MAXIMIZING SALES THROUGH SOCIAL CRM
(A Case Study of Michael Cools Photography)

By

Ivan Risaldi
005200800006

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This thesis entitled “MAXIMIZING SALES THROUGH SOCIAL CRM (A Case Study of Michael Cools Photography)” prepared and submitted by Ivan Risaldi in partial fulfillment of the requirements for the degree of bachelor in the Faculty of Economic has been reviewed and found to have satisfied the requirements for a thesis fit to be examined. I therefore recommend this thesis for Oral Defense.

Cikarang, Indonesia, 30 January 2012

Acknowledged by,  

Recommended by,

Irfan Habsjah, MBA, CMA  
Head of Management Study Program

Suresh Kumar, S.T.,M.Si  
Thesis Advisor
DECLARATION OF ORIGINALITY

I declare that this thesis, entitled “MAXIMIZING SALES THROUGH SOCIAL CRM (A Case Study of Michael Cools Photography)” is to the best of my knowledge and belief, an original piece of work that has not been submitted, either in whole or in a part, to another university to obtain degree

Cikarang, Indonesia, February 6th 2012

Ivan Risaldi
The Panel of Examiners declare that the thesis entitled “MAXIMIZING SALES THROUGH SOCIAL CRM (A Case Study of Michael Cools Photography)” that was submitted by Ivan Risaldi majoring in Management from the Faculty of Economic was assessed and approved to have passed the Oral Examinations on January 11, 2012.

ABM.WITONO., PhD
Chair-Panel of Examiners

Irv. B.M.A.S.ANACONDA BANGKARA. MT
Examiner II
Social CRM (Customer Relationship Management) has been increasingly recognized as a business strategy to effectively understand, manage and sustain customer relationship with advanced information and communication technologies. Rapid development of CRM applications have seen the trend that more and more SMEs (Small and Medium-sized Enterprises) are seeking to implement CRM in order to survive and compete in the world of e-Business.

The aim of this research to find out the influence of Social CRM that has been used by Michael Cools Photography (BlogSpot, Deviant Art, Facebook, Model Mayhem, and Twitter) simultaneously towards the increasing of the sales report from year 2007-2010 and to find out which of the Variable of social CRM has the most dominant effect in the role of increasing the sales.

The study location located in Jakarta with the insight data from the company like the number of Engagement Rate and Response Rate as well as the amount of the sales report. The data were collected by observation, interview, and documentation.

Result of hierarchical Multiple regression in t – Test found that there was No significant effect between BlogSpot and Sales with t value result is (-5.520) and t sig is 0.000, and as well the same thing happened to Model Mayhem with the t value of (-0.93) and t sig is 0.368 but on the other hand this study also found that there was significant effect between Deviant Art and Sales with t value results 4.390 and t sig is 0.000, the same thing happened with the two other variables, the Facebook and twitter. Facebok with t value result of2.963 with the value of t sig 0.005 and followed by twitter with the t value of 5.267 and the t sig of 0.000. in another word there are 2 non significant variables and 3 significant variables that affect the sales revenue of Michael Cools photography. Result of hierarchical Multiple regression in t – Test and F-test found that BlogSpot, Deviant Art, Facebook, Model Mayhem, and twitter has effect in customer purchasing decision with the result is F = 89.782 and sig is 0.000.
The findings of this research concluded that BlogSpot, Deviant Art, Facebook, Model Mayhem and Twitter simultaneously has a significant effect in the role of increasing the sales revenue of Micael cools Photography for the past year 2007 – 2010. on the other hand The finding from this research conclude that among of the independent variable that observe, Twitter is the variable who has the most influence in The role of increasing the sales revenue number of Michael Cools Photography.

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Jakarta, December 16 2011
Ivan Risaldi

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<td>Customers Relationship Management</td>
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<tr>
<td>Etc</td>
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<td>VIF</td>
<td>Variance inflation Factor</td>
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<td>ER</td>
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CHAPTER I

INTRODUCTION

1.1. Background of the study

SMEs, also known as small and medium enterprises, firms with less than 100 workers and make more or less 50-100 million IDR gross profits per year, have historically been the main player in domestic economic activities.

Since this kind of company is the major most likely type of company in Indonesia, it makes the competition and the race seems to get tighter each and every day, many companies try to get ahead from each to another. Competing throughout a thousand ways, promotion, advertising, and etc.

This thesis will study about the service SMEs in the photography fields. There are different kinds of photographer, like wedding photographer, nature photographer, or fashion photographer, with the difference kind of target market

Although each photographer has its specialization, with different object that they concentrate, But when we are going to split up the number of Photography Company in Jakarta that works in certain field it still has lots of different company competing in order to win the certain target market.

This thesis, therefore, aims to study the way of the company (SMEs) in particular ‘MICHAEL COOL PHOTOGRAPHY’ struggling to keep together their customers using the CRM tools especially the social media also known as Social CRM.
1.2. Company Profile

Michael cools photography is one of the few successful and reputable photography companies based in Jakarta, that’s been the one of the top priority in the business. With based in Jakarta, and branch in Kuala Lumpur, and Singapore.

Michael cools starts his photography company on 2006 right after he graduated from Lim Kok Wing School of arts, Malaysia and Antwerp School of arts, Belgium. With background of fine arts and graphic designing, he started practice and apply his photography skills in Malaysia, and with good response and courage from friends and family with the result of the pictures, he decided to travel around South East Asia, and returned to Jakarta to work as a fashion photographer.

With a good result of picture he taken the words starts to spread fast in the industry, and trigger models and the magazine to make him their working partner as a photographer. And since then the reputation starts to grow and people aware of his photography company and until now the company growth fast and steadily.
Some of the big magazines that have been working together with him such as:

a) ELLE Indonesia  
b) MODE magazine Malaysia  
c) AMICA Indonesia  
d) DA MAN magazine

Some of the big Boutique that has been works together with him such as:

a) THIS IS A LOVE SONG  
b) RBTRTH  
c) NIKIDEE  
d) P.A.N.G  
e) MOGIL  
f) SUGAR SCARS  
g) ABCHILDREN

And nowadays the Clients mostly are the models agency and the models themself ask for help them make portfolio book. Using the help of social CRM and word of mouth this company keeps on growing steadily. Although only been the fashion business for only 5 year, Michael cools photography counted as one of the big player in the fashion industry.

In a nutshell, I am a 26-year-old with a passion for photography. You can learn a great deal about me from my gallery. The eclectic photographs give an insight to the depth of my aesthetic capabilities. The imagery can take you on a journey from the fashion world to a land of fairytales-each with its own captivating elements. I am inspired by life. The events, the experience and the people I have met along the way contribute to my work. The emotions that run deep in these photographs are often a reflection of what I feel. I am fortunate to have had the opportunity to travel to various places. One of the countries I hold dear is Belgium, where I had initially done
my photographic studies. So many aspects about that second home encouraged me to pursue this field” quoted from his BlogSpot --http://michaelcools.blogspot.com/

1.3 Problem Identified

Since around 2003 there has been a revolution in communication that impacts every institution. Social, political, leisure and business organizations, and especially global economics, and this changes and transformation in communication kind of way, not only changes how people interact with institutions they care to be involved with, but also changes what it takes to do business everywhere.

And this transformation driven by something called INTERNET, which allowed people to interact easily and practically without have to worry about the restraints, people nowadays, know what their friends, family up to, without have to talk to them physically, only by looking at the updates on their social media pages,

Now in this case the researcher would like to study, how the Social CRM through internet can helps to increase the number of sales from the particular company.

1.4 Statement of the Problem

From this study, the researcher will figure out how big the level of correlation between Social CRM tools towards Sales and how it’s impact the number of sales through year 2007-2010 in the company. Thus, the Statement of Problem would be:

“The impact of Social CRM tools towards boosting the number of sales”

1.5. Research Objectives

This research conducted with hope that we can finally identify the actual relations between sales and Social CRM. In details, the objectives of this research are; to get an overview how does the Small business owner manage to use the Social CRM in
order to get more customers. And what type of Social CRM that makes the most effect through sales.

1.6. Significance of the Study

To survive and win the competition which has gotten higher, and tighter, nowadays, in particular SMEs need to apply in a right and correct way the Social CRM in order to survive the market competition. The result of this study will be useful information the researcher, the university, and for the future reader that might can use this study result as a continuous research

1.6.1. For Academic Community

As a marketing management student, it is compulsory for student to know about the essential of the marketing theory and how to apply them correctly in the proper way. And how to make profit out of it, and given the situation of the global market competition the student must be ready facing the truth, of how competition might get harder and harder, thus, the key is to keep on track on stay update, and with the result of the study, im sure it will helps the student practically know how to apply the Social CRM in the small and medium enterprises, when they know how to do it. Then in the big company its even easier to apply, with more resources the big corporate have, it will be easier to apply the social CRM and data base. But first they must understand how it will work and how the market response to it.

1.6.2. For the Company

As for the company I have a high confidence that this thesis would advantage the company where the company can have more knowledge and awareness how important to apply the social CRM in a correct way, and the messages they are trying to tell arrives to its target market. And as well this study will help the company to understand the relation between how the number of sales can be boost before and after the use of social CRM
1.6.3. For University

Marketing management is a core subject, that at least every student in President University must know and aware about the basic understanding in order to survive the global market competition. No matter what major they took, engineering, IT, or communication, they will all need the principal of marketing as their guideline. It indicates that marketing management is very important in a company where they will work later. This thesis will elaborate a part of marketing which is very important and vital.

As the President university targeted the entire student to have a good job after graduate, then I am sure that this thesis, will give the slightest ideas of how every student can use and maximize the available social CRM nowadays in order to promote their product. I hope that this research wills give more information about this issue to the President University Students in general.

1.6.4. For the non expert-laity

And for people that might have curiosity about how the Social CRM nowadays take a big part of playing the role in sales boosting, they might as well use the result of this study to understand how the market now is facing the change of market tendency, and customer behavioral.

1.7. Theoretical Framework

The research will start by listing over the list of the number of customers Michael cools have had since 2006, from models, brands, magazine, and agency, and afterwards, the researcher look at the sales report afterwards years by years. As the secondary data have been gathered through literature review, the researcher will continue investigate how significant the sales from years to years been increasing or decreasing, and researcher as well will look at since 2006 what kind of CRM the
company been using, and what kind of promotional tools that the company been using.

Furthermore after all data been gathered, then the researcher will evaluate the relation between the sales report through all year and what kind of promotional tools and what kind of CRM that the company been using during that following year.

![Diagram](image)

Figure 1.2 Theoretical Frameworks

1.8. Scope and Limitations of the Study

This Study is an attempt to analyze the actual relation of SMEs in this particular case is Michael cool’s photography use the social CRM to boost the sales, and researcher will compare the number of sales after using the social CRM.

And as well this study will try to provide an explanation about how the effect of the social CRM in the business nowadays, what kind of social CRM is needed to be used for SMEs nowadays and how to use it right and make the subscriber into potential customer. And explain what kind of social CRM needed for SMEs nowadays.

a. Setting of the Study
This study is a study that’s conducted in Michael cool’s photography base studio, in Kemang South Jakarta.
b. Respondents
The respondents of this study are the previous clients of Michael cools photography. Such as models, models agency PR, Magazine PR, Boutique and clothing line PR.

c. Time Frame
The Present investigation covered started from September 2006 – August 2011 which all the data were gathered from the company data base.

1.9. Definition of Terms
a. SMEs: is refer to small and medium enterprise(s)

b. Social CRM: Are the philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. It's the company's response to the customer's ownership of the conversation. (Paul Greenberg. 2008)

c. A modeling agency: is a company that represents fashion models, to work for the fashion industry. These agencies earn their income via commission, usually from the deal they make with the model and or the head agency. (Talent agency license database. 2010)

d. Photography : is the art, science and practice of creating durable images by recording light or other electromagnetic radiation, either electronically by means of an image sensor or chemically by means of a light-sensitive material such as photographic film. ("History of Fashion Photography at aidan.co.uk"

e. Fashion photography is a genre of photography devoted to displaying clothing and other fashion items. Fashion photography is most often conducted for advertisements or fashion magazines such as Vogue, Vanity Fair, or Elle. Over time, fashion photography has developed its own aesthetic in which the clothes and fashions are enhanced by the presence of exotic locations or accessories. ("History of Fashion Photography at aidan.co.uk")
f. **Sales** are the act of selling a product or service in return for money or other compensation. It is an act of completion of a commercial activity. (dictionary.com)
CHAPTER II
LITERATURE REVIEW

2.1 Past Research

The research entitled ‘’IMPLEMENTING CRM IN SMEs: AN EXPLORATORY STUDY ON THE VIABILITY OF USING THE ASP MODEL ‘’ Written by Wu Tie presented to Swedish School of Economics and Business Administration in order to accomplish Master of accounting in 2003.

The thesis of Wu Tie, The overall objective of the thesis is to examine the viability of utilizing the ASP approach for SMEs to implement CRM. The study involves intensive review and induction of relevant theories on CRM, SMEs and ASPs, as well as empirical research on comparing currently prominent ASPs products: Upshot and Salesforce.com

The findings of her study showed that according to characteristics of SMEs and ASP products offerings, it is practically viable for SMEs to implement CRM by using ASP product offerings from business and technical perspectives. CRM-pursuing SMEs should conduct a thorough investigation into candidate ASP products in terms of technical issues covered in the empirical study such as application functionality, security, user interface and support, application scalability, etc. Particularly, the evaluation checklists developed to compare ASP products in this study can serve as a useful tool for SMEs to select the suitable CRM application.

And the secondary past research with title ‘’HOW TO IMPLY CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM IN NTHIRD PARTY LOGISTIC” written by Jonathan Wang Presented to National University of Singapore, in order to accomplish the Master of Science in Logistic and supply chain
management in year 2002. The findings of his study show that Customer Relationship Management is an effective weapon for 3PL companies to build and develop a good relationship with customers. Under current circumstance, new customers are hard to acquire to those 3PL companies because of the keen competition. An alternative way to prospect new customers is to attract the customers from the competitors. As a result, those 3PL companies have to prevent their customers from being attracted by their competitors. Though CRM has come into existence for ten more years, the application of CRM in 3PL industry is still a new topic to study.

2.2. Definition of SME

The terms SME covers a wide range of definitions varying from country to country and between the sources reporting SME statics. Although there is no universally agreed definition of SME some commonly used criteria are the number of employees, value assets, value of sales and size of the capital. Among them most common definitional basis used its employees because of the comparatively case of collection this information and here again there is variation in defining the upper and lower size limit of an SME. Despite this variance, a large number of sources define an SME to have cut off range of employee of 0-250 (ayyagari, et al 2003)

In Indonesia, small and medium enterprises (SMEs), firms with less than 100 workers and make more or less 50-100 million IDR gross profits per year, have historically been the main player in domestic economic activities, especially as the largest employment creator, providing livelihood for over 90% of the country’s workforce, especially women and the young. (Tambunan, 2006)

Currently small and medium sized enterprises are defined by their size. In the European Union SMEs are defined in the Commission Recommendation of May 6, 2003. Concerning to this recommendation an enterprise is regarded as small or medium sized if it has:

a) not more than 250 employees and
b) not more than 50 Million Euro turnover resp. a balance sheet total of less than 43 Million Euro

c) And if not more than 25% of the shares of such an enterprise are in the ownership of another enterprise. (Hauser, 2005)

In the United States, and Canada SME generally include firms less than 500 employees (US small business administration, 2008) In case of Japan SME defined as a firm with 300 employees or less, a capital size of 100 million Yen or less in wholesale. And a firm with employees 50-100 with capital size of 50 million Yen in retail or service sector (Togrog, 2008)

The European Union defines a medium sized enterprise as one with 250 employees, a small enterprises as one with less than 50 and a microenterprise as one with maximum of 10 employees. At the same time to qualify the SME in the European Union, a firm must have annual turnover of 40 million Euros less ad a balance sheet valuation not exceeding 27 million Euros, according EU commission recommendation (2008)

Due to the fitness of the study thus the definition will be used is from Tambunan (2006) and which according to him, SME has a characteristic as follows:

a) Mainly traditional/primitive units or microenterprises, i.e. less than 5 workers or asset value IDR 50 million (or US$ 5,000 at IDR 10,000 per 1 US$), dominated by self-employment units with the help of non-paid family members

b) Mainly located in rural areas and concentrated in agriculture, but somehow in cities as well

c) Mainly conducted by low income/poor households, as primary or secondary source of income

d) Women are actively involved as producers or workers only in certain industries especially textile and garment, food, leather products and handicrafts. (Tambunan, 2006).
2.3. Definition of Service

Lovelock, Lauren (2006) describes service as "something that may be bought and sold, but which cannot be dropped on your foot."

It is important to distinguish between service and goods. Goods are most tangible (object) while service are more of an act (a deed, performance or an effort). There are many definition of service in the literature may depend on the author and focus on the research (Gronoos, 2001).

However one of the most important and unique characteristic of service is that service are process not things, which means that a service firm has no product only interactive process. Gronroos (2001) offer a comprehensive definition of service where service is ‘’an activity or series of activity of a more or less intangible nature than normal, but necessarily, take place in the interaction between the customer and the service employees, and /or physical resources or goods and/or systems of the service provider, which are provided solutions to customer problem’’.

American Marketing Association, Committee of Definitions (1960) defines service as “Activities, benefits and satisfactions, which are offered for sale or are provided in connection with the sale of goods” and other expert says,

“Services include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser” (Quinn, Baruch and Paquette, 1987).

2.4. Definition of Quality

Quality of service has been studied within the discipline of business management for years; because the market is increasingly competitive and marketing management has
transferred its focus from internal performance (such as production) to external interests like customer satisfaction and customers’ perceptions of service quality (Gronroos, 1992). However, the concept of service quality has only recently—over the last two decades—gained attention from sport and recreation providers and those who study them (Yong, 2000).

Quality is meet the definition for ‘’ fitness for intended use’’. Basically says that quality is ‘‘meeting or exceeding customers expectations” (Juran, 1998). As well Crosby (1979) defined quality as ‘‘conformance to requirements’’

According to Lewis and Booms (1983) service quality is a measure of how well the service level delivered matches the customer expectations. Delivering quality service means confirming to customers expectation on a consistent basic.

Quality is an issue of increasing significance in recent years. International companies such as Four Seasons Hotel Group and the Forte Hotel Group recognize Quality as a business objective. Furthermore, studies address that service quality as a key to success factor that can bring significant strategies advantages. (Erstad, 2001)

For this Particular study only one definition was chosen and used for it to fir the purpose. Considering the research objectives and case study then Lewis and Booms (1983) definition of quality it is that will be use along the way for the study purposes. Where ‘’quality is a comparison between expectation and performance’’.

According to Gilmore, Audrey (2003), she defines 4 characteristics of service such as follows:

a) Intangibility

Even though many services include tangible aspects such as an airline seat, a classroom, a restaurant table and food the service performance leading to a customer’s experience is intangible.
b) Inseparability

Because services are processes, deeds or acts, customers are involved in the production of a service.

c) Perishability

Given the intangible nature of services, they cannot be inventoried, stored, warehoused or re-used.

d) Heterogeneity

Again the intangible nature of services means that standardization and quality are difficult to control.

And when the marketing mix of Product management has its 4Ps, then now Service managements are a little different, it has 7Ps. And the 7Ps of marketing mix in service management (Kotler, 2010).

1) **Product**: *All Aspects of Service Performance that Create Value*

2) **Place and time**: *Delivery Decisions: Where, When, and How*

3) **Promotion and education**: *Informing, Educating, Persuading, and Reminding Customers*

4) **Price and other user outlays**: *Marketers Must Recognize that Customer Outlays Involve More than the Price Paid to Seller.*

**Adding Three New Elements**

5) **Physical environment**: *Designing the Servicescape and providing tangible Evidence of service performances*

6) **Process**: *Method and Sequence in Service Creation and Delivery*

7) **People**: *Managing the Human Side of the Enterprise*
2.5. The dimension of service quality

Zeithaml et al, (1998) grouped the dimension of service quality as follows:

a) **Tangibles**: Encompasses Appearance of physical facilities, equipment, personnel, and communication materials.
b) **Reliability**: Ability to perform the promised service dependably and accurately.
c) **Responsiveness**: Reflects the Willingness to help customers and provide prompt service.
d) **Assurance**: Involves Knowledge and courtesy of employees and their ability to convey trust and confidence.
e) **Empathy**: Which is Caring, individualized attention the firm provides its customers.

2.6. Customer Satisfaction

Customer satisfaction is a key and valued outcome of good marketing practice. The principle purpose of a business is to create satisfied customers. Increasing customer satisfaction has been found to lead to higher future profitability, lower costs related to defective goods and services, increased buyer willingness to pay price premiums, provide referrals, and use more of the product, and higher levels of customer retention and loyalty. Increasing loyalty, in turn, has been found to lead to increases in future revenue and reductions in the cost of future transactions. All of this empirical evidence suggests that customer satisfaction is valuable from both a customer goodwill perspective and an organization’s financial perspective. (Malthouse.E.C et al, 2003)

Overall evaluation of an organization’s products and services versus the customer’s expectations. Customer satisfaction includes but is not limited to evaluations of service quality. Customer satisfaction is an attitude. (Bass, 2008).
Customer satisfaction and retention that are bought through price promotions, rebates, switching barriers, and other such means are unlikely to have the same long-run impact on profitability as when such attitudes and behaviors are won through superior products and services (Anderson and Mittal 2000).

Customer satisfaction, a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals." In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses (Reibstein, 2010)

And McDaniel, C.D (2005) says it is seen as a key performance indicator within business and is often part of a Balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy.

### 2.7. Defining Customer Relationship Management

Since Gartner Group, a highly respected information technology research organization, came up with the term ‘CRM’, the past few years have seen a large amount of study and research done by academic researchers and professionals in IT industry. The following presents a brief look of various CRM definitions,

Ronald S. Swift in his book: Accelerating Customer Relationships---Using CRM and Relational Technologies, has defined CRM as “an enterprise approach to understanding and influencing customer behavior through meaningful communication in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability”. He also points out that “CRM is an iterative process that turns customer information into positive customer relations”.

Todman, Chris in his book: Designing a Data Warehouse Supporting Customer Relationship Management (2001), concisely defined CRM as “a strategy for optimizing lifetime value of customers” by achieving two things he mentioned: “1, getting to know your customer better. 2, interacting appropriately with your customers.”

Brown, S.A has defined CRM as “a business strategy to understand, anticipate and manage the needs of an organization’s current and potential customers” in the book: Customer Relationship Management—A strategic imperative in the world of e-Business.

The above views can be concluded with a general definition of CRM for this study---a comprehensive approach that integrates every business process that touches customers, namely sales, marketing and customer service and field support through integration of people, process and technology. In other words, CRM is neither a product nor a service, but a business philosophy aiming to maximize customer value in the long run.

In the bottom line, according to Greenberg.Paul, (2008) **Traditional CRM**: “CRM is a philosophy and a business strategy, supported by a system and a technology, designed to improve human interactions in a business environment.”

### 2.8. Various definition of Social CRM

Martin Walsh, who leads digital marketing at IBM (2008), wrote that social CRM is a process of monitoring, engaging with, and managing conversations and relationships with existing and prospective customers and influencers across the Internet, social networks, and digital channels.

Fauschette(2008), who leads IDC’s Software Business Solutions Group, defines social CRM as the tools and processes that encourage better, more effective customer interaction and leverage the collective intelligence of the broader customer
community, with the intended result of increasing intimacy between an organization and its prospects and customers. The goal is to make the relationship with the customer more intimate and tie it to the company by building a public ecosystem to better understand what customers want and how they interact with the various company touch points, such as sales and customer service.

Morgan (2008), founder of Chess Media Group and social CRM expert, states that organizations have the same customer-facing problems today that they did last year, five years ago, and ten years ago. Social CRM is a strategic approach (supported by technology) that helps organizations solve these same customer-facing business problems, but in the context of how people’s behaviors (who they trust, what they expect from brands, how they show, where they shop, and so on) and communication methods (social channels or Web 2.0, but traditional channels such as email, phone, and in-person discussions still apply here) have changed. Social CRM is an evolutionary business approach for solving customer problems.

What’s important to extract from these definitions is that the core focus of any social CRM initiative is the external nature and influence of the social customer. It’s equally important to establish a scalable technology infrastructure and organizational processes to serve as the foundation of the program internally. Of course, defining social CRM is much easier than deploying a full scale social CRM initiative within an organization. The following sections will serve as a guide to get started. (Brito, 2011)

Bottom line, Social CRM is a philosophy and a business strategy, supported by a technology platform, business rules, processes, and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. It’s the company’s response to the customer’s ownership of the conversation. (Greenberg, 2008).


2.9. Differences between Traditional CRM and Social CRM

The underlying principle for Social CRM’s success is very different from its predecessor. As I’ve already established, traditional CRM is based on an internal operational approach to manage customer relationships effectively. But Social CRM is based on the ability of a company to meet the personal agendas of their customers while at the same time meeting the objectives of their own business plan. It’s aimed at customer engagement rather than customer management. (Greenberg, 2008)

In fact, my contention is that the CRM technologies we have been used to, such as sales, marketing, and support applications, even the on-demand versions of those, are not the technical capital of the 21st century’s “era of the social customer.” The customer is not just becoming the central repository for value, but wants to actively participate in value creation with business. Therefore the consumer technologies and service offerings adopted as platforms for individually meaningful “life choices” are where CRM technology needs to be. (Paul Greenberg, 2008).

2.10. Application of social CRM to Its kind of customers

Social CRM can be used effectively to engage with several types of customers and prospects. (Brito, 2011)

a) The Venting Customer

This customer might be complaining on Twitter or Facebook, but a response might not be necessary.

b) The Passive Customer

This customer is definitely in need of customer support but isn’t actively seeking a response yet.
c) The “Used-to-Be” Customer

This customer is mad and very vocal, and needs the company to address the issue as soon as possible.

d) The Collaborative Customer

This customer is happy with the product, service, or company. Often times, these customers will seek out venues for suggesting new products or enhancements to an existing product, much like Dell’s IdeaStorm and MyStarbucksIdea.

e) The Customer Advocate

This customer will talk about a brand, product, or service even if he or she is ignored. These customers don’t need incentives, either. They talk about a product because they’re thrilled with what it does for them and how it makes them feel.

f) The Future Customer

This customer, also known as the prospect, is one of the reasons CRM systems came into existence. They can either be new customers or customers who are considering an upgrade to a new product or service. (Brito, 2011).
CHAPTER III

METHODOLOGY

This chapter of study presents the research method and procedure which were utilized in the process of investigation, sampling scheme and selection of respondents; the set of survey questionnaires and their validation process; procedure in gathering data and statistical application.

3.1 Research Method

There are two ways to distinguish distinctive method while doing research; qualitative and quantitative method. The main difference between two methods, concerns the use of numbers and statistics. Both methods have advantages and disadvantages where selection should be based on purpose of the study. (Malhora and Peterson, 2002)

A quantitative method is formalized and structured by the surround information that can be measured and valued numerically. A quantitative approach is usually applied when the purpose is to verify existing theories or test hypothesis developed based on previous research. Qualitative method is on the other hand deeper to create the understanding of the study problem, collecting, analyzing and interpreting data that cannot be expressed in numbers. (Malhora and Peterson, 2002)

Qualitative measures are good at providing possibility of exploring the phenomenon, going into greater depth in studying the research problem. However its main disadvantage includes the subjectivity and narrative nature of the argument, which feeds into the belief that validity and reliability are difficult to address. A quantitative method on the other hand has its main advantage for gaining an objective and precise
assessment of the social phenomenon or human behavior. (Malhora and Peterson, 2002)

Thus, in this particular paper, researcher determined to use quantitative method.

3.2 Research Instrument

3.2.1 Data Collection

There are two types of sources when collecting data, primary and secondary data sources. Primary sources are directly to the study purpose. Primary data consist of all data collected throughout the study that directly can be related to the study purpose; both personally gathered as well as data from a third party that has been collected with equivalent purpose. Secondary data on the other hand contains relevant data that has been collected with a different purpose, but from which conclusions is valuable for the purpose (Malhotra and Peterson, 2002)

To produce accurate data, valid and into to the main objectives the research need to do appropriate data collection. Data collection method of this research consists of:

1. **Statistical tools**

Statistical Package for Social Science V.16.0

Refers to Business dictionary Statistical Package for Social Science (SPSS) is a computer program used for survey authoring and deployment, data mining, text analytics, statistical analysis, and collaboration and deployment (batch and automated scoring services).

2. **Secondary Data**

Secondary data defines as data that originally collected to address a problem. Secondary research is required in the preliminary stages of research to determine what is known already and what new data are required
a) Library Research

In the library research, any important data including all of the theories, which related to the books gathered by all the books, thesis example, journals and literature in the libraries. The theories about this thesis are collected to create an analytical thinking and to support any descriptions in research background.

b) Various reports, past research material published by the publisher or internet.

Any important data which related to the research can support the researcher in the research background

3.3 Statistical Package

3.3.1 Multiple Regressions

The researcher use multiple regression as the function to understand the functional relationships between the dependent (Social CRM tools used by the company) and independent variables (Sales Revenue of Michael cools photography) to see what might be causing the variation in the dependent variable. (pp. 239-246 McDonald, J.H. 2009). When the purpose of multiple regressions understands functional relationships, the important result is an equation containing standard partial regression coefficients, like this:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e \]

Where:

\[ Y = \text{Dimension of average revenue of Michael cools photography} \]
\[ a = \text{Constant} \]
\[ b_1, \ldots, b_5 = \text{Regression Coefficient} \]
\[ X_1 = \text{Dimension score BlogSpot} \]
There are any 3 assumption test for regression model, that are normality test, Multicolinearity test, and heteroscedasticity test (Lawrence, Glenn, and Guarino, 2005: p. 67):

**a) Normality test**

Normality tests are used to determine whether a data set is well-modeled by a normal distribution or not, or to compute how likely an underlying random variable is to be normally distributed. (Szekely, G. J. and Rizzo, M. L (2005) A new test for multivariate normality). The shape of distribution of continuous variable in a multivariate analysis should correspond to a (univariate) normal distribution. That is, the variable’s frequency distribution of values should roughly approximate a bell-shaped curve.

**b) Multicolinearity Test**

Multicolinearity is a statistical phenomenon in which two or more predictor variables in a multiple regression model are highly correlated. In this situation the coefficient estimates may change erratically in response to small changes in the model or the data. Multicolinearity does not reduce the predictive power or reliability of the model as a whole, at least within the sample data themselves; it only affects calculations regarding individual predictors. Multicollinearity Test does it to see the value of tolerance and the value of inflation factor (VIF). (Lawrence, Glenn, and Guarino, 2005: p. 182) Marquardt in Levine et al, 2011 in the book “Statistic for Manager using Microsoft Excel” sixth edition, suggest that if VIF_j is greater than 10 there is too much correlation between the variable xy and the other independent variable.
c) **Heteroscedasticity Test**

The possible existence of heteroscedasticity is a major concern in the application of regression analysis, including the analysis of variance, because the presence of heteroscedasticity can invalidate statistical tests of significance that assume the effect and residual (error) variances are uncorrelated and normally distributed. A good regression model, if there are not homoscedasticity and heteroscedasticity. (Lawrence, Glenn, and Guarino, 2005: p. 67).

### 3.3.2 F - Test and t - Test

The researcher will do f test and t test by using statistical package for science (Spss) software. F test is used to see whether the variables are independent collectively that can influence dependent variable. In this test there will be hypothesis that:

Ho : $b_1=b_2=b_3=b_4=b_5 = 0$

Hi : at least one of $b$ is not equal than zero

For this test the researcher will use $\alpha = 0.05$ level of significant. For t test is to see the influence of each independent variable in regression model towards the dependent variable. So that the research can find out which dimension has the most powerful influence toward customer purchasing decision. For this test each independent variable will be test underlying hypothesis with significant standard $\alpha = 0.05$

### 3.4 Population

The population of the research will be taken from all EE or engagement rate of the 5 social CRM used, which means, every time a visitor visit a page of the social CRM, it will be recorded as one point. All data will be collected from year 2007 – 2010, recorded from insight data of the admin of Michael cools social CRM report. And each month researcher will count how much is the engagement rate and will be compare to the sales made in the particular month.
3.5 Testing the Hypothesis

The hypothesis will be as follow:

Ho : Social CRM tools (BlogSpot, Deviant Art, Facebook, Model Mayhem, and Twitter) have no impact on the increasing of the sales revenue.

H1 : Social CRM tools (BlogSpot, Deviant Art, Facebook, Model Mayhem, and Twitter) have impact on the increasing of the sales revenue.

3.6 Limitation

There are important things that make the researcher do limitation such us:

1) Insight Data,
   This research took the insight data from Michael cools photography is based on EE (engagement rate) compare with the sales report.

2) There are many factor that affecting the increasing the number of sales, such as the business environment, word of mouth, Place, Price, Product and other Promotion tools, but at this study, the researcher only focused on the 5 social CRM tools that has been constantly used during the year 2007-2010.

3) There are other social CRM tools that been used by Michael Cools along the year 2007-2010, such as GMK, Behance, and Vimeo, but these 3 tools is not consistently used by the owner.

4) On the Engagement Rate, there is a possibility of super imposing and overlapping click recorded, but 1 ip address only recorded as 5 click maximum

5) The year of research that has been observed only year 2007-2010.

6) Only Engagement Rate is used for calculating the t-test and f-test and the response rate is attached in the appendix.
7) Social CRM:

In this particular study, the kind of social CRM that been used by the Michael
cools photography are:

a) Deviant Art
b) Model Mayhem
c) Twitter
d) BlogSpot
e) Facebook
CHAPTER IV
ANALYSIS OF THE DATA

4.1 Model evaluation

4.1.1 Normality test
The Figure 4.1 shows that in normally distributed, the points will plot along an approximately straight line drawn through the middle half of the points. From the following figures, the normal probably plot of regression standardizes residual with advertising, sales promotion tools and sponsorship as independent variable and customer purchasing decision as dependent variable approximate tendency to make a straight line drawn through the middle. The writer can make conclusion that the data has followed a linear relationship model and the standardizes deviation has followed the normal standardized distribution.

Figure 4.1 P- Plot of Regression Figure
Source: Statistical Products and Solution Services and Primary Data.
4.1.2 Multicolinearity

Tolerance is an indication of the percent of variance in the predictor that cannot be accounted for by the other predictors, hence very small values indicate that a predictor is redundant, and values that are less than 5 may merit further investigation. A Tolerance close to 1 means there is little Multicolinearity, whereas a value close to 0 suggests that Multicolinearity may be a threat.

This is referred to as the problem of Multicolinearity. The problem is that, as the X become more highly correlated, it becomes more and more difficult to determine which x is actually producing the effect on Y.

In the other side If the value of $VIF \leq 10$, then it indicates the occurrence of Multicolinearity. The best value for the tolerance is close to 1

And even the result of (BlogSpot) 0.328, (Deviant Art) 0.512 (Facebook) 0.113 (Model Mayhem) 0.773, and 0.487 (Twitter). From VIF result from BlogSpot is 3.048, Deviant Art is 1.953 Facebook is 0.113, Model Mayhem is 1.293 and Twitter is 9.131 which is means there is no Multicolinearity between the independent variable because the value still fewer than 10.

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>Constant</td>
<td></td>
</tr>
<tr>
<td>BlogSpot</td>
<td>0.328</td>
</tr>
<tr>
<td>Deviant Art</td>
<td>0.512</td>
</tr>
<tr>
<td>Facebook</td>
<td>0.113</td>
</tr>
<tr>
<td>Model Mayhem</td>
<td>0.773</td>
</tr>
<tr>
<td>Twitter</td>
<td>0.110</td>
</tr>
</tbody>
</table>

Source: Statistical Products and Solution Services and Primary Data
4.1.3 Heteroscedasticity

If the data are normally distributed, the points will spread each other and not made a pattern. If the points are tendencies to make a pattern, its means the data are not normally distributed and considered to become heteroscedasticity. Also the points spread must average must between values -2 to 2. If the data spread each other and not made a pattern / form, the writer can said, the data care tendency to become homoscedasticity. For this research, the result was shown by the Scatter Plot as in figure 4.2, the points were spread each other, not made a pattern, and tendencies to become

![Scatterplot](image)

Figures 4.2 Heteroscedasticity figures
Source: Statistical Products and Solution Services and Primary Data

4.2 Analysis and Interpretation

4.2.1 Regression Model Result

From the table 4.2 the coefficient of correlation (R) of the regression model is 0.956, and the Durbin-Watson is 1.545, and since the Durbin-Watson is 1.545, it is less than 2 and more than (-2), it means there is no autocorrelation amongst the variables which means there is relationship among BlogSpot, Deviant Art, Facebook, Model Mayhem and Twitter in the matter of increasing the sales revenue of Michael Cools Photography.
The coefficient of determination (R2) is 0.914, which means only 91.4% variability in the dependent variable customer purchasing decision can be explained by the variability in advertising, sales promotion and sponsorship. The rest will be explained by other variable (factors). The adjusted R2 is 0.904 (smaller than R2) with 0.914 standard error of estimate.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R square</th>
<th>Adjusted R square</th>
<th>Std.error of the estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.956a</td>
<td>.914</td>
<td>.904</td>
<td>2.20877E6</td>
<td>1.545</td>
</tr>
</tbody>
</table>

Predictors: (Constant), BlogSpot, DeviatArt, Facebook, Model Mayhem, Twitter
Dependent Variable: Sales
Source: Statistical Products and Solution Services and Primary Data

4.2.2 Determination Coefficient

This research about the influence of Social CRM towards Sales boosting of Michael cools photography. This research aims to determine how significant the effect of Social CRM to Michael cools photography, therefore the model of analysis can explain how significant the influence of independent variables into the dependent variable. Hypothesis test done with in a partial way, then to prove that the initial hypothesis about the influence of each Social CRM tools as an independent variable to sales revenue as dependent variable, The purpose of multiple regressions understands functional relationships; the important result is an equation containing standard partial regression coefficients with the function as:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e \]

Based on multiple regression results are shown in the table above, the results of the regression equation will be obtained as follows:

\[ Y = -1.276E7 + (-41968.097) X_1 + 17295X_2 + 21178.226X_3 + (-413.439) X_4 + 64527.495 X_5 + e \]
Table 4.3 The Significant of Social CRM towards Sales

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-1.276E7</td>
<td>9.615E6</td>
<td>-1.327</td>
<td>.192</td>
</tr>
<tr>
<td>BlogSpot</td>
<td>-41968.097</td>
<td>7602.697</td>
<td>-5.520</td>
<td>.000</td>
</tr>
<tr>
<td>DeviantArt</td>
<td>17295.685</td>
<td>3939.427</td>
<td>4.390</td>
<td>.000</td>
</tr>
<tr>
<td>Facebook</td>
<td>21178.226</td>
<td>7146.719</td>
<td>2.963</td>
<td>.005</td>
</tr>
<tr>
<td>ModelMayhem</td>
<td>-413.439</td>
<td>4442.459</td>
<td>-0.93</td>
<td>.926</td>
</tr>
<tr>
<td>Twitter</td>
<td>64527.495</td>
<td>12230.379</td>
<td>5.276</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: Statistical Products and Solution Services and Primary Data

The results of data processing obtained from the above equation field observations made on subscribers Engagement rate (ER) with the spread of data

Histogram

Dependent Variable: Sales

Figures 4.3 Research Data Disseminating
Source: Statistical Products and Solution Services and Primary Data

4.2.3 F - test
BlogSpot (x1), Deviant Art (x2), Facebook (x3), Model Mayhem (X4) and Twitter (X5) towards Sales boosting of Michael Cools Photography

Table 4.4 All independent towards customer purchasing decision

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2.190E15</td>
<td>5</td>
<td>4.380E14</td>
<td>89.782</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>2.049E14</td>
<td>42</td>
<td>4.879E12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2.395E15</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Predictors: (Constant), BlogSpot, DeviatArt, Facebook, Model Mayhem, Twitter
Dependent Variable: Sales
Source: Statistical Products and Solution Services and Primary Data

In the table 4.4, were obtained F value is 89.782 with sig 0.000 < \( \alpha \) 0.05, so it can be said that the BlogSpot, Deviant Art, Facebook, Model Mayhem and Twitter simultaneously are give significant influence in the matter of increasing the sales revenue of Michael Cools Photography

4.2.4 t - Test

Hypothesis test done with in a partial way, then to prove that the initial hypothesis about the influence of each Social CRM tools as an independent variable to sales revenue as dependent variable, T test is performed to determine the significant level of influence of each such promotion. As shown in the following discussion.

BlogSpot (x1) towards Sales

Table 4.5 The Significant of Social CRM towards Sales

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>BlogSpot</td>
<td>-41968.097</td>
<td>9.615E6</td>
<td>-.435</td>
<td>-5.520</td>
</tr>
</tbody>
</table>

Dependent Variable: Sales
Source: Statistical Products and Solution Services and Primary Data
In the table 4.5 shows Blogspot (X1), BlogSpot has No significant effect (real) in the matter of increasing the sales revenue of Michael Cools photography and it has the negative correlation between this variable and Sales revenue. This is showed by the t-
value result which is -5.520 and significant $t = 0.000$ in this study also explained that the BlogSpot effect correlated negatively with the Sales Revenue which is $B = (-41968.097)$ means that if BlogSpot Engagement Rare increases by 1 unit, the Sales also will be decreased by (-41968.097).

Based on the figures 4.5 the data are normally distributed, the points spread each other with the condition of the point is under 0, above 0, spread evenly and not made a pattern. If the points are tendencies to make a pattern, its means the data are not normally distributed and considered to become heteroscedasticity. For this research, the result was shown by the Scatter Plot, the points were spread each other, not made a pattern, and tendencies to become homoscedasticity and normally distributed. Based on the figures 4.5 shown BlogSpot has No role in the matter of increasing the sales revenue of Michael Cools photography.

**Deviant Art (x2) towards Sales**

*Table 4.6 The Significant of Social CRM towards Sales*

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Deviant Art | 17295.685 | 3939.427 | .277 | 4.390 | .000

Dependent Variable: Sales

Source: Statistical Products and Solution Services and Primary Data

In the table 4.6 shows Deviant Art (X2) has a significant effect (real) in the matter of increasing the Sales Revenue of Michael cools Photography. This is showed by the t-value result which is 4.390 and significant t = 0.00. In this study also explained that Deviant Art effect correlated positively with the increasing of the sales revenue which is B = 17295.685 means that if Deviant art Engagement rate increases by 1 unit, the sales also will be increased by 17295.685.

In cumulative we can see in the plot figures of the partial regression with following result in figures 4.6:

Partial Regression Plot

Based on the figure 4.6 the data are normally distributed, the points spread each other and not made a pattern. This is explaining that there was positive relationship between Deviant Art and the role of increasing the sales revenue of Michael Cools photography. In the table 4.7 shows Facebook (X3) has a significant effect (real) in the matter of increasing the Sales Revenue of Michael cools Photography. This is
showed by the t-value result which is 2.963 and significant \( t = 0.05 \). In this study also explained that Facebook effect correlated positively with the increasing of the sales revenue which is \( B = 21178.226 \) means that if Facebook Engagement rate increases by 1 unit, the sales also will be increased by 21178.226

**Facebook (x3) towards Sales revenue boosting**

Table 4.7 The Significant of Facebook towards Sales

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>21178.226</td>
<td>7146.719</td>
<td>.398</td>
<td>2.963</td>
</tr>
</tbody>
</table>

Dependent Variable: Sales

Source: Statistical Products and Solution Services and Primary Data

In cumulative we can see in the plot figures of the partial regression with following result as in figures 4.7:

Based on the figures 4.7 the data are normally distributed, the points spread each other and not made a pattern. This is explaining that there was positive relationship between Facebook and The role of Facebook in the matter of increasing the sales revenue of Michael Cools Photography. In the table 4.8 shows Model Mayhem (X4) has no significant effect (real) in the matter on increasing Sales Revenue of Michael cools Photography. This is showed by the t-value result which is -.093 and significant
t = 0.926. In this study also explained that Model Mayhem effect correlated negatively with the increasing of the sales revenue which is B = -413.439 means that if Model Mayhem Engagement rate increases by 1 unit, the sales will also decrease by (-413.439).

**Table 4.8 The Significant of Model Mayhem towards Sales**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model Mayhem</td>
<td>-413.439</td>
<td>-.005</td>
<td>-.093</td>
<td>.926</td>
</tr>
</tbody>
</table>

Dependent Variable: Sales  
*Source: Statistical Products and Solution Services and Primary Data*

In cumulative we can see in the plot figures of the partial regression with following result as in figures 4.8:

![Partial Regression Plot](image)

Based on the figure 4.8 shown Model Mayhem has No role in the matter of increasing the sales revenue of Michael Cools photography. That is because the pattern above zero and middle zero is not well distributed. In the table 4.9 shows Twitter (X5) has a very big significant effect (real) in the matter of increasing the Sales Revenue of Michael cools Photography. This is showed by the t-value result which 5.276 and significant t = 0.00. In this study also explained that twitter effect correlated positively with the increasing of the sales revenue which is B = 64527.495
means that if Twitter Engagement rate increases by 1 unit, the sales also will be increased by 64527.495

**Twitter (x5) towards Sales revenue boosting**

Table 4.9 The Significant of Twitter towards Sales

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>Twitter</td>
<td>64527.5</td>
<td>12230.4</td>
<td>0.72</td>
<td>5.276</td>
</tr>
</tbody>
</table>

Dependent Variable: Sales

**Source**: Statistical Products and Solution Services and Primary Data

In cumulative we can see in the plot figures of the partial regression with following result as in figures 4.9:

![Partial Regression Plot](image)

**Figures 4.9 Twitter towards Sales**

**Source**: Statistical Products and Solution Services and Primary Data

Based on the figures 4.9 the data are normally distributed, the points spread each other and not made a pattern. This is explaining that there was positive relationship between Twitter and the role of increasing the sales revenue of Michael Cools photography.
CHAPTER V

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

1. From the data analysis in Chapter IV, the result of F Test shows that the BlogSpot (x1) (-5.520), Deviant Art (x2) (4.390), Facebook (x3) (2.963), Model Mayhem (X4) (-0.093), and Twitter (X5) (5.276) simultaneously are give significant influence on the role of increasing the sales revenue of Michael Cools Photography (Y). These three variables are has positive correlation in influence decision making.

2. From T Test the data shows that Deviant Art, Facebook and sales Twitter has positive correlation and effect in the role of increasing the sales revenue of Michael Cools Photography, while BlogSpot and Model Mayhem has no correlation towards the role of increasing the sales revenue of Michael Cools Photography.

3. Among all of independent variables, Twitter has the highest significant effect in the role of increasing the sales revenue of Michael Cools Photography; Followed by Deviant Art and Facebook. On the other hand, from the data, it shows that BlogSpot and Model Mayhem has no any effect in the role of increasing the sales revenue of Michael Cools Photography.
5.2 Recommendation

5.2.1. For the Company

Many people especially the models, magazine company and boutique in Jakarta is well aware that Michael Cools photography as one of the best Photography company in Jakarta, and whenever he is about to do shooting with his clients, he post the update about the activity in BlogSpot, Deviant Art, Facebook, Model Mayhem, Twitter. This is a good thing, because it can arose the desire of the potential customers to try and experience the service provided by him, but somehow in some ways this kind of action as well make a contra production because people find it a little annoying, because it messes up their time line, as if you are using social CRM the more you update, the more you are came up in others timeline, and in the tools of BlogSpot and Model Mayhem, his subscribes maybe feel a little too much of his upload, that’s why, it result in contra-production.

Thus in the future, he may chose only the best work to upload, so it balance on reminding people of how good his work and also it don’t ruin his subscribers time line.

5.2.2. For the Researcher

Since this research only focus on 5 variables of Social CRM (BlogSpot, Deviant Art, Facebook, Model Mayhem, Twitter) and only focus on how the effect of 5 variables towards Sales, the researcher suggest to analyze all of the aspect that might affect the increasing of sales. Such as the influence of Marketing Mix, and the Integrated
Marketing Communication (IMC) towards sales, in order to have clearer point of view in this case.

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APPENDICES
Appendix E: Multiple Regression

1. Normality Test

Normal P-P Plot of Regression Standardized Residual

2. Multicollinearity Test

<table>
<thead>
<tr>
<th>Coefficients$^a$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>BlogSpot</td>
</tr>
<tr>
<td>DeviantArt</td>
</tr>
<tr>
<td>Facebook</td>
</tr>
<tr>
<td>ModelMayhem</td>
</tr>
<tr>
<td>Twitter</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sales

3. Heteroscedasticity Test

Scatterplot

Dependent Variable: Sales

4. Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
</table>
Variables Entered/Removed<sup>b</sup>

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables Entered</th>
<th>Variables Removed</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>X5, X2, X1, X4, X3&lt;sup&gt;a&lt;/sup&gt;</td>
<td>. Enter</td>
<td></td>
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</tbody>
</table>

<sup>a</sup> All requested variables entered. <sup>b</sup> Dependent Variable: Sales

5. Model Summary

Model Summary<sup>b</sup>

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>.956&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.914</td>
<td>.904</td>
<td>2208772.862</td>
<td>1.545</td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), Twitter, ModelMayhem, DeviantArt, BlogSpot, Facebook

<sup>b</sup> Dependent Variable: Sales
6. ANOVA

**ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>2.190E15</td>
<td>5</td>
<td>4.380E14</td>
<td>89.782</td>
<td>.000a</td>
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<tr>
<td>Residual</td>
<td>2.049E14</td>
<td>42</td>
<td>4.879E12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2.395E15</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Twitter, ModelMayhem, DeviantArt, BlogSpot, Facebook

b. Dependent Variable: Sales

7. Collinearity

**Collinearity Diagnostics**

<table>
<thead>
<tr>
<th>Model</th>
<th>Dimens</th>
<th>Eigenvalue</th>
<th>Condition Index</th>
<th>Variance Proportions</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Constant)</td>
<td>BlogSpot</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>5.971</td>
<td>1.000</td>
<td>.00</td>
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<tr>
<td>2</td>
<td></td>
<td>.021</td>
<td>16.978</td>
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</tr>
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<td>.005</td>
<td>36.348</td>
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<td>5</td>
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<td>.001</td>
<td>68.087</td>
<td>.05</td>
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<tr>
<td>6</td>
<td></td>
<td>.001</td>
<td>101.319</td>
<td>.92</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sales
8. Histogram

Histogram

Dependent Variable: Sales

9. Partial Regression plot x5 to Y
10. Partial Regression plot x4 to Y
11. Partial Regression plot x3 to Y

12. Partial Regression plot x2 to Y
13. Partial Regression plot x1 to Y