

ABSTRACT

The discussion of retail selling basic necessities and its development in Indonesia, which has a population of 252 million people, is an important research topic because retail and its development means involving the consumption of the Indonesian population to make purchases for their daily needs. The business performance at retail is indicated by the number of customers owned by the retail because the more number of customers means the possibility of purchasing at the retail is also increasing. Of course competition in the retail sector requires a good competitive advantage strategy that makes retailers able to compete with other retailers. This study aims to analyze the effect of Customer Relationship Management (CRM), Innovation and Use of Technology as a competitive advantage strategy to improve business performance.

The sampling technique in this study used a purposive sampling method, where samples were chosen based on certain characteristics that were needed for the accuracy of the sample and were relevant in this study. This study uses a questionnaire that is filled directly by respondents. This research was distributed to 113 respondents spread across the provinces of Central Java and DI Yogyakarta. The data analysis technique used is Structural Equation Modeling (SEM) using AMOS 24.0 software in the model and hypothesis assessment which amounts six hypothesis .

Exogenous and endogenous measurement models have been tested using confirmatory analysis. Furthermore, the model is analyzed by SEM to test the causality relationship between the variables that affect Customer Relationship Management, innovation, and the use of technology and is influenced by competitive advantage and business performance that has meet the criteria of goodness of fit namely chi-square = 102,469; CMIN / DF = 1,265; Probability = 0.054; GFI = 0.900; TLI = 0.945; CFI = 0.958; and RMSEA = 0.049. only AGFI criteria that do not meet the Goodness of fit criteria are AGFI = 0.852. Based on the results of data analysis it can be concluded that the model is acceptable. Of the six hypotheses tested, there are two accepted hypotheses, namely hypothesis 1, hypothesis 2 and hypothesis 5.

Keywords: Customer Relationship Management, Innovation, Use of Technology, Competitive Advantage, Business Performance