The Impact Of Marketing Management On Customer Loyalty And Company Financial Performance: A Case Study On Retail Companies In Indonesia

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Article Info	ABSTRACT
Keywords: Marketing Management, Customer Loyalty, Financial Performance, Customer Relationship Management (CRM), Retail Company	This research explores the impact of marketing management on customer loyalty and financial performance of retail companies in Indonesia. Using literature review and case study methods, this research analyzes various marketing strategies, particularly Customer Relationship Management (CRM), and their effects on customer satisfaction and loyalty as well as financial performance. The results show that effective implementation of CRM strategies can increase customer satisfaction and loyalty, which in turn has a positive impact on the company's financial performance. The case studies conducted show that a good CRM strategy can strengthen relationships with customers and maintain their loyalty. The conclusion of this study is that retail companies in Indonesia should focus on developing and implementing marketing strategies that focus on customer satisfaction and loyalty to achieve long-term success in a competitive industry.
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INTRODUCTION

In the era of globalization and increasingly fierce business competition, retail companies in Indonesia face great challenges to maintain customer loyalty and improve their financial performance. Effective marketing management is the key to achieving goals and the impact of marketing management strategies on customer loyalty and financial performance of retail companies in Indonesia (Zainuddin et al., 2023). The main focus is on how various aspects of marketing management such as service quality, customer relationship management (CRM), and marketing communications can affect customer loyalty and, in turn, the financial performance of the company.

Customer loyalty is one of the important factors that influence the long-term success of a company. Customer loyalty plays an important role in retaining customers in growing retail companies in Indonesia. This loyalty helps companies compete with other retail businesses, especially through competition that focuses on market segments, service systems, prices, and product quality (Nurninawati et al., 2023; Paramarta et al., 2021; Zainuddin et al., 2022). In

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addition, CRM implementation has been shown to increase customer loyalty. The importance of CRM in marketing strategy is to acquire, strengthen relationships, and retain customers. Effective CRM can increase ongoing customer satisfaction and ultimately create customer loyalty. CRM variables such as acquiring, retaining, and continuous marketing activities have a significant impact on customer loyalty (Hamid et al., 2024; Lin, 2024; Sudirjo et al., 2023; Suprianto et al., 2024). Good CRM can build trust and increase overall customer loyalty.

A company's financial performance is strongly influenced by how well it can manage its customer loyalty. Service quality and customer trust have a positive impact on customer loyalty, which in turn increases satisfaction and bank financial performance (Imran et al., 2024; Zainuddin et al., 2022; Zulfikar et al., 2022).. Customer loyalty has a significant influence on the financial performance of Islamic banks in Indonesia. Good service quality and value perceived by customers strengthen loyalty which ultimately improves financial performance. In addition, an effective relationship marketing strategy can also contribute to improving the company's financial performance (Muslimin et al., 2022; Zainuddin et al., 2023) found that relationship marketing strategies that focus on trust and commitment can strengthen customer loyalty and, in turn, improve the performance of retail companies.

The urgency of this research lies in the importance of understanding how marketing strategies can influence customer loyalty and financial performance of retail companies in Indonesia. By understanding this relationship, companies can develop more effective marketing strategies to improve customer loyalty and financial performance. This research is also important because it can provide insight into how CRM and other marketing strategies can be implemented to achieve this goal.

METHODS

The research method used is literature review. This method will be used to collect and analyze previous research relevant to the topic of the impact of marketing management on customer loyalty and financial performance (Ibrahim et al., 2023). This process involves searching academic databases for articles, journals, and scientific publications that discuss concepts such as marketing management, customer loyalty, CRM, and financial performance. Analyzing the literature review will help in building a theoretical framework and understanding existing findings (Sudarmo et al., 2022).

RESULTS AND DISCUSSION

Result

The results of this study are based on literature analysis and case studies on several retail companies in Indonesia. The analysis was conducted to evaluate the impact of marketing management on customer loyalty and financial performance. From the literature analysis, several important findings regarding marketing management, customer loyalty, and financial performance were found: Customer Relationship Management (CRM) shows that effective CRM implementation can increase customer satisfaction, which in turn increases customer

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loyalty. CRM includes strategies to acquire customers (acquire), strengthen relationships with customers (enhance), and retain customers (retain) (Lubis et al., 2023). Customer Satisfaction and Loyalty emphasizes that customer loyalty plays an important role in customer retention in retail companies. This research highlights that loyalty can be increased through good service, competitive prices, and high product quality (Suriansha, 2023). The Effect on Financial Performance found that high customer satisfaction can increase customer loyalty and advocacy, which in turn can improve the company's financial performance. However, non-optimal resource management can hinder this positive impact (Tarigan et al., 2020).

The case study on PT Trakindo Utama shows that the CRM strategies implemented successfully improve customer relationships and maintain customer loyalty. The strategies used included loyalty programs, solution-oriented services, incentives, annual contracts, and evaluations based on customer ratings. The results show an increase in customer satisfaction and company financial performance (Danisa, 2023).

Research at Bank Muamalat Indonesia shows that CRM has a significant influence on customer loyalty. Activities such as acquiring new customers, retaining them, and continuous marketing proved to be highly influential. Data from customer surveys and interviews with bank staff show that customer loyalty has a positive impact on the bank's financial performance (Al Arif & Nurasiah, 2015).

Research in the automotive industry found that brand experience has an indirect influence on brand loyalty through customer satisfaction and brand trust. Customer satisfaction and brand trust can perfectly mediate the relationship between brand experience and brand loyalty. This study also shows that brand loyalty has a positive impact on the financial performance of automotive companies (Hussein & Yuniarinto, 2022)..

Discussion

Based on the research results, it can be concluded that effective marketing management has a significant impact on customer loyalty and financial performance of retail companies in Indonesia. The following is a more detailed discussion of these findings The importance of Customer Relationship Management (CRM) is that effective CRM implementation is proven to increase customer satisfaction and loyalty. CRM enables companies to acquire new customers, strengthen relationships with existing customers, and retain them in the long term. CRM strategies involving service personalization, effective communication, and incentives have proven effective in increasing customer loyalty. A study by Ayu Kartika Puspa (2013) confirmed the importance of CRM strategies in increasing customer satisfaction and loyalty in retail companies.

Customer Satisfaction as a Key Factor for Loyalty Customer satisfaction is a key factor influencing customer loyalty. Research shows that satisfied customers tend to be more loyal and willing to recommend products or services to others. Reza Suriansha (2023) emphasizes that good service, competitive prices, and high product quality are the main factors that influence customer satisfaction and loyalty in the retail sector.

The effect of Customer Loyalty on Financial Performance is that customer loyalty has a significant impact on the company's financial performance. Loyal customers tend to make

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repeat purchases and provide positive advocacy, which in turn increases company revenue and profitability. Josua Tarigan et al. (2020) found that high customer satisfaction can increase customer loyalty and advocacy, which in turn can improve the company's financial performance.

Implementation of Strategies in Different Sectors, for example Case studies show that the implementation of marketing and CRM strategies varies across sectors, but still has a consistent positive impact on customer loyalty and financial performance. At PT Trakindo Utama, CRM strategies involving loyalty programs and solution-oriented services successfully increased customer satisfaction and loyalty [(Danisa & Muthohar, 2023) Meanwhile, at Bank Muamalat Indonesia, CRM strategies that focus on acquiring and retaining customers show significant results in improving loyalty and financial performance of the bank.

Brand Experience and Loyalty in the Automotive Industry i.e. In the automotive industry, brand experience plays an important role in building customer loyalty. Research by Hussein et al. (2022) shows that a positive brand experience can increase customer satisfaction and trust, which in turn increases brand loyalty and company financial performance. This emphasizes the importance of automotive companies to focus on creating positive brand experiences to retain customers and improve financial performance.

CONCLUSION

This research shows that effective marketing management, particularly through the implementation of CRM strategies, has a significant impact on customer loyalty and financial performance of retail companies in Indonesia. Customer satisfaction is a key factor in building loyalty, and this loyalty in turn has a positive impact on the company's financial performance. Case studies in PT Trakindo Utama, Bank Muamalat Indonesia, and the automotive industry show that the right CRM strategy can enhance customer relationships, maintain their loyalty, and improve financial performance. Thus, retail companies in Indonesia need to focus on developing and implementing marketing strategies that focus on customer satisfaction and loyalty to achieve long-term success in this competitive industry. This research provides valuable insights for practitioners and academics in developing effective and sustainable marketing strategies.

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