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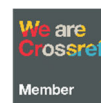
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Build customer loyalty through correlation management and experience with satisfaction mediation

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ABSTRACT

This study analyzed the influence of Customer Relationship Management (CRM) and Customer Experience on Loyalty, with Satisfaction as a mediating variable at PT. Fastrata Buana Denpasar. Based on the Social Exchange Theory, business correlations were built on mutually beneficial exchanges, where customers remained loyal if the perceived benefits exceeded the costs incurred. Partial Least Squares-Structural Equation Modeling (PLS-SEM) was used as a quantitative method to investigate the relationships between the variables. Business partners were given questionnaires to complete in order to gather data, including wholesalers, retailers, and kiosks. The outcomes indicated that CRM had a positive and significant impact on loyalty, both directly and through satisfaction as a mediator. Conversely, Customer Experience did not significantly influence loyalty, although it positively affected satisfaction. Furthermore, satisfaction partially mediated the correlation between CRM and loyalty but did not significantly mediate the correlation between Customer Experience and loyalty. These findings confirmed that CRM played a more dominant role in fostering loyalty than Customer Experience. PT. Fastrata Buana Denpasar was recommended to enhance personalized CRM strategies and strengthen communication to improve customer satisfaction and long-term loyalty.



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Introduction

Due to rising consumption and consumer demand for high-quality goods, Indonesia's food and beverage industry has grown quickly in recent years. One segment that continues to experience growth is the coffee industry, where Kapal Api Group is one of the main players with various brands such as Kapal Api, Kopi ABC, Good Day, and Excelso. PT Fastrata Buana, as the distribution unit of Kapal Api Group, plays an important role in distributing these products to various regions in Indonesia, including Bali. However, in recent years, PT Fastrata Buana Denpasar has faced challenges in maintaining customer loyalty amidst increasingly fierce market competition.

Customer loyalty is one of the key factors in the success of a company, because loyal customers not only make repeat purchases but can also act as product promoters through positive recommendations to other consumers (Slack et al., 2020). Many studies show that retaining customers is more difficult than acquiring new customers (Lubis et al., 2020; Özkan et al., 2019). Therefore, an impactful strategy in managing customer correlations is very important for companies.

The two main aspects that influence customer loyalty are Customer Relationship Management (CRM) and Customer Experience. CRM is a strategy used by companies to build and maintain long-term correlations with customers, which includes customer data management, personalised interaction, and responsive service (Philip Kotler & Keller, 2021). Managing long-term relationships and increasing customer loyalty and satisfaction can be achieved through the implementation of customer relationship management (Khan et al., 2022). The main objective of all businesses is to create excellent brand equity by establishing relationships with consumers, stimulating increased purchase intent, retention, and loyalty to products or services (Kanapathipillai & Mahbob, 2021).

Customer relationship is a form of building, developing, and maintaining high-value, cost-effective, and efficient relationships with customers, suppliers, employees, and partners to achieve sustainable benefits for both parties (P. Kotler & Kevin Lane, 2017). Customer relationship management refers to a set of relational practices adopted by companies to improve relationships with customers, with the aim of achieving loyalty, shifting the focus from acquiring new customers to maintaining existing ones (Lubis et al., 2020).

Previous studies have shown that customer relationships have a positive and significant impact on loyalty (Abekah-Nkrumah et al., 2021; Darmayasa & Yasa, 2021; Kanapathipillai & Mahbob, 2021; Khoa, 2020; Lubis et al., 2020; M. Kethan & Mahabub Basha S, 2022). This proves that if a company succeeds in building good relationships with consumers, it will have an impact on consumer loyalty levels. Inconsistent research results regarding the relationship between customer relationships and loyalty show variations in the findings of previous studies. Some studies support the notion that customer relationships have an important contribution to loyalty. However, previous studies have demonstrated the absence of a relationship between customer relationships and loyalty (Ansori, 2022; Goranda et al., 2021; Karim & Habiba, 2020; Nurrohman et al., 2023).

Customer loyalty can be enhanced through customer experience, which plays a significant role in determining preferences, purchasing decisions, and overall satisfaction levels (Pekovic & Rolland, 2020). Customer experience refers to the overall experience and response of consumers to expectations related to the services and products provided (Sukendia et al., 2021). Building customer experience has a direct impact on creating customer satisfaction and loyalty (Zaid & Patwayati, 2021). Customer experience is an important part of increasing loyalty (Manyanga et al., 2022). When customers have a positive experience, it can be predicted that they will be happy to repurchase the brand (Hasfar et al., 2020). Previous research shows that customer experience has a positive and significant relationship with loyalty (Bruckberger et al., 2023; Ertemel et al., 2021; Makudza, 2021; Pekovic & Rolland, 2020; Stein & Ramaseshan, 2019; Sukendia et al., 2021). This demonstrates that if a company successfully provides a positive customer experience, it will impact customer loyalty levels. Inconsistent research findings regarding the relationship between customer experience and loyalty indicate variations in previous studies. Some studies support the notion that customer experience has an important contribution to loyalty. However, previous research has demonstrated the absence of a relationship between customer experience and loyalty (Marwa & Astini, 2023; Nasution et al., 2022; Saputra, 2021; Yulisetiari et al., 2021).

The findings of the study highlight that the relationship between customer relationship and customer experience on consumer loyalty is not always consistent. Therefore, this study will highlight the need to consider mediating variables, namely consumer satisfaction, which can play a role in explaining this inconsistency. The research results also indicate that before consumers become loyal to a product or service, they must first be satisfied with the product or service (Khan et al., 2022; Mai & Cuong, 2021; Slack et al., 2020). This suggests that the formation of consumer loyalty is often influenced by the level of satisfaction consumers experience first. Previous research also shows that customer relationships have a positive and significant impact on satisfaction (Abdullah Al-suraihi et al., 2020; Hayati et al., 2020; Ke Er, 2020).

Furthermore, customer experience also has a positive and significant relationship with satisfaction (Jaiswal & Singh, 2020; Kim & Kim, 2022; Zaid & Patwayati, 2021). Although there is ample evidence from previous studies that customer satisfaction is associated with customer loyalty, not everyone believes that every satisfied customer will become loyal, nor that an unsatisfied customer will remain loyal (Risal & Aqsa, 2021). Previous research has demonstrated the absence of a relationship between consumer satisfaction and loyalty (Hapsari & Siswomiharjo, 2022).

Considering the inconsistent findings of earlier research, this research uses satisfaction as a mediating variable to examine how CRM and customer experience affect loyalty. This study was conducted at PT Fastrata Buana Denpasar, which acts as the main distributor of Kapal Api products in Bali. It is anticipated that this research would give businesses more profound insights into creating more effective marketing and customer correlation strategies by elucidating the relationship among CRM, customer experience, satisfaction, and customer loyalty.

This study aims to investigate the influence of customer relationship management and customer experience on customer loyalty at pt fastrata buana denpasar, with customer satisfaction as a mediator.

Method

The correlation between customer relationship management (CRM), customer experience, customer happiness, and customer loyalty is examined in this study using a quantitative methodology. Questionnaires were used to gather data from PT Fastrata Buana Denpasar's business partners, which include wholesalers, merchants, and kiosks in Bali.

All of the participants in this study were PT Fastrata Buana Denpasar's business partners, totalling 238 business entities, consisting of wholesalers, retailers, and kiosks. The sampling technique used a non-probability sampling method with purposive sampling technique, where respondents were selected based on their involvement as the main distribution partner of PT Fastrata Buana Denpasar. The number of samples determined in this study was 100 respondents, in accordance with the recommendations of Hair Jr et al. (2019) which suggests that the minimum sample size is five times the number of variable indicators used.

The research instrument is a questionnaire developed based on indicators that have been tested in previous studies. Variable measurement uses a five-point Likert scale to assess respondents' perceptions of CRM, customer experience, satisfaction, and customer loyalty. The research instrument is a questionnaire developed based on indicators that have been tested in previous research. Variable measurements use a five-point Likert scale to assess respondents' perceptions of CRM, customer experience, customer satisfaction, and customer loyalty. The indicators used for each variable are as follows: Customer Relationship Management (CRM): Customer data management, service personalisation, customer communication, customer retention rate, and customer complaint management (Sofi et al., 2020). Customer Experience: Product quality, delivery speed, ease of transaction, after-sales support, and delivery reliability (Pekovic & Rolland, 2020). Customer Satisfaction: Conformity to expectations, perceived product/service quality, perceived value, product recommendations, and willingness to buy in large quantities (Philip Kotler & Keller, 2021). Customer Loyalty: Repurchase, resistance to competitor offers, long-term satisfaction, emotional involvement, and brand preference (Philip Kotler & Keller, 2021). The instrument is tested for validity and reliability using Cronbach's Alpha for reliability and confirmatory factor analysis (CFA) for concept validity.

Data collection was conducted over a period of time through direct questionnaire distribution as well as through a digital platform (google form) to increase respondent participation. After the data was collected, the data obtained were analysed using path analysis to test the direct and indirect correlations between customer correlation management, customer experience, satisfaction, and loyalty. The technique used in this research is Structural Equation Modeling (SEM) with the Partial Least Square (PLS) approach, which is processed using SmartPLS 4 software. In the data analysis process, outer model tests were conducted to evaluate the validity and reliability of the research constructs. Validity testing includes convergent validity, which is tested through Average Variance

Extracted (AVE), as well as discriminant validity, which is analysed with the Fornell-Larcker Criterion. Reliability testing uses Composite Reliability (CR) and Cronbach's Alpha to ensure internal consistency of the research indicators.

The inner model is also used to investigate the relationship between variables and evaluate how well the model describes the fluctuation of the dependent variable. In addition to hypothesis testing with the t-statistic and p-value to ascertain the significance of the correlation between variables, r-squared (R^2) is used in this test to assess how much the independent variable affects the dependent variable. The results of the inner and outer model tests will be utilized to evaluate the function of satisfaction as a mediating variable in this study and to interpret the correlation between the variables.

Bootstrapping with 5000 resamples was used to assess the significance of path coefficients and mediating effects. Variance Accounted For (VAF) was calculated to identify mediation type. To determine the role of the mediating variable, this study followed the approach recommended by Hair Jr et al. (2021). According to this framework, the first step is to test the significance of the indirect effect ($p1 \cdot p2$) through the mediating construct (Y2). If the indirect effect is not significant, then Y2 is not considered a mediator. However, if the direct effect ($p3$) is significant while the indirect effect is not, it indicates the presence of an omitted mediator and implies direct-only non-mediation. On the other hand, if both the indirect and direct effects are insignificant, it suggests a flaw in the theoretical model. Thus, this structured assessment helps determine whether mediation is full, partial, or non-existent within the model

This study has several limitations, including the use of a cross-sectional method that only captures data at one point in time, so it cannot observe changes in customer behaviour in the long term. In addition, this research is limited to business partners of PT Fastrata Buana Denpasar, so generalisation of the outcomes to other industries needs to be done with caution

Results and Discussions

Based on data collected and analyzed using the Structural Equation Modeling-Partial Least Square (SEM-PLS) method, empirical findings are presented in this section. The study's findings include evaluating hypotheses about how customer experience and Customer Relationship Management affect loyalty and how satisfaction functions as a mediating component in the relationship. The purpose of the analysis is to determine the extent to which each variable influences the correlation between Customer Relationship Management and customer experience with loyalty of PT Fastrata Buana Denpasar partners, as well as how satisfaction influences the relationship. The results of this investigation will be contrasted with those of other investigations and connected to the underlying theory to offer a more profound comprehension of the elements that impact loyalty.

Convergent Validity

Convergent The correlation between item scores or component scores determined using PLS software is used to evaluate the validity of the measurement model with reflexive indicators. If an individual reflexive measure correlates with the measured variable by more than 0.70, it is considered high. Ghozali (2021) for early stage research the measurement scale loading value of 0.5 to 0.7 is considered sufficient. In this study, a loading factor limit of 0.7 will be used. The Convergent validity test results for each item in the research instrument are presented in Table 1, showing that all items have correlation values above 0.7. Thus, each item in this research instrument is considered valid.

The Loyalty variable shows that the outer loading of every indicator is greater than 0.7. The Emotional Attachment indicator is the strongest measure of the Loyalty variable because it has the largest outer loading (0.976). So it can be concluded that the five Loyalty indicators are valid indicators in measuring Loyalty. The Satisfaction variable shows that the outer loading of every indicator is greater than 0.7. The Expectation Match indicator and the Perceived Product or Service Quality indicator are the strongest measures of the Satisfaction variable because they have the largest outer loading (0.949). So it can be concluded that the five Satisfaction indicators are valid indicators in measuring Satisfaction.

Table 1. Result of Validity Tests on Research Instruments Recapitulation

Variables	Indicators	Statement Item	Outer Loading
Loyalty (Y)	Repeat Purchase	CL.01	0,973
	Resistance to	CL.02	0,972
	Competitive Pressure		
	Long-Term	CL.03	0,961
	Satisfaction		
	Emotional Attachment	CL.04	0,976
	Brand Preference	CL.05	0,961
	Expectation Match	C1.01	0,949
	Perceived Product or	CS.02	0,949
Satisfaction (M)	Service Quality		
	Perceived Value	CS.03	0,944
	Recommendation	CS.04	0,948
	products		
	Willing to Purchahse in Bulk	CS.05	0,944
Customer Relationship Management (X1)	Customer Data	CE.01	0,876
	Management		
	Personalisation	CE.02	0,896
	Customer Interaction and Communication	CE.03	0,936
	Retention Rate	CE.04	0,933
Customer Experience (X2)	Complaint	CE.05	0,929
	Management		
	Product Quality	CRM.01	0,954
	Delivery Speed	CRM.02	0,933
	Ease of Transaction	CRM.03	0,965
	After-Sales Support	CRM.04	0,976
	Delivery Reliability	CRM.05	0,974

Every indicator has an outside loading greater than 0.7, according to the customer experience variable. The After-Sales Support indicator is the strongest measure of the Customer experience variable because it has the largest outer loading (0.976). So it can be concluded that the nine indicators of Customer experience are valid indicators in measuring Customer experience.

Discriminant Validity

Discriminant validity is used to ensure that each concept of each latent variable is unique from other variables. The model is said to have good discriminant validity if the loading value of each indicator for a latent variable is greater than the loading value when correlated with other latent variables. The discriminant validity test results are shown in Table 2.

Table 2. Discriminant Validity of Research Variables

Variables	X2	Y	X1	M
Customer Experience (X2)	0,960			
Loyalty (Y)	0,830	0,968		
Customer Relationship Manager (X1)	0,827	0,851	0,914	
Satisfaction (M)	0,817	0,852	0,812	0,947

The outcomes of the AVE-based discriminant validity test and correlation using the Fornell-Larcker Criterion presented in Table 2 show that all constructs in this study have good discriminant validity. Every one variable in the research has an AVE (Average Variance Extracted) value higher than 0.50, which is the minimum recommended limit for stating convergent validity. In addition, the square root of the AVE ($\sqrt{\text{AVE}}$) of each variable is greater than the correlation coefficient between other variables, which indicates that each construct is better able to explain its own variable than other variables in the model.

Specifically, the Customer Experience variable (X2) has a $\sqrt{\text{AVE}}$ value of 0.960, which is higher than its correlation with other variables, namely 0.830, 0.827, and 0.817. This shows that the indicators used to measure Customer Experience can distinguish themselves well from other constructs in the model. Furthermore, the Customer Relationship Management variable (X1) has a $\sqrt{\text{AVE}}$ of 0.914, which is greater than the correlation between its variables, namely 0.827 and 0.812. This shows that the indicators on the Customer Relationship Management variable have strong discriminant validity and do not overlap with other constructs. The Satisfaction variable (M) also shows good discriminant validity with a $\sqrt{\text{AVE}}$ of 0.947, which is greater than the correlation between its variables of 0.852 and 0.812. This means that the indicators used to measure customer satisfaction truly reflect the variable uniquely.

Finally, the Loyalty variable (Y) has a $\sqrt{\text{AVE}}$ of 0.968, which is greater than its correlation with other variables. This indicates that the indicators used in this study can distinguish customer loyalty well compared to other variables in the research model. Thus, these outcomes confirm that all variables in this study have good discriminant validity, which means that each research construct is measured uniquely and does not overlap with other variables. This supports the validity of the research model used.

Composite Validity

Reliability between indicator blocks in the research model is measured by Cronbach's alpha and composite reliability. If a measurement's composite reliability and cronbach's alpha are both higher than 0.70, it can be considered dependable. Table 3 displays the results of the analysis.

Table 3. Composite Reliable Research Variables

Variable	Cronbach' s Alpha	Composite Reliability	Description
Loyalty (Y)	0,983	0,987	Reliable
Satisfaction (M)	0,971	0,977	Reliable
Customer Relationship Management (X1)	0,951	0,962	Reliable
Customer Experience (X2)	0,979	0,983	Reliable

The dependability of each indicator blocks is deemed to be of good reliability since the analysis's findings show that each study variable's composite reliability and Cronbach's alpha are higher than 0.70. It has satisfied the requirements for validity and reliability testing, Cronbach's alpha, composite reliability, discriminant validity, and convergent validity criteria were used to evaluate the measurement model's (outer model) results.

R- Square

To ascertain the correlation between variables, the significance value, and the research model's R-square, the structural or inner model is examined. The significance of the structural path path coefficient and the R-square for endogenous variables t test are used to assess the structural model. The first step in evaluating a model using PLS is to examine the R-square for every endogenous latent variable. The impact of some exogenous latent factors on endogenous latent variables that have a significant impact can be evaluated using changes in the R-square value. The results of the R-square estimation using Smart PLS are displayed in Table 4.

Table 4. R Square Value

Variables	R Square	R Square Adjusted
Satisfaction (M)	0,726	0,721
Loyalty (Y)	0,813	0,807

The calculation outcomes show the R-Square (R^2) value for the Satisfaction variable (M) of 0.726, and the Loyalty variable (Y) of 0.813. The R^2 value for the Satisfaction variable (M) of 0.726 means that 72.6% of the variation in customer satisfaction is influenced by Customer Relationship Management (X1) and Customer Experience (X2), while the remaining 27.4% is influenced by other factors not included in this research model. Meanwhile, the R^2 value for the Loyalty variable (Y) of 0.813 indicates that 81.3% of the variation in customer loyalty is influenced by the Satisfaction variable (M) as well as

other factors in this research model, while 18.7% is influenced by other factors outside the model used. Referring to the criteria set, the R^2 value of 0.70 - 0.90 is categorised as a strong or good influence in research. Thus, these outcomes indicate that the research model has good predictive ability in explaining the correlation between the variables studied.

Hypothesis Testing.

Using a t-test, hypothesis testing is done by selecting for assessing mediating variables or direct and indirect impacts. The results of mediating variable testing and direct impact testing are explained in turn in the next section. This study tests the above stated research hypothesis using the Partial Least Square (PLS) analysis technique. Table 5 below displays the results of the Partial Least Square (PLS) analysis of the empirical model.

Table 5. Direct & Indirect Impact Test Outcomes

Construct	Original Sample (O)	T Statistics (O /STDEV)	P Values	Description
Direct Impact				
Customer Relationship Management -> Loyalty	0,358	2,982	0,003	Accepted
Customer Experience -> Loyalty	0,227	1,553	0,121	Rejected
Customer Relationship Management -> Satisfaction	0,430	4,086	0,000	Accepted
Customer Experience -> Satisfaction	0,462	3,942	0,000	Accepted
Satisfaction -> Loyalty	0,375	2,384	0,017	Accepted
Indirect Impact				
Customer Relationship Management -> Satisfaction -> Loyalty	0,161	2,172	0,030	Accepted
P1) Customer Relationship Management -> Satisfaction	0,430	4,086	0,000	Partial Mediation (Complementary)
P2) Satisfaction -> Loyalty	0,375	2,384	0,017	
P3) Customer Relationship Management -> Loyalty	0,358	2,982	0,003	
Customer experience-> Satisfaction -> Loyalty	0,173	1,945	0,052	Rejected
P1) Customer experience -> Satisfaction	0,462	3,942	0,000	No Impact (No Mediation)
P2) Satisfaction -> Loyalty	0,375	2,384	0,017	
P3) Customer experience -> Loyalty	0,227	1,553	0,121	

The outcome of the hypothesis test indicate that, with an original sample value of 0.358, T-Statistics of 2.982, and P-Value of 0.003, Customer Relationship Management (CRM) significantly and favorably affects PT Fastrata Buana Denpasar's customer loyalty. This research indicates that loyalty to the business increases with the impactiveness of the CRM approach. Increased customer loyalty to PT Fastrata Buana Denpasar is a result of an efficient CRM strategy for handling client interactions, customizing services, and handling complaints.

In contrast, Customer Experience does not have a significant influence on customer loyalty, as indicated by the original sample value of 0.227, T-Statistics of 1.553, and P-Value of 0.121. These outcomes indicate that while customer experience can increase their satisfaction, a good experience alone is not enough to directly shape customer loyalty. Other factors such as CRM and customer satisfaction seem to play a greater role in determining customer loyalty.

Meanwhile, the outcomes of hypothesis testing show that CRM has a positive and significant impact on customer satisfaction, with an original sample value of 0.430, T-Statistics of 4.086, and a P-Value of 0.000. This means that the better the implementation of CRM in the company, the higher the level of customer satisfaction. Good Customer Relationship Management enhances the level of service that customers perceive, which in turn strengthens their satisfaction with the company.

In addition, Customer Experience is proven to have a positive and significant impact on satisfaction, with an original sample value of 0.462, T-Statistics of 3.942, and a P-Value of 0.000. This shows that positive customer experience in various aspects such as product quality, delivery speed, ease of transactions, and after-sales service significantly increases their level of satisfaction with PT Fastrata Buana Denpasar. Furthermore, the outcomes also display that customer satisfaction has a positive and significant impact on customer loyalty, with an original sample value of 0.375, T-Statistics of 2.384, and a P-Value of 0.017. Customers who are satisfied with the services and products provided by PT Fastrata Buana tend to be more loyal and make repeat purchases. Thus, customer satisfaction is a key factor in strengthening their loyalty to the company.

In terms of the role of satisfaction as a mediator, the outcomes show that satisfaction is able to mediate the impact of CRM on loyalty, with an original sample value of 0.161, T-Statistics of 2.172, and P-Value of 0.030. This means that good CRM will increase customer satisfaction first before finally shaping their loyalty. The type of mediation that occurs is Partial Mediation (Complementary), which means that both the direct and indirect impacts between CRM and loyalty are equally significant.

Conversely, satisfaction cannot mediate the impact of Customer Experience on loyalty, as shown by the value of 0.173, T-Statistics of 1.945, and P-Value of 0.052. Thus, this correlation is included in the No Mediation (No Impact) category, because both the direct and indirect impacts between Customer Experience and loyalty are not significant. These outcomes confirm that good customer experience needs to be combined with other factors such as trust and long-term benefits to create stronger loyalty.

Discussion

The outcomes demonstrated that PT Fastrata Buana Denpasar's loyalty is positively and significantly impacted by customer relationship management, or CRM. Good CRM implementation allows companies to build closer business correlations with customers, thereby increasing their loyalty. This finding can be explained through Social Exchange Theory (SET), which states that individuals or groups tend to maintain correlations if the benefits obtained are greater than the costs incurred. In this context, customers who feel that PT Fastrata Buana provides more value in its services and business interactions will be more likely to show loyalty. This is also reinforced by research by Abekah-Nkrumah et al. (2020) which confirm that impactive CRM significantly increases loyalty. Therefore, PT Fastrata Buana is advised to continue strengthening CRM strategies to create stronger and more sustainable business correlations with their partners.

Meanwhile, the outcomes show that customer experience does not have a significant influence on loyalty, even though aspects such as ease of access and transaction efficiency are considered satisfactory. This indicates that a good customer experience alone is not enough to build loyalty in the absence of other factors such as satisfaction and more meaningful interactions. Social Exchange Theory (SET) explains that strong business correlations depend not only on positive experiences but also on the long-term benefits gained in the interaction. This finding differs from some previous studies which state that customer experience has a positive correlation with loyalty (Bruckberger et al., 2023; Ertemel et al., 2021; Pekovic & Rolland, 2020). However, several other studies Marwa & Astini (2023) and Nasution et al. (2022) indicate that customer experience does not always contribute directly to loyalty, especially in transactional business correlations. Therefore, PT Fastrata Buana needs to ensure that a good customer experience is supported by additional factors such as satisfaction and trust to strengthen their loyalty.

In relation to satisfaction, this study found that CRM has a positive and significant correlation on satisfaction, indicating that the better customer relationship are built, the higher their level of satisfaction. In the SET perspective, satisfaction occurs when they feel that the benefits they receive from business correlations outweigh the costs they incur. This finding is reinforced by research by Abdullah Al-suraihi et al. (2020) and Hayati et al. (2020) which show that good CRM practices have a direct impact on satisfaction. Therefore, PT Fastrata Buana must continue to develop CRM strategies that strengthen correlations with their business partners, in order to create positive experiences that have an influence on growing satisfaction.

In addition, research also shows that Customer Experience has a positive and significant influence on satisfaction. This means that the superior the customer experience in interacting with the company, the greater their level of satisfaction. Social Exchange Theory (SET) again explains that interactions that

provide greater benefits than the costs incurred will outcome in higher satisfaction. These outcomes are in line with the research of Jaiswal & Singh (2020), and Zaid & Patwayati (2021), which show that positive customer experiences contribute significantly to their level of satisfaction. Thus, PT Fastrata Buana Denpasar needs to focus more on developing a comprehensive customer experience by integrating aspects of technology, service, and social interaction to increase the satisfaction of their business partners.

Furthermore, this research also get that satisfaction has a positive and significant influence on loyalty. When customers feel satisfied with the services and products provided, they are more likely to remain loyal to the company. This outcome is supported by the studies of Khan et al. (2022), Mai & Cuong (2021), and Slack et al. (2020) which confirms that satisfaction not only has a direct impact on loyalty but also mediates the correlation between service quality and repurchase intentions. Therefore, PT Fastrata Buana Denpasar should consider satisfaction as a key indicator in their strategy to develop loyalty, by continuously improving service quality and introducing programmes that enhance the overall customer experience.

In addition to being an independent variable that affects loyalty, satisfaction is also proven to be a mediator in the correlation between CRM and loyalty. Impactive CRM increases satisfaction first before finally having an impact on loyalty. This is consistent with the findings of Abekah-Nkrumah et al. (2021) and Hayati et al. (2020), which show that satisfaction plays an important role in strengthening the impact of CRM on loyalty. Therefore, PT Fastrata Buana needs to ensure that their CRM strategy not only focuses on business transactions, but also builds satisfaction as an important step in creating loyalty.

However, this study found that satisfaction does not significantly mediate the impact of customer experience on loyalty. This means that although a good customer experience can increase satisfaction, it does not necessarily lead to increased loyalty. This finding supports the view that customer experience must be combined with other factors such as trust, long-term benefits, or business incentives in order to strengthen loyalty. Damanik (2022) shows that the correlation between customer experience and loyalty can be more complex and depends on additional factors such as customer characteristics and business correlation strategies. Therefore, PT Fastrata Buana Denpasar needs to develop a strategy that not only improves the quality of the customer experience but also ensures that partners get tangible benefits that can strengthen their attachment to the company. These strategies could include upgrading digital systems, personalising services based on customer feedback, and developing more innovative and responsive customer service initiatives.

Furthermore satisfaction acts as a partial mediation in the correlation between customer relationship management and loyalty. This outcome shows that customer relationship management does not have a direct impact on loyalty, but has an indirect impact through satisfaction. This confirms that good customer relationship management quality does not directly trigger impulse purchases, but first builds trust which then drives impulsive behaviour (Chen et al., 2019; Silva et al., 2019). In the S-O-R theory, customer relationship management acts as a stimulus, satisfaction as an organism that processes information and increases trust, before finally producing a response in the form of impulse purchases. Overall, this study confirms that CRM has a significant impact on satisfaction and loyalty, while Customer Experience contributes to satisfaction but does not directly influence loyalty. satisfaction is proven to be a key factor in creating loyalty, both as an independent variable and as a mediator in the correlation between CRM and loyalty. Therefore, PT Fastrata Buana Denpasar is advised to continue improving CRM and customer experience strategies with a more holistic approach, as well as adding elements that strengthen emotional attachment and business benefits for their partners. This finding differs from previous studies that suggest positive customer experiences enhance satisfaction, which ultimately contributes to loyalty (Makudza, 2021; Pekovic & Rolland, 2020). These studies found that when customers consistently receive positive experiences, they become more satisfied and are more likely to remain loyal to the brand or company. However, these findings align more closely with studies that found that customer experience does not always directly contribute to loyalty, even with satisfaction as a mediator (Damanik, 2022). This suggests that the relationship between customer experience and loyalty may be more complex, depending on other factors such as the quality of the business relationship, long-term commitment, and the perceived value added by the customer.

Based on these findings, PT. Fastrata Buana Denpasar needs to develop strategies that not only improve the quality of customer interactions but also ensure that partners receive tangible benefits that can strengthen their commitment to the company. These efforts could include improving the user interface of digital systems, personalizing services based on partner feedback, and developing more innovative and responsive customer service initiatives. Thus, positive customer experiences can be more effective in fostering long-term loyalty when combined with other strategic factors.

Conclusions

Based on the research findings, it can be concluded that Customer Relationship Management (CRM) plays a significant role in enhancing customer loyalty, both directly and indirectly through satisfaction. Effective implementation of CRM fosters long-term business relationships, builds trust, and increases the attachment of business partners to PT Fastrata Buana Denpasar. In contrast, customer experience does not directly impact loyalty, indicating that a positive interaction alone is insufficient to foster loyalty without the support of other factors such as satisfaction, trust, or long-term benefits. Nevertheless, customer experience has been shown to positively contribute to satisfaction, highlighting its importance in building quality business relationships.

Satisfaction was also found to have a significant impact on loyalty, acting both as an independent variable and as a mediator between CRM and loyalty. This implies that effective CRM enhances satisfaction first, which then leads to greater loyalty. However, satisfaction does not mediate the relationship between customer experience and loyalty, emphasizing the need for a deeper business engagement strategy to strengthen customer attachment. This study acknowledges several limitations. First, the sample was limited to one company with 100 business partner respondents, which restricts the generalizability of the findings to the broader distribution industry. Second, the use of purposive sampling may introduce selection bias, as it does not represent the overall population randomly. Third, the cross-sectional design of the study prevents observation of how customer behavior and relationships evolve over time. In addition, other potentially influential variables such as product quality, pricing, brand image, and long-term customer interactions were not included in the research model.

Future research is recommended to expand the sample by involving multiple companies within similar distribution sectors, adopt probabilistic sampling methods to reduce bias, and utilize a longitudinal approach to capture changes in customer behavior over time. Adding control variables and exploring external factors can also provide a more comprehensive understanding of how long-term business loyalty is formed.

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