Journal of Economics and Business Letters
E-ISSN 2686-6056
P-ISSN 2798-8651
https://doi.org/10.55942/jebl.v5i4.840

Volume 5
Issue 4
August Edition 2025

The effect of Customer Relationship Management (CRM), service quality, and value creation on customer satisfaction among customers of PT. Pegadaian (Persero) Cisalak Branch - Depok

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Received 28 June 2025
Revised 20 July 2025
Accepted 04 August 2025

ABSTRACT

This study investigates how Customer Relationship Management (CRM), service quality, and value creation shape customer satisfaction in a public pawn-based financial institution. Using a quantitative, cross-sectional survey of 125 customers at PT Pegadaian (Persero) Cisalak Branch (Depok), we operationalize CRM, service quality (SERVQUAL dimensions), value creation (product, price, promotion, place), and satisfaction on five-point Likert scales. Bivariate correlations show all three antecedents are positively and significantly associated with satisfaction ($p < 0.01$). In multiple regression, the joint model is significant ($F = 32.161$, $p < 0.001$) and explains 44.4% of the variance in satisfaction; service quality ($\beta = 0.355$, $p < 0.001$) and value creation ($\beta = 0.327$, $p < 0.001$) retain strong, independent effects, while CRM's partial effect becomes statistically non-significant when the other predictors are included. Descriptive results highlight consistently favorable perceptions of frontline assistance and pricing/fee structures, with opportunities to improve complaint handling, expectation alignment for appraisal amounts, and reminder practices. The findings imply that satisfaction in this context is won primarily "at the counter" (reliable, responsive, empathetic service) and "at the ledger" (transparent, fair, and flexible economics), with CRM best positioned as an enabling backbone that strengthens execution and tailored communication. Managerially, an integrated program that hardwires service standards, clarifies value propositions, and uses CRM data to personalize outreach is most likely to convert repeat usage intent into durable loyalty.

Keywords: Customer Relationship Management (CMR), service quality, value creation, customer satisfaction, pawn-based finance

1. INTRODUCTION

PT Pegadaian (Persero) stands as Indonesia's century-old pawn-based financial institution whose public-service origins have evolved alongside the country's political and economic history. From its roots in the eighteenth-century Bank van Leening and subsequent institutional transitions under British, Dutch, Japanese, and Indonesian administrations, Pegadaian has continually adapted its organizational form—PN, PERJAN, PERUM, and, since 2011, Persero—while maintaining a mission to expand access to short-term financing for communities often underserved by conventional banks. In today's landscape of accelerating technological change, rising consumer expectations, and intensifying competition within the wider financial-services arena, Pegadaian's value proposition is tested by low entry barriers to pawn services, the proliferation of private competitors, and the potential blurring of "Pegadaian" as a distinct public brand. These structural pressures sharpen the performance mandate at the branch level—here, the Cisalak Branch in Depok—where sustained customer satisfaction becomes the pivotal outcome for retention, cross-selling, and reputation. Against this backdrop, the present study situates customer satisfaction as a function of three managerial levers that are both theoretically salient and operationally actionable in a service organization: Customer Relationship Management (CRM), service quality, and value creation.

The core idea of CRM is to help firms – through the use of human resources, business processes, and technology – gain knowledge about customers' behavior and value (Barnes, 2001). On other hand, Janahi and Al Mubarak (2017) stated that shows that the greater the customer service quality in company, the higher the customer satisfaction will be. Value Creation is the process – often co-created with customers – of integrating firm and customer resources in interactions and offerings to deliver benefits that customers perceive to outweigh the costs they incur (Vargo & Lusch, 2009; Payne & Holt, 2001).By foregrounding these levers, the research connects institutional heritage with contemporary market dynamics, aiming to explain how a regulated, socially oriented financial enterprise can secure durable client loyalty in a liberalizing, technology-enabled marketplace.

The introduction to this study begins by outlining how Indonesia's economic development agenda has shifted from an emphasis on large-scale enterprises to competitive, value-adding, retail-oriented activities. In finance, this shift amplifies the bargaining power of customers who now benefit from greater transparency, more options, and faster service enabled by digital infrastructure. In such conditions, service organizations cannot rely solely on monopolistic advantages or legacy reputations; they must innovate in how they understand, serve, and deliver value to clients. Pegadaian's Cisalak Branch operates at the frontline of this shift: it competes not only on price and speed but also on the perceived safety of collateral, the clarity of processes, and the overall client experience. The study therefore positions customer satisfaction as the culmination of multiple, interrelated managerial practices that reduce frictions, increase perceived fairness and convenience, and translate each encounter into a relationship rather than a transaction. In effect, the branch becomes a laboratory for testing whether coherent strategies in CRM, service quality, and value creation can produce measurable improvements in satisfaction among a diverse retail clientele.

The aims of the study are fourfold. First, it assesses the extent to which CRM practices at PT Pegadaian (Persero) Cisalak Branch—such as systematic customer data use, complaint handling, follow-up protocols, and loyalty-oriented communication—are associated with higher reported customer satisfaction. Second, it evaluates the influence of service quality, understood across dimensions like reliability, responsiveness, assurance, empathy, and tangibles, on satisfaction outcomes in the branch's service encounters. Third, it examines how value creation—as perceived by customers in terms of fairness of cost, transparency of terms, convenience, process speed, collateral security, and the net benefits derived from the service—contributes to satisfaction. Fourth, it estimates the simultaneous effect of CRM, service quality, and value creation on satisfaction to discern whether these levers yield additive or mutually reinforcing effects. Collectively, these aims operationalize the managerial thesis that customer satisfaction is not a single-factor outcome but the result of a coordinated system of capabilities spanning data-driven relationship building, service-operations excellence, and a compelling economic value proposition.

Conceptually, the study advances a framework in which CRM, service quality, and value creation are distinct yet complementary antecedents of satisfaction. CRM is framed as the strategy and set of processes that enable the branch to understand customer histories and needs, personalize interactions, and build trust through consistent, proactive communication (Payne &Frow, 2005). This relationship orientation does more than reduce churn; it also provides the information architecture through which service processes can be tailored and continuous improvements can be targeted where they matter most. Service quality, by contrast, captures the reliability and affective texture of front-line encounters—whether promises are kept, staff are competent and courteous, wait times are reasonable, facilities are orderly and accessible, and customers feel respected and informed throughout the transaction. Value creation comprises the economic and experiential benefits that customers actually receive relative to the monetary and non-monetary costs borne in the exchange: competitive rates, transparent fees, speed and predictability, perceived security of pledged items, and the convenience of branch location and hours. While each construct exerts a direct effect on satisfaction, the framework anticipates logical interdependencies: CRM may enhance the perceived quality of service by enabling smarter queue management or personalized assistance, and effective service quality can amplify perceived value by reducing uncertainty and hassle costs. In this way, the conceptual model treats satisfaction as the emergent property of aligned relationship, process, and value systems.

This theoretical alignment responds to the industry's structural conditions. Pawn services are characterized by minimal regulatory or technological barriers to entry, enabling fragmented competition with many small players able to match baseline product features. Under such conditions, differentiation shifts from the "what" to the "how" of service delivery: who remembers the customer's constraints, who resolves issues seamlessly, who communicates with clarity, and who reliably safeguards collateral. For a public-legacy brand like Pegadaian—whose identity has historically signaled safety and responsibility—the risk is brand dilution as private firms appropriate the "pegadaian" label and compete on speed or price. The opportunity, however, is to leverage institutional trust while modernizing the service model through disciplined CRM practices, digitized touchpoints, and value innovations (e.g., clearer fee structures, faster disbursement, user-friendly documentation). The conceptual framework thus provides a testable pathway for converting legacy brand assets and procedural rigor into contemporary satisfaction gains.

Finally, the study articulates a set of hypotheses consistent with the framework: CRM positively influences customer satisfaction; service quality positively influences customer satisfaction; value creation positively influences customer satisfaction; and, taken together, CRM, service quality, and value creation exert a significant combined effect. Although these propositions echo established service-marketing logic, their testing in the specific institutional context of PT Pegadaian (Persero) is both novel and necessary. Pegadaian's hybrid identity—public mission with commercial discipline—means that customer expectations include not only competitive terms and efficient service but also exceptional security and accountability in collateral management. Demonstrating empirically that relationship practices, frontline service execution, and value delivery can be designed to meet these expectations in a branch setting advances both scholarship and practice. It grounds high-level strategy (customer centricity, operational excellence, value leadership) in measurable antecedents linked to the satisfaction outcomes that matter for retention and long-term performance. In sum, the chapter establishes the historical and competitive rationale for the study, defines clear aims tied to managerial levers, and presents a coherent conceptual framework through which the Cisalak Branch can translate relationship, service, and value choices into superior customer satisfaction.

2. METHOD

This study applies a quantitative, cross-sectional survey to examine how CCRM, Service Quality, and Value Creation jointly and separately influence Customer Satisfaction among customers of PT Pegadaian (Persero) Cisalak Branch, Depok. The research site—Jl. Raya Bogor KM 31 No. 4, Cisalak, Cimanggis—was purposively selected for its strategic location near the Cisalak market and Cijago toll access, which ensures high customer traffic and strengthens ecological validity for a branch-level service study. Data collection took place from 17 to 22 December 2012. The population comprises 8,419 customers served between August 2011 and July 2012, as tabulated by customer segment. Sample size was determined using two complementary rules: (a) Yamane's formula, which yielded ≈100 observations; and (b) Hair et al.'s indicator rule of thumb (5× indicators), which produced a preferred, more representative sample of 125 customers. Probability sampling via simple random sampling was implemented so that every eligible customer had an equal chance of selection.

Primary data were gathered through a structured questionnaire administered to Pegadaian customers; secondary sources (company documents, prior studies, books, journals, and other published materials) were used for context and triangulation. The questionnaire method was chosen because the research team could specify in advance the information required and how each construct would be measured, allowing efficient administration and scoring against predefined weights. A five-point Likert scale captured intensity from "very unsatisfactory" to "very satisfactory," consistent with standard practice in administrative and social research.

Four constructs were operationalized. CRM (X1) followed Buttle's (2007) dimensions—leadership and culture, data/IT, human resources, and process—translated into indicators such as staff culture, use of information and communication technology, employee capability to use technology, and a non-bureaucratic service process. Service Quality (X2) adopted SERVQUAL logic (Parasuraman et al., 1998) across reliability, responsiveness, assurance, empathy, and tangibles, mapped to indicators including 15-minute processing speed, clarity of appraisal and interest computations, security of pledged items, personalized attention, staff comportment, and facility layout. Value Creation (X3), referencing Buttle (2004), was represented by elements of product, price, promotion, and place—e.g., advantages of core/augmented products, grace-period features, lower carrying charges and administrative fees, extension facilities, use of media for product awareness, and branch proximity to customers. Customer Satisfaction (Y), based on Sumarwan (2011), encompassed customer trust, relational closeness, overall service satisfaction, repeat-visit intensity, and word-of-mouth recommendations. All indicators were coded to questionnaire items.

Instrument quality was established through validity and reliability testing. Item validity was assessed via Pearson product–moment correlations, comparing r-statistics for each item against critical values at $\alpha = 0.05$ (one-tailed, df = n − 2); items with r > r-table and positive sign were retained. Reliability was evaluated by one-shot administration and Cronbach's alpha; constructs with $\alpha > 0.60$ were deemed internally consistent. Conceptual definitions of validity and reliability followed Arikunto (2022) and Sugiyono (2011); computation used SPSS with the Cronbach-alpha procedure. Descriptive statistics (frequency distributions, measures of central tendency and dispersion) summarized respondent attributes and indicator profiles.

Inferential analysis proceeded in stages. Correlation analysis assessed bivariate association patterns and magnitudes. Simple linear regression estimated single-predictor effects on satisfaction, while multiple linear regression captured the joint and unique contributions of CRM (X1), Service Quality (X2), and Value Creation (X3) to Customer Satisfaction (Y), using the model $Y = a + b_1X_1 + b_2X_2 + b_3X_3$. Hypothesis tests comprised t-tests for individual coefficients and an F-test for overall model significance, implemented in SPSS v20. Classical assumption checks included: multicollinearity (tolerance and VIF, with tolerance < 0.10 or VIF > 10 signaling concern), heteroskedasticity (Spearman rank tests), autocorrelation (Durbin–Watson, interpreted by the chapter's criterion), and residual normality (Shapiro–Wilk or Kolmogorov–Smirnov). This measurement-model architecture aligns operational indicators with a probability-based sample and a transparent analytical pipeline appropriate for drawing inferences about the role of relationship practices, frontline service execution, and value delivery in shaping satisfaction outcomes in a public, pawn-based financial-services context.

3. RESULT AND DISCUSSION

The branch context frames a mature public pawn-based institution that began operating in Cisalak on 1 December 2008 and, by the study period, had expanded into seven auxiliary service units in high-traffic locations. The sampling frame consisted of 8,419 customers served between August 2011 and July 2012; 125 respondents were ultimately surveyed, matching rule-of-thumb guidance for indicator-based sampling. Demographically, respondents skew female (72%) and concentrated in the 31–40 year cohort (36%), with upper-secondary schooling (SMU/SLTA) most common (48.8%). Employment is split between private employees and homemakers (each 35.2%), reflecting Pegadaian's reach into both salaried and household segments that rely on fast, collateral-backed liquidity. This profile underscores the managerial need to deliver predictable, respectful, and efficient service for repeat, relationship-driven use—an expectation later borne out in the satisfaction items.

The measurement model is shown to be both valid and reliable. Item-level screening via corrected item–total correlations retained only indicators above the r-table threshold (α=0.05), with iterative pruning of underperforming items in CRM (removing security-greeting), Service Quality (removing the "15-minute disbursement" and "transaction safety trust" items), Value Creation (removing "product facilities" and a brochure item), and Customer Satisfaction (removing a staff-friendliness relational item). This stepwise refinement yielded clean sets in which all remaining items satisfied r>r-table. Cronbach's alpha coefficients exceeded conventional acceptability—CRM α=0.721, Service Quality α=0.833, Value Creation α=0.798, Satisfaction α=0.812—indicating stable internal consistency for each construct. The chapter's definitions and thresholds follow standard Indonesian research methods texts.

Descriptive frequency distributions reinforce a favorable customer stance toward the branch across all constructs. For CRM, "satisfied" is the modal response (≈53.1%), with "very satisfied" ≈21.6%; the strongest CRM touchpoint is the frontline thanks/closing courtesy after a transaction (≈85.6% satisfied/very satisfied), whereas due-date reminders via SMS/phone trail expectations (≈36.8% not-satisfied or only "enough"). For Service Quality, "satisfied" dominates (≈47.5%) with ≈18.4% "very satisfied"; the most appreciated behaviors are help when facing difficulties and assistance with form-filling (≈70–72% satisfied/very satisfied), while complaint handling and appraisal amount meeting expectations are relatively weaker. For Value Creation, responses again center on "satisfied" (≈45.4%) and "very satisfied" (≈25.3%), with lower carrying charges/interest and reduced administrative fees by loan tier perceived most positively (≈73.6% satisfied/very satisfied); the post-maturity interest-free window is viewed more critically (≈37.6% not-satisfied or merely "enough"). Finally, Satisfaction itself is high: "satisfied" averages ≈47.8% and "very satisfied" ≈28.4%; the strongest signal is intention to transact again (≈81.6% satisfied/very satisfied), consistent with a loyalty-ready customer base. These patterns anticipate the regression results: operational execution (service quality) and price/process terms (value creation) carry substantial weight alongside relationship routines (CRM).

Bivariate correlations confirm strong, positive associations among the focal constructs at p<0.01. Each predictor relates meaningfully to Customer Satisfaction: Service Quality r=0.590, Value Creation r=0.556, CRM r=0.487. Inter-predictor correlations are also moderate-to-strong (CRM–SERVQUAL r=0.647; SERVQUAL–Value Creation r=0.507; CRM–Value Creation r=0.459), indicating that better relationship routines tend to co-occur with better frontline execution and more favorable economic terms. Using Sarwono's (2006) interpretive rubric, these coefficients range from "cukup kuat" to "kuat." The significance levels (all p=0.000) align with the study's α=0.05 standard.

Simple linear regressions provide directional and magnitude checks for each predictor. For CRM: $Y = 6.707 + 0.479X_1$ with t=6.186, p<0.001, R=0.487, and $R^2 = 0.237$ —implying ≈23.7% of satisfaction variance is explained by CRM alone. For Service Quality: $Y = 5.983 + 0.266X_2$ with t=8.109, p<0.001, R=0.590, and $R^2 = 0.348$ —≈34.8% explained. For Value Creation: $Y = 7.167 + 0.456X_3$ with t=7.425, p<0.001, R=0.556, and $R^2 = 0.310$—≈31.0% explained. These coefficients and effect sizes are internally consistent with the descriptive story: customers are most responsive to how the service is performed (professionalism, guidance, clarity), closely followed by the economic/transactional proposition (prices, fee structures, extension facilities), with relationship routines also meaningful but somewhat less dominant in isolation.

The multiple-regression model integrates all three antecedents:

$$Y = 2.665 + 0.106X_1 + 0.106X_2 + 0.268X_3$$

Jointly, the predictors are highly significant (F=32.161, p<0.001), with $R = 0.666$ and $R^2 = 0.444$—indicating that 44.4% of the variance in Customer Satisfaction is explained when CRM, Service Quality, and Value Creation operate together. In this joint model, Service Quality (β=0.355, t=3.790, p<0.001) and Value Creation (β=0.327, t=4.072, p<0.001) remain statistically significant and substantively influential, while CRM's partial effect attenuates and becomes non-significant (β=0.108, t=1.185, p=0.238). The attenuation is unsurprising given intercorrelations: some of CRM's bivariate influence is channeled through improved frontline execution and perceived value. In managerial terms, relationship routines help, but satisfaction is primarily won on the counter (consistent, competent, empathetic service) and at the ledger (transparent, fair, and flexible economics).

Model diagnostics support inference credibility. Normality holds by Kolmogorov–Smirnov tests (Asymp. Sig. for each construct >0.05) and by visual checks (bell-shaped histogram; P-P plots aligning with the diagonal). Multicollinearity is absent (tolerance 0.525–0.713; VIF 1.402–1.905, well below 10), implying stable coefficient estimation without excessive redundancy among predictors. Heteroskedasticity is not evident from the scatterplot (random dispersion around zero), and autocorrelation is not a concern in these cross-sectional data (Durbin–Watson=1.956, within the commonly accepted "no autocorrelation" band). Together, these diagnostics satisfy the classical linear model conditions often summarized under BLUE (Best Linear Unbiased Estimator) and align with the thresholds and interpretations cited in local methodological texts (Ghozali, 2005).

Interpretation and implications. First, the dominance of Service Quality in both bivariate and multivariate settings indicates that frontline practices—clear explanations of appraisal and interest, timely help when customers face difficulty, assistance with form completion, responsive complaint handling, and tidy, professional presentation—translate most reliably into higher satisfaction. This is consistent with the frequency tables showing strong endorsement of staff assistance behaviors and somewhat lower marks for complaint handling and appraisal expectations. Second, Value Creation—manifest in lower carrying charges, fee reductions by loan tier, and extension facilities—exerts a comparably strong independent effect. The two most favored value elements are precisely those that reduce the total cost of liquidity for customers—an intuitive finding given the role of Pegadaian as a short-term liquidity provider. Third, CRM matters, but its incremental contribution appears indirect: once operations (Service Quality) and terms (Value Creation) are controlled, CRM's unique variance share diminishes. This suggests CRM investments should be embedded into and enable the service system (e.g., CRM-driven reminder accuracy, better queue forecasting, personalized guidance), rather than treated as a standalone program. In practice, management should prioritize: (i) systematizing complaint handling and appraisal-explanation scripts; (ii) locking in fee-structure clarity and widely communicating reductions tied to tiers; (iii) using the CRM stack to target reminders and proactive outreach, especially given customers' mixed perceptions of SMS/phone reminders. The 81.6% intent-to-return shows a customer base ready to reward execution improvements with loyalty, which is essential in a competitive pawn-services market where private providers can imitate baseline features but struggle to match the consistency and transparency of a disciplined public-legacy brand.

Finally, the joint $R^2 = 0.444$ leaves 55.6% of satisfaction variance unexplained, pointing to complementary levers for future work: digital touchpoints (e.g., app-based status and reminders), branch congestion management, collateral-handling transparency (e.g., photo time-stamps, tracking), and customer education about appraisal logic to align expectations. Nonetheless, the current evidence is clear: do the fundamentals right at the counter and price the product transparently, and customer satisfaction follows; use CRM to make both happen more consistently for each customer segment.

4. CONCLUSION

Customer satisfaction among Pegadaian's Cisalak customers is driven foremost by service quality and value creation, while CRM's incremental impact is indirect once those levers are controlled.

Practically, the branch should prioritize standardizing complaint-handling workflows, scripting clearer appraisal and interest explanations, and communicating tiered fee reductions and extension facilities. CRM should be embedded to power timely reminders, queue forecasting, and personalized guidance—improving consistency across touchpoints rather than functioning as a stand-alone initiative. Because the model explains 44.4% of satisfaction variance, future improvements should also target digital touchpoints, congestion management, and enhanced transparency in collateral handling to unlock the remaining satisfaction drivers and strengthen loyalty in a competitive pawn-services market.

Ethical Approval
Not Applicable

Informed Consent Statement
Not Applicable

Disclosure Statement
The Authors declare that they have no conflict of interest

Data Availability Statement
The data presented in this study are available upon request from the corresponding author for privacy.

Funding
This study did not receive any external funding.

Notes on Contributors

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