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Faculty of Business Economics

Master of Management

Master's thesis

What is the effect of customer relationship management on customer loyalty in the Belgian retail environment?

Florence Van den Putte

Thesis presented in fulfillment of the requirements for the degree of Master of Management, specialization International Marketing Strategy

SUPERVISOR :

Prof. dr. Sara LEROI-WERELDS



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www.uhasselt.be

Universiteit Hasselt
Campus Hasselt:
Martelarenlaan 42 | 3500 Hasselt
Campus Diepenbeek:
Agoralaan Gebouw D | 3590 Diepenbeek

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Disclaimer

This master thesis was written during the COVID-19 crisis in 2020. This global health crisis might have had an impact on the (writing) process, the research activities and the research results that are at the basis of this thesis.

Acknowledgements

This master thesis is the last step in obtaining the degree 'Master of Management' with specialization International Marketing Strategy at Hasselt University. This thesis connects two of my main interests, namely fashion and marketing. During the research, my knowledge on customer relationship management and customer loyalty improved a lot. Very interesting insights resulted out of this research, which I hope will provide many clothing retail stores with useful information, especially in the current economic situation. Furthermore, this thesis enhanced my interest in doing research and analyzing data. I hope this knowledge can be used in my future career.

This master thesis would not have been realized without the help of many people whom I would like to thank. First of all, I would like to thank Professor Leroi-Werelds for her guidance throughout this project. After a rocky start in the first semester, she added me without hesitation to her portfolio of thesis students. Throughout the project, she provided me with very clear feedback, which helped me improve the quality of this final thesis. She was always available for questions and solved problems whenever it was needed. Next, I would like to thank all the respondents who were willing to fill in the survey. Without their responses, I would not have been able to conduct this research. Finally, I would like to thank my family, friends, and other students for the support throughout the course of this project. Their support and motivation always got me through the difficult times.

I am beyond proud to hand in this master thesis. I hope you enjoy reading this thesis and acquire new insights that provide you with a lot of inspiration to turn your customers loyal.

Florence Van den Putte
Herentals, 2020

Executive summary

The current dynamic and multi-channel environment in the retail fashion industry has lifted competition to sky-high levels. This has made businesses rethink their most basic relationship namely the one between the buyer and the seller. To manage these relationships, businesses are trying to adopt a customer-centric business approach. CRM has been proven to be a useful tool in that development. In academic research, it is generally accepted that the acquisition of new customers comes with much higher and offensive marketing costs than the retention of existing customers. By retaining existing customers through customer loyalty, a company reduces the necessity of attracting new customers. By understanding the needs of the customer through CRM, the company can implement a customer-oriented business strategy that leads to higher qualitative relationships that in turn can provide a boost to customer loyalty. This leads to the following research question:

What is the effect of customer relationship management on customer loyalty in the Belgian fashion retail environment?

For the scope of this research, the focus was put on the Belgian fashion retail environment. The retail fashion industry in Belgium is expected to grow with 0.5% in 2020 (Statista, 2020). This very limited growth means that retailers will have to battle for existing customers rather than attracting new ones. However, given the current global economic conditions due to the COVID-19, growth rates will most probably be even lower, and a negative growth might even occur. The current economic situation thus increases the importance of customer loyalty and hence also the importance of this study.

For the empirical part of this study, data was collected through self-administered surveys developed in Qualtrics. The questionnaire was distributed using a non-probability sampling, more specifically a combination of convenience sampling and snowball sampling. The survey was posted on social media, more specifically Facebook and Instagram or sent through email. Respondents could enter the survey through an anonymous link. The data analysis was conducted by the means of the software package SPSS version 25 and the software SmartPLS 3.0.

A company implements CRM tactics to actively cultivate and maintain strong and long-term relationships with the customer. Through these CRM tactics, a firm makes a relationship investment that shows the firm's dedication and commitment towards the customer. Based on the concept of **reciprocity**, these tactics will then encourage the customer to stay in the relationship with the firm. To research the effect of CRM on customer loyalty in the Belgian retail fashion environment, the framework by De Wulf et al. (2001) is used as the basis for this research. The framework is built on four **traditional CRM tactics** existing of direct mail, preferential treatment, interpersonal communication, and tangible rewards. However, the rise of innovative technologies cannot be ignored in the process of building and maintaining relationships. Since social media drastically contributes to communication and knowledge sharing with the customer, the model was extended

with **social CRM tactics** including customer's perceived interactivity, customer's perceived personalization, and customer's perceived innovativeness.

When looking at the result of this research, **interpersonal communication and tangible rewards** are both traditional CRM tactics perceived by the customer as a significant investment into the buyer-seller relationship. Interpersonal communication is the most dominant tactic among both the traditional and social CRM tactics. This finding indicates both the importance of social and personal **frontline employees** as well as a strong and established **reward program**. Regarding the social CRM tactics, only **customer's perceived personalization** is found to have significant effect on the customer's perceived investment. This indicates that customers prefer **the online and targeted communication** through social media based on the needs and demands of the customer above the personalized communication through direct mail. The rise of social media as a communication channel contributes to this shift in preferences.

The investments that a firm makes towards a customer are aimed at establishing a strong and long-term relationship. A firm can only generate value from customer relationship management when the concerned relationships are of high quality. It is expected that the higher the perceived relationship investment, the higher the **relationship quality** due to stronger reciprocity. Therefore, reciprocity turns transactions into relationships. Relationship quality exists out of three dimensions: **relationship satisfaction, commitment, and trust** (De Wulf et al., 2001). When looking at the results, perceived relationship investment does play a crucial role in the determination of relationship quality in both the traditional CRM model and the model including social CRM. This can be proven by the fact that perceived relationship investment leads to significantly **higher relationship satisfaction, trust, and commitment**; which are the three determinants of relationship quality. The variable with the highest variance explained in both the traditional CRM model and the social CRM model is relationship satisfaction, followed by commitment, and finally trust.

Two moderating factors were identified in the process of creating customer loyalty through CRM: **product category involvement and customer relationship proneness**. In the traditional CRM model, relationship proneness moderates the relationship between perceived relationship investment and trust. Customers who are more willing to engage into a relationship with a clothing store, thus develop higher levels of trust when perceiving equal levels of relationship investment through traditional CRM tactics. In the model including social CRM tactics, product category involvement does moderate the relationship between perceived relationship investment and relationship satisfaction. This indicates that customers who are more involved and interested in clothing are more likely to develop higher levels of relationship satisfaction when perceiving equal levels of relationship investment through combined traditional and social CRM tactics.

Finally, the aim of this research is to find the effect of CRM on **customer loyalty**. The composite measurement approach of Dick and Basu (1994) is used since it combines both **attitudinal loyalty** and **behavioral loyalty**, which increases the predictive power of customer loyalty. So, in terms of composite measurement, loyal customers both have a favorable attitude towards a firm, commit to

repurchase of that firm, and recommend the firm to others. When looking at behavioral loyalty, only **commitment has a significant positive effect on behavioral loyalty in both the traditional CRM model and the model including social CRM tactics.** The effect of commitment on behavioral loyalty is found to be stronger in the model including social CRM tactics. This can possibly be explained by the fact that it becomes more convenient for a clothing brand to provide the customer with personalized and targeted information through social media. When looking at attitudinal loyalty, **trust has a significant positive effect on attitudinal loyalty in the traditional CRM model. Commitment is again found to be an important determinant in both the traditional CRM model and the model including social CRM.**

The main difference between the traditional CRM model and the model including social CRM tactics was found within the transformation of trust into customer loyalty. Trust only significantly affects attitudinal loyalty in the traditional CRM model and serves as an important requirement for a long-term buyer-seller relationship. Building trust takes time and can be very easily destroyed. It becomes even more difficult for a clothing brand to develop trust in an online environment compared to an environment where the buyer and seller interact face-to-face. By focusing on commitment through traditional and social CRM tactics loyalty can thus be increased.

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1. Problem statement

Nowadays, retailers are operating in a dynamic multi-channel environment where the global market is fundamentally changing the very nature of competition. With increased globalization, market saturation, and increased competitiveness through mergers and acquisitions, competition has accelerated like never before (Anderson, Jolly, & Fairhurst, 2007). In a world where, due to the rise of e-commerce, geographical boundaries no longer exist and the global market is just one click away, business has changed, and companies have generated new business models, opportunities, and processes. But most importantly, these new dynamics have forced them to rethink the most basic relationship, namely the relationship between the customer and the company (Li, 2001; Pan & Lee, 2003). An increasing number of companies now shifts from a product-centric approach to a customer-centric approach. This shift towards a customer focus encourages the importance of customer relationship management or CRM (Shanks, Jagielska, & Jayaganesh, 2009).

CRM can be considered from three different perspectives. First, the narrow and tactical perspective, which emphasizes CRM as an implementation of a specific technology solution. The second perspective refers to CRM as a wide range of technology and internet applications that are being used to solve customer-oriented problems. The last perspective, which originates from a broad and strategical point of view, defines CRM as a holistic approach to managing customer relationships and creating shareholder value. A company's perspective on CRM thus significantly affects the way CRM is accepted and practiced within that company. In the scope of this research, the last perspective will be used as a guideline and thus the following definition of CRM by Payne & Frow (2005, P. 168) will form the basis for this research:

"CRM is a strategic approach that is concerned with creating improved value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and cocreate value with them. This requires cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications."

In the current competitive business environment, a company has to build customer relationships that deliver customer value that goes beyond the core product. Many companies are putting a lot of effort into this very demanding job of value creation through customer relationships but so do their competitors. If many other companies can do what you do, your added value is eroded. Companies must thus establish customer relationships that cannot easily be threatened by competition. CRM is an effective marketing strategy that allows the company to better understand the needs, especially relationship needs, than the competition and hence establish added customer value that can be maintained in closer customer relationships. By understanding what matters to the customer, the company can implement an efficient CRM strategy that leads to higher qualitative relationships, which in turn can provide a boost to customer loyalty (De Wulf, Odekerken-Schröder, Iacobucci, 2001; Payne & Frow, 2005; Leventhal & Zineldin, 2006).

Customer loyalty is a critical element in customer relationship management. By retaining existing customers through customer loyalty, a company reduces the necessity of attracting new customers. In academic research, it is generally accepted that the acquisition of new customers comes with much higher and offensive marketing costs than the retention of existing customers. Although there is no universal definition, customer loyalty can be defined in two different ways. First, from a behavioral perspective, loyalty can be defined as a customer's commitment to continue to do business with a company on an ongoing basis. From an attitudinal perspective, loyalty can be defined as a set of attitudes, a state of mind, beliefs, desires, etc. A company benefits from a customer's loyal behavior, but this results from their state of mind. In the scope of this research, customer loyalty will be analyzed as an attitude and influence on customer's behavior (Payne & Frow, 2005; Leventhal & Zindeldin, 2006).

CRM is concerned with customer retention and how this can be achieved by building long-term customer relationships. However, proper implementation of CRM strategies is crucial for the success in establishing long-term and profitable customer relationships (Goldenberg, 2003). Despite the vast amount of resources invested in CRM, not all stories turned out to be successful. Many CRM implementations have damaged or even destroyed customer loyalty. Therefore, a good understanding of the CRM strategy and the relationship with customer loyalty, is of utmost importance (Frow, Payne, Wilkinson, & Young, 2011; Kim, Eun Park, Dubinsky, & Shaiy, 2012).

Although CRM and customer loyalty have received a lot of attention in the marketing literature, little research exists on the relationship between these drivers for business performance in the Belgian fashion retail environment in both an off- and online context. This research aims to better understand the effect of CRM on customer loyalty in the Belgian fashion retail environment. Recent literature will be used to first gain insights into the concept of CRM and customer loyalty and the link between these concepts. This literature will be used to help design a conceptual model that combines these concepts and hence will be used as a basis for quantitative research in the Belgian fashion retail industry.

Based on the gap in the literature defined in the problem statement, the central research question of this master thesis is:

What is the effect of customer relationship management on customer loyalty in the Belgian fashion retail environment?

2. Literature review

2.1. CRM

In general, there are two ways to approach marketing: the transaction-based approach and the relational approach. The transaction-based approach, on the one hand, focuses on the firm and the competition in the short-term, where the firm is organized around products and services with the primary goal of increasing profits through increased transactions (Pels, Coviello, Brodie, 2000; Zineldin, 2006; Anderson, Jolly, Fairhurst, 2007). On the other hand, there is the relational approach to marketing that focuses on the individual customer's needs where the firm is structured around the target customer to generate value in the long-term from strong relationships between the buyer and the seller. Where the transaction-based approach focuses on products and services, the relational approach focuses on the customer, their needs, and value creation in relationships. In other words, companies have to provide the customer with value that goes beyond the value delivered by the core product or service (Pels, Coviello, Brodie, 2000; Zineldin, 2006; Anderson, Jolly, Fairhurst, 2007). This creation of added value can only be achieved through the relational approach by creating and maintaining long-term customer relationships (Zineldin, 2006; Pels, Coviello, Brodie, 2000). Over the past decades, a shift occurred from a transaction-based approach towards a relational approach, which led to an exponential growth in the importance of buyer-seller relationships (Wahab & Ali, 2010; Peppers, Rogers, 1993). Companies started to understand that they have to adapt their ways of establishing and maintaining customer relationships to the increasing global competition by shifting from a passive to an active relationship management approach. Hence, the concept of Customer Relationship Management (CRM) became pivotal within businesses (Pels, Coviello, Brodie, 2000; Zineldin, 2006; Anderson, Jolly, Fairhurst, 2007).

Customer Relationship Management (CRM) is not a novel concept. However, it is still considered to be incomplete and growing (Payne & Frow, 2005). The concept emerged in the late 1990s in the industry of information technology (IT) and has been evolving ever since. CRM originates from relationship marketing (RM), a concept that focuses on retaining customers by building and effectively managing long-term relationships with existing customers rather than acquiring new customers. When necessary, relationships with customers will even be terminated (Grönroos, 1997; Payne and Frow, 2005). Both CRM and RM are often used interchangeably in academic literature since CRM is identified as the practical application of the RM principles (Chen & Popovic, 2003). Both CRM and RM emphasize the long-term individual relationship between the buyer and the seller. The concepts indicate that these relationships should be beneficial for both parties by putting them at the center of the strategic operations and thinking of the firm (Sin, Alan, Yim, 2005).

Despite the high popularity of the concept, CRM is subject to high failure rates. One of the significant obstacles to success is the lack of a clear definition. Many authors agree that there is no unified definition of CRM. Due to the general confusion about what CRM is, different perspectives exist within different companies, and hence CRM is practiced in distinct ways. Three main perspectives on CRM were identified and put into a continuum (Figure 1) by Payne and Frow (2005):

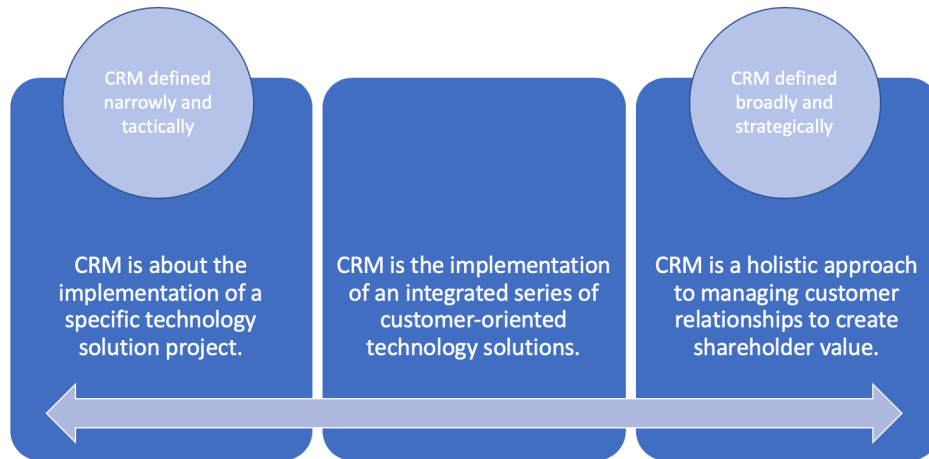


Figure 1: CRM by Payne and Frow (2005)

From the first perspective, CRM is defined narrowly and tactically as part of a specific technology solution, which means that CRM is a technology application or tool that is mainly concerned with increasing sales, revenue, and customer satisfaction. Hence, CRM is about using technology and software tools to build a database on existing customers and use that data in better understanding the customer and their behavior. The database can contain data regarding sales, marketing and finances. This data management allows the firm to analyze the customer continually. For that reason, this perspective is also referred to as analytical CRM. From this perspective, CRM is a business tactic that is implemented through the usage of technology and IT (Payne & Frow, 2005; Rababah, Mohd, Ibrahim, 2011).

The second perspective defines CRM as a wide range of customer-oriented IT and Internet solutions from a business point of view. Operational CRM already goes beyond pure technology but does not yet involve the one-to-one personal relationship with the customer. Operational CRM is a term for methodologies, technologies, and capabilities used by companies to manage their general relationships with customers. This type of CRM is about streamlining and automating the customer's processes by collecting data, processing transactions, and controlling workflow which includes marketing automation, sales force automation (SFA), and service automation (Payne & Frow, 2005; Rababah, Mohd, Ibrahim, 2011). Operational CRM is concerned with streamlining and automating the workflow of the front office of the firm. The front office exists out of the departments within an organization that get in direct contact with the customer. Operational CRM hence leads to more efficient and effective communication with the customer (Rababah, Mohd, Ibrahim, 2011; Sin & Alan, 2005).

The third and last perspective reflects a more strategic and holistic approach to CRM and emphasizes the management of customer relationships to create shareholder value. It puts not only focus on how CRM is carried out within a firm but also on the strategy behind it. This type of CRM focuses on the creation of a customer-centric organizational culture and consequently be able to create better value for both the customer and the firm in a relationship by better organizing resources across the different functions within the firm. Hence, it integrates different functions and departments across

the organization to succeed in an integrated cross-functional approach towards managing relationships. This strategic and broad perspective on CRM really emphasizes the customer as a person and less the predominance of technology within the seller-buyer relationship. The buyer-seller relationship is put at the center of the strategic operations of the firm. As defined by the last perspective, CRM is a strategic approach to understanding the nature of customer value in a multichannel environment and in that process using the right information and appropriate applications to deliver value to the customer (Payne & Frow, 2005; Rababah, Mohd, Ibrahim, 2011). The strategic approach allows a firm to implement CRM on a process basis where the whole organization, both front and back office, operates as a system that works together to manage customer relationships (Sin & Alan, 2005).

This latter strategic perspective will be preserved throughout this research. Hence the following definition by Payne and Frow (2005, p.168) will be maintained as guiding principle towards CRM: "CRM is a strategic approach that is concerned with creating improved value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and co-create value with them. This requires cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications."

CRM is in many firms, often equated with technology, like in the first and the second perspective. However, CRM is more than that, as reflected in the third perspective. CRM consists only partly of technological and IT tools and applications. However, looking at CRM mainly from a technological point of view, is omnipresent in many companies. This limited view leads to CRM being undertaken on a fragmented basis where there is no interdependence between functions, and hence organizational alignment is not reached. For this specific reason, CRM might fail (Sin & Alan, 2005). Payne (2005) explains that strategic CRM can increase the return for shareholders and is often equated with the best outcomes. It emphasizes the organization of marketing activities across all functions within the organization instead of approaching marketing as one department within the organization. This cross-functional approach results in a more reliable link between the internal processes and customers. When a firm uses the customer's information to establish, develop, and maintain long-term relationships with the customer, there will be an increase in customer loyalty and customer satisfaction. In these long-term relationships, customer loyalty and customer satisfaction serve as a source of valuable information and knowledge for companies and can be used as an indication of whether changes in the CRM strategy must be made (Payne and Frow, 2005; Wahab, 2010).

2.2. CRM tactics

The classic relationship marketing model by De Wulf, Odekerken-Schröder, Iacobucci (2001), shown in figure 2, states that a firm can generate higher effectiveness and efficiencies through enhanced relationships with the customer. Relationship building between the customer and the firm is based on the concept of reciprocity. This concept states that when a firm devotes irrecoverable resources like time and effort to the customer, the customer will feel the need to provide a compensating action to the firm corresponding to a roughly equivalent value to what they have received. This results in a stronger one-to-one bond that creates the basis for high-quality relationships between the customer and the firm. The concept of reciprocity consists out of two dimensions: equivalence, and immediacy. Equivalence stands for what should be exchanged. This dimension ranges from homeomorphic, where actions or resources should be returned in the same form, to heteromorphic, where actions or resources can be returned in different forms. The return may thus be completely different, but still, the value of both actions needs to be roughly equal. The second dimension, immediacy, prescribes when the exchanges should occur. This dimension ranges from short-term to long-term. In general, reciprocity will lead to a better atmosphere in the relationship, remove risk, and enable a relationship to move forward (De Wulf, Odekerken-Schröder, Iacobucci, 2001).

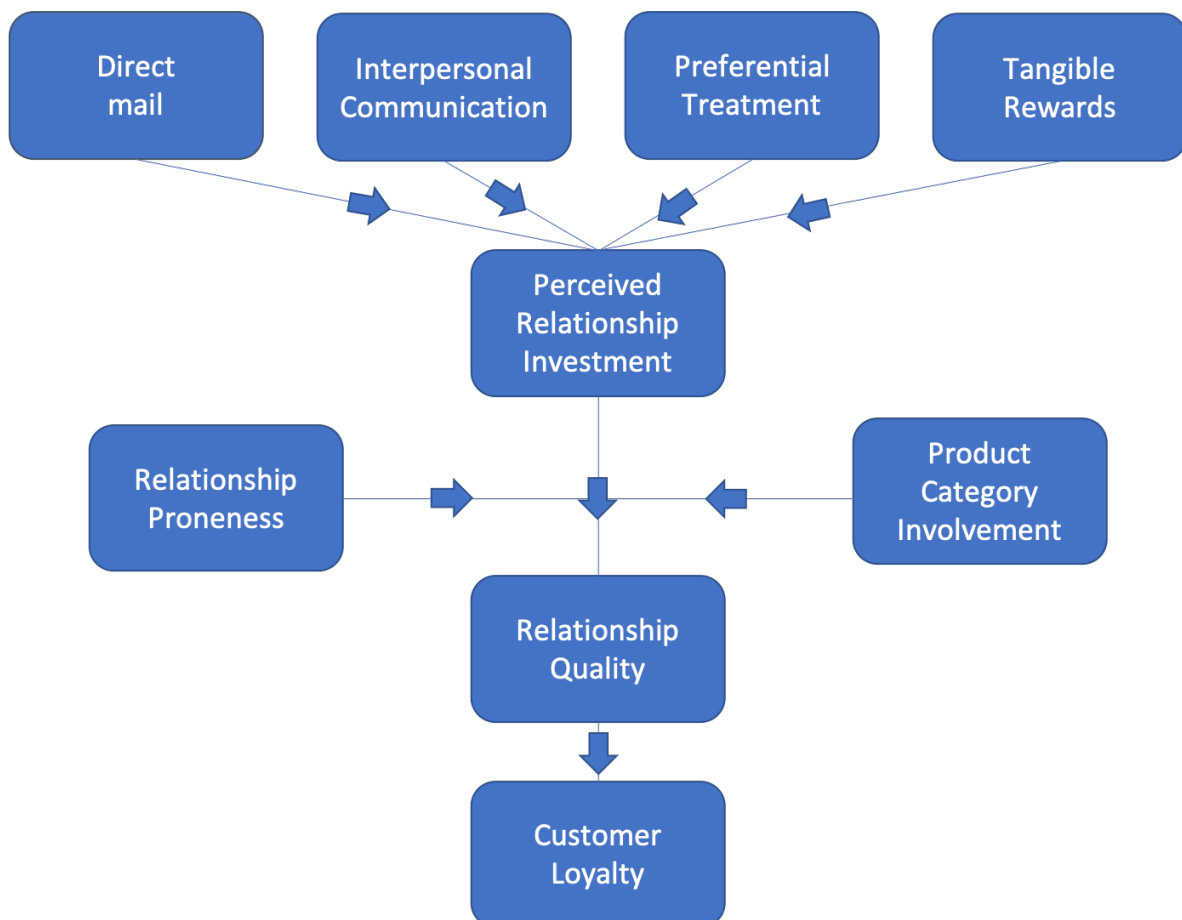


Figure 2: Original RM model by De Wulf, Odekerken-Schröder, Iacobucci (2001).

A firm uses CRM tactics to actively cultivate and maintain strong and long-term relationships with the customer. These tactics are aimed at increasing the success of each transaction with customers (Smith, 1998). Within the scope of this research, the investment or effort that a firm makes to different customers will be investigated instead of the investment or effort made to one specific customer. When managing customer relationships, a firm sets a strategy to target several different customers and hence not one strategy for each specific and individual customer (De Wulf, Odekerken-Schröder, Iacobucci, 2001). In the following paragraphs, four different strategic relationship management tactics will be discussed:

Direct mail

Direct mail is related to communication and is defined by De Wulf, Odekerken-Schröder, Iacobucci (2001, p.35) as “the customer’s perception of the extent to which a retailer keeps its regular customers informed through direct communication media, more specific through direct mail.” Communication is a condition that is considered crucial for a relationship to be able to exist. It helps the firm establishing knowledge on the customer, which is crucial for a sustainable relationship. Companies aim at establishing consistent and strong communication so that the customer experiences an increased investment in the relationship through enhanced one-to-one communication. Further, it also enables the firm to be able to better detect behaviors that generate rewards, enhance the prediction of the behavior and understand the roles of the different parties within a relationship (De Wulf, Odekerken-Schröder, Iacobucci, 2001). This leads to the following hypothesis:

H1: Direct mail has a positive effect on perceived relationship investment.

Interpersonal communication

Interpersonal communication is defined by De Wulf, Odekerken-Schröder, Iacobucci (2001, p.36) as “the customer’s perception of the extent to which a retailer interacts with its customers in a warm and personal way.” Personal interaction is one of the main drivers for a relationship, and hence this tactic is crucial since the establishment of a relationship is a social process. The interpersonal communication is different from preferential treatment given that the former is about adding a personal touch to communication while the latter is about treating regular customers in a better way (De Wulf, Odekerken-Schröder, Iacobucci, 2001). With CRM, a firm has the opportunity to customize the communication based on the individual needs of the customer. A firm can use the technology and collected customer data related to CRM to adapt the exchange towards the needs of the individual customer. Each customer has different needs and hence likes to be approached in a different and personalized manner. Consequently, the transaction will require less time and is tailored to the specific customer (Newell, 2000; Clark, Morelli, Tesler, 2001). This leads to the following hypothesis:

H2: Interpersonal communication has a positive effect on perceived relationship investment.

Preferential treatment

Preferential treatment is defined by De Wulf, Odekerken-Schröder, Iacobucci (2001, p.35) as “the customer’s perception of the extent to which a retailer treats and serves its regular customers better than its non-regular customers.” The idea behind CRM is that not all customers should be treated in the same way, which leads to the concepts of customer selectivity and focus. The more profitable or loyal a customer is, the more exclusive a customer should be treated. Preferential treatment enables a firm to treat customers differently, and hence these customers will feel more special. When companies do not differentiate between different customers, companies have the risk of over dedicating resources to less profitable customers while dissatisfying more profitable and loyal customers. By differentiating between customers, a firm fulfills the basic need of that customer to feel important (De Wulf, Odekerken-Schröder, Iacobucci, 2001). This leads to the following hypothesis:

H3: Preferential treatment has a positive effect on perceived relationship investment.

Tangible rewards

The fourth and final tactic is defined by De Wulf, Odekerken-Schröder, Iacobucci (2001, p.36) as “the customer’s perception of the extent to which a retailer offers tangible benefits to the customer in turn for the loyalty that they offer.” It is, first of all, essential to understand the duality of rewards. The first type of reward is used more often by marketers and focuses on rewards in terms of savings and pricing incentives to secure customers. The problem with these rewards is that they can very easily be copied by the competition and thus only yield a limited competitive advantage. The second type of rewards focuses on tangible rewards, and this in turn for the long-term loyalty of the customers. For these types of rewards, customers feel an internal drive to take action. Regardless of the rewards of the competition, customers will not easily switch. Although the competition can very quickly match tangible rewards in terms of financial effort, literature has still shown that they positively affect the perceived relationship investment and, eventually, the ultimate goal of customer loyalty. Instead of viewing each transaction distinctively, customers will be motivated to go into a sequence of actions to be able to achieve rewards (De Wulf, Odekerken-Schröder, Iacobucci, 2001). This leads to the following hypothesis:

H4: Tangible rewards have a positive effect on perceived relationship investment.

2.3. *Perceived Relationship Investment*

Firms dedicate effort, time, and resources in the form of marketing tactics to the customer as relationship investment. When a supplier makes relationship investment on behalf of the customer, this customer ought to be favorably impressed. These investments create psychological bonds that show the dedication and commitment of the firm towards the customer. These bonds will encourage the customer to stay in the relationship and reciprocate. By investing, the firm wants to prove to the customer that they are of significant value to the firm. When customers interpret these investments

as well-intended acts, they will feel impressed and grow trust towards the firm (Hart & Johnson, 1999; De Wulf et al., 2001). Therefore, De Wulf, Odekerken-Schröder, Iacobucci (2001 p. 3) define perceived relationship investment as “a customer’s perception of the extent to which the firm invests resources, effort, and attention into maintaining or enhancing the relationships with customers”.

For a relationship to be longitudinal, both parties must benefit. From the customers’ perspective, the benefits can be related to the focal product or to the relationship with the firm. The latter type of benefits is related to relational benefits, which are benefits that customers are likely to receive as a result of having established a long-term relationship with a firm. Relational benefits are a result of the relational approach to marketing, whereas product benefits are related to the transaction-based approach to marketing. Three different types of relational benefits exist: confidence benefits, social benefits, and special treatment benefits. Confidence benefits reduce the level of anxiety related to the transaction with the firm because the customer knows what to expect. Social benefits are the benefits related to the personal recognition of customers by employees, familiarity and sometimes even friendship. Finally, special treatment benefits result from customers receiving preferential treatment or customization of interaction with the firm. The benefits resulting from the relationship are all related to the tactics employed by the firm. The more tactics to the benefit of the customer, the higher the perceived benefits, and consequently the higher the perceived relationship investment (Gwinner, Gremler, Bitner, 1998).

2.4. Relationship quality

The investments that a firm makes towards a customer are aimed at establishing a strong and long-term relationship. A firm can only generate value from Customer Relationship Management when the concerned relationships are of high quality. Relationship quality is defined by De Wulf et al. (2001, p. 36) as “the overall assessment of the strength of the relationship.” More specifically, the relationship quality is a result of reciprocity given that the actions that are returned from the buyer to the seller are approximately equal to the value of the benefits that the buyer has previously received. This means that the higher the perceived relationship investment, the higher the relationship quality due to stronger reciprocity. Therefore, reciprocity turns transactions into relationships. Relationship quality exists out of three dimensions: relationship satisfaction, commitment, and trust (De Wulf et al., 2001).

One way to achieve stable and long-term relationships with customers is through relationship satisfaction. **Relationship satisfaction** is defined by De Wulf et al. (2001, p. 36) as “the customer’s affective state resulting from the overall appraisal of his or her relationship with the company.” It is considered the cumulative outcome of the satisfaction developed in each transaction between the customer and the firm. Perceived relationship investment has been shown to predict the first element of perceived relationship quality. Customers tend to be more satisfied of relationships with companies who tend to put more effort into that relationship. Relationship satisfaction is perceived as an essential antecedent to customer loyalty. In many studies, loyalty was found to be a direct

outcome of relationship satisfaction. De Wulf et al. (2001) states that dissatisfied customers will very quickly end the relationship with the firm and exhibit switching behavior. However, this might be a bit too simplified, given that customers have a tolerance zone between the actual and desired level of relationship satisfaction. Customers are prepared to take in some negative evaluations with the firm before expressing the feeling of dissatisfaction. This means that a customer might be dissatisfied with a transaction, but that does not mean that the customer is dissatisfied with the overall relationship (Storbacka, Strandvik & Gronroos, 1994; Bowen & Chen, 2001). However, in the current competitive environment, relationship satisfaction is no longer enough. A firm needs to bridge the gap between relationship satisfaction and customer loyalty, which can be done through trust and commitment (Bowen & Chen, 2001; Singh & Imran, 2012).

The second element of relationship quality is **trust**, which is defined by De Wulf et al. (2001, p.36) as "the customer's confidence in the retailer's reliability and honesty." It is a belief that those on whom we depend, will meet our expectations. It has been found that trust increases with higher perceived relationship investment since the retailer makes an effort towards a specific and individual customer. Trust is an important factor in building a strong customer-seller relationship because of its ability to moderate risks within a relationship. To be able to develop trust in a relationship, partners must suppress opportunistic behavior. Instead of focusing on their advantages, firms should emphasize the value creation for both parties in the relationship. When there is trust within a relationship, the person accepts the word, promise, or statement of the other partner and relies upon that. This mutual dependence is critical in the development of long-term relationships (Bowen & Chen, 2001; De Wulf et al., 2001; Singh & Imran, 2012).

The last element of relationship quality is the relationship **commitment**. Commitment results from relational interactions and is defined by De Wulf et al. (2001, p.36) as "the customer's enduring desire to continue a relationship with a retailer accompanied by this customer's willingness to make efforts at maintaining it." Three types of commitment can occur within a relationship between buyer and seller: positive, negative, and no commitment. Commitment depends on the customer's perceptions of the effort of the retailer towards the customer. When a customer is committed to a relationship with a firm, it means that the customer believes that staying within the relationship will yield higher benefits than terminating that relationship. Commitment within a relationship turns into the desire to rebuying the brand, recommending the brand to others and eventually into loyalty. Increased commitment between a customer and a firm leads to increased psychological attachment, personal identification, and increased price tolerance. This leads to the following hypothesis:

H8: Perceived relationship investment has a positive effect on relationship quality.

The framework by De Wulf et al. (2001) identified two factors that moderate the effect of perceived relationship investment on relationship quality: product category involvement and customer relationship proneness. These moderators help the firm understanding when it becomes more or less profitable to invest in a customer relationship, since not every customer might feel the need to engage in a relationship with the firm.

First of all, there is the moderator **product category involvement**, which generally refers to a customer's enduring perceived importance of the product category based on his/her values, interests, and needs (Mittal, 1995; Payne and Frow, 2005). A relationship can only contribute to the creation of added value if the target customer is interested in that specific product, product group or product category. When a customer finds himself in a high involvement situation, customers will be more likely to engage in that specific relationship and derive benefits from it (De Wulf et al., 2001). Whereas with low involvement situations, treating customers differently will not increase the derived benefits. These customers might even feel annoyed and relationship investment may be perceived as invasive. Since customers' level of involvement changes across different product categories, some markets may not be as responsive to the firm's relationship marketing investments (Dick & Basu, 1994). Hence, the higher the involvement, the higher the final levels of customer loyalty that can possibly be reached. Thus, the perceived relationship investment is expected to have a stronger effect on relationship quality when there is a high level of product category involvement of the customer (De Wulf et al., 2001). This leads to the following hypothesis:

H11: The positive effect of perceived relationship investment on relationship quality is strengthened by high product category involvement.

The second variable with a moderating effect is **customer relationship proneness**. The success of relationship investment not only depends on the CRM tactics but also on the individual preferences of the customer. Some customers will be more psychologically inclined to engage in relationships compared to others. De Wulf et al. (2001, p.38) defined customer relationship proneness as "the customer's relatively stable and conscious tendency to engage in relationships with retailers of a particular product category." The customer's proneness to engage in relationships differs across customer groups. In other words, depending on the product category, customers are more intended to establish a relationship with the firm. Thus, relationship proneness must be measured within one specific product category. Unlike the customers buying from the same provider for convenience reasons or risk adversity regarding changes, relationship-prone customers consciously and consistently make decisions in favor of one particular brand or seller (Dick & Basu, 1994). De Wulf et al. (2001) added that the effect of reciprocity is more substantial among relationship-prone customers. Also, these customers might find it easier to derive benefits from the established relationship. This leads to the following hypothesis:

H12: The positive effect of perceived relationship investment on relationship quality is strengthened by high relationship proneness.

2.5. Customer loyalty

Traditional measures of performance within a firm are generally financially related. However, with CRM, broader measures of performance should be taken into account. Especially in a customer-centric corporate culture, dominant in strategic CRM, the measures related to the customer's

perspective are vital. Customer satisfaction and customer loyalty are important strategic measures under this consideration (Wahab, 2010).

According to Singh and Khan (2012), retailers lose 25% of their customers every year. Keeping customers as an organization is not only a matter related to the products or services that are being offered but mainly to the way that the customers are being served by the firm. Customers are the most essential element of each business because without customers, there is no business. Both CRM and RM aim at increasing customer retention. Customer retention can be described as the activities that a firm undertakes to reduce customer defections (Singh & Khan, 2012; Ranaweera & Prabhu, 2003). Retaining existing customers can reduce the need for companies to attract new customers, which reduces the high costs related to offensive marketing actions. Offensive marketing focuses on attracting new customers by growing the existing customer base as opposed to defensive marketing, which is about focusing the marketing strategy on existing customers. In the current competitive environment, defensive marketing is preferred over offensive marketing. The basic argument for defensive marketing is that the cost of attracting new customers exceeds the cost of retaining existing customers with about five times (Singh & Khan, 2012). Offensive marketing attracts the dissatisfied customer of the competition, whereas defensive marketing focuses on keeping the existing customers satisfied by creating a customer-centric organizational environment. CRM is an important, if not the most important, defensive marketing strategy aimed at customer retention (Leventhal & Zineldin, 2006).

When talking about defensive marketing, customer retention and customer loyalty cannot be used interchangeably. A retained customer, on the one hand, may buy again, but when the time comes, it might go to another firm. A loyal customer, on the other hand, will keep on buying from the firm and will influence others to do the same. Loyalty goes beyond just spending money. Loyal customers will vouch for the firm and serve as advocates for the business. Customer loyalty thus goes beyond customer retention and not only aims at maintaining customers but also at increasing the value of those maintained customers. RM and CRM are both concerned with long-term customer loyalty and how this can be reached through customer retention. Companies are thus seeking to create committed customers independent of any action taken by the competition (Leventhal & Zineldin, 2006).

Customer loyalty is a marketing concept that is difficult to define because of its multidimensional character. At a very general level, loyalty is something that customers exhibit to brands, services, stores, product categories, and activities. Unfortunately, there is no generally accepted definition of customer loyalty. Oliver (1999, p.34) defines brand loyalty as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior."

Customer loyalty is of utmost importance in the current competitive retail environment. Loyal customers have been seen to be less price-sensitive, exhibit repeat purchase behavior, exhibit cross-selling behavior and show other positive behaviors. Additionally, loyal customers have also shown to require less time investment because of their prior knowledge and familiarity with the firm. Further, they also spread positive word-of-mouth, which is a vital source of information for future customers. Finally, loyal customers are also more willing to complain to a firm rather than shifting. Customer complaints are a valuable source of information for a firm (Dick & Basu, 1994; Bolton, 1998; Bowen & Chen, 2001; Agrawal, 2012).

In general, there are three approaches to customer loyalty:

- Behavioral approach;
- attitudinal approach;
- composite approach.

The behavioral approach defines customer loyalty in terms of repeated purchasing behavior over a certain period (Agrawal, 2012). Also, purchase sequence, purchase probability, and the likelihood to spread word of mouth are used as behavioral indicators for customer loyalty. One problem with the behavior approach is that it is often operationalized in terms of repeat purchases. However, repeat purchases are not always an indication of loyalty towards a brand or firm. A repeat purchase can be made because of convenience, monetary reasons, or true loyalty. Behavioral loyalty often fails to capture the reason underlying the repeat purchase (Dick & Basu, 1994). The behavioral definition is thus not sufficient in explaining customer loyalty.

The second approach defines customer loyalty in terms of emotional and psychological commitment to a firm. The customer then has a strong internal drive for repeat purchases. It takes into account the top of mind recalls of a brand or firm, preferences, repurchase intentions, psychological attachment, and brand advocacy. Attitudinal measurement is based on the attitudes of the customer that are multidimensional and are therefore more difficult to measure. However, these measures give a more complete view of customer loyalty (Dick and Basu, 1994).

The third approach introduced by Dick and Basu (1994) defines customer loyalty as the relationship between relative attitude and patronage behavior. The composite approach combines the behavioral and attitudinal approach and hence increases the predictive power of customer loyalty. Composite measurement operationalizes customer loyalty in terms of product preferences, brand switching, frequency of purchasing, recency of purchasing, and the total amount of purchases. So, in terms of composite measurement, loyal customers both have a favorable attitude towards a firm, commit to repurchase of that firm, and recommend the firm to others (Bowen, Chen, 2001). In this research, a two-dimensional approach to customer loyalty will be adopted, where both the attitudinal and the behavioral approach will be taken into account, given that the customer's attitudes influence the customer's behavior.

Many academic papers have confirmed the link between relationship quality and customer loyalty. Empirical evidence has been found regarding the effect of relationship quality on customer loyalty by Bolton (1998). Where satisfaction is found as an antecedent for repeat purchase intentions and subsequently leads to repeat purchasing behavior. High levels of relationship satisfaction contribute to a level of relationship quality that exceeds the expectations of the customer, which will hence increase the preference for that specific firm. Further, Hennig-Thurau and Klee (1997) argue that relationship quality is an antecedent of customer loyalty. Notably, the dimension of relationship (dis)satisfaction influences both the repeat purchase intentions that lead to repeat purchase behavior. Finally, Macintosh and Lockshin (1997) found a positive association from relationship satisfaction to customer loyalty where trust is considered the dimension of relationship quality (Hennig-Thurau & Klee, 1997; Macintosh & Lockshin, 1997; Bolton, 1998) Based on these findings; the following hypotheses can be established:

H9: Relationship quality has a positive effect on customer behavioral loyalty.

H10: Relationship quality has a positive effect on customer attitudinal loyalty.

2.6. Social CRM tactics

Over the past decade, the retail environment has changed a lot. Communication between the firm and the customer used to go only through phone, letter, face-to-face contact, or occasionally through email. However, the rise of innovative technologies has drastically changed the marketplace. Value for the customer is no longer only driven by differentiating the product or service that a company offers, but also by the communication and knowledge channels through which the interaction between buyer and seller takes place. Today, the internet and especially social media, drastically contribute to the establishment of strong and enduring buyer-seller relationships (Greenberg, 2010). Social media is defined by Kaplan and Haenlein (2010, p.61) as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content (UGC)". UGC is any form of content created by the user of a social platform. In Belgium, 74,4% of the population is active on social media. 57,7% of the Belgian population uses Facebook, followed by Pinterest with 23,7%, Twitter with 8,7%, and Instagram with 7,2% (Statista, 2020). These high levels of general usage make social media not only popular among the customers of a firm but also among the firms who use the platforms as a channel of marketing and communication. The social media penetration in Belgium is expected to increase up to 81% by 2024. In this high-tech era, social media should thus be on the radar of every retail store in Belgium (Greenberg, 2010; Kaplan & Haenlein, 2010; Yadav & Rahman, 2018; Global Stats, 2020, Statista, 2020).

Customers have adopted social media in the first place to interact and connect with peers. However, they now also expect the same interaction and connectivity with firms (Trainor, Andzulis, Rapp, Agnihotri, 2014). In recent research, the contributions of social media are supported empirically by the study of Trainor et al. (2014), which found that the intensity of social media application in buyer-

seller relationships positively and significantly links to higher financial and non-financial performance. Social media can thus not be left behind when investigating the effect of CRM tactics on customer loyalty. It is even stated that customers who engage with companies over social media platforms are more loyal than other customers (Srinivasan, Moorman, 2005). Despite the current hype around social media, the effect of social media in CRM remains mostly unexplored. Hence, this gives the perfect opportunity to update the model of De Wulf et al. (2001) and include social media as another CRM tactic called: Social CRM. Social CRM is defined by Trainor (2012, p. 321) as “the integration of traditional customer-facing activities, including processes, systems, and technologies with emergent social media applications to engage customers in collaborative conversations and enhance customer relationships.”

Based on empirical studies of the social customer, the following dimensions of social CRM have been identified by Yadav and Rahman (2018) namely, interactivity, personalization, and innovativeness.

Customers’ perceived interactivity is defined by Yadav and Rahman (2018, p. 3885) as “the extent to which social media facilitates customers to share content and views with the company and other customers.” This dimension is based on the dynamic interaction between the buyer and the seller through social media. Social media allows customers to have discussions with the firm without the need for direct and face-to-face interactions, which is timesaving. This efficiency and convenience stimulate the customer to create user-generated content. When the firm and the customer interact on a regular basis, the feeling of connectivity will be stronger and subsequently also the levels of loyalty. When social customers are stimulated to interact with firms and other customers through social media, the creativity of those customers will be stimulated. This leads to valuable content for the firm (Greenberg, 2010; Malthouse, Haenlein, Skiera, Wege, Zhang, 2013; Yadav and Rahman, 2018). This leads to the following hypothesis:

H5: Customers’ perceived interactivity has a positive effect on perceived relationship investment.

Customers’ perceived personalization is defined by Yadav and Rahman (2018, p. 3885) as “the customers’ perception about the degree to which social media offers tailored services to fulfill the preferences of a customer.” One of the significant problems with social media is the overload of information. One of the notable elements of social CRM is to offer the customer customized content based on individual preferences. This level of personalization leads to increased customer experience. The social customer wants more than ever to establish a one-to-one relationship with the firm. Hence, personalization is the perfect tool to make the customer feel important and heard through social media (Greenberg, 2010; Malthouse, Haenlein, Skiera, Wege, Zhang, 2013; Yadav and Rahman, 2018). This leads to the following hypothesis:

H6: Customers’ perceived personalization has a positive effect on perceived relationship investment.

Customers’ perceived innovativeness is defined by Yadav and Rahman (2018, p. 3885) as “the customers’ perception about the degree to which social media offers accurate, useful, and comprehensive information.” Social media is commonly used by customers to generate information in the form of product features, reviews, and ratings. The social customer wants to find the information on social media that is necessary to make intelligent decisions about where and how to buy. The higher the availability of valuable and useful information on social media, the simpler the customer can make accurate decisions, and this hence enriches the customer’s attitude towards the firm. The more specific the available information, the easier it becomes for customers to compare between firms. Social media offers the opportunity to be the primary source of real-time information, and thus the customer expects always to find information based on the latest trends (Greenberg, 2010; Malthouse, Haenlein, Skiera, Wege, Zhang, 2013; Yadav and Rahman, 2018). This leads to the following hypothesis:

H7: Customers’ perceived innovativeness has a positive effect on perceived relationship investment.

This leads to the following updated conceptual model:

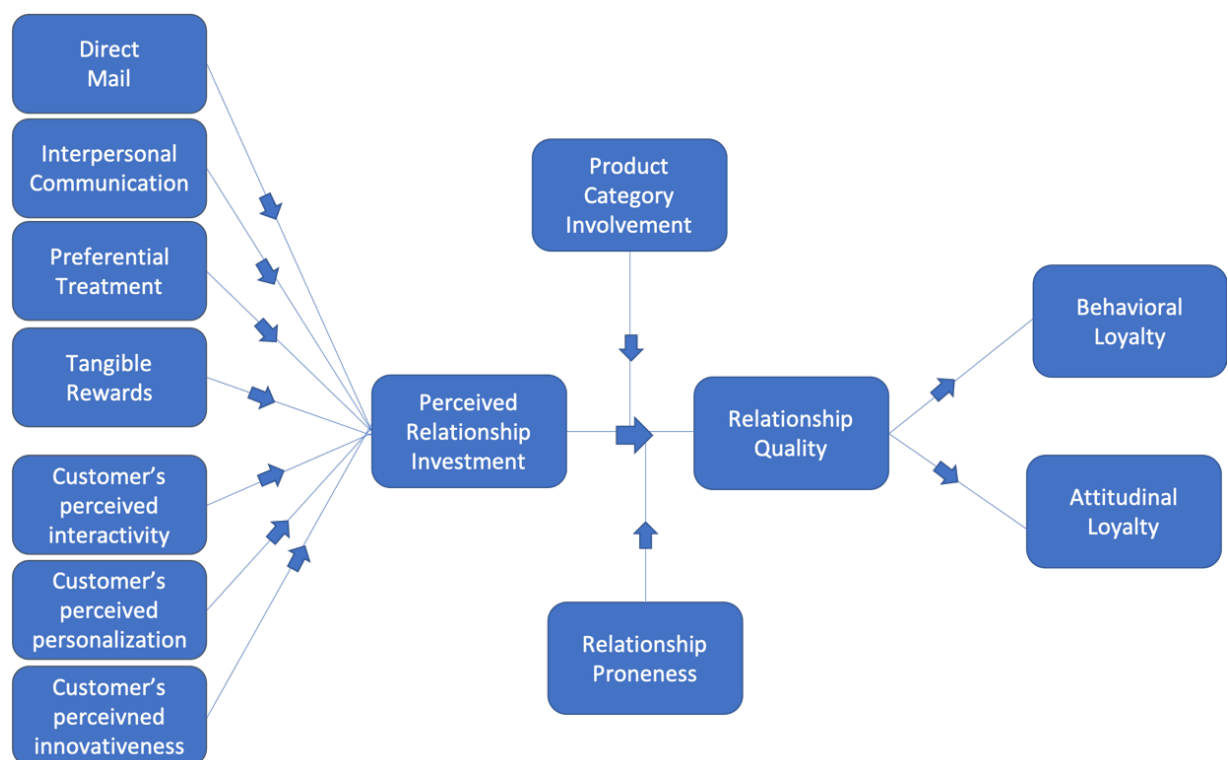


Figure 3: Conceptual model

This conceptual model results in the following hypotheses:

H1: Direct mail has a positive effect on perceived relationship investment.
H2: Interpersonal communication has a positive effect on perceived relationship investment.
H3: Preferential treatment has a positive effect on perceived relationship investment.
H4: Tangible rewards have a positive effect on perceived relationship investment.
H5: Customers' perceived interactivity has a positive effect on perceived relationship investment.
H6: Customers' perceived personalization has a positive effect on perceived relationship investment.
H7: Customers' perceived innovativeness has a positive effect on perceived relationship investment.
H8: Perceived relationship investment has a positive effect on relationship quality. H8a. Perceived relationship investment has a positive effect on relationship satisfaction. H8b. Perceived relationship investment has a positive effect on trust. H8c. Perceived relationship investment has a positive effect on commitment.
H9: Relationship quality has a positive effect on behavioral customer loyalty. H9a. Relationship satisfaction has a positive effect on behavioral customer loyalty. H9b. Trust has a positive effect on behavioral customer loyalty. H9c. Commitment has a positive effect on behavioral customer loyalty.
H10: Relationship quality has a positive effect on attitudinal customer loyalty. H10a. Relationship satisfaction has a positive effect on attitudinal customer loyalty. H10b. Trust has a positive effect on attitudinal customer loyalty. H10c. Commitment has a positive effect on attitudinal customer loyalty.
H11: The positive effect of perceived relationship investment on relationship quality is strengthened by high product category involvement. H11a. The positive effect of perceived relationship investment on relationship satisfaction is strengthened by high product category involvement. H11b. The positive effect of perceived relationship investment on trust is strengthened by high product category involvement.

H11c. The positive effect of perceived relationship investment on commitment is strengthened by high product category involvement.

H12. The positive effect of perceived relationship investment on relationship quality is strengthened by high relationship proneness.

H12a. The positive effect of perceived relationship investment on relationship satisfaction is strengthened by high relationship proneness.

H12b. The positive effect of perceived relationship investment on trust is strengthened by high relationship proneness.

H12c. The positive effect of perceived relationship investment on commitment is strengthened by high relationship proneness.

Table 1: Hypotheses

3. Empirical design

3.1. *Setting*

The aim of this study is to research the effect of CRM on customer loyalty. This research is mainly based on the framework introduced by De Wulf et al. (2001). Further, the rise of the new communication and interaction channels between the buyer and the seller could not be ignored. Therefore, the usage of social media as an additional CRM tactic was added to the conceptual model. For this extension, the framework by Yadav and Rahman (2017) was implemented to research the effect of social CRM on customer loyalty. Also, De Wulf et al. (2001) only put focus in their research on behavioral loyalty whereas in this study the effect of CRM on attitudinal loyalty will also be investigated. For this extension, the framework by Kumar et al. (2010) was used. Hence, a more complete view of the effect of CRM on customer loyalty can be provided.

For the scope of this research, the focus was put on the Belgian fashion retail environment. The retail fashion industry in Belgium is expected to grow with 0.5% in 2020 (Statista, 2020). This very limited growth means that retailers will have to battle for existing customers rather than attracting new ones. However, given the current global economic conditions due to the COVID-19, growth rates will most probably be even lower, and a negative growth might even occur. The current economic situation thus increases the importance of customer loyalty and hence also the importance of this study.

3.2. Questionnaire development and data collection

The questions in the survey are mainly based on the framework by De Wulf et al. (2001). The constructs regarding social CRM and attitudinal loyalty were respectively based on the papers of Yadav and Rahman (2017) and Kumar et al. (2010). All questions were rephrased to fit the apparel context and also translated to Dutch since the research focuses on the Belgian fashion retail environment. These translations gave the respondent the best experience and increase the ease of filling in the survey. In table 2, each construct with corresponding reference and items can be found:

Construct	Reference	Item
Direct mail	De Wulf et al. (2001)	The store often sends mailings to regular customers.
		This store keeps regular customers informed through emails.
		This store often informs regular customers through paper brochures.
Preferential treatment	De Wulf et al. (2001)	This store makes more effort for regular than for non-regular customers.
		This store offers better service to regular than to non-regular customers.
		This store does more for regular than for non-regular customers.
Interpersonal communication	De Wulf et al. (2001)	This store takes time to personally get to know the customer.
		This store often holds personal conversations with regular customers.
		This store often inquires about the personal welfare of regular customers.
Tangible rewards	De Wulf et al. (2001)	This store rewards regular customers for their patronage.
		This store offers regular customers something extra because they keep buying there.
		This store offers discounts to regular customers for their patronage.
Customer's perceived interactivity	Yadav and Rahman (2017)	The clothing store's social media allows me to share and update the existing content.
		This clothing stores interacts regularly with its followers and fans.
		The clothing store's social media facilitates two-way interaction.

Construct	Reference	Item
Customer's perceived personalization	Yadav and Rahman (2017)	The clothing store's social media makes purchase recommendations as per my requirements.
		I feel my needs are met by using the clothing store's social media.
		The clothing store's social media facilitates personalized information search.
Customer's perceived innovativeness	Yadav and Rahman (2017)	Contents visible on the clothing store's social media is the latest trend.
		Using the clothing store's social media is really trendy.
		Anything trendy is available on the clothing store's social media.
Perceived relationship investment	De Wulf et al. (2001)	This store makes effort to increase regular customer's loyalty.
		This store makes various efforts to improve its tie with regular customers.
		This store really cares about keeping regular customers.
Relationship proneness	De Wulf et al. (2001)	Generally, I am someone who likes to be a regular customer of an apparel store.
		Generally, I am someone who wants to be a steady customer of the same apparel store.
		Generally, I am someone who is willing "to go the extra mile" to buy at the same apparel store.
Product category involvement	De Wulf et al. (2001)	Generally, I am someone who finds it important what clothes he or she buys.
		Generally, I am someone who is interested in the kind of clothing he or she buys.
		Generally, I am someone for whom it means a lot of what clothes he or she buys.
Relationship satisfaction	De Wulf et al. (2001)	As a regular customer, I have a high-quality relationship with the store.
		I am happy with the efforts this store is making towards regular customers like me.
		I am satisfied with the relationship I have with this store.

Construct	Reference	Item
Trust	De Wulf et al. (2001)	This store gives me a feeling of trust.
		I have trust in this store.
		This store gives me a trustworthy impression.
Commitment	De Wulf et al. (2001)	I am willing to go "the extra mile" to remain a customer of this store.
		I feel loyal towards this store.
		Even if this store would be more difficult to reach, I would still keep buying here.
Behavioral loyalty	De Wulf et al. (2001)	What percentage of your total expenditures for clothing do you spend at this store?
		Of the 10 times you select a store to buy clothes at, how many times do you select this store?
		How often do you buy clothes in this store compared to other stores where you buy clothes?
Attitudinal loyalty	Kumar et al. (2010)	I say positive things about this clothing store.
		I recommend this clothing store to someone who seeks my advice.
		I encourage friends and family to do buy from this clothing store.
		I consider this clothing store as my first choice.

Table 2: Questionnaire development

For the empirical part of this study, data was collected through self-administered surveys developed in Qualtrics. The questionnaire was distributed using a non-probability sampling, more specifically a combination of convenience sampling and snowball sampling. The survey was posted on social media, more specifically Facebook and Instagram or sent through email. Respondents could enter the survey through an anonymous link. Respondents who received the link through email were asked to forward the link two times.

In the beginning of the survey, it was clearly indicated that customers should keep in mind the store which they visit most often when answering the questions and statements. The survey was structured as follows: general shopping-related questions, questions related to the constructs, and questions related to demographics. In the beginning of the survey, three shopping-related questions were posed regarding the customer's general shopping habits with the purpose of excluding

unqualified participants. The subsequent questions were all related to a specific construct. Most questions in the survey are forced response questions on a Likert scale with 7 possible answers ranging from 1 = "totally disagree" to 7 = "totally agree".

The questions were rephrased as statements so that the respondent could answer by indicating the level of agreement. However, the questions regarding behavioral loyalty, were questioned differently. For the first behavioral question, respondents needed to indicate their percentage of spending on clothing in the specific store they visit most often on a slider, ranging from 0% to 100%. Also, regarding behavioral loyalty, respondents were asked to indicate out of ten times, how many times they choose the clothing store they visit most often compared to other clothing stores. Finally, respondents were asked to which extent they buy clothing in this store compared to other stores in a multiple-choice question ranging from 1 = "I only buy clothing in this store" to 5 = "I only buy clothing in another store". The survey was finalized with demographic questions regarding age and gender. Prior to publication of the questionnaire, a pilot test was carried out by 6 Dutch native speaking people to check the questionnaire for language errors, unclear questions or statements, and the general flow of the survey. The complete finalized survey can be found in appendix 1.

Before going into the analysis of the data, it was checked whether questions needed to be recoded. Recoding was only required for the three questions regarding behavior loyalty. These questions were recoded as follows in SPSS so that they were all aligned with each other and based on equable scales.

Question 1 - Behavioral loyalty: "Which percentage of your expenditures on clothing do you spend at this clothing store?" → Original response on a slider ranging from 0% to 100%.

- "1" = expenditures between 0% and 20%.
- "2" = expenditures between 21% and 40%.
- "3" = expenditures between 41% and 60%.
- "4" = expenditures between 61% and 80%.
- "5" = expenditures between 81% and 100%.

Question 2 - Behavioral loyalty 2: Of the 10 times you select a store to buy clothes at, how many times do you select this store? → Original response on a 10-point Likert scale.

- "1" = 1-2 times.
- "2" = 3-4 times.
- "3" = 5-6 times.
- "4" = 7-8 times.
- "5" = 9-10 times.

Question 3 - Behavioral loyalty 3: How often do you buy clothing in this store compared to other stores where you buy clothing? → Original response on a multiple-choice scale with 5 options.

"1" = I shop only in other clothing stores.

"2" = I shop more in other clothing stores compared to this one.

"3" = I shop just as much in this clothing store compared to others.

"4" = I shop more in this clothing store compared to others

"5" = I only shop in this clothing store.

3.3. Sample

The survey was filled in by 278 respondents among which 73 responses were incomplete or inadequate. The data collection took place during the first two weeks of April 2020. It should be considered that this was during the worldwide COVID-19 crisis, which might impact the recorded results. The inadequate responses were related to a very short response time, illogical answers within the survey or unqualification of respondents based on the introductory questions regarding general shopping habits. Hence, a sample of 205 respondents could be used for the analysis of this research after data cleaning. Respondents who indicated that they did not follow the clothing store on social media, were automatically redirected past the questions on social CRM leading to a difference of 82 between the total number of respondents and the respondents who filled in the questions on social CRM.

As seen in figure 4, the sample exists out of 67 male respondents (32,7%) and 138 female respondents (67,3%). This inequality can be attributed to the subject of this research. When researching within the area of the fashion industry, males are less likely to contribute to research given their limited interest in fashion compared to females (Pentecost & Andrews, 2010).

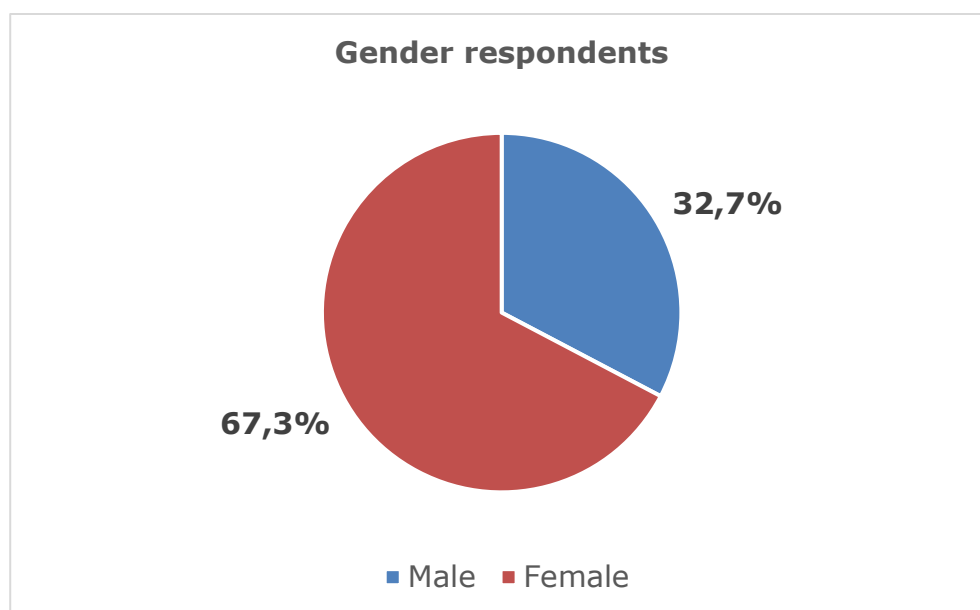


Figure 4: Gender respondents

Further, demographical data regarding the age of the respondents was collected. When looking at the age of the respondents, it ranges from 19 years old to 74 years old. Most respondents find themselves in the age category between 20 years old and 30 years old, see figure 5. 36,6% of the respondents are between 20 years old and 30 years old, followed by respondents between 51 and 60 years old with 21,5%. More specifically, 13,6% of the respondents are 22 or 23 years old. This age category is thus highest represented. The average age of the respondent filling in this survey is 38 years old. Contrary, there is only a limited representation of respondents below 20 years old and above 60 years old.

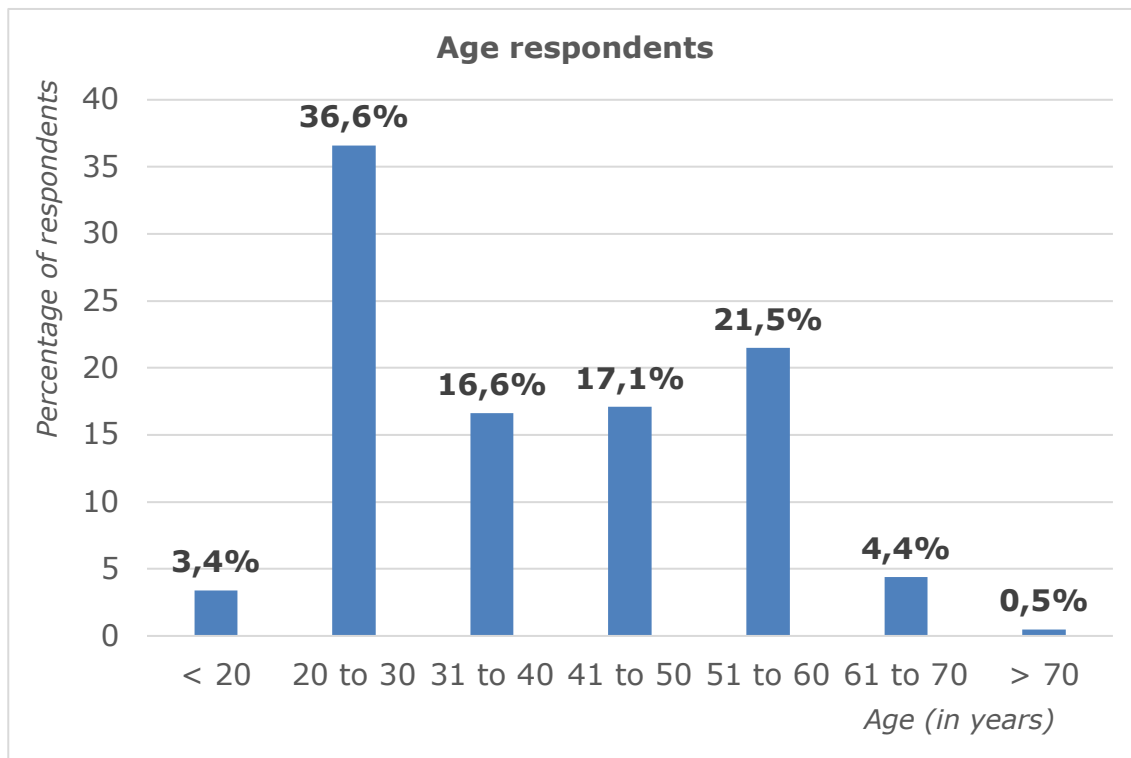


Figure 5: Age respondents

To generate a better view on the sample, the results of the general questions regarding shopping behavior and attitude towards the clothing store will be discussed. The first general introductory question gauged at the number of respondents that currently feel loyal towards one or more clothing stores. As seen in figure 6, 72,2% of the respondents currently perceive themselves as a loyal customer of one or more clothing stores. Whereas, 27,3% of the respondents currently do not perceive themselves as loyal towards one or more clothing stores.

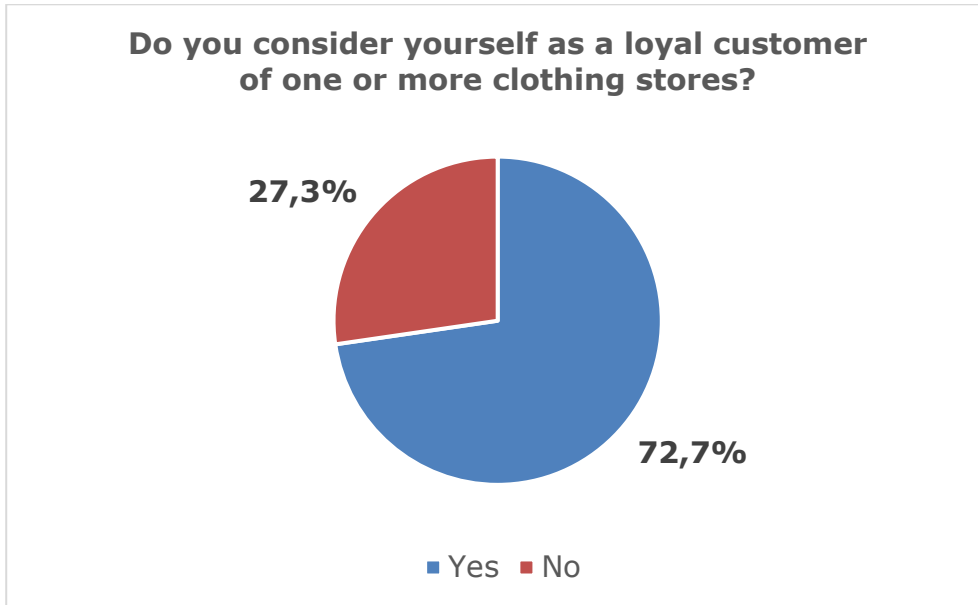


Figure 6: Current perceived loyalty respondents

In the second general introductory question, respondents were asked to indicate whether they had bought clothing in a physical clothing store over the past three months. As seen in figure 7, 84,4% of the respondents indicated that they had bought clothing in the last three months in a physical clothing store. Whereas, 15,6% indicated they had not bought clothing in a physical clothing store over the past three months. However, this question and corresponding results should be nuanced given the impact of the closure of physical retail stores due to COVID-19. Given that almost all retail stores among which clothing stores were obliged by the government to close from March 17 on and this survey was distributed from April 1 until April 18, the percentage of respondents that answered "No" to this question might have been lower in a 'normal' context.



Figure 7: Shopping habits respondents

The final general introductory question aimed at the frequency at which respondents visit their favorite clothing store. As seen in figure 8, 74,1% of the respondents visit their favorite clothing store less than once a month, 21,0% visits their favorite clothing store once to three times a month, and only 4,9% of the respondents visits their favorite clothing store more than three times a month. When looking at the role of gender in this final filter question, it can be concluded that female respondents shop more frequently than males given that 92,5% of the male respondents indicated that they visit their favorite clothing store less than once a month. Whereas, only 65,2% of the female respondents indicated that they visit their favorite clothing store less than once a month. 29,0% of the female respondents say they visit their favorite clothing store 1 to 3 times a month compared to only 7,0% of the male respondents.

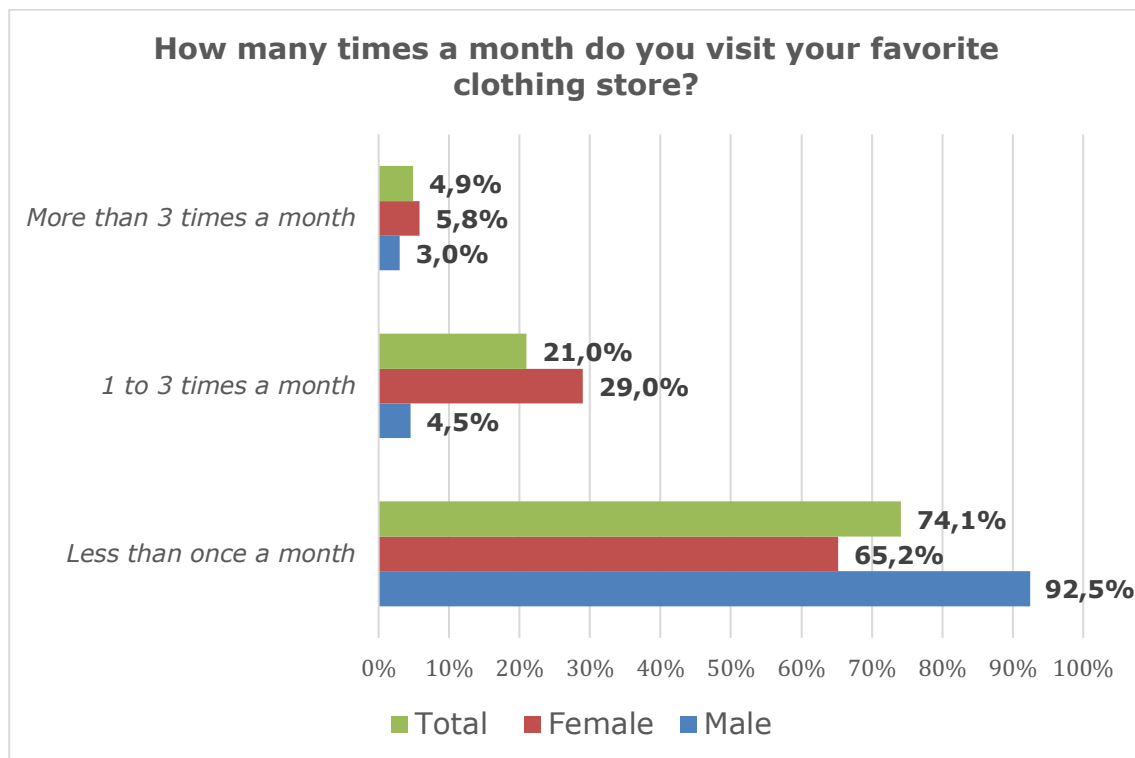


Figure 8: Shopping frequency respondents

3.4. Methodology

The preparatory and descriptive analysis of the collected data was conducted by the means of the software package SPSS version 25. For the analysis of the measurement model and the structural model, another software was used. According to Hair et al. (2019), several elements of the conducted research indicate that it is most fitting to use the PLS-SEM research strategy for the analysis of the measurement model and for the testing of the hypotheses. PLS-SEM is a Partial Least Squares approach for Structural Equation Modeling where both measurement model and structural model can be analyzed simultaneously. The PLS-SEM strategy will be conducted by the means of the software SmartPLS 3.0.

The following elements indicate why it is recommended for this research to use PLS-SEM. First of all, the framework by De Wulf et al. (2001) is an established framework that is used for this research to explore the effect of CRM tactics in the Belgian fashion retail environment. However, the existing theory by De Wulf et al. (2001) was extended by the framework by Yadav and Rahman (2017) and by Kumar et al. (2010) through the introduction of social CRM and attitudinal loyalty. Hence this part of the research is an extension of the current theoretical framework by De Wulf et al. (2001). Also, a second element discussed by Hair et al. (2019) is the complexity of the conceptual model. The conceptual model of this research can be described as complex existing out of 15 constructs and 12 hypotheses. The PLS-SEM research strategy is most suitable for these more complex types of analysis.

Finally, for PLS-SEM, the variance of the dependent variables is of utmost importance, which is also the case in this research. In this research, it is the variance in both behavioral and attitudinal loyalty that is the main interest of this research. The variables in the conceptual model are 'latent' variables, which means that they are subjective properties of the respondent. Latent variables are intangible; they cannot be measured directly and hence should be measured through indicators. To investigate the variables in this conceptual model, questions regarding the opinion of the respondent were asked. Questions were thus answered based on self-report of the respondent. Since most results of this research are based on subjective responses of respondents, PLS-SEM will be used to conduct the analysis.

When conducting the analysis of the measurement model in PLS-SEM, it is important to make a distinction between the reflective and formative measurement models. The main difference between formative and reflective measurement models is the direction of the causal relationship. On one hand, reflective indicators are considered to be caused by the latent construct. The direction of causality goes from the indicators of the latent variable to the reflective construct. On the other hand, formative indicators are considered to be the cause of the latent construct. Hence, formative indicators predict the latent construct. In this case, the direction of causality goes from the formative indicators to the latent construct. Changes in the formative indicators affect the latent construct, whereas the reflective indicators are affected by changes in the latent construct. With formative measurement models all indicators jointly determine the meaning of the construct and cover different content. With reflective measurement models, all indicators can be used interchangeably and cover somewhat the same content. The items of the reflective constructs are expected to be correlated with each other, whereas this is not the case with formative constructs (Jarvis, Mackenzie, Podsakoff, 2003). Within the conceptual model of this research, only reflective constructs can be found. This means that the causality flows from the latent variable to the different reflective indicators.

4. Outer Model Analysis

After recoding the variables and describing the sample, the following elements are tested in PLS-SEM with the purpose of analyzing the outer model or measurement scales:

- Unidimensionality
- Internal consistency reliability
- Composite reliability
- Item validity
- Within-method convergent validity
- Discriminant validity

4.1. *Unidimensionality*

Factor analysis is used to evaluate the unidimensionality of each variable. Unidimensionality means that the different items measuring one specific construct are all based on one and the same underlying dimension and that the variance in these constructs can thus be explained mainly by that specific dimension. The analysis of unidimensionality is done through SPSS. According to the Kaiser criterion on SPSS, a variable is unidimensional when the first Eigenvalue is larger than 1 and the second Eigenvalue is smaller than 1 (Hair et al. 2014). Based on table 3, we can see that all variables comply with the Kaiser criterion and hence all variables in the conceptual model are unidimensional.

4.2. *Reliability*

To test the reliability of the outer model, two distinct measures are used. First, **Cronbach's alpha** is used to measure the internal consistency reliability of the reflective variables. The internal consistency is of high importance since it indicates whether the items accurately measure the construct they were originally designed for. Cronbach's alpha is only used to measure the reliability of the multi-item questions. For this research, all questions are multi-item, which means that for each variable the Cronbach's alpha can be calculated. The result should be above 0,7 for a Cronbach's alpha to be acceptable (Hair et al. 2014). In the table 3, the results of the Cronbach's alpha per construct can be found. The results show that each construct has acceptable or higher internal consistency. However, the Cronbach's alpha of customer's perceived interactivity and behavioral loyalty lies between 0,6 and 0,7, which is questionable.

The second measure used to analyze the reliability of the constructs is **Composite Reliability (CR)**. CR also measures the internal consistency and reliability like the Cronbach's alpha does. With Cronbach's alpha, it is possible that an underestimation of the reliability of a construct is calculated. Whereas, with composite reliability a more accurate and true view on the reliability of the construct is given (Hair et al. 2014). Also, with CR, a reliability above 0,7 is acceptable. When looking at the constructs with insufficient reliability based on Cronbach's alpha, higher levels of reliability are

recorded with CR. As seen in table 3, both behavioral loyalty and customer's perceived interactivity meet the predetermined reliability requirement of 0,7.

Construct	Eigenvalue 1	Eigenvalue 2	Cronbach's alpha	Composite reliability
Direct mail	2,42	0,48	0,89	0,93
Preferential treatment	2,40	0,39	0,87	0,92
Interpersonal communication	2,52	0,28	0,91	0,94
Tangible rewards	2,42	0,30	0,88	0,93
Customer's perceived interactivity	1,86	0,65	0,69	0,83
Customer's perceived personalization	2,10	0,60	0,82	0,87
Customer's perceived innovativeness	2,09	0,61	0,73	0,87
Perceived relationship investment	2,44	0,36	0,86	0,93
Relationship proneness	2,47	0,34	0,89	0,93
Product category involvement	2,70	0,18	0,94	0,97
Relationship satisfaction	2,23	0,46	0,82	0,90
Trust	2,28	0,43	0,83	0,91
Commitment	2,27	0,48	0,83	0,90
Behavioral loyalty	1,80	0,72	0,61	0,82
Attitudinal loyalty	2,83	0,46	0,86	0,91

Table 3: Reliability & Unidimensionality

4.3. Validity

The validity of the measurement model is tested based on item validity, within-method convergent validity, and discriminant validity.

4.3.1. Item validity

Item validity indicates whether the items used to measure a construct, do indeed measure the right construct. The item validity of a construct is supported when the outer model loadings in PLS-SEM are at least higher than 0,50 (but preferably higher than 0,70) and significant at a 95% level of significance (Hair et al. 2014). As seen in appendix 2, all constructs comply with the predetermined item validity requirements with outer loadings of 0,50. Even all constructs comply with the preferred item validity requirement with outer loadings of 0,70. Finally, also all outer loading are statistically significant at 95% significance level. This means that item validity is confirmed for all reflective constructs in this model.

4.3.2. Within-method convergent validity

The next measure used to analyze the validity of the constructs is the within-method convergent validity. This is the shared variance between the items of one construct. The within-method convergent variance can only be measured for reflective constructs. For a construct to be within-method convergent valid, the average variance explained (AVE) should be higher than 0,50. As seen in table 4, all constructs have an AVE of at least 0,50, which means that all constructs explain at least more than half of the variance in its indicators. It can be concluded that the within-method convergent validity of all constructs is confirmed with a higher AVE of 0,50 (Hair et al. 2014).

Construct	AVE
Direct mail	0,81
Preferential treatment	0,80
Interpersonal communication	0,84
Tangible rewards	0,81
Customer's perceived interactivity	0,61
Customer's perceived personalization	0,70
Customer's perceived innovativeness	0,69
Perceived relationship investment	0,81
Relationship proneness	0,82
Product category involvement	0,90
Relationship satisfaction	0,74
Trust	0,76
Commitment	0,76
Behavioral loyalty	0,60
Attitudinal loyalty	0,71

Table 4: Within-method convergent validity

4.3.3. Discriminant validity

The final measure regarding validity is discriminant validity. It is the extent to which a latent variable is empirically distinct from the other constructs within the conceptual model. The construct thus measures what is intended to measure. Discriminant validity of reflective variables can be determined based on the Heterotrait-Monotrait ratio of correlations method, or HTMT-method. Discriminant validity exists if the HTMT-ratio is at least smaller than 0.90 but preferably smaller than 0,85. When looking at the table in appendix 3, it can be concluded that all values are lower than 1 and even below 0,85 except for the value linking relationship satisfaction and perceived relationship investment. It can thus be concluded from this table that all constructs in the conceptual model are empirically distinct from the other constructs and measure what they are intended to measure (Hair et al. 2014).

5. Descriptive statistics

Based on the executed tests regarding unidimensionality, reliability, and validity of the constructs, the different items per construct were all individually transformed into one new variable in SPSS so that the total value per construct could be calculated. This was calculated as follows:

e.g. VARIABLE: $(\text{ITEM}_1 + \text{ITEM}_2 + \dots + \text{ITEM}_n) / n = \text{TOTAL_VARIABLE}$

Based on these 'new' total variables, descriptive statistics could be executed. Before continuing with the analysis of the structural scales in PLS-SEM, a descriptive analysis of the reflective variables is executed in SPSS. In the following table 5, the mean, the minimum value, the maximum value, and the skewness are displayed and will be discussed in the following pages.

Construct	Mean	Minimum	Maximum	Skewness
Direct mail	4,17	1,00	7,00	-0,27
Preferential treatment	3,39	1,00	7,00	0,23
Interpersonal communication	3,99	1,00	7,00	-0,02
Tangible rewards	4,61	1,00	7,00	-0,67
Customer's perceived interactivity	5,24	1,67	7,00	-0,72
Customer's perceived personalization	3,97	1,00	7,00	-0,40
Customer's perceived innovativeness	5,94	3,00	7,00	-0,87
Perceived relationship investment	4,30	1,00	7,00	-0,30
Relationship proneness	4,27	1,00	7,00	-0,34
Product category involvement	5,54	1,00	7,00	-1,18
Relationship satisfaction	4,90	1,00	7,00	-0,52
Trust	5,54	2,00	7,00	-0,38
Commitment	4,64	1,00	7,00	-0,58
Behavioral loyalty	3,30	1,00	5,00	-0,21
Attitudinal loyalty	5,21	2,00	7,00	-0,22

Table 5: descriptives

For the variables, customer's perceived interactivity, customer's perceived innovativeness, product category involvement, relationship satisfaction, trust, and attitudinal loyalty an average score above 5 out of 7 was recorded. This means that the average respondent (more than) slightly agrees with the statements regarding these variables. The highest average score was generated within the context of social CRM, for customer's perceived interactivity, with a score of 5,94 out of 7. This means that the average respondent agrees that the clothing store, which they kept in mind during the survey offers trendy content on social media. Respondents are on average neutral with the statements regarding interpersonal communication, tangible rewards, customer's perceived personalization, perceived relationship investment, relationship proneness, and commitment. A score of slight disagreement is recorded for the statements regarding preferential treatment, with 3,39 out of 7. This is the lowest recorded average score, which means that respondents perceive that the clothing store, which they kept in mind during the survey, does not treat its regular customers better than its non-regular customers. When looking at this score, it must be kept in mind that it might be difficult for respondents to estimate the way in, which other customers are treated. For behavioral loyalty, an average score of 3,30 out of 5 was reached. This means that the respondents on average, shop significantly more in the clothing store, which they kept in mind while filling in the survey. This average score also means that respondents spend more money in this clothing store compared to others. The average respondent thus mostly rebuys in the clothing store, which they kept in mind despite situational influences or marketing efforts of other clothing stores.

For almost all variables, the minimum and maximum score was at least indicated once by one of the respondents. However, for customer's perceived interactivity, customer's perceived innovativeness, trust, and attitudinal loyalty minimum scores of respectively 1,67 out of 7, 3 out of 7, 2 out of 7, and 2 out of 7 were recorded. For customer's perceived interactivity, this indicates that no respondent disagrees with the fact that he or she can interact on social media with the clothing store or other customers. For customer's perceived innovativeness, all respondents thus at least only slightly disagree that trendy content is posted on the social media of their favorite clothing store. Finally, for trust and attitudinal loyalty, no indication of strong disagreement and thus negative feelings of trust or strongly negative attitude towards the clothing store was recorded.

Finally, the skewness defines the degree to which data is normally distributed. When looking at the skewness, a positive skewness was calculated for preferential treatment only. This is thus the only variable for which more negative than positive responses were collected. For all other variables, more positive than negative responses were indicated by the respondents. For interpersonal communication, a skewness of -0,02 was calculated, which indicates that the responses regarding this variable are almost perfectly normally distributed. On average, a skewness between an average value of 0 and 1 was measured, which indicates the existence of normality.

6. Inner Model Analysis

After analyzing the measurement or outer model based on unidimensionality, reliability, and validity; the next step in the analysis of the data is the evaluation of the hypothesized relationships in the inner model through the bootstrapping procedure for PLS-SEM. SmartPLS is a software that doesn't handle missing values in data well. Since there is a difference of 82 between the total number of respondents and the respondents who filled in the questions on social CRM, a separate PLS-SEM analysis was executed for the relationships based on the traditional CRM model and the relationships based on the CRM model including both traditional and social CRM tactics. Hence both analyses will be discussed separately. To analyze the structural or inner model, the coefficient of determination is first to be analyzed followed by the analysis of the path coefficients or hypotheses. The analysis of the results is conducted separately based the two distinct models. First, the traditional CRM model is analyzed based on all respondents with $n = 205$. Secondly, the model including social CRM tactics is analyzed based on the respondents who filled in the questions regarding social CRM with $n = 123$.

6.1. *Coefficient of determination (R^2)*

The coefficient of determination, or R^2 , is a measure that indicates the predictive accuracy of the endogenous variables in a conceptual model. Endogenous variables or dependent variables are variables that are a function of other variables. In this research, the endogenous variables are perceived relationship investment, relationship satisfaction, trust, commitment, attitudinal loyalty, and behavioral loyalty. The R^2 ranges from 0 to 1, where 1 stands for complete predictive accuracy. Based on Hair, Ringle and Sarstedt (2011), the R^2 is weak under 0,25, moderate under 0,50, and substantial above 0,75. The R^2 adjusted is generated in the bootstrap of PLS-SEM (Hair et al. 2011).

6.1.1. Coefficient of determination (R^2): Traditional CRM model

In table 6, the coefficient of determination of all endogenous constructs for the traditional CRM model can be found. Based on the predetermined values for R^2 adjusted by Hair, Ringle and Sarstedt (2011), 2 levels of R^2 adjusted can be distinguished. Trust and behavioral loyalty have a weak but significant predictive accuracy. Perceived relationship investment, relationship satisfaction, commitment, and attitudinal loyalty have moderate predictive accuracy.

Endogenous variable	R² adjusted - Traditional CRM model
Perceived rel. investment	0,62
Relationship satisfaction	0,57
Trust	0,18
Commitment	0,28
Behavioral loyalty	0,18
Attitudinal loyalty	0,46

Table 6: Coefficient of determination (R²) traditional CRM

6.1.2. Coefficient of determination (R²): CRM model including social tactics

In table 7, the coefficient of determination of all endogenous constructs for the CRM model including social CRM tactics can be found. Based on the predetermined values for R² adjusted by Hair, Ringle and Sarstedt (2011), 2 levels of R² adjusted can be distinguished. Trust, commitment, and behavioral loyalty have a weak but significant predictive accuracy. Perceived relationship investment, relationship satisfaction, and attitudinal loyalty have moderate predictive accuracy.

Endogenous variable	R² adjusted – CRM model incl. social tactics
Perceived rel. investment	0,64
Relationship satisfaction	0,58
Trust	0,22
Commitment	0,24
Behavioral loyalty	0,10
Attitudinal loyalty	0,35

Table 7: Coefficient of determination (R²) social CRM

6.2. **Path coefficients**

The path coefficients in PLS-SEM represent the hypotheses of the conceptual model that link the different constructs. Path coefficients range from -1 to +1, which respectively represents a perfectly

negative and perfectly positive relationship between two constructs. The significance of the relationships must be proven based on the bootstrapping procedure generated through PLS-SEM. When analyzing the significance of the path coefficients, the confidence intervals will be taken into account. The path coefficient is significant and confirms the hypothesis when the confidence interval does not include 0 and shows the similar direction as the hypothesis in terms of + and -. When the confidence interval includes 0 or an opposite direction in terms of + or -, then the prior hypothesis is not empirically supported (Hair, Ringle, Sarstedt 2011).

6.2.1. Path coefficients traditional CRM model

From table 8, it can be concluded that the following hypotheses are supported at 95% confidence level in the traditional CRM model: H2, H4, H8 (a,b,c), H9 (b,c), and H10c. This means that there is a significant relationship between interpersonal communication and perceived relationship investment ($\beta = 0,57$; CI 95% [0,46;0,66]). Hence hypothesis H2 is supported. Also, tangible rewards significantly and positively affect perceived relationship investment ($\beta = 0,36$; CI 95% [0,25;0,48]). Hypothesis H4 is thus supported. Hypotheses H8a, H8b, and H8c are also supported. This indicates that perceived relationship investment positively affects all three elements of relationship quality namely relationship satisfaction ($\beta = 0,75$; CI 95% [0,69;0,81]), trust ($\beta = 0,43$; CI 95% [0,31;0,55]), and commitment ($\beta = 0,53$; CI 95% [0,41;0,65]). Further, trust and commitment have a positive and significant effect on attitudinal loyalty ($\beta = 0,29$; CI 95% [0,11;0,47] & $\beta = 0,43$; CI 95% [0,28;0,57]). This supports both hypothesis H9b and H9c. Finally, hypothesis H10c is supported. This indicates that there is a positive and significant relationship between commitment and behavioral loyalty ($\beta = 0,43$; CI 95% [0,17;0,51]).

Based on table 8, it can be concluded that the following hypotheses H1, H3, H9a, H10a, and H10b are not supported in the traditional CRM model. This means that there is no significant positive relationship between direct mail and perceived relationship investment ($\beta = 0,06$; CI 95% [-0,03;0,15]) at 95% confidence level. Hence, hypothesis H1 is not supported. The hypothesis H3, which indicates a significant positive relationship between preferential treatment and perceived relationship investment ($\beta = 0,00$; CI 95% [-0,11;0,12]) is not supported at 95% confidence level. Further, there is no positive significant relationship at 95% confidence level between relationship satisfaction and attitudinal loyalty ($\beta = 0,07$; CI 95% [-0,11;0,23]). This finding does not support H9a. The variable relationship satisfaction has no significant positive effect at 95% confidence level on behavioral loyalty ($\beta = -0,07$; CI 95% [-0,23;0,08]). This means that H10a cannot be supported. Finally, the positive relationship between trust and behavioral loyalty is not found to be significant at 95% confidence level ($\beta = 0,19$; CI 95% [-0,01;0,41]). This means that H10b is not supported.

H	RELATIONSHIP	PATH COEFFICIENT	CONFIDENCE INTERVAL	SIGNIFICANCE
H1	DIRECT MAIL → PERCEIVED RELATIONSHIP INVESTMENT	0,06	[-0,03;0,15]	Not significant
H2	INTERPERSONAL COMMUNICATION → PERCEIVED RELATIONSHIP INVESTMENT	0,57	[0,46;0,66]	Significant
H3	PREFERENTIAL TREATMENT → PERCEIVED RELATIONSHIP INVESTMENT	0,00	[-0,11;0,12]	Not significant
H4	TANGIBLE REWARDS → PERCEIVED RELATIONSHIP INVESTMENT	0,36	[0,25;0,48]	Significant
H8a	PERCEIVED RELATIONSHIP INVESTMENT → RELATIONSHIP SATISFACTION	0,75	[0,69;0,81]	Significant
H8b	PERCEIVED RELATIONSHIP INVESTMENT → TRUST	0,43	[0,31;0,55]	Significant
H8c	PERCEIVED RELATIONSHIP INVESTMENT → COMMITMENT	0,53	[0,41;0,65]	Significant
H9a	RELATIONSHIP SATISFACTION → ATTITUDINAL LOYALTY	0,07	[-0,11;0,23]	Not significant
H9b	TRUST → ATTITUDINAL LOYALTY	0,29	[0,11;0,47]	Significant
H9c	COMMITMENT → ATTITUDINAL LOYALTY	0,43	[0,28;0,57]	Significant
H10a	RELATIONSHIP SATISFACTION → BEHAVIORAL LOYALTY	-0,07	[-0,23;0,08]	Not significant
H10b	TRUST → BEHAVIORAL LOYALTY	0,19	[-0,01;0,41]	Not significant
H10c	COMMITMENT → BEHAVIORAL LOYALTY	0,34	[0,17;0,51]	Significant

Table 8: path coefficients traditional CRM

6.2.2. Path coefficients CRM model including social tactics

From table 9, it can be concluded that the following hypotheses are supported at 95% confidence level in the CRM model including social CRM: H2, H4, H6, H8 (a,b,c), H9c, and H10c. There is a significant relationship between interpersonal communication and perceived relationship investment at 95% confidence level ($\beta = 0,50$; CI 95% [0,34;0,63]). Hence hypothesis H2 is supported. Also, tangible rewards significantly and positively affect perceived relationship investment at 95% confidence level ($\beta = 0,40$; CI 95% [0,26;0,53]). Hypothesis H4 is thus supported. Further, there is a significant relationship between customer's perceived personalization and perceived relationship investment ($\beta = 0,24$; CI 95% [0,08;0,38]). Hence hypothesis H6 is supported. Also, in the social CRM model, perceived relationship investment significantly and positively affects all three elements of relationship quality namely relationship satisfaction ($\beta = 0,76$; CI 95% [0,67;0,84]), trust ($\beta = 0,48$; CI 95% [0,32;0,63]), and commitment ($\beta = 0,50$; CI 95% [0,33;0,64]). Hypotheses H8a, H8b, and H8c are thus supported at 95% confidence level. Finally, commitment has a positive and significant effect on both attitudinal loyalty ($\beta = 0,44$; CI 95% [0,22;0,65]) and behavioral loyalty ($\beta = 0,40$; CI 95% [0,18;0,60]). This supports both hypothesis H9c and H10c at 95% confidence level.

Based on table 9, it can be concluded that the following hypotheses H1, H3, H5, H7, H9 (a,b), and H10 (a,b) are not supported in the CRM model including social CRM. This means that there is no significant positive relationship between direct mail and perceived relationship investment ($\beta = -0,02$; CI 95% [-0,14;0,11]) at 95% confidence level. Hence, hypothesis H1 is not supported. The hypothesis H3, which indicates a significant positive relationship between preferential treatment and perceived relationship investment ($\beta = 0,01$; CI 95% [-0,10;0,15]) is not supported at 95% confidence level. Further, there is no significant positive relationship between customer's perceived interactivity and perceived relationship investment ($\beta = 0,10$; CI 95% [-0,06;0,24]) at 95% confidence level. Hence, hypothesis H5 is not supported. The hypothesis H7, which indicates a significant positive relationship between perceived customer's innovativeness and perceived relationship investment ($\beta = -0,01$; CI 95% [-0,12;0,13]) is not supported at 95% confidence level. Further, there is no positive significant relationship at 95% confidence level between relationship satisfaction and attitudinal loyalty ($\beta = -0,09$; CI 95% [-0,34;0,20]). This finding does not support H9a. Also, H9b is not supported since there is no significant relationship between trust and attitudinal loyalty ($\beta = 0,31$; CI 95% [-0,02;0,56]). Finally, behavioral loyalty is not significantly affected at 95% confidence level by both relationship satisfaction ($\beta = -0,14$; CI 95% [-0,39;0,11]) and trust ($\beta = 0,02$; CI 95% [-0,28;0,34]). This means that H10a and H10b cannot be supported.

H	RELATIONSHIP	PATH COEFFICIENT	CONFIDENCE INTERVAL	SIGNIFICAN CE
H1	DIRECT MAIL → PERCEIVED RELATIONSHIP INVESTMENT	-0,02	[-0,14;0,11]	Not significant
H2	INTERPERSONAL COMMUNICATION → PERCEIVED RELATIONSHIP INVESTMENT	0,50	[0,34;0,63]	Significant
H3	PREFERENTIAL TREATMENT → PERCEIVED RELATIONSHIP INVESTMENT	0,01	[-0,10;0,15]	Not significant
H4	TANGIBLE REWARDS → PERCEIVED RELATIONSHIP INVESTMENT	0,40	[0,26;0,53]	Significant
H5	CUSTOMER'S PERCEIVED INTERACTIVITY → PERCEIVED RELATIONSHIP INVESTMENT	0,10	[-0,06;0,24]	Not significant
H6	CUSTOMER'S PERCEIVED PERSONALIZATION → PERCEIVED RELATIONSHIP INVESTMENT	0,24	[0,08;0,38]	Significant
H7	CUSTOMER'S PERCEIVED INNOVATIVENESS → PERCEIVED RELATIONSHIP INVESTMENT	-0,01	[-0,12;0,13]	Not significant
H8a	PERCEIVED RELATIONSHIP INVESTMENT → RELATIONSHIP SATISFACTION	0,76	[0,67;0,84]	Significant
H8b	PERCEIVED RELATIONSHIP INVESTMENT → TRUST	0,48	[0,32;0,63]	Significant
H8c	PERCEIVED RELATIONSHIP INVESTMENT → COMMITMENT	0,50	[0,33;0,64]	Significant
H9a	RELATIONSHIP SATISFACTION → ATTITUDINAL LOYALTY	-0,09	[-0,34;0,20]	Not significant
H9b	TRUST → ATTITUDINAL LOYALTY	0,31	[-0,02;0,56]	Not significant
H9c	COMMITMENT → ATTITUDINAL LOYALTY	0,44	[0,22;0,65]	Significant

H	RELATIONSHIP	PATH COEFFICIENT	CONFIDENCE INTERVAL	SIGNIFICAN CE
H10a	RELATIONSHIP SATISFACTION → BEHAVIORAL LOYALTY	-0,14	[-0,39;0,11]	Not significant
H10b	TRUST → BEHAVIORAL LOYALTY	0,02	[-0,28;0,34]	Not significant
H10c	COMMITMENT → BEHAVIORAL LOYALTY	0,40	[0,18;0,60]	Significant

Table 9: path coefficients social CRM model

6.3. Multi-group analysis (MGA)

Finally, the moderating effects of H11 and H12 are tested for both the traditional CRM model and the model including social CRM tactics. Moderation occurs when the effect of an independent variable on a dependent variable depends on the value of another, third, variable that influences or moderates the relationship (Hair et al. 2014). For the scope of this research, relationship proneness and product category involvement are moderators who are both expected to influence the relationship between perceived relationship investment and relationship quality (existing out of relationship satisfaction, trust, and commitment).

6.3.1. Multi-group analysis traditional CRM model

To test the moderating effect of these two variables, a multi-group analysis was performed in Smart PLS. This multi-group analysis (MGA) shows whether the moderators significantly affect existing relationships within the conceptual model. Before doing the PLS-MGA, the data was structured in SPSS by the means of a median split. In SPSS, the median was calculated for both relationship proneness and product category involvement for both the traditional CRM model and the model including social CRM. The measured median for relationship proneness in the traditional CRM model was 4,33 whereas the measured median for product category involvement in the traditional CRM model was 6,00. All responses with an indicated relationship proneness above 4,33 and an indicated product category involvement above 6,00 were recoded into value '1' standing for high relationship proneness (55,1%) and high product category involvement (50,7%). The responses regarding relationship proneness and product category involvement below the calculated median of respectively 4,33 and 6,00 were recoded into value '0' standing for low relationship proneness (44,9%) and low product category involvement (49,3%).

Based on these dummies, the PLS-MGA was performed for the traditional CRM model. The results are shown in table 10 and table 11. In table 10, it is analyzed whether product category involvement significantly strengthens the positive relationship between perceived relationship investment and

relationship quality (H11) in the traditional CRM model. In table 11, it is analyzed whether relationship proneness significantly strengthens the positive effect of perceived relationship investment on relationship quality (H12) in the traditional CRM model.

6.3.1.1. *Product category involvement in the traditional CRM model*

From table 10, it can be concluded that there is no moderating effect of product category involvement on the relationship between perceived relationship investment and relationship quality existing out of relationship satisfaction, trust, and commitment. First of all, H11a is not supported at 95% confidence level, which indicates that product category involvement does not strengthen the positive effect of perceived relationship investment on relationship satisfaction. The difference in the effect of perceived relationship investment on satisfaction is not significantly in case of low or high product category involvement ($\Delta\beta = -0,15$; $P = 0,161$). Second, H11b is not supported at 95% confidence level. There is no significant difference in the effect of perceived relationship investment on trust in case of low or high product category involvement ($\Delta\beta = -0,15$; $P = 0,331$). Finally, H11c is also not supported at 95% confidence level since high product category involvement does not significantly strengthen the effect of perceived relationship investment on commitment. The difference in the effect of perceived relationship investment on commitment is not significantly different in case of low or high product category involvement ($\Delta\beta = 0,05$; $P = 0,682$).

H	RELATIONSHIP	β low	β high	$\Delta\beta$	P-value	Significance
H11a	PERCEIVED REL. INVESTMENT → RELATIONSHIP SATISFACTION	0,57	0,73	-0,15	0,161	Not significant
H11b	PERCEIVED REL. INVESTMENT → TRUST	0,16	0,30	-0,15	0,331	Not significant
H11c	PERCEIVED REL. INVESTMENT → COMMITMENT	0,26	0,21	0,05	0,682	Not significant

Table 10: Moderating effect: product category involvement in the traditional CRM model

6.3.1.2. Relationship proneness in the traditional CRM model

From table 11, interesting conclusions can be drawn. When looking at the moderating effect of relationship proneness, only the relationship between perceived relationship investment and trust is significantly strengthened in case of high relationship proneness. This means that there is a significant difference in trust between respondents who show low relationship proneness compared to respondents showing high relationship proneness ($\Delta\beta = -0,46$; $P = 0,001$). The effect of perceived relationship investment on trust is significantly higher in case of high relationship proneness ($\beta = 0,56$) compared to low relationship proneness ($\beta = 0,01$). Based on these findings, H12b is supported. The moderating effect of relationship proneness on the positive relationship between perceived relationship investment towards relationship satisfaction (H12a) and commitment (H12c) is not significant at 95% confidence level. The difference in respectively relationship satisfaction ($\Delta\beta = -0,05$; $P = 0,855$) and commitment ($\Delta\beta = -0,11$; $P = 0,595$) is not found to be significant in the case of low or high relationship proneness. It can be concluded that H6a and H6c are thus not supported.

H	RELATIONSHIP	β low	β high	$\Delta\beta$	P-value	Significance
H12a	PERCEIVED REL. INVESTMENT → RELATIONSHIP SATISFACTION	0,69	0,73	-0,05	0,855	Not significant
H12b	PERCEIVED REL. INVESTMENT → TRUST	0,01	0,56	-0,46	0,001	Significant
H12c	PERCEIVED REL. INVESTMENT → COMMITMENT	0,38	0,49	0,11	0,595	Not significant

Table 11: Moderating effect: relationship proneness in the traditional CRM model

6.3.2. Multi-group analysis CRM model including social tactics

The measured median for relationship proneness in the model including social CRM was slightly higher compared to the traditional CRM model with a value of 4,67 whereas the measured median for product category involvement in the social CRM model was equal to that in the traditional CRM model with a value of 6,00. All responses with an indicated relationship proneness above 4,67 and an indicated product category involvement above 6,00 were recoded into value '1' standing for high relationship proneness (44,7%) and high product category involvement (65%). The responses regarding relationship proneness and product category involvement below the calculated median of respectively 4,67 and 6,00 were recoded into value '0' standing for low relationship proneness (55,3%) and low product category involvement (35%).

Based on these dummies, the PLS-MGA was performed. The results for the social CRM model are shown in table 12 and table 13. In table 12, it is analyzed whether product category involvement significantly strengthens the positive relationship between perceived relationship investment and relationship quality (H11) in the social CRM model. In table 13, it is analyzed whether relationship proneness significantly strengthens the positive effect of perceived relationship investment on relationship quality (H12) in the social CRM model.

6.3.2.1. *Product category involvement in the CRM model including social tactics*

From table 12, it can be concluded that there is only partly a moderating effect of product category involvement on the relationship between perceived relationship investment and relationship quality existing out of relationship satisfaction, trust, and commitment. First of all, H11a is supported at 95% confidence level in the CRM model including social CRM tactics. This indicates that there is a significant difference in the positive effect of perceived relationship investment on relationship satisfaction in case of high or low product category involvement ($\Delta\beta = -0,20$; $P = 0,038$). The effect of perceived relationship investment on relationship satisfaction is significantly stronger in case of high product category involvement ($\beta = 0,83$) compared to low product category involvement. ($\beta = 0,63$). Second, H11b is not supported at 95% confidence level. There is no significant difference in the effect of perceived relationship investment on trust in case of low or high product category involvement ($\Delta\beta = -0,13$; $P = 0,458$). Finally, H11c is not supported at 95% confidence level since the difference in the effect of perceived relationship investment on commitment is not found to be significant depending on a different level of product category involvement ($\Delta\beta = -0,22$; $P = 0,268$).

H	RELATIONSHIP	β low	β high	$\Delta\beta$	P-value	Significance
H11a	PERCEIVED REL. INVESTMENT → RELATIONSHIP SATISFACTION	0,63	0,83	-0,20	0,038	Significant
H11b	PERCEIVED REL. INVESTMENT → TRUST	0,39	0,52	-0,13	0,458	Not significant
H11c	PERCEIVED REL. INVESTMENT → COMMITMENT	0,33	0,55	-0,22	0,268	Not significant

Table 12: Moderating effect: product category involvement in the social CRM model

6.3.2.2. *Relationship proneness in the CRM model including social tactics*

From table 13, it can be concluded that, in the model including social CRM, there is no significant moderating effect of relationship proneness on the relationship between perceived relationship investment and relationship quality existing out of relationship satisfaction, trust, and commitment. The effect of perceived relationship investment on relationship satisfaction is not significantly different at 95% confidence level in case of high or low relationship proneness ($\Delta\beta = 0,00$; $P = 0,956$). H12a is thus not supported. The moderating effect of relationship proneness on the relationship between perceived relationship investment and trust is not found to be significant at 95% confidence level ($\Delta\beta = -0,24$; $P = 0,156$). There is no significant difference between the effect of perceived relationship investment on trust in case of high relationship proneness ($\beta = 0,56$) compared to low relationship proneness ($\beta = 0,32$). Based on these numbers, H12b cannot be supported. Finally, the moderating effect of relationship proneness on the positive relationship between perceived relationship investment commitment is not significant at 95% confidence level. The difference in commitment ($\Delta\beta = -0,04$; $P = 0,882$) is not found to be significant in the case of low or high relationship proneness. H12c is thus not supported.

H	RELATIONSHIP	β Low	β high	$\Delta\beta$	P-value	Significance
H12a	PERCEIVED REL. INVESTMENT → RELATIONSHIP SATISFACTION	0,74	0,74	0,00	0,956	Not significant
H12b	PERCEIVED REL. INVESTMENT → TRUST	0,32	0,56	-0,24	0,165	Not significant
H12c	PERCEIVED REL. INVESTMENT → COMMITMENT	0,39	0,43	-0,04	0,882	Not significant

Table 13: Moderating effect: relationship proneness in the social CRM model

7. Conclusion and implications

The aim of this study is to investigate the effect of CRM on customer loyalty. This effect was researched in the Belgian fashion retail environment. In the last chapter of this thesis, the findings of this research will be discussed and a conclusion will be drawn.

This research contributes to marketing research in two ways. First, this research investigates customer relationship management through a new channel namely social media. The executed research on social CRM is still quite limited, especially from a strategic CRM perspective. This research further combines traditional offline and innovative online tactics to shape the customer's mind towards loyalty. Second, this research does include the effect of CRM tactics on attitudinal loyalty. Many researchers have investigated the effect of CRM on behavioral loyalty. However, behavioral changes are mostly accompanied by attitudinal changes. Therefore, a clear view on the effect in attitudes towards a clothing store are also included in this research.

When looking at the traditional CRM model introduced by De Wulf et al. (2001), it can be concluded that interpersonal communication and tangible rewards lead to significantly higher perceived relationship investment. These significant relationships are both confirmed in the traditional CRM model as well as in the model including social CRM. Interpersonal communication is the most dominant tactic among both the traditional and social CRM tactics. This shows that it is therefore very important for retail clothing stores to invest in their frontline employees who stand in direct contact with the customer. These frontline employees should be able to interact with the customer in a warm and personal way and add a personal touch to the buyer-seller relationship. For these frontline employees it is of high importance to possess a considerable amount of social skills to be able to engage with the customer in friendly conversations and radiate a feeling of friendship and social support. Clothing stores should thus make the right tradeoff between automated efforts and the personal approach of frontline employees during sales activities. This personal and offline in-store social sales behavior of frontline employees can strengthen the offline presence of a clothing store and even, to a larger extent than the online social personalization efforts, enhance customer loyalty. For tangible rewards, a lower but still strong significant effect is observed on perceived relationship investment among both traditional and social CRM tactics. Clothing stores should make sure that tangible rewards are only used in the case of loyal behavior and not too frequently to avoid disappointment on the customer's side when absent. When offering tangible rewards, it should be taken into account that different customer groups will respond differently based on their level of price sensitivity. Clothing stores can therefore choose to switch between different types of tangible rewards like e.g. discounts, gift cards, general gifts or a loyalty program. Hence, a different reward program can be implemented based on the customer's orientation towards price. This increases the value of the rewards for the targeted customer and eventually also the effectiveness of these reward programs.

In contrast, direct mail and preferential treatment do not significantly affect the perceived relationship investment. The lack of significant effect of preferential treatment on perceived relationship investment can be attributed to the fact that customers might not like to be treated differently in the presence of other customers. This observation can be referred to as the target and bystander effect where the target is the customer receiving the preferential treatment. In case of preferential treatment, the difference between target and bystander might become too visible and obvious, which puts the target in an uncomfortable position. The lack of significance regarding direct mail can possibly be explained by linking it with the observed social CRM tactics. When looking at the social CRM tactics, the perceived relationship investment is significantly and positively influenced by customer's perceived personalization. Among all significant traditional and social CRM tactics, customer's perceived personalization is the tactic with the weakest but still valuable effect on perceived relationship investment. This indicates that customers prefer the online and targeted communication through social media based on the needs and demands of the customer above the communication through direct mail. The rise of social media as a communication channel contributes to this shift in preferences. It is therefore for clothing stores important to inform the customer based on personalized content through social media rather than sending out direct mails. However, when looking at the mean value of customer's perceived personalization, it is found to be below the average. Personalization through social media might currently thus not be implemented frequently by the clothing stores and hence is a point of improvement for the future.

The other two tactics regarding social CRM, customer's perceived interactivity and customer's perceived innovativeness, do not have a significant effect on perceived relationship investment. Customer's perceived interactivity focuses on the general interactivity between the clothing store and its customers, and between customers mutually through social media. Customer's perceived innovativeness puts emphasis on the extent to, which the clothing store shares trendy content on social media. This might indicate that customers simply don't perceive customer's perceived interactivity and customer's perceived innovativeness as an investment in the relationship between the buyer and the seller. Although, one significant social CRM tactic has been identified in this research, the explained variance of perceived relationship investment increases only slightly by extending the model with the social CRM tactics.

Further, perceived relationship investment does play a crucial role in the determination of relationship quality in both the traditional CRM model and the model including social CRM. This can be proven by the fact that perceived relationship investment leads to significantly higher relationship satisfaction, trust, and commitment; which are the three determinants of relationship quality. The explained variance in relationship satisfaction and trust is slightly higher in the model including social CRM, whereas the explained variance in commitment is higher in the traditional CRM model. However, these differences are not substantial. The variable with the highest variance explained in both the traditional and social CRM model is relationship satisfaction, followed by commitment, and finally trust.

The relationship between perceived relationship investment and relationship quality was expected to be moderated by two variables, namely relationship proneness and product category involvement. However, when looking at the results of the traditional CRM model first, only the relationship between perceived relationship investment and trust is moderated by relationship proneness. This indicates that customers who are more willing to engage into a relationship with a clothing store, develop higher levels of trust when perceiving the same level of relationship investment compared to customers who are less willing to engage into a relationship. Relationship proneness thus does not have an effect on the relationship of perceived relationship investment towards satisfaction and commitment. According to the analysis of the traditional model, there is no moderating effect of product category involvement. When looking at the results of the model including social CRM tactics, product category involvement does moderate the relationship between perceived relationship investment and relationship satisfaction. This indicates that customers who are more involved and interested in clothing are more likely to develop higher levels of relationship satisfaction when perceiving the same level of relationship investment through social CRM compared to customers who are less interested in clothing. For relationship proneness, no significant moderating effect was found in the model including social CRM.

Finally, the ultimate aim of this study is to find the effect of CRM tactics on customer loyalty. The final relationship connects relationship quality with customer loyalty. For the scope of this research, customer loyalty was distinguished into behavioral loyalty, as introduced by De Wulf et al. (2001), and attitudinal loyalty, as introduced by Kumar et al. (2010). An important distinction in variance explained of both loyalty variables between the traditional CRM model and the model including social CRM has to be made. The variance explained of behavioral loyalty and attitudinal loyalty is respectively 8% and 11% lower in the model including social CRM meaning that when including social CRM tactics in the model, other variables are expected to have a significant impact on the changes in loyalty.

When looking at the link between relationship quality and loyalty, firstly, the effect of relationship quality on behavioral loyalty is only partly confirmed in both the traditional CRM model and the model including social CRM tactics. Only commitment has a significant positive effect on behavioral loyalty in both the traditional CRM model and the model including social CRM tactics. The effect of commitment on behavioral loyalty is found to be stronger in the model including social CRM tactics. This can possibly be explained by the fact that it becomes more convenient for a clothing brand to provide the customer with personalized and targeted information through social media. For behavioral loyalty, commitment makes customers choose the long-term benefits of staying in the relationship with the existing clothing store rather than benefiting in the short-term by switching to another clothing store. The effect of satisfaction and trust on behavioral loyalty is not found to be significant in both the traditional model and the model including social CRM tactics. When looking at behavioral loyalty, 18 % of the variance is currently explained through the traditional model and only 10% of the variance is explained through the social CRM model. This indicates that possible other determinants, apart from commitment, determine the behavioral loyalty of the customer, especially when social CRM tactics are involved.

When looking at the second type of customer loyalty, both trust and commitment have a significant positive effect on attitudinal loyalty in the traditional CRM model. Commitment is again found to be an important determinant in both the traditional CRM model and the model including social CRM. For attitudinal loyalty, commitment leads to emotional attachment, which is at the core of a successful and long-term buyer-seller relationship. Trust only significantly affects attitudinal loyalty in the traditional CRM model as an important requirement for a long-term buyer-seller relationship. When a customer believes in the goodwill of the clothing store, they will establish this positive and long-term attitude towards that clothing store. Building trust takes time and can be very easily destroyed. It becomes more difficult for a clothing brand to develop trust in an online environment compared to an environment where the buyer and seller interact face-to-face. It can be concluded from this research that the main difference between the traditional CRM model and the model including social CRM tactics is found by turning trust into loyalty. In the case of attitudinal loyalty, the effect of relationship satisfaction is again found to be insignificant in both the traditional CRM model and the model including social CRM tactics. Overall, relationship satisfaction does not influence customer loyalty. This can possibly be explained when relationship satisfaction serves as an antecedent of commitment and trust rather than an equal indicator of relationship quality.

8. Future research

For future research, it would be interesting to investigate the effect of relationship satisfaction as an antecedent on trust and commitment rather than an equal indicator. Currently, relationship satisfaction does not have a significant direct effect on customer loyalty. It seems impossible for relationship satisfaction to not play any role in establishing customer loyalty. Therefore, investigating relationship satisfaction as an antecedent of trust and commitment and thus the indirect effect on customer loyalty is a useful path for the future. Another future research possibility can be found within social CRM. Currently only one significant social CRM tactic is found to be significant. However, social media can be used in many different ways to interact with the customer. Therefore, additional social CRM tactics can be researched in the future. Finally, new and innovative determinants of behavioral loyalty apart from commitment, trust, and relationship quality can be researched in the future. The possibility of investigating attitudinal loyalty as an antecedent of behavioral loyalty is definitely an interesting path.

9. Limitations

A number of limitations can be linked to this research. (1) The behavioral loyalty of the respondents was based on the recall of their purchase history. This recall might result in an under- or overestimation of the budget spent in the clothing store they kept in mind during the survey. (2) In this research, no distinction was made between the different types of retail clothing stores. It is probable that different results would have been obtained in low-end clothing stores compared to luxury clothing stores. (3) For the questions regarding social CRM in the survey, no minimum usage or knowledge of social media was required to respond to the questions. This might lead to respondents filling in the social CRM questions without frequently using social media or having sufficient knowledge on how different social platforms can be used.

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Appendix 1: Survey

Master Thesis - CRM x Customer Loyalty

Beste respondent,

Mijn naam is Florence Van den Putte. Ik ben een studente Master of Management aan de Universiteit Hasselt. Voor mijn master thesis doe ik onderzoek naar de loyaliteit van klanten binnen de kledingindustrie.

U kan mij helpen door de volgende enquête in te vullen. Het beantwoorden van de vragen zal ongeveer 8 tot 10 minuten in beslag nemen. Door de vragen te beantwoorden, gaat u ermee akkoord dat de antwoorden gebruikt worden in het kader van dit onderzoek. Alle antwoorden zijn anoniem.

Alvast hartelijk dank voor uw deelname!

Florence

Q1. Heeft u in de laatste 3 maanden kleding gekocht in een fysieke kledingwinkel?

- Ja
- Nee

Q2. Beschouwt u zichzelf als een trouwe klant van één of meerdere kledingwinkels?

- Ja
- Nee

Q3. Hoe vaak per maand bezoekt u uw favoriete kledingwinkel?

- Minder dan 1 keer per maand
- 1 tot 3 keer per maand
- Meer dan 3 keer per maand

Gelieve bij het invullen van de volgende vragen en uitspraken, u te baseren op de kledingwinkel die u het vaakst bezoekt.

Q4. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q4.1: Deze kledingwinkel stuurt mij regelmatig emails.

Q4.2: Deze kledingwinkel houdt mij op de hoogte van het laatste nieuws via email.

Q4.3: Deze informeert mij via brochures regelmatig over nieuwe collecties, promoties, shopping nights...

Q5. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q5.1: Naar mijn mening, levert deze kledingwinkel meer inspanning voor vaste klanten dan voor niet vaste klanten.

Q5.2: Naar mijn mening, biedt deze kledingwinkel een betere service aan vaste klanten dan aan niet vaste klanten.

Q5.3: Naar mijn mening, doet deze kledingwinkel in het algemeen meer voor vaste klanten dan voor niet vaste klanten.

Q6. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q6.1: Deze kledingwinkel neemt de tijd om mij als klant persoonlijk te leren kennen.

Q6.2: Deze kledingwinkel neemt de tijd om een persoonlijk gesprek met mij te voeren.

Q6.3: Deze kledingwinkel vraagt bij een bezoek naar mijn algemeen welzijn.

Q7. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q7.1: Deze kledingwinkel beloont mij als vaste klant voor mijn aankoopgedrag.

Q7.2: Omdat ik steeds opnieuw bij deze kledingwinkel koop, belonen ze mij met een extraatje.

Q7.3: Deze kledingwinkel beloont mij als trouwe klant met kortingen.

Q8. Op welke sociale media volgt u deze kledingwinkel?

- Facebook
- Instagram
- Twitter
- Pinterest
- Andere _____
- Ik volg deze kledingwinkel niet op sociale media

Q9. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q9.1: Via sociale media deelt deze kledingwinkel berichten die ik als klant kan delen.

Q9.2: Deze kledingwinkel communiceert regelmatig met hun volgers via sociale media.

Q9.3: Via de sociale media van deze kledingwinkel is er interactie mogelijk tussen de verschillende klanten en de winkel.

Q10. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q10.1: Via sociale media, geeft deze kledingwinkel aanbevelingen aangepast aan mijn behoeften.

Q10.2: Mijn koopbehoeften worden vervuld via de sociale media van deze kledingwinkel.

Q10.3: Op de sociale media van deze kledingwinkel, kan ik informatie vinden specifiek voor mezelf.

Q11. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q11.1: Deze kledingwinkel deelt via sociale media de laatste trends en nieuwigheden.

Q11.2: Via sociale media deelt deze kledingwinkel trendgevoelige informatie.

Q11.3: Op de sociale media van deze kledingwinkel zijn de laatste nieuwigheden terug te vinden.

Q12. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q12.1: Deze kledingwinkel levert inspanning om de loyaliteit van mij als klant te verhogen.

Q12.2: Deze kledingwinkel levert inspanning om de band met mij als klant te versterken.

Q12.3: Deze kledingwinkel is bezorgd om klanten zoals mij te behouden.

Q13. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q13.1: Als vaste klant, heb ik een goede relatie met deze kledingwinkel.

Q13.2: Ik ben tevreden over de inspanning die deze kledingwinkel levert ten opzichte van vaste klanten zoals mezelf.

Q13.3: Ik ben tevreden over de relatie die ik heb met deze kledingwinkel.

Q14. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q14.1: Deze kledingwinkel geeft mij een gevoel van vertrouwen.

Q14.2: Ik heb vertrouwen in deze kledingwinkel.

Q14.3: Deze kledingwinkel geeft me een betrouwbare indruk.

Q15. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q15.1: Ik ben bereid 'net dat beetje meer' te doen om klant te blijven van deze kledingwinkel.

Q15.2: Ik voel me loyaal tegenover deze kledingwinkel.

Q15.3: Indien deze kledingwinkel moeilijker bereikbaar zou zijn, blijf ik hier nog steeds kopen.

Q16. Welk percentage van je totale uitgaven aan kleding:

0 10 20 30 40 50 60 70 80 90 100

Geef je uit in deze kledingwinkel?



Q17. Van de 10 keren dat je een kledingwinkel uitkiest, hoe vaak kies je dan voor deze kledingwinkel?

- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

Q18. In vergelijking met andere kledingwinkels, hoe vaak koop je in deze kledingwinkel?

- Ik koop enkel in deze kledingwinkel.
- Ik koop meer in deze kledingwinkel.
- Ik koop evenveel in deze kledingwinkel ten opzichte van andere kledingwinkels.
- Ik koop meer in andere kledingwinkels.
- Ik koop enkel in andere kledingwinkels.

Q19. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q19.1: Ik zeg positieve dingen tegen anderen over deze kledingwinkel.

Q19.2: Ik beveel deze kledingwinkel aan aan iedereen die mijn advies vraagt.

Q19.3: Ik moedig familie, vrienden en collega's aan om in deze kledingwinkel te kopen.

Q19.4: Ik overweeg deze kledingwinkel als mijn eerste keuze.

Q20. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q20.1: Ik ben graag klant bij één en dezelfde kledingwinkel.

Q20.2: Ik doe graag 'net dat ietsje meer' om bij dezelfde kledingwinkel te kunnen kopen.

Q20.3: In ben graag vaste klant bij een beperkt aantal kledingwinkels.

Q21. Geef aan in hoeverre u akkoord gaat met de volgende uitspraken (1 = Helemaal niet akkoord & 8 = helemaal akkoord):

Q21.1: In het algemeen, hecht ik veel belang aan welke kleding ik koop/draag.

Q21.2: In het algemeen, ben ik geïnteresseerd in welke kleding ik koop/draag.

Q21.3: In het algemeen, betekent het veel voor mij welke kleding ik koop/draag.

Q22. Wat is uw leeftijd?

Q23. Wat is uw geslacht?

- M
- V
- X

Appendix 2: Item validity

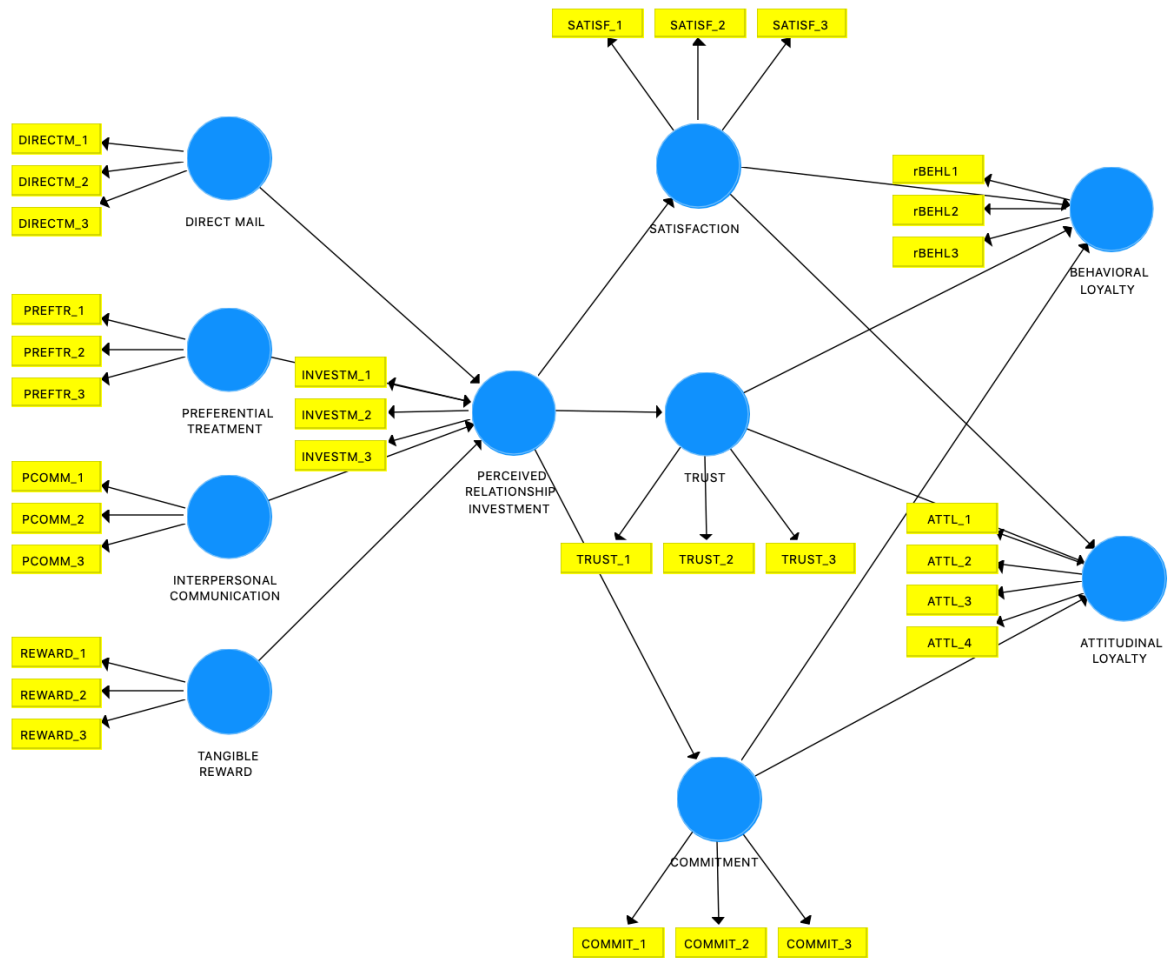
Item	Outer model loading	2.5 %	97.5 %
ATTL_1 <- ATTITUDINAL LOYALTY	0,86	0,82	0,90
ATTL_2 <- ATTITUDINAL LOYALTY	0,86	0,81	0,90
ATTL_3 <- ATTITUDINAL LOYALTY	0,82	0,76	0,87
ATTL_4 <- ATTITUDINAL LOYALTY	0,82	0,75	0,86
COMMIT_1 <- COMMITMENT	0,88	0,84	0,91
COMMIT_2 <- COMMITMENT	0,91	0,88	0,93
COMMIT_3 <- COMMITMENT	0,81	0,74	0,87
DIRECTM_1 <- DIRECT MAIL	0,95	0,91	0,97
DIRECTM_2 <- DIRECT MAIL	0,95	0,92	0,97
DIRECTM_3 <- DIRECT MAIL	0,79	0,68	0,87
INNOVAT_1 <- CUSTOMER'S PERCEIVED INNOVATIVENESS	0,88	0,65	0,97
INNOVAT_2 <- CUSTOMER'S PERCEIVED INNOVATIVENESS	0,70	0,25	0,88
INNOVAT_3 <- CUSTOMER'S PERCEIVED INNOVATIVENESS	0,91	0,65	0,96
INTERACT_1 <- CUSTOMER'S PERCEIVED INTERACTIVITY	0,78	0,50	0,94
INTERACT_2 <- CUSTOMER'S PERCEIVED INTERACTIVITY	0,83	0,47	0,94
INTERACT_3 <- CUSTOMER'S PERCEIVED INTERACTIVITY	0,73	0,22	0,90
INVESTM_1 <- PERCEIVED RELATIONSHIP INVESTMENT	0,90	0,85	0,92
INVESTM_2 <- PERCEIVED RELATIONSHIP INVESTMENT	0,88	0,91	0,95
INVESTM_3 <- PERCEIVED RELATIONSHIP INVESTMENT	0,72	0,83	0,92
INVOLV_1 <- PRODUCT CATEGORY INVOLVEMENT	0,95	0,93	0,97
INVOLV_2 <- PRODUCT CATEGORY INVOLVEMENT	0,96	0,94	0,97
INVOLV_3 <- PRODUCT CATEGORY INVOLVEMENT	0,94	0,91	0,96
PCOMM_1 <- INTERPERSONAL COMMUNICATION	0,92	0,88	0,95
PCOMM_2 <- INTERPERSONAL COMMUNICATION	0,93	0,90	0,95
PCOMM_3 <- INTERPERSONAL COMMUNICATION	0,90	0,88	0,93
PERSON_1 <- CUSTOMER'S PERCEIVED PERSONALIZATION	0,90	0,83	0,95
PERSON_2 <- CUSTOMER'S PERCEIVED PERSONALIZATION	0,88	0,77	0,92
PERSON_3 <- CUSTOMER'S PERCEIVED PERSONALIZATION	0,72	0,49	0,85
PREFTR_1 <- PREFERENTIAL TREATMENT	0,89	0,82	0,95
PREFTR_2 <- PREFERENTIAL TREATMENT	0,86	0,73	0,92
PREFTR_3 <- PREFERENTIAL TREATMENT	0,93	0,87	0,95
PRONEN_1 <- RELATIONSHIP PRONENESS	0,91	0,88	0,93
PRONEN_2 <- RELATIONSHIP PRONENESS	0,93	0,91	0,95
PRONEN_3 <- RELATIONSHIP PRONENESS	0,88	0,83	0,91
REWARD_1 <- TANGIBLE REWARD	0,90	0,86	0,93

REWARD_2 <- TANGIBLE REWARD	0,90	0,87	0,93
REWARD_3 <- TANGIBLE REWARD	0,89	0,84	0,93
SATISF_1 <- SATISFACTION	0,87	0,83	0,91
SATISF_2 <- SATISFACTION	0,89	0,85	0,92
SATISF_3 <- SATISFACTION	0,83	0,72	0,90
TRUST_1 <- TRUST	0,86	0,78	0,92
TRUST_2 <- TRUST	0,89	0,84	0,94
TRUST_3 <- TRUST	0,87	0,81	0,91
rBEHL1 <- BEHAVIORAL LOYALTY	0,71	0,57	0,82
rBEHL2 <- BEHAVIORAL LOYALTY	0,85	0,78	0,90
rBEHL3 <- BEHAVIORAL LOYALTY	0,75	0,60	0,84

Appendix 3: Discriminant validity

	DIRECTM	PTREAT	PERSCOMM	TREWARD	INNOVAT	INTERACT	PERSON	INVEST	TRUST	COMMITM	SATFISF	BEHL	ATTL	PRONEN	INVOLV
DIRECTM															
PTREAT	0,28														
PERSCOMM	0,16	0,21													
TREWARD	0,40	0,42	0,41												
INNOVAT	0,07	0,10	0,17	0,09											
INTERACT	0,10	0,20	0,21	0,07	0,63										
PERSON	0,08	0,22	0,16	0,09	0,21	0,28									
INVEST	0,30	0,29	0,79	0,67	0,15	0,21	0,31								
TRUST	0,16	0,06	0,62	0,32	0,28	0,35	0,13	0,50							
COMMITM	0,23	0,19	0,67	0,34	0,13	0,20	0,17	0,62	0,63						
SATFISF	0,21	0,26	0,84	0,56	0,19	0,20	0,25	0,87	0,73	0,66					
BEHL	0,20	0,13	0,19	0,18	0,20	0,15	0,15	0,16	0,44	0,54	0,32				
ATTL	0,20	0,07	0,60	0,28	0,22	0,47	0,18	0,56	0,65	0,73	0,57	0,48			
PRONEN	0,12	0,10	0,55	0,30	0,20	0,17	0,09	0,47	0,49	0,80	0,49	0,55	0,63		
INVOLV	0,17	0,13	0,29	0,19	0,20	0,22	0,13	0,32	0,28	0,41	0,28	0,23	0,50	0,63	

Appendix 4: PLS-SEM – Traditional CRM model



Appendix 5: PLS SEM – CRM Model including social tactics

