

Customer Loyalty Enhancement Strategies

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Abstract:

How to integrate customer relationship management into service quality to enhance customer loyalty has been the focus of many chain supermarkets' business strategies. This study investigated the correlations between customer relationship management, service quality, and customer loyalty, and the results show that customer loyalty was enhanced by strengthening customer relationship management to improve service quality..

Keywords: customer relationship management, service quality, loyalty

Date of Submission: 05-02-2023

Date of Acceptance: 17-02-2023

I. Introduction

Under the pressure of a highly competitive environment, it is the focus of the companies' business strategies how to integrate customer relationship management into service quality to enhance customer loyalty. Few studies have incorporated customer relationship management into service quality to explore its impact on customer loyalty; therefore, this study investigated the correlation between them. The results of this study may be used for providing strategies to improve customer loyalty.

II. Literature Review

2.1 Customer Relationship Management

According to Kandell (2000), customer relationship management focuses on satisfying customers' needs and the main objective is to retain customers and provide them with different products and services. Swift (2001) pointed out that companies can implement customer relationship management activities through the four steps of knowledge discovery; market planning; customer interaction; and analysis and revision.

2.2 Service Quality

Parasuraman et al. (1988) classified service quality into five dimensions, namely tangible, reliability, responsiveness, assurance, and empathy. Brady & Cronin (2001) considered service quality as the perception of consumers regarding (1) the technology of the organization and the quality of functions; (2) the service product, the service delivery, and the service environment; (3) reliability, responsiveness, empathy, assurance, and specific service experience.

2.3 Customer Loyalty

Kim et al. (2010) defined consumer loyalty as the consumer's delight and promise to return and recommend to friends and family. Heskett et al. (1994), on the other hand, mentioned that brand or service loyalty can be measured by the indicators of repeat purchases or the intention to repurchase.

III. Research Method

This study investigated the relationship between customer relationship management, service quality, and customer loyalty, with the following hypotheses.

H1: Customer relationship management has a positive effect on service quality.

H2: Service quality has a positive effect on customer loyalty.

3.1 Correlation between Customer Relationship Management and Service Quality

Shen & Lin (2010) pointed out that if a company can do a good job in customer relationship management, it can improve service quality. Chiu (2016) concluded that customer relationship has a significant positive effect on service quality. From the literature review, this study confirmed H1.

3.2 Correlation between Service Quality and Customer Loyalty

Chi et al. (2014) concluded that service quality has a positive influence on customer loyalty. Lee & Lee (2021) mentioned that service quality has a significant positive effect on customer satisfaction and loyalty. H2 of this study was confirmed after the literature review.

IV. Conclusion and Suggestions

This study showed that customer relationship management had a significant positive effect on service quality, and service quality had a positive effect on customer loyalty. The results of this study show that companies can improve their service quality by enhancing customer relationship management, which in turn can improve customer loyalty. This study can provide a reference for companies to improve customer loyalty.

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Yi-Chan Chung, “Customer Loyalty Enhancement Strategies” *IOSR Journal of Business and Management (IOSR-JBM)*, Vol.25, No. 02, 2023, pp. 08-09.