The Impact of Customer Relationship Marketing on Customer Loyalty:
Evidence From the Banking Sector

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ABSTRACT

This study aims to examine the impact of CRM on customer loyalty and to explore relationship marketing accuracy in four dimensions such as trust, communication, commitment, and conflict handling in the banking system. Moreover, it examines the direct and indirect relationships between CRM variables and the mediating role of trust between them. Because most bank-customer interactions are time-varying and dynamic, and there are only a few studies related to CRM in the Albanian banking system, this study tends to contribute further to this field. Random sampling technique was used to collect data from 440 bank customers, who completed a structured questionnaire in Google Forms. Structural equation modelling (SEM) in Smart PLS 4 software was used to analyse the completed questionnaires. The results have revealed that CRM impacts positively and significantly the loyalty of bank customers, thereby supporting all the hypotheses. Moreover, the data analysis showed that trust plays a mediating effect between CRM variables.

KEYWORDS

Bank Marketing, CRM, Loyalty, Relationship Marketing

INTRODUCTION

Banks constitute around 90% of the Albanian financial system in terms of total assets. Like other companies, these institutions provide marketing to support financial transactions. To maximize their profitability, banks face the tasks of maintaining existing customers and attracting new ones. In times of high inflation and slow economic growth, the Albanian banking industry, on one hand, is facing

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many challenges such as profit fall due to the increase of non-performing loans, an increased cost of capital that is combined with low-interest rates, rising pressure on sources of profitability, security breaches, and other challenges, and on the other hand, is dealing with the rising expectations of customers in terms of their banking experiences through hybrid banking models. In order to survive, banks are adopting new strategies and approaches that focus on and consider customer loyalty as an important concern. Studies indicate that the cost of attracting and serving new clients is almost six times higher than the cost of serving loyal ones (Ndubisi, 2003). Therefore, to maximize their profitability, banks face the task of building long-term relationships with clients. Authors Ferrell and Hartline (2016) explain that during the last two decades, marketers have observed a shift from transactional marketing to CRM which has caused an increase in the value of this relationship for both the banks and the customers. The creation of this value is the main goal of customer relationship management is a business philosophy aiming to define and increase customer value in ways that motivate customer satisfaction and loyalty (Ferrell & Hartline, 2016).

CRM in the Albanian banking industry remains a fundamental issue because, when it comes to the implementation of financial services strategies, it is difficult and complicated in terms of product differentiation. Therefore, it is crucial to evaluate the effect of CRM on customer loyalty, not only in different industries but also in different cultures. The effectiveness of CRM on customer loyalty can be measured by considering four major gestalts: trust, conflict handling, communication, and commitment (Husnain & Akhtar, 2015).

When it comes to its importance, numerous studies have suggested that banks should take into consideration relationship marketing (RM) as a fundamental strategy in order to excel in an industry that is constantly growing and experiencing intense competition. Even though this strategic marketing concept has attained immense interest among academics and practitioners, no studies exist that examine the impact of CRM on customer loyalty in the Albanian banking system. Moreover, there is a lot to be done yet to review and cover the gap created by the varying results of empirical studies that explore CRM and customer loyalty. Wang and Yang (2010) state that there is no significant relationship between CRM and loyalty, while other studies show differently. For example, a study conducted by Salah and Abou-Shouk (2019) reveals a positive and significant effect of CRM practices on customer loyalty. This study aims to assess the impact of CRM on customer loyalty and to explore RM accuracy in four dimensions: (I-trust, II-communication, III-commitment, and IV-conflict handling) for the Albanian banking system. Moreover, it examines the direct and indirect relations between them and the moderating role of trust between CRM variables. The next section concentrates on the literature review, while the used methodology is presented in the third section. Results and findings are presented in section four. The authors' conclusions and the study limitations are elaborated in section five which concludes the study. The bibliography and the structured questionnaire (Appendix A) are also included at the end of this research paper.

LITERATURE REVIEW

Relationship Marketing, Customer Relationship Management, and Customer Loyalty

RM is classified as a strategic marketing concept that represents a drastic change (Gummesson, 1997; Berry, 1983; Grönroos, 1994) from transactional marketing. As an alternative approach to classical marketing, this strategy, from early 1980, initially focused simply on the advancement of long-term, mutually beneficial relationships between customers and organizations (Peck, Payne, Christopher, & Clark, 2011). Palmatier (2008) defines RM as the process of distinguishing, evolving, maintaining, and extinguishing relational trade-offs with the aim of boosting performance. CRM and customer relationship management are two terms often used interchangeably to define the process of RM with clients. Despite differences, their goal is the same: to hold positive relations with the customers.

According to Payne & Frow (2005), CRM enhances shareholder value through the extension of appropriate relationships with core customers and customer segments. Ferrell & Hartline (2016) explain that the goal of relationship marketing is to establish and keep long-term, mutually satisfying agreements where both buyer and seller concentrate on the acquired value from the relationship. These concepts rely upon the shift from "obtaining clients" to "keeping customers;" therefore, this relationship consequently results in customer loyalty which Oliver (1999) defines as a deeply held promise to re-purchase or re-patronize a product/service in the future, regardless of the potential of influence and marketing activities to promote switching behavior. Another definition of customer loyalty is provided by Kotler & Keller (2016), according to whom loyalty is the dedication that customers demonstrate when they choose to buy a new product/service or even advocate a product/service despite the impact of marketing efforts on their consumer behaviors. The above-described idea of CRM is widely used in the banking sector, since it is connected with the quality of services and, consequently, client satisfaction and loyalty (Kozinska, 2022).

CRM Dimensions

In marketing literature, numerous studies state various dimensions of CRM such as *trust* (Ogbeide & Ikande, 2021; Hakim & Hakim, 2017; Veloutsou et al., 2002; Ibrahim, Hamid, Babiker, & Ali, 2015; Morgan & Hunt, 1994; Roberts-Lombard, Strachan & du Plessis, 2013), *conflict handling* (Ogbeide & Ikande, 2021; Hakim & Hakim, 2017; Ibrahim, Hamid, Babiker, & Ali, 2015; Roberts-Lombard, Strachan, & du Plessis, 2013; Ndubisi & Chan, 2005; Dwyer et al., 1987), *commitment* (Ogbeide & Ikande, 2021; Hakim & Hakim, 2017; Ibrahim, Hamid, Babiker, & Ali, 2015; Roberts-Lombard, Strachan, & du Plessis, 2013; Chan & Ndubisi, 2004; Grossman, 1998), and *communication* (Ogbeide & Ikande, 2021; Hakim & Hakim, 2017; Ibrahim, Hamid, Babiker, & Ali, 2015; Ndubisi & Chan, 2005; Morgan & Hunt, 1994). Hashem (2012) further divides CRM dimensions into categories like commitment, trust, bonding, and communication. Khan (2013) suggests measuring CRM with trust, commitment, communication bonding, emotional tangibility, reciprocity, empathy, and conflict handling. This paper focuses on the four principles mostly considered by researchers as key dimensions of CRM, trust, commitment, communication, and conflict handling, that are linked to customer loyalty.

Trust and Customer Loyalty

Among numerous marketing researchers, Roberts-Lombard, Strachan, & du Plessis (2013) and Read (2009) state that trust contributes to an increased level of customer retention, and consequently, an increased organizational profitability. According to Ogbeide & Ikande (2021), trust, throughout history, has been evaluated in the context of benevolence, honesty, and the capacity to fulfill promises. Trust is considered a positive forecaster of customer loyalty (Reichheld et al., 2000). Overall, research reveals that consumer-company relationships should be based on trust (Kang & Hustvedt, 2014). Trust is built by keeping promises, guaranteeing security in every transaction, supplying quality services, and showing concern for the clients (Hakim & Hakim, 2017). Morgan & Hunt (1994) acknowledge trust as a main construct when modeling relationship marketing. The relationship between trust and customer loyalty is observed by Ndubisi (2007). From a bank management perspective, trust is crucial in terms of customer satisfaction and loyalty and has a great impact on long-term corporate reputation. The effect of trust on customer loyalty is supported by many researchers (Ogbeide & Ikande, 2021; Ibrahim, Hamid, Babiker, & Ali, 2015; Husnain & Akhtar 2015; Roberts-Lombard, Strachan, & du Plessis, 2013; Sirdeshmukh et al., 2002). In this study, we also assume that trust has a positive and significant effect on customer loyalty. Moreover, trust is not only known as a key construct of CRM, but also as a central mediator in different models of relationship marketing because numerous studies reveal its mediating effects on such factors as communication, conflict, loyalty, performance, etc. (Brown, Crosno, & Tong, 2018; Palmatier, Dant, & Grewal, 2007; Palmatier et al., 2006). In this study, we attempt to evaluate the relationship between trust and customer loyalty, as well as investigate the

mediating role of trust between the various dimensions of CRM. Based on the above, we postulate the below-listed hypotheses:

H1a: Trust has a significant positive impact on customer loyalty.
H1b: Trust has a mediating role in the relationship between commitment and loyalty.
H1c: Trust has a mediating role in the relationship between communication and loyalty.
H1d: Trust has a mediating role in the relationship between conflict handling and loyalty.

Commitment and Customer Loyalty

As mentioned before, commitment is another major dimension of CRM (Ogbeide & Ikande, 2021; Hakim & Hakim, 2017; Ibrahim, Hamid, Babiker, & Ali, 2015; Roberts-Lombard, Strachan, & du Plessis, 2013; Chan & Ndubisi, 2004; Grossman, 1998). Ogbeide & Ikande (2021) define commitment as a long-lasting obligation and desire to have a prosperous relationship by investing time and financial resources. In marketing literature, commitment is defined as a powerful, solid, and ongoing tendency to maintain an inestimable relationship (Khan, 2013; Nella & Christou, 2014). Commitment can be acquired by considering the customer as the greatest importance (Hakim & Hakim, 2017). In terms of RM, commitment is defined as a pledge or promise to keep good relationships with customers by adjusting services to meet their needs and by being flexible when service needs change (Hakim & Hakim, 2017; Ndubisi, 2007). Wilson (1995) reveals that commitment is the most commonly measured variable used in relationship studies. Ndubisi (2007) observes that commitment is a crucial component in terms of building customer loyalty. Numerous studies suggest that commitment has a positive impact on customer loyalty (Ogbeide & Ikande, 2021; Tabrani et al., 2018; Hakim & Hakim, 2017; Husnain & Akhtar, 2015; Jesri et al., 2013;). Accordingly, the following hypothesis is formulated to examine the relationship between commitment and customer loyalty.

H2: Commitment has a significant positive impact on customer loyalty.

Communication and Customer Loyalty

Communication plays a vital role when it comes to building relationships, and it determines their success where clarity of ideas, appropriate communication channels, and lack of distortion are concerned (Hakim & Hakim, 2017). Communication, as one of the main determinants of CRM, (Ogbeide & Ikande, 2021; Hakim & Hakim, 2017; Ibrahim, Hamid, Babiker, & Ali, 2015; Ndubisi & Chan, 2005; Morgan & Hunt, 1994) is usually defined as the capability to provide prompt and reliable information (Ogbeide & Ikande, 2021; Ndubisi, 2007). From a relationship marketing perspective, communication means keeping in touch with customers, giving coherently trustworthy information to them regarding services and their changes, and vigorously communicating in case any problems occur (Ogbeide & Ikande, 2021; Hakim & Hakim, 2017; Ndubisi, 2007). Previous studies reveal that good communication has a positive impact on customer loyalty (Ogbeide & Ikande, 2021; Hakim & Hakim, 2017; Husnain & Akhtar, 2015; Ndubisi, 2007). Based on the theoretical ground, we suggest the following hypothesis regarding the role of communication in customer loyalty:

H3: Communication has a significant positive impact on customer loyalty.

Conflict Handling and Customer Loyalty

According to Dwyer et al. (1987), conflict handling is a term related to the ability of a given supplier to avoid potential conflicts, settle manifested disputes before they become problems, and talk over solutions unreservedly when issues do arise. In addition, conflict handling is related to the ability to

head off future disputes, settle problems, and explore solutions by using different techniques such as collaboration, compromising, confrontation, and accommodation (Ogbeide & Ikande, 2021). Ndubisi & Chan (2005) observe that when customers' conflicts/complaints are settled quickly, 95% of these customers repeat purchasing behavior from that company, and as a result, the perceived relationship tends to be strengthened. Conflict resolution requires cooperation from exchange partners. Despite the difficulties in service industries, especially in the banking sector, companies are proactive in planning and implementing effective approaches to identify potential conflicts, to be able to solve them before they arise, successfully avoiding and blocking them (Jumaev, Kumar. M., & Hanaysha, 2012). Many researchers (Ogbeide & Ikande, 2021; Hakim & Hakim, 2017; Ibrahim, Hamid, Babiker, & Ali, 2015; Roberts-Lombard, Strachan, & du Plessis, 2013; Jumaev, Kumar. M., & Hanaysha, 2012; Ndubisi & Chan, 2005) found a consequential relationship between conflict handling and customer loyalty meaning that proper conflict resolving can lead to loyalty. Moreover, the stronger the relationship between the bank and the customer, the easier the conflict is settled (Khan, 2013). Therefore, the last hypothesis is postulated as follows:

H4: Conflict handling has a significant positive impact on customer loyalty.

Commitment and Trust

The commitment-trust theory (CTT) in RM, constructed by Morgan & Hunt in 1994, is still regarded as a major significant theory in this field. Previous studies (Wei et al., 2019) have confirmed that commitment and trust are required to ensure the continuity of a relationship. Sohaib, Rehman, & Akram (2016) have found there is a significant relationship between commitment and trust. Moreover, commitment and trust are central to the relational mediators' model of relationship marketing (Brown et al., 2019; Morgan & Hunt, 1994). Gilboa, Seger-Guttmann, & Mimran (2019) reveal that trust is enhanced by communication, and commitment is promoted by social relationships. Soo Shin et al. (2019) argue that the existence of both commitment and trust leads directly to more cooperative behaviors and relational success. Because commitment entails self-sacrifice and potential vulnerability, it indicates that customers are unlikely to be devoted/dedicated if trust is not already established (Garbarino & Johnson, 1999). Based on the above, the next hypothesis is formulated as follows:

H5: There is a positive and significant effect of commitment on customer trust.

Conflict Handling and Trust

The relationship between trust and conflict handling is examined in different contexts in dependence on conflict management typologies that affect trust. The findings of previous studies (Ndusbisi, 2011) have shown that the impact of conflict handling on trust is significant. In addition, Wang, Liu, Zhang, & Gong (2021) reveal that the relational grade of conflict management behaviors can affect trust between participating parties. As mentioned before, in the banking industry, companies are continuously implementing effective approaches to identify potential conflicts, resolve them before they arise, and block them in order to strengthen the perceived relationship and trust with customers. Based on the theoretical background, we pose the following hypothesis:

H6: There is a positive and significant effect of conflict handling on customer trust.

Communication and Trust

Communication-trust dryad seems to be complex. The relationship between these two variables has triggered a continuous debate among researchers in terms of the determination of the dimension of this

dryad. A great deal of research reveals that communication is a precedent to customer trust. Zeffane & Ryan (2011) explain that communication themes affect the level of trust, and both of them, hand in hand, impact customer loyalty. Therefore, the next hypothesis is formulated as follows:

H7: There is a positive and significant effect of communication on customer trust.

The Conceptual Framework

The model of this research article is developed based on the above-presented literature review. The suggested conceptual framework contains customer loyalty as a dependent variable and four CRM determinants (trust, communication, conflict handling, and commitment) as independent variables. The hypothesized relationship between variables is handed out in Figure 1.

RESEARCH METHODOLOGY

Population and Sample Size

This study was carried out in Albania. Four hundred and forty respondents answered a questionnaire created in Google Forms and distributed through social media (e.g., Facebook, e-mails, etc.). Participants were required to have at least one active bank account. All completed questionnaires were useful. The construct of the questionnaire contained information about trust, commitment, communication, conflict handling, and customer loyalty. The purpose of the questionnaire was to examine the relationship between CRM components and loyalty in the banking sector.

Variables Measurement

Items that measured CRM were adopted from previous research: Leverin and Liljander, (2006); Zeithaml, Berry, and Parasuraman, (1996) for customer loyalty, and Husnain & Akhtar, (2015) for CRM dimensions. The questionnaire incorporated 22 questions and prompted participants to measure their agreement or disagreement with all item statements based on a five-point Likert scale (1-strongly disagree to 5-strongly agree) (see Appendix B).

Analysis Used

Data were assessed by using structural equation modelling with SmartPLS 4 software.

Figure 1. The conceptual framework of the study
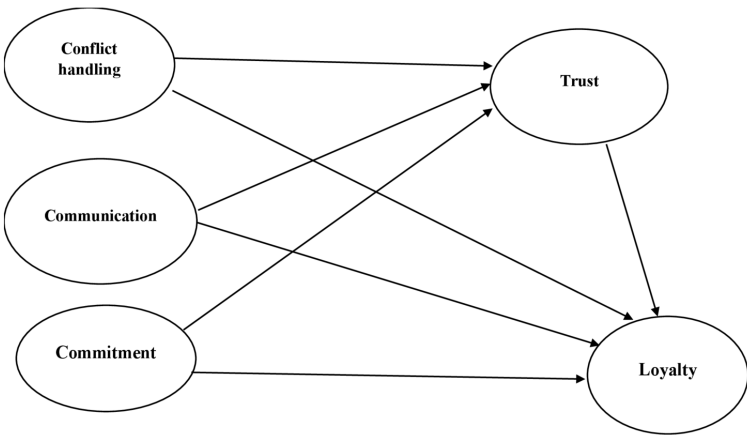
Respondent Demographics

The demographic data presented shows the majority of respondents are female (60%), almost half of them are below 35 years old, and 58% of respondents are married; 58% hold a master's degree, 26% have been with their current bank from 0-2 years, 26% from 3-5 years, 30% from 6-10 years, and 18% for more than 10 years (Appendix A).

RESULTS AND FINDINGS

Data Analysis and Results

SEM is used to test the observant and latent variables. The measurement model and SEM are obtained by using a two-step strategy (Emini & Zeqiri, 2021). The measurement model (validity and reliability test) is assessed with the SEM technique, while a bootstrapping method is used for testing the factor loadings and the significance of the path coefficients (Hair et al., 2016).

Confirmatory factor analysis (CFA) as a technique is very suitable for analyzing SEM in research. It uses a two-step method for modeling and analysis of the structural model (Muça, & Zeqiri, 2020). In addition, CFA analyzes all the latent constructs for validity and reliability prior to modeling the structural model and carrying out SEM. Regarding the benefits of the method, CFA procedure offers three leading indicators that have to be examined (unidimensionality, validity, and reliability) before proceeding to the structural equation modeling stage. If all the criteria for these three indicators are met, then the data is appropriate for further study.

Measurement Model, Reliability, and Validity

Factor loadings for all the items of the construct are presented in Table 1. When analyzing them, one can observe that all loadings are higher than the recommended 0.55 as (Hair et. al., 2020). Factor loadings are above 0.7 (they vary from 0.805 to 0.934), showing that all considered factors extract sufficient variance from the variables. Table 1 below presents the variance inflation factor (VIF) to measure the collinearity of the model. All VIFs from this test are lower than 3.3. Therefore, the model can be considered free of common method bias (Kock, 2015).

Convergent Validity Testing

The convergent validity test uses SmartPLS to evaluate the correlation of measures of the same construct. The results presented in Table 2 show that Cronbach's Alpha values for the five items are above the suggested threshold of 0.70, showing internal consistency between variables. The average variance extracted AVE values for all the items are above the recommended levels set forth by Fornell and Larcker (1981), which are values of 0.50 ranging from 0.674 to 0.867.

Discriminant Validity Testing

Discriminant validity is tested after the convergent validity. Discriminant validity examines how items in one construct are different statistically from items in other constructs (Zeqiri, 2020). To assess discriminant validity, the authors use the heterotrait – monotrait ratio of correlations (HTMT). Based on the results given in Table 3, which are all below the recommended 0.90, one can conclude that discriminant validity has been established.

Structural Model Estimation

This study uses SmartPLS SEM for evaluating the proposed model. The results of the SEM path analysis are shown in Figure 2 below. The path measurement shows that trust, commitment, conflict handling, and communication are, respectively, 0.288, 0.137, 0.210, and 0.230. Trust contributes 0.288 to customer loyalty, commitment contributes 0.137 to loyalty, conflict handling contributes 0.210 to loyalty, and communication 0.230 to loyalty. This explains that trust, commitment, conflict handling,

Table 1. Construct items loadings

Name	Loadings	Mean	Standard Deviation	Excess Kurtosis	Skewness	VIF
Trust_1	0.815	4.050	1.019	0.376	-0.928	1.755
Trust_2	0.834	4.132	0.994	0.698	-1.076	1.999
Trust_3	0.805	4.273	1.022	1.458	-1.439	1.776
Trust_4	0.828	4.114	1.045	0.603	-1.116	1.838
Comm_1	0.928	3.823	1.136	0.255	-0.935	2.172
Comm_2	0.934	3.755	1.173	-0.036	-0.819	2.172
Communic_1	0.859	4.077	1.017	0.837	-1.091	1.695
Communic_2	0.819	3.800	1.295	-0.316	-0.883	1.613
Communic_3	0.843	4.091	1.045	0.510	-1.070	1.725
Conf_1	0.892	4.014	1.093	0.818	-1.158	2.496
Conf_2	0.930	3.941	1.112	0.212	-0.937	3.263
Conf_3	0.878	3.968	1.114	0.330	-1.007	2.271
Loy_1	0.882	3.414	1.407	-1.108	-0.417	2.867
Loy_2	0.879	3.623	1.261	-0.583	-0.613	2.790
Loy_3	0.892	3.759	1.172	-0.222	-0.729	2.910
Loy_4	0.909	3.694	1.237	-0.481	-0.689	3.206

Note: Source: Authors' calculations

Table 2. Convergent validity testing

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	AVE
Trust	0.839	0.841	0.892	0.674
Commitment	0.847	0.848	0.929	0.867
Communication	0.793	0.798	0.878	0.706
Conflict handling	0.883	0.883	0.928	0.811
Customer loyalty	0.913	0.918	0.939	0.793

Note: Source: Authors' calculations

Table 3. Discriminant validity: HTMT matrix

	Commitment	Communication	Conflict Handling	Customer Loyalty
Commitment				
Communication	0.836			
Conflict Handling	0.794	0.847		
Customer Loyalty	0.710	0.795	0.733	
Trust	0.765	0.870	0.775	0.769

Note: Source: Authors' calculations

Figure 2. Structural equation modeling (Note: Source: Authors' illustration)
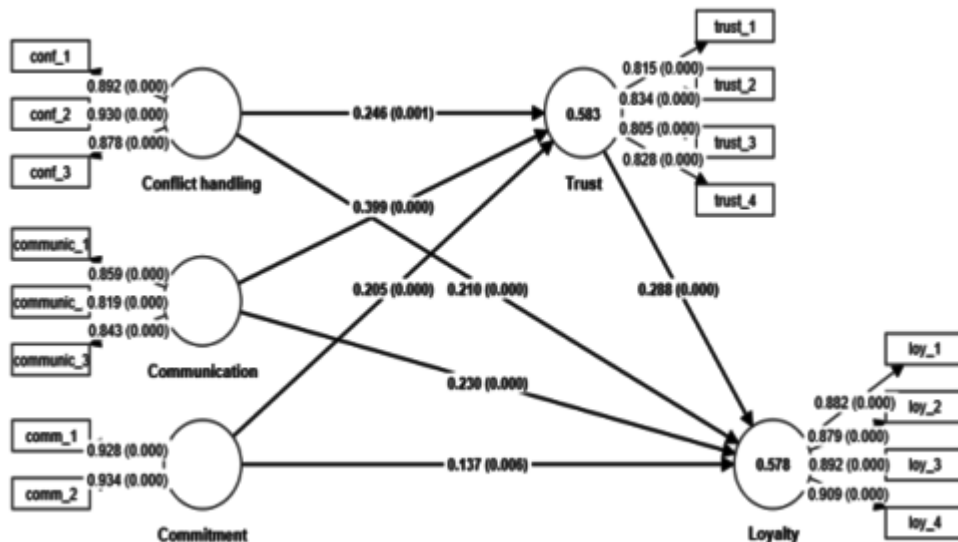
and communication, respectively, explain 28.8%, 13.7%, 23.0%, and 21.0% of the endogenous latent variables that contribute to loyalty.

Testing Hypotheses

A multiple regression analysis with SEM modeling is used to examine the relationship between CRM and customer loyalty in the banking system of Korca, Albania. The results presented in Table 4 indicate that trust has a positive and significant effect on customer loyalty with path coefficient = 0.288, t = 5.627, and p < 0.000 supporting the H1a. When it comes to the role of commitment in building loyalty, the results (path coefficient = 0.137, t = 2.760, p < 0.006) indicate there is a significant relationship between commitment and customer loyalty, thus H2 is supported. The results from Table 4 reveal that communication and conflict handling are also significant and positive in relation to customer loyalty, as path coefficients are, respectively, 0.230 and 0.210, t values are 3.850 and 3.864, and p values are 0.000 and 0.000, denoting that H3 and H4 are supported. To continue further with the multiple regression analysis, the results show, as well, that commitment, conflict handling, and

Table 4. Hypothesis testing

		Path Coefficient	STDEV	t Values	p Values	
H1a	Trust -> Customer Loyalty	0.288	0.051	5.627	0.000	Supported
H2	Commitment -> Customer Loyalty	0.137	0.050	2.760	0.006	Supported
H3	Communication -> Customer Loyalty	0.230	0.060	3.850	0.000	Supported
H4	Conflict Handling -> Customer Loyalty	0.210	0.054	3.864	0.000	Supported
H5	Commitment -> Trust	0.205	0.058	3.516	0.000	Supported
H6	Conflict Handling -> Trust	0.246	0.073	3.382	0.001	Supported
H7	Communication -> Trust	0.399	0.068	5.822	0.000	Supported

Source: Authors' calculations using SmartPLS

communication positively and significantly affect trust with path coefficients, respectively, of 0.205, 0.246, and 0.399; t values 3.516, 3.382, and 5.822; and p-values 0.000, 0.001, and 0.000, supporting the hypotheses H5, H6, and H7.

Mediating analysis was provided to determine the mediating role of trust in the relationships between commitment and customer loyalty; communication and customer loyalty; and conflict handling and customer loyalty. The mediation effects, as presented in Table 5, are confirmed to be statistically significant. As a result, hypothesis H1b, H1c, and H1d were supported.

Another objective of the study, as seen in the research model proposal (see Figure 1), is to analyze the mediation effect of trust. Table 5 shows that trust partially mediates the relationship between commitment and customer loyalty (B = 0.059, t = 3.183, p < 0.000), in support of H1b. Table 5 also shows that trust partially mediates the relationship between communication and customer loyalty (B = 0.115, t = 3.839, p < 0.000), supporting H1c. The results in Table 5 also reveal that conflict handling mediates partially the relationship between commitment and customer loyalty (B = 0.071, t = 2.714, p < 0.000), hence supporting H1d.

DISCUSSION AND CONCLUSION

Customer relationship management, as a pillar of bank marketing, plays a crucial role when it comes to building long-term relationships with customers. During the last two decades, marketers have observed a shift from transactional to relationship marketing which has caused an increase in the value of this relationship for both parties. Even though this strategic marketing concept has gained immense interest among researchers and practitioners, we found no studies that examine the impact of CRM on customer loyalty in the Albanian banking system. Moreover, there is a lot to be done yet to review and cover the gap caused by different results of empirical studies about CRM and customer loyalty. In addition to that, the authors of this paper have examined the direct and indirect effects between variables, the mediating role of trust in the relationship between communication and customer loyalty, commitment and customer loyalty, and conflict handling and customer loyalty.

The results obtained reveal that trust has a positive and significant impact on customer loyalty. The findings support many previous studies (Hakim & Hakim, 2017; Morgan & Hunt, 1994 Ndubisi, 2007; Ogbeide & Ikande, 2021; Ibrahim, Hamid, Babiker, & Ali, 2015; Husnain & Akhtar 2015; Roberts-Lombard, Strachan, & du Plessis, 2013; Sirdeshmukh et al., 2002), which denotes the positive relationship between trust and customer loyalty.

Moreover, the findings show that commitment results in customer loyalty, as previously stated by several authors in their studies, as well (Wei et al., 2019; Sohaib, Rehman, & Akram, 2016; Brown et al., 2019). Furthermore, the empirical findings indicate that communication and conflict handling are also significant and have a positive relation to customer loyalty. In this line, authors like Ndusbisi, (2011) and Wang, Liu, Zhang, and Gong (2021) state that customers' conflicts/complaints when settled by the company quickly, 95% of these customers repeat purchasing behavior from that company and eventually strengthen positive perceived customer-company relationships.

Table 5. Indirect effect (mediation effect)

		Original Sample (O)	STDEV	t Values	p Values	
H1b	Commitment ->Trust -> Customer Loyalty	0.059	0.019	3.183	0.001	Supported
H1c	Communication -> Trust -> Customer Loyalty	0.115	0.030	3.839	0.000	Supported
H1d	Conflict handling -> Trust -> Customer Loyalty	0.071	0.026	2.714	0.007	Supported

Source: Authors' calculations using SmartPLS

Additionally, the findings obtained reveal that trust is also positively and significantly affected by commitment, conflict handling, and communication. The commitment-trust theory (Morgan & Hunt, 1994) claims a positive correlation between commitment and trust (Wei et al., 2019; Sohaib, Rehman, and Akram, 2016). Our findings also reveal that conflict handling leads to more trust by consumers, putting our findings in line with other studies like Ndusbisi, (2011) and Wang, Liu, Zhang, and Gong (2021). Finally, two-way communication leads to more confidence and eventually more trust. Zeffane and Ryan (2011) find that communication can affect the level of trust.

Therefore, this study reveals that there is a significant relationship between the independent variables (trust, commitment, communication, and conflict handling) and the dependent variable (customer loyalty). In addition, the authors of this study are further contributing to the examination of the relationship between communication and trust, conflict handling and trust, and communication and trust. Moreover, it is proven that trust has a mediating role in the relationship between these variables and customer loyalty.

The findings from this study provide some implications for the theory and practice of relationship marketing in the banking sector in a developing country context. Firstly, it offers some valuable evidence by enriching the literature on CRM, customer loyalty, and trust. Furthermore, it provides evidence for shedding more light on the impact of CRM practices on customer loyalty and trust in emerging markets, especially in banking sector literature. Secondly, this study provides some evidence for policymakers, managers, and companies regarding the best practices for CRM in general and in the banking sector, in particular. More specifically, this study offers bank managers more insights into how they can better serve customers and other retaining strategies, thus, keeping loyal customers by practicing marketing strategies that will please their bank clients.

This study is not without limitations. The obtained data is limited to one context and from one industry. Therefore, evaluating the effect of CRM on customer loyalty in different industries and different cultures would provide more robust results that can be easily generalized. Secondly, we recommend boosting the validity of this study by replicating it on a larger scale with a more representative sample.

When it comes to future implications, age and/or gender may be assessed as mediator/s in the CRM studies because, as revealed by previous studies, (Ndubisi, 2005) women tend to be more loyal than men, and individuals that belong to older age groups are more loyal than younger people. Finally, using other variables in the model, like the impact of the interaction between bank clients through digital contexts such as online bank communities, could yield additional and interesting results.

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APPENDIX A

Table 6. Respondent demographics

		Frequency	Percent
Gender	Male	264	60
	Female	176	40
Age	18 - 25	101	23%
	26-34	4	1%
	26-34	114	26%
	35-44	176	40%
	Older than 44	45	10%
Marital status	Single	163	37%
	Married	255	58%
	Prefer not to say	22	5%
Education	Bachelor	92	21%
	Secondary School	40	9%
	Master	255	58%
	Ph.D.	44	10%
	Prefer not to say	9	2%
Relationship with the bank	0-2 years	114	26%
	3-5 years	114	26%
	6-10 years	132	30%
	More than 10 years	80	18%

APPENDIX B

Table 7. Structured questionnaire (link: https://forms.gle/iPfF6mVekPBX6xgA7)

Section 1 - Demographics

1. Gender:
   - o Male
   - o Female
2. Marrital status:
   - o Single
   - o Married
   - o Prefer not to say
3. Age:
   - o 18-25 years old
   - o 26-34 years old
   - o 35-44 years old
   - o Older than 44 years old
4. Education:
   - o Secondary school
   - o Bachelor
   - o Master
   - o Doctoral studies
   - o Prefer not to say
5. Which bank do you bank with?
   - o Credins Bank
   - o Raiffeisen Bank
   - o OTP Bank
   - o ProCredit Bank
   - o Union Bank
   - o Intesa SanPaolo Bank
   - o BKT
   - o Tirana Bank
   - o Alpha Bank
   - o Other
6. For how long have you been a client of this bank?
   - o 0-2 years
   - o 3-5 years
   - o 6-10 years
   - o More than 10 years

Section 2 - Trust	(1) Strongly disagree	(2) Disagree	(3) Neutral	(4) Agree	(5) Strongly agree
7. The bank provides high-quality services and has safe premises. (TRUST_1)					
8. The bank is concerned about the security of my transactions. (TRUST_2)					
9. Bank employees behave professionally and show respect to clients. (TRUST_3)					
10. I trust this bank and have confidence in its services. (TRUST_4)					
Section 3 - Commitment	(1) Strongly disagree	(2) Disagree	(3) Neutral	(4) Agree	(5) Strongly agree
11. The bank offers personalized services to meet customer needs. (COMM_1)					
12. The bank is flexible when changing its services. (COMM_2)					
Section 4 - Communication	(1) Strongly disagree	(2) Disagree	(3) Neutral	(4) Agree	(5) Strongly agree
13. The bank provides coherent and trustworthy information. (COMMUNIC_1)					
14. The bank informs me about any service change. (COMMUNIC_2)					
15. Information given by the bank is always accurate. (COMMUNIC_3)					
Section 5 – Conflict handling	(1) Strongly disagree	(2) Disagree	(3) Neutral	(4) Agree	(5) Strongly agree
16. The bank tries to avoid potential conflicts with its clients. (CONF_1)					
17. The bank tries to solve the manifested conflicts before they become problems. (CONF_2)					
18. The bank is able to openly discuss with you the solution for the risen problem. (CONF_3)					
Section 6 – Customer loyalty	(1) Strongly disagree	(2) Disagree	(3) Neutral	(4) Agree	(5) Strongly agree
19. I have never thought of changing this bank. (LOY_1)					
20. I consider myself a loyal client of this bank. (LOY_2)					
21. I will keep using the products/services offered by this bank in the future. (LOY_3)					
22. I am able to switch the bank to other banks that offer benefits/ more attractive interest rates and/or lower provisions. (LOY_4)					

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