

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The relational approach is more concerned with relationships with individuals than relationships with social society. The reason is that so far marketing has only thought about how to sell a product and get a high level of sales, as well as how to get as many customers as possible. In other words, after the product is sold and the company gets new customers, at that time the relationship with the customer is complete, the customer has not been properly maintained and there has been no optimal effort so that the customer remains loyal to the company (Hurriyati,2019). The relational approach is a very efficient business for companies because finding new customers will be more expensive than building customer loyalty, and also because of the fact that the profitability of the company is directly proportional to the growth of the relationship between companies. and subscribers permanently.

If customers are satisfied, customers are likely to buy or use the product again tell other people pleasant things about the product (Brown et al, 2017), pay less attention to the brand, and the competitor's advertising, let alone move to another company. For this reason, the company must immediately make measurements of the level of customer satisfaction on a regular basis, in order to know which attributes can satisfy customers and which are not. The company must establish a system that can handle any customer complaints. In this way, companies

can learn how well they are performing and how to improve that performance and how to maintain good relationships with customers (Raassens and Haans, 2017).

PT Star Multi Exchange is one of the companies Money Changer or Foreign Currency Exchange which Aims to provide a Service. That is Maximal To the Customer. PT Star Multi Exchange was officially established on November 3, 2014 Bank Indonesia No.16/1/KEP.GBI/MDN/2014. Until now, PT Star Multi Exchange has safe and strategic location to serve in the conduct foreign currency exchange.

The company PT Star Multi Exchange, Medan decreased customer satisfaction. Where the decline in this customer satisfaction lead to high customer complaints to the employees of PT Star Multi Exchange, Medan related to dissatisfaction. The following table customer complaints that:

**Table 1. 1 Customer Complaints PT Star Multi Exchange, Medan
2018-2020**

Year	Total Complaints
2018	6
2019	7
2020	11

Sources: PT Star Multi Exchange, Medan, 2021

Social media have provided new opportunities to customers to engage on internet interactions. Customers use social media, to generate content and to communicate with other users. The study of social media can also identify the advantages to be gained by business. A lot of companies around the world have built special teams to manage their works on the internet; even a lot of these companies made a social media departments that work with the other departments in a cooperative way. Brand image and customer satisfaction, as we recognize these two components have a strong link between each other, in order to get the main

objectives of any corporate. Firms now focus on their customers by building real strong relationships, in order to reach loyal customers who respect and defend the brand. Nasereddin (2017) obtained the result that social media has a significant influence on customer satisfaction. For that company need the attention in order to utilize social media effectively, efficiently and optimally.

Social media has built an interactive platform for marketers. It has enhanced the relationships with customers. It can take several forms, such as Weblogs, Wikis and Micro blogging, pictures and videos. The buying process is literally affected by the way of marketing of a particular brand. Social media marketing has emerged as the most effective tool of marketing communication. Organizations are using social media campaigns to attract customers, as well as increasing customer loyalty. (Kim and Ko, 2018). Social media PT Star Multi Exchange, Medan is still less well utilized in the promotion-promotion activities and sales through social media. On this social media plays an important role and adds to the impression of an easy in terms of sales in the pandemic and make it easier for customer s in the process of purchasing foreign currency for fear of robbery and so on. For companies that are less active in social media such as website, Instagram, WhatsApp or Line and so on.

The company image begins with the perception of the public about the company formed in the minds of the customers. To form the image positive company, the company needs to send the message himself to the environment of the company, both internal and external, that employees of the company, customer s, suppliers, and other. The company can form the image of the company that

positive in the minds of customer s. Thus, the company image can be perceived as a mental picture selectively. Because of the overall the impression of the characteristics of a company will be shaping the image of the company in the minds of the community. Each company can have more than one image depending on the conditions of interaction of the company with different groups, such as: customers where each group has experience and a different relationship with the company.

According to Salam (2017), the Image of the company is the general impression left in the minds of the customer as a result of a collection feelings, ideas, attitudes and experience with a company that is stored in the memory. The impression is then converted its shape into the image of the positive or negative in accordance with the feelings and experiences of customer s on the company. Good image of the company sound or carried away in the memory customer s. Research conducted by Hisham (2020) showed that there is significant influence between the company image on customer satisfaction. This means that the high and low customer satisfaction also depends on the image of the company.

The Company Image PT Star Multi Exchange, Medan in the minds of customer s because of the staff of the company that do not provide optimal service and satisfactory so that the impression is bad and negative customer. Service tends to be slow, not polite when customer s want to ask customers a complete and detailed.

Based on the above explanation, the writer decides to conduct a research entitled **“Effect of Social Media and Company Image on Customer Satisfaction at PT Star Multi Exchange, Medan”**.

1.2 Problem Limitation

Due to limitation of time and budget this research focus to PT Star Multi Exchange, Medan that Social Media (X_1), Company Image (X_2) and Customer Satisfaction (Y). In this study only conducted research to customers who made transactions in 2022.

According to Solis (2018), indicators of social media is the context, communication, collaboration and connection. Complete information about the company's image indicators is personality, reputation, value and corporate identity (Harrison, 2019). According to Priansa (2020), indicators of customer satisfaction is as follows, expectation, performance, comparison experience and confirmation and disconfirmatio.

1.3 Problem Formulation

Based on the background of the study, the writer formulates several questions, as follows:

1. Does Social Media have effect on Customer Satisfaction at PT Star Multi Exchange, Medan?
2. Does Company Image have effect on Customer Satisfaction at PT Star Multi Exchange, Medan?
3. Do Social Media and Company Image have effect on Customer Satisfaction at PT Star Multi Exchange, Medan?

1.4 Objective of the Research

Based on the problem identification proposed in previous point, the objective of this research are:

1. To analyze Social Media whether has effect on Customer Satisfaction at PT Star Multi Exchange, Medan.
2. To discover Company Image whether has effect on Customer Satisfaction at PT Star Multi Exchange, Medan.
3. To investigate Social Media and Company Image have effect on Customer Satisfaction at PT Star Multi Exchange, Medan.

1.5 Benefit of the Research

The writer expects that this research can give benefits both theoretically and practically.

1.5.1 Theoretical Benefit

The research result can be used to expand, improve and develop the relevant theories especially in the Social Media and Company Image and its effect towards Customer Satisfaction.

1.5.2 Practical Benefit

The practical benefits on this research are:

1. For the writer

The writer as the researcher to get more experience in doing the research and as an addition to knowledge about Social Media, Company Image and Customer Satisfaction.

2. For the company

To provide useful suggestion for the company in increasing Customer Satisfaction especially improving the Social Media, and Company Image.

3. For other researchers

To be an additional reference, reference material for further research and information to interested parties in assessing the problem the same in the future.

