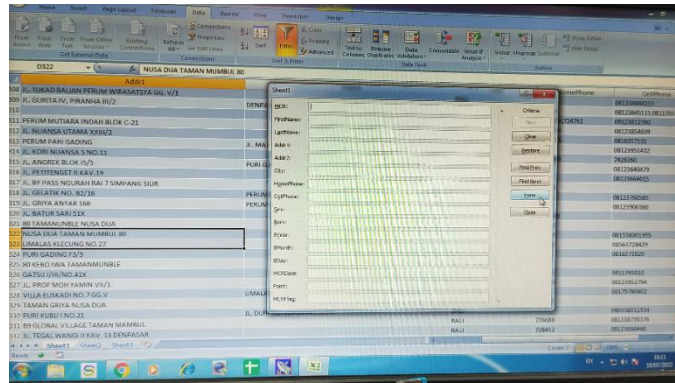
Figure 1. The Appearance of the Papaya Membership Administration System
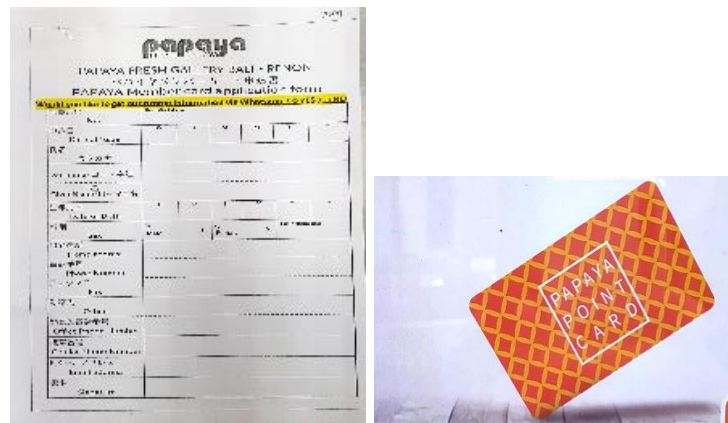
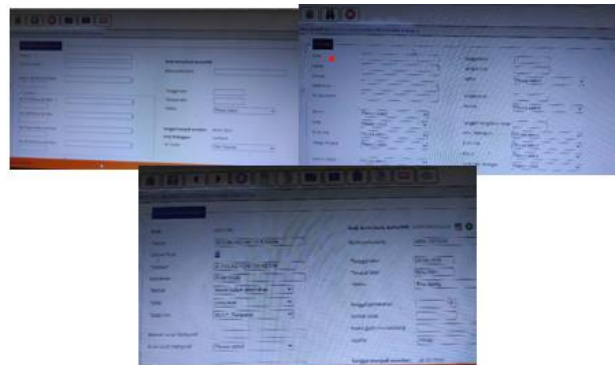**Figure 2.** Form Membership Register & Member Card

Figure 3. The Appearance Of The E-CRM
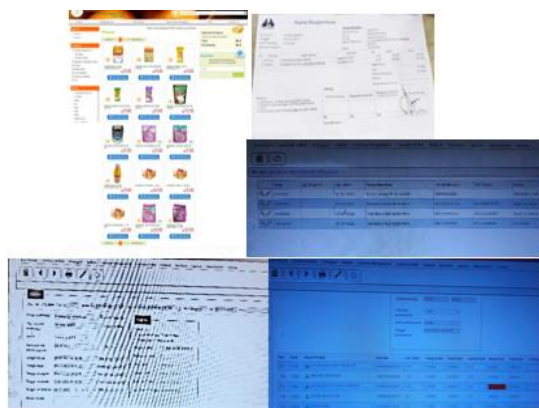(Electronik Customer Relationship Management) System

Figure 4. The Appearance Of E-CRM (Electronik Customer Relationship Management)

For Online Service

Figure 5. Goods Handover Form And Customer Order List