

THE ANALYSIS OF RELATIONSHIP MARKETING AND ITS INFLUENCE TOWARDS CUSTOMER RETENTION BY MEANS OF STORE ATMOSPHERE AND CUSTOMER VALUE

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Abstract

This research assesses the relationship marketing and its influence towards customer retention by means of atmosphere and customer value. This research applied the type of associative research. The population in this study is customers of the New Cinderella Store Ambon. The sample determination in this research is based on the portion of the strength of the PLS analysis of the model that has the minimum number of biggest predictors. The recommended sample determination is ranged from 30 to 100 respondents. Thus, the number of samples used in the research is 100 customers of the New Cinderella Store Ambon. The sampling technique used in this research is purposive sampling. To analyze the data, this research uses the Structural Equation Modeling – Partial Least Square (SEM-PLS) method, with the WarpPLS approach. Based on the analysis results of the data, it can be concluded that the five proposed hypotheses are accepted.

Keywords: Relationship Marketing, Store Atmosphere, Customer Value, Customer Retention

1. INTRODUCTION

Relationship marketing is the transition from the focus on a single transaction to an effort on establishing long-term profitable relationships with the customers. Relationship marketing is a practice of building gratifying long-term relationships with key parties, such as customers, suppliers and distributors, in order to maintain the long-term preferences and business (Kotler, 1994).

More precisely, a company can be considered successful in terms of marketing, if it is able to conduct a good relationship marketing. Relationship marketing (Too, Souchon, & Thirkell, 2001) refers to all marketing activities which are directed at establishing, developing, and maintaining successful relationships between a company and its customers.

In the conditions with intense competition, the main factor that has to be prioritized is the customer satisfaction (so that the company can survive, compete and control the market share). The success of marketing a product does not depend merely on the presentation of the product's various advantages. The more important issue is the presentation of how the product can fulfill the customers' needs and desires, which therefore increasing the customer value. The success of marketing can only be accomplished through the implementation of marketing strategies that involve companies as the producers and customers as the users.

New Cinderella has been able to provide an atmosphere that makes customers feel comfortable when visiting and shopping. This can be observed through the business sites, such as adequate operational support equipment, attractive room decoration and color, freshening room temperature, sufficient lighting (neither too bright nor too dark), neatly-ordered product display, and clean product and business sites (in accordance with regulated

health standards). It is these factors that make New Cinderella superior in business competition in the city of Ambon.

The services performed by New Cinderella to the visiting customers, have received good reviews. However, with the level of intense business competition in city of Ambon, the question that arises is whether the service can increase the number of customers in the long term? These two matters cannot be separated if related to the statement of (Grönroos, 2007) that company's service is a critical factor for the perception of the customer value. Therefore, the company's service level can be measured based on customer ratings.

Customer retention is defined as a marketing objective to maintain customers' loyalty and prevent customers from moving to the competitors. According to (Bruhn, 2003) customer retention strategy aims to increase existing customer retention continually. This strategy is needed based on several considerations, including the greater costs that must be used to gain new customers. (Kaplan & Norton, 1996) state that customer retention is a company's activity intended to be able to maintain constant interaction with customers through ongoing relationships, loyalty marketing, database marketing, permission marketing, and advances. According to (Buttle, 2008) customer retention is an effort to uphold a long-term sustainable sales relationship with the customers. Customer retention is a description of consumer's immunity.

2. LITERATURE REVIEW

Relationship Marketing

Relationship Marketing is a term which is occurred and introduced first within the Leonard L. Berry's marketing service article in 1983. Good relationship marketing is useful for attracting, maintaining and strengthening relationships with customers in multi-service organizations (Berry in (Sukresna, 2004)). The concept of Relationship Marketing is applied to describe various contexts and perspectives of marketing activities (Sheth & Parvatiyar, 1995).

Relationship Marketing is a concept that includes the method of establishing relationships between sellers and customers. In other words, Relationship Marketing is a marketing approach emphasizing on building long-term relationships with the customers in order to build trust, commitment, and, ultimately, loyalty towards the company (Rahmiati, 2010). Relationship Marketing also creates strong and mutually beneficial relationships between the companies and the customers. In addition, customers can also make repeated transactions, which will be resulting in customer loyalty (Murry Harmawan Saputra, 2009.). Relationship Marketing is a company's activity which involves the activities of operational and marketing staffs in that particular company to build good relationships with the customers, through a series of efforts, to establish a mutually beneficial conditions between the companies and the customers in long term (Lovelock and Wright in (Tamtama, 2017)).

Based on the various opinions above, it can be concluded that Relationship Marketing is a marketing concept, marketing approach and marketing activity in order to establish a long-term relationship between the seller and the customer which both parties will benefit from.

One of the Relationship Marketing's objectives is to obtain Life Time Value (LTV) from customers (Chan, 2003). LTV is the net present value of the average profit generated from customers in a certain period of time. The longer a person is a customer, the greater the value of these customers for the company.

The objective of a company in implementing Relationship Marketing is so that the company may be able to build and maintain a customer base which has relationship commitment and is profitable for the company (Tjiptono, 2008).

Store Atmosphere

The term atmospherics or better known as Store Atmosphere is a term used to explain the managers' means to manipulate the design of buildings, interior spaces, spatial, hallways, carpet and wall textures, scents, colors, shapes, and sounds, experienced by the customers (to achieve certain influence). Even the arrangement of items, types of exhibits/shows, and poses of dolls can influence customers' perceptions on the Store Atmosphere (Mowen, J.C & Minor, 2002).

Store Atmosphere is an attempt to design a purchasing environment in order to produce a special emotional influence towards the customers which will likely increase the possibility of purchases (Kotler in (Mowen, J.C & Minor, 2002)). Store Atmosphere is an essential component of a store or a cafe and can provide a dominant sensory effect created from a store or cafe design. Therefore, a store or a cafe must be able to develop a Store Atmosphere plan that suits its target market in order to attract customers to do purchases in that store or café (Cox R and Brittan in (Putri, 2014)).

Based on the several definitions above, it can be concluded that the store atmosphere is the seller's attempt to manage the business environment such as building design, interior space, exterior space, lighting, layout, hallway, carpet and wall textures, scents, colors, shapes, and sounds to produce certain effects, in order to influence the customers to visit and do several purchases.

Elements of Store Atmosphere consist of (Mowen, J.C & Minor, 2002):

1) Layout

Layout is physical arrangements and placement of merchandises and equipment. Layout aims to provide space for customers and displays merchandises or services in an attractive way, thus maximize the sales. A layout can be well-functioned and achieve its intended purpose, if the customers can understand the messages it conveys.

2) Sound

Sound is the entirety of music presented in the store or the cafe. The presence of music may provide a pleasant shopping experience for customers. Beside that, music can also add convenience for customers who are visiting and influence customers' emotions into making repeat purchases. Based on that explanation, it can be concluded that music is a significant element in completing the customers' comfort.

3) Scents

A lot of purchasing decisions are based on emotions. Scents, which is the determinant of the feelings of joy, hunger, reluctance, and other feelings, has a great influence on customer emotions.

4) Texture

Texture is a visual element that shows the surface of a material, which is intentionally made and presented in an arrangement to achieve a certain visual form, as an effort to give a certain taste to a work of art, both real and virtual. With good texture processing, the impression and quality of the space produced will be more attractive and able to influence the customers' decision to visit and make purchases

5) Building Design

Design is always associated with art or beauty, which the exterior is the initial mirror of both customers and sellers in their activities in a shopping center. Building design has a very important role to create a comfortable impression, both for customers and sellers in the move and aims to attract customers through the means of employee's appearance, sound and aroma even in the form of items that can be touched by customers.

The Store Atmosphere aims to form and influence the customer's behavior, which can be interpreted in 4 requirements (Mowen, J.C & Minor, 2002):

- 1) Store's room modifies and characterizes customer's behavior.
- 2) Store's room influences customers through stimuli on the five sensory.
- 3) Store's room influences aesthetic factors such as: perception, affection, attitude and image.
- 4) Store's room creates preferred customer reactions through space utilization programs.

Customer Value

Customer Value is defined as the difference between Total Customer Value and Total Customer Cost. Total Customer Value is a set of benefits expected by customers from certain products. Benefits include functional benefits and emotional benefits. Costs include monetary costs, time costs, energy costs and physical costs (Kotler, 2002 in (Farida, 2010)).

From a variety of offers, customers will select products which considered to be providing the most value. Value can be seen primarily as a combination of quality, service and price (QSP), which usually called as the three elements of Customer Value (Kotler, 2005 in (Fergawan, 2016)). Value will increase if the quality and service increases and will decrease if the price increases. Customers will purchase from a company that they consider to offer the highest Customer Value.

Value reflects a set of benefits, both tangible and intangible, and the costs according to the customer's perception. Value increases if the quality and service increases. Vice versa, value will decrease if quality and service decreases (Kotler, Philip & Kevin, 2009).

Customer value has a number of main characteristics, such as (Sheth and Mittal in (Tjiptono, 2014)):

1) Value is instrumental. It means that products and services are actually mere tools to fulfill customer's needs and desires. Therefore, sellers are not only required to create value in their offers, but must also link the offer to the specific needs and desires of each target customer.

2) Value is dynamic. It means that value will change accordingly to customer's needs and desires. In addition, the value can also change due to the increase of market expectations. If marketing successfully fulfills or exceeds customer expectations in a period of time, then it will become the benchmark expectation for the minimum standard to evaluate seller's performance next time.

3) Value is hierarchical. It means that universal value is the main foundation. If universal value does not exist, the customer will not even consider that the products offered provides a certain personal value.

Customer perception towards the value of the quality that the company offers will influence the degree of customer loyalty. The higher the perception towards value experienced by the customer, the greater the likelihood of an expected relationship (transaction) which is a long-term relationship. It is because the business and costs used by the company would be hugely greater if it has to attract new customers, rather than maintain the existed ones (Gronroos in (Harun, 2011)).

Customer Retention

Customer retention is a form of loyalty behavior measured by customer buying behavior. Customer retention can be observed through the frequency of purchases of a product by customers (Ang & Buttle, 2006). Improving customer retention will ultimately have an impact on the increasing number of customers possessed by a company.

Customer Retention is the length of time a relationship is established between the company and the customer. Customer retention degree is the percentage of customers who have made a number of repeat purchases during a limited period of time (Nasrin Danesh, Ahmadi Nasab, & Choon Ling, 2012).

Customer retention is the process of establishing relationship in order to create customer loyalty. Customer retention is important for most companies because the costs of gaining new customers are really higher than the costs of maintaining relationships with customers (James in (Martey, 2014)).

Customer retention is a process that makes a customer loyal to a particular company and does repeat purchases or re-uses services from that company (Cannie, Naumann in (Qaiser Danish, Ahmad, Ateeq, Yasir Ali, & Afzal Humayon, 2015)).

Customer retention is a marketing program which its objective is to prevent customers from moving to competitors. The strategy to retain customers is massively needed for companies in dealing with the increasingly competitive market competition (Ramakrishnan in (Tauni, Khan, Durrani, & Aslam, 2014)).

Hypothesis

There 5 hypotheses to be examined in this research. Those hypotheses are as follow:

- 1) Relationship Marketing has positive influence towards Store Atmosphere.
- 2) Relationship Marketing has positive influence towards Customer Value.
- 3) Relationship Marketing has positive influence towards Customer Retention.
- 4) Store Atmosphere has positive influence towards Customer Retention.
- 5) Customer Value has positive influence towards Customer Retention.

3. RESEARCH METHODS

Types of research

This research applied the type of associative research. Associative research is research that aims to determine the relationship between two or more variables to study, describe, and observe the influence between the variables formulated in the research hypothesis.

This research is intended to confirm the suitability of the concept between the explained theories and the facts of the on-field data. Confirmation research is a research that aims to statistically confirm the model which the researchers developed based on existing theories, to test theories, to build facts, to displays relationships between variables, to provide statistical descriptions and to estimate as well as predict the results. This will later be useful for understanding various cases, solving problems that occur, and anticipating future difficulties.

Population and Sample

Population is the scope of generalization consisting of objects or subjects with certain quantities and qualities which the researchers have selected to be studied and, thenceforth, drawn conclusions from. The population in this study is customers of the New Cinderella Store Ambon.

The sample is part of the number and characteristics possessed by the population. The sample determination in this research is based on the portion of the strength of the PLS analysis of the model that has the minimum number of biggest predictors. The recommended sample determination is ranged from 30 to 100 respondents (Ghozali, 2015). Thus, the number of samples used in the research is 100 customers of the New Cinderella Store Ambon. The sampling technique used in this research is purposive sampling, which is a sampling technique with certain considerations. Sampling considerations in this research are the customers who have visited the New Cinderella Store Ambon at least 3 times in the period of last 3 – 4 months.

Research Time and Location

This research took place at New Cinderella Store Ambon and was conducted along August 2019.

Research Variable

The applied variables and the indicators in this research can be explained as follows:

- 1) Relationship Marketing Variable with indicators based on (Bruhn, 2003).
- 2) Store Atmosphere Variables with indicators based on (Berman & Evans, 2010).
- 3) Customer Value Variables with indicators based on (Sweeney & Soutar, 2001).
- 4) Customer Retention Variables with indicators based on (Nasrin Danesh et al., 2012).

Research Instruments

This research uses questionnaire as the instrument which are distributed to the customers. The questionnaire consisted of several questions with several options of answers for each questions. The purpose of these questions is to reveal the attitudes, opinions and responses of customers. In filling out the questionnaire in this study, each customer is requested to select one answer best to describe the circumstance which the particular customer experienced and felt. Based on the respondent's answers, the respondent's direction, intensity, and consistency, can be concluded.

This instrument is prepared using a Likert scale. Likert scale is used to measure the attitudes, opinions, and perceptions of an individual or a group of people about social phenomena (Sugiyono, 2014). The score in this scale ranges from 1 to 5 based on the selected answer. Scores for each selected answer are as follows:

- Absolutely Agree answer is given the score of 5.
- Agree answer is given the score 4.

- Neutral answer is given the score of 3.
- Disagree answer is given the score of 2.
- Absolutely Disagree answer is given the score of 1.

Data Analysis Technique

To analyze the data, this research uses the Structural Equation Modeling – Partial Least Square (SEM-PLS) method, with the WarpPLS approach. The PLS-SEM method is more suitable for developing or constructing theories as it is conducted in this research (Sarstedt, Ringle, & Hair, 2014). Another reason for the use of PLS-SEM in this research is because the normality test requirements are not fulfilled by the data collected from customers.

4. RESEARCH RESULTS AND DISCUSSION

Research Result

Respondents’ Characteristics

This research analyzes the answers of customers on distributed questionnaires, especially in the section of respondents’ characteristics. Demographic information generated includes gender, age and occupation. The demographic analysis results are as follows: 42% male and 58% female, 33% are between 31 to 40 years old and 49% works as entrepreneurs.

Measurement Model Evaluation

Table 1. Convergent Validity and Reliability

Item	Loading	p-value	AVE	CR
Rule of Thumb	(>0.70)	(<0.05)	(>0.50)	(>0.70)
RM			0.684	0.928
RM1	0.787	<0.001		
RM2	0.852	<0.001		
RM3	0.766	<0.001		
RM4	0.868	<0.001		
RM5	0.822	<0.001		
RM6	0.861	<0.001		
SA			0.742	0.920
SA1	0.842	<0.001		
SA2	0.870	<0.001		
SA3	0.894	<0.001		
SA4	0.838	<0.001		
CV			0.654	0.883
CV1	0.784	<0.001		
CV2	0.785	<0.001		
CV3	0.849	<0.001		

CV4	0.816	<0.001		
CR			0.663	0.855
CR1	0.852	<0.001		
CR2	0.790	<0.001		
CR3	0.801	<0.001		

Table 1 displays that all indicators have loading factor scores higher than 0.70 and significant p-values with scores lower than 0.05. Likewise, the Average Variance Extracted (AVE) scores presented displays that all reflective constructs have the AVE score higher than 0.50. These results explain that all indicators applied to measure the construct have complied with the convergent validity requirements.

From table 1, it can also be seen that all Composite Reliability (CR) values are higher than 0.70. These results explain that all indicators used to measure the construct have complied with the reliability requirements.

Table 2. Cross Loading Values

Item	RM	SA	CV	CR
RM1	(0.787)	-0.348	0.063	0.073
RM2	(0.852)	0.121	0.072	-0.029
RM3	(0.766)	-0.052	-0.313	0.384
RM4	(0.868)	0.063	0.162	-0.288
RM5	(0.822)	-0.060	-0.024	0.262
RM6	(0.861)	0.238	0.009	-0.142
SA1	0.203	(0.842)	-0.016	-0.066
SA2	-0.240	(0.870)	0.186	0.018
SA3	-0.082	(0.894)	-0.088	0.103
SA4	0.132	(0.838)	-0.084	-0.062
CV1	0.135	-0.134	(0.784)	-0.038
CV2	0.148	0.218	(0.785)	-0.196
CV3	-0.060	-0.079	(0.849)	0.181
CV4	-0.209	0.001	(0.816)	0.036
CR1	0.106	0.096	0.169	(0.852)
CR2	-0.176	0.122	-0.090	(0.790)
CR3	0.061	-0.222	-0.091	(0.801)

Table 3. Square Roof of AVE

	RM	SA	CV	CR
RM	(0.827)			
SA	0.682	(0.861)		
CV	0.624	0.487	(0.809)	
CR	0.642	0.635	0.563	(0.815)

The discriminant validation is conducted through observing the score of cross loading and the score of Square Root of Average Variance Extracted (AVE). Table 2 displays that each indicator applied to measure a construct has a greater cross loading score than its construct. Therefore, it can be considered to be valid. Table 3 displays the score of Square Root of AVE obtained by each construct is higher than the correlation score between constructs with other constructs in the same column. These results indicate that the discriminant validity requirements are fulfilled.

Table 4. Weights Indicator

	CR	p-value	VIF
Rule of Thumb	<0.05	<3.3	
CR1	0.428	<0.001	1.654
CR2	0.397	<0.001	1.427
CR3	0.403	<0.001	1.468

Table 4 displays that all indicators of the Customer Retention variable have p-values of lower than 0.05, which means that they are significant so that all of these indicators comply with the reliability indicator criteria. The VIF score of each Customer Retention indicator also displays a score lower than 3.3. Therefore, the colinearity criteria are fulfilled, which means that there is no colinearity problem for each of these indicators. Based on these results it can be concluded that the three indicators of variable Customer Retention are reliable/consistent and have complied with the validity requirements for formative constructs.

Structural Model Evaluation

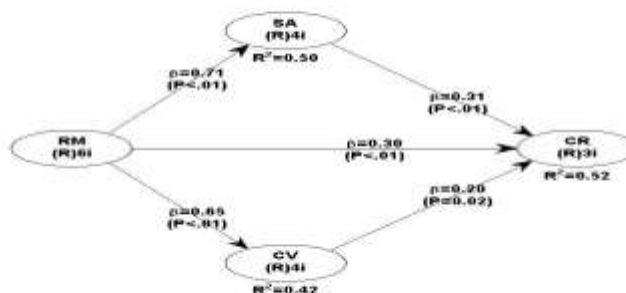


Figure 1. Structural Model Test Results

Based on the results of the analysis in Figure 1, the R-Squared (R2) score for this research model can be explained as follows:

- 1) R-Square Coefficient for Store Atmospheric variables is 0.504. This means that the Store Atmosphere variable can be explained using the Relationship Marketing variable by 50.4%. Meanwhile, the remaining 49.6% is explained using other variables which are not examined in this model.
- 2) R-Square Coefficient for the Customer Score variable of 0.417. This means that the Customer Score variable can be explained using the Relationship Marketing variable by 41.7%. Meanwhile, the remaining 58.3% is explained using other variables which are not examined in this model.
- 3) R-Square coefficient for the Customer Retention variable of 0.523. This means that the Customer Retention variable can be explained using the Relationship Marketing Store Atmosphere and Customer Score variables of 52.3%. Meanwhile, the remaining 47.7% is explained using other variables which are not examined in this model.

The result of this research displays that the score of full colinearity VIF for each variable in this research is lower than 3.3, namely: Relationship Marketing variable is 2.506; Store Atmosphere variable is 2.137; Customer Value variable is 1.767; and Customer Retention variable is 2.072. This result indicates that research model is free from problems of vertical, lateral, and common method bias colinearity.

Then, the result of this research displays that the Q-Squared score of each variable is higher than zero, namely: Store Atmosphere variable is 0.499; Customer Value variable is 0.410; and Customer Retention variable is 0.523. This result indicates that the estimation result of the research model has good predictive validity.

Meanwhile, there are two inter-variables influences which have a large-effect-size score category, namely the influence of the Relationship Marketing variable towards the Store Atmosphere variable and the influence of the Relationship Marketing variable towards Customer Value, each of which is 0.504 and 0.417. This result indicates that the Relationship Marketing variable has an important role towards Store Atmosphere and Customer Value.

On the contrary, there are also three inter-variables influences which have a medium-effect-size score category, namely the influence of the Relationship Marketing variable towards the Customer Retention variable, the influence of the Store Atmospheric variable towards the Customer Retention variable and the influence of the Customer Value variable towards the Customer Retention variable, each of which is 0.203, 0.201 and 0.119. These results can be interpreted that the Relationship Marketing variable, the Store Atmosphere variable and the Customer Value variable have quite significant role towards Customer Retention rate.

Based on the results of the analysis in Figure 1, it is identified that all path coefficients on the construct have a positive and significant influence. It can be explained as follows:

- 1) Relationship Marketing variable has a positive influence of 0.710 towards the Store Atmosphere variable and is significant at p-value <0.001 or lower than 0.05.
- 2) Relationship Marketing variable has a positive influence of 0.646 towards the Customer Value variable and is significant at p-value <0.001 or lower than 0.05.
- 3) Relationship Marketing variable has a positive influence of 0.303 towards the Customer Retention variable and is significant at p-value <0.001 or lower than 0.05.
- 4) Store Atmospheric variable has a positive influence of 0.309 towards the Customer Retention variable and is significant at p-values <0.001 or lower than 0.05.
- 5) Customer Value variable has a positive influence of 0.303 towards the Customer Retention variable and is significant at p-value 0.018 or lower than 0.05.

Based on the analysis results of these data, it can be concluded that the five proposed hypotheses are accepted.

Furthermore, an evaluation of the structural model is also carried out an evaluation of the Goodness of Fit model (GoF) which can be seen based on 10 sizes of model fit, which can be seen in table 5 below:

Table 5. Fit and Quality Indices Model

GoF	Rule of Thumb	Results	Note
APC	$p < 0.05$	0.434; $p < 0.001$	Fulfilled
ARS	$p < 0.05$	0.482; $p < 0.001$	Fulfilled
AARS	$p < 0.05$	0.473; $p < 0.001$	Fulfilled
AVIF	≤ 3.3	2.373	Fulfilled
AFVIV	≤ 3.3	2.121	Fulfilled
GoF	Small ≥ 0.1		
	Medium ≥ 0.25	0.575	Large
	Large ≥ 36		
SPR	= 1	1	Fulfilled
RSCR	= 1	1	Fulfilled
SSR	≥ 0.7	1	Fulfilled
NLBCDR	≥ 0.7	1	Fulfilled

By observing the estimated score generated based on the Fit Model and Quality Indices that have been presented, it can be concluded that the research model has an appropriate fit's score and considered to be viable.

5. DISCUSSION

The Influence of Relationship Marketing towards Store Atmosphere

Based on observations of the research's results, it can be concluded that the implementation of Relationship Marketing by the New Cinderella Store Ambon has succeeded in establishing a good relationship with customers. The customer is one of the most important elements for the sustainability of a business, because the customer is the determinant of the business's success. Therefore, in attracting customers the company must strive for various things including in establishing a good relationship with customers or generally called as Relationship Marketing. Applying the precise Relationship Marketing will give good contribution for the company, such as keeping customers from moving to other companies. Another contribution is that the company has no necessity to spend loads of time and money to attract new customers, because it is considerably easier to retain existing customers than to find new customers. Developing a good relationship will also make customers eager to spread positive opinions about the company to the general public, making it easier for the company to get new customers. When a company

implements Relationship Marketing, the point that company has to focus on is the ability to appropriately provide every related matter, including Store Atmosphere that complies with customer's comfort standards.

The Influence of Relationship Marketing towards Customer Value

A good relationship with customers can be established due to the proper service provided by the company. The company will make every effort to satisfy and please the customers, for it will affect the customer's decision whether to return or not. In order to establish a good relationship with customers, the company must be able to precisely recognize the basic nature of its customers, so that in determining the policy, it can make accurate decisions that benefit the company. The customer estimates which offers provided the highest value and act on this estimate. Whether the company's offer is corresponding with customer's expectation or not, will affect customer satisfaction and the probability level of customer using or buying the product again (Kotler, Philip & Kevin, 2009).

Customer value refers to the company's ability to create and add value to the products, especially on the services provided to customers or the aspects of business services (Johnson and Weinstein in (Mcfarlane, 2013)). Basically, the customer value consists of 4 parts, namely: (1) service, (2) quality, (3) image, and (4) price.

Therefore, the matter that has to be considered in maintaining relationship marketing with customers is that the company must continue to add value to the products offered to the customers. Based on the research conducted, relationship marketing has an influence towards customer value. If observed based on relationship marketing, New Cinderella can be considered successful in establishing a good relationship with its customers, through the provision of services in accordance with the standards expected by the customer, so that customers are satisfied during the visit.

The Influence of Relationship Marketing towards Customer Retention

As one of the company's most valuable assets, customers must have the full attention of the company. The maximum profit can be achieved if the company is able to obtain as many customers as possible. Therefore, company must continue attracting new customers. In addition, the company also needs to maintain good relations with the existing customers. Customers who have a good relationship with the company are the customers who are satisfied with the company's performance. Such customers have a loyal behavior towards the company which causes them to continually make purchases of the company's products and the company must try and maintain their presence. Customer Retention must be implemented so that companies can reduce the amount of time and cost to attract new customers.

Another positive influence of Customer Retention is the tendency of customers to spread positive opinions about the company to the general public. It is through these customers' opinions that the company can attract many new customers without the need to allocate large amounts of time and cost. One of the efforts that a company has to make in implementing Customer Retention is to provide physical facilities that can fulfill customer's needs and accessibility to use these facilities. For example, such as simple payment system along with various accessibilities in the payment process for customers. Such facilities will make customers more eager to visit and make purchases. In addition, employee performance supervision must be conducted on an ongoing basis to ensure that employees can serve customers with appropriate behavior, make customers feel respected, and create a sense of comfort for the customers during their visit. Rewards may be given to customers, both in the form of discounts and bonuses, as a token of appreciation for the good relations that have existed with the company. By giving rewards, the company will make customers feel benefited because of their loyalty, which in turn makes customers become even more loyal to the company. Based on the results of the study, it can be concluded that the New Cinderella Store Ambon has managed to establish a good relationship with customers through a number of methods, one of which is giving rewards.

The Influence of Store Atmosphere towards Customer Retention

The sustainability of a sales business depends on a number of important factors. One of the factors that have a significant role is Store Atmosphere. In addition to being a catalyst to attract customer interest, Store Atmosphere is also a supporting factor for the image of a company. Store Atmosphere with distinctive and unique

features will have more value in the eyes of the customers. It is mainly because there are differences in needs and desires between among the customers, so the motive for visiting will be different for each customer. Some visit to just look around, enjoy the atmosphere, or spend spare time. Others visit with the intention of buying company products. Therefore, the company should not merely focus on the manufactured products, but also the Store Atmosphere.

Store Atmosphere, which is designed in such a manner to create a certain appeal, can trigger customers' curiosity, thus decide to visit. Store Atmosphere must also be able to provide convenience for customers during their visit. If a customer receives the desired convenience in a Store Atmosphere, the customer will continue to visit and make purchases at that store. These customers are called loyal customers. Companies must be able to retain loyal customers so they don't have to try and find new customers. Store Atmosphere is one of the factors that companies need to consider in the effort to retain customers. Store Atmosphere has several elements. First, lighting. The beauty of a location is strongly influenced by the availability of a good lighting system. Light that is too bright will disturb the customer's eyes, while light that is too dark will make it difficult for customers to do their shopping activities properly. Second, temperature. The level of comfort that customers feel in a store is very dependent on the room temperature settings. Room temperature that is too hot or too cold will make customers feel uncomfortable. Third, cleanliness. Location's cleanliness is a factor that contributes to the customer's decision to do a purchase activity in a store. If the customers get a sense of security and believe that the product offered has a guaranteed level of cleanliness, then the tendency to buy the product becomes greater and vice versa. Fourth, the product catalog. Every customer needs the right information about the available products. If the information can be obtained quickly and precisely, it will stimulate the customer's desire to buy the product. This means that availability an apparent product catalog (with pictures, prices and other related information) is important. Fifth, sound. The presence of pleasant music and sounds will add a sensation of comfort for customers and make their shopping process more enjoyable. Sixth, room decoration. An attractive room decorations can help create an pleasant Store Atmosphere for customers. By accommodating the elements described above, the company eases its effort to do Customer Retention.

The Influence of Customer Value towards Customer Retention

(Berry, Parasuraman, & Zeithaml, 1988) says that customer value is an evaluation of the benefits of the product or service experienced by the customer compared to the total cost customer has to spend to obtain the particular product or service. This statement is consistent with the description of the perceived value of the customer, which is that the consumer's overall assessment of the product's utility is based on the perceptions about what is received and what is given. Meanwhile, according to (Mashariono & Widi Oetomo, 2017), customer value is the customer's perception of price, product quality, and service quality. Strategies in providing customer value require a clear understanding of the actual value that the customer expected.

Competition in maintaining consumers is a big challenge for companies to find the right strategy. One strategy that can be applied to retain consumers is Customer Retention. Customer Retention is the tendency of customers to continue to remain on using a particular service provider (Grönroos, 2007). In another word, Customer Retention is the link between loyalty and profitability because the Retention Program is a strategy prepared by the company so that customers are interested in returning to make a purchase ((Bruhn, 2003), (Kaplan & Norton, 1996)). Therefore, it can be concluded that Customer Retention is a method compiled by the company in order to retain customers and influence customers to make purchases again.

If the factors above have been successfully implemented, the customer will be able to feel the benefits. Thus, the efforts made by the company to retain customers can be considered to be successful. Based on the research conducted, it can be seen that the New Cinderella has successfully performed customer retention by providing services that suit the customers' expectations, which results in customers' trust and, eventually, will not hesitate to make a purchase again at New Cinderella

6. CONCLUSIONS AND SUGGESTIONS

CONCLUSION

Customer Retention is a form of company's activity to create customer's loyalty and fidelity to a company with the objective of retaining customers, which is generally indicated through the forms of customers' behavior, such as repeat purchases behavior.

The result of this research proves all of the proposed hypotheses. First, Relationship Marketing has a positive influence towards the Store Atmosphere. Second, Relationship Marketing has a positive influence towards Customer Value. Third, Relationship Marketing has a positive influence towards Customer Retention. Fourth, the Store Atmosphere has a positive influence towards Customer Retention. Fifth, Customer Value has a positive influence towards Customer Retention.

SUGGESTION

The result of this research provide a perspective on the decision making process for the management of the New Cinderella Store Ambon. There are several suggestions that may become input for the management.

First, the company must further increase the intensity of interactions with customers in order to have more profound understanding towards the customers' desires and needs for the quality of services, products and store atmosphere provided by the New Cinderella Store Ambon.

Second, the company must be able to create, maintain and increase the existing Customer Value, so that the customers will remain loyal to the New Cinderella Store Ambon.

Third, the company must keep on carrying out a continuous improvement and innovation in all activities conducted by the New Cinderella Store Ambon.

The suggestions above are intended to equip the New Cinderella Store Ambon with the ability to maintain customer retention and can also compete against similar companies in Ambon.

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