

Factors Impacting Customer Retention on Services Marketing – Evidence from Balkan Countries

Fitore Jashari Mani

South East European University of Tetovo, Kosovo

Abstract

With easier access to information, customers are exposed to many different service providers, making it easier for them to switch from one provider to another. Due to this, businesses are investing more on customer retention (CR) strategies. For the last decades customer retention got the attention of many researchers who have developed different models explaining. Yet there is a gap in the transition economies literature, like Balkan countries, regarding this issue. Considering this, our research aims to provide a model identifying factors that positively impact customer retention as a core component of customer relationship marketing. Data was collected from 674 service customers of Balkan countries (Kosovo, North Macedonia, Albania and Montenegro). Research model consists of four variables: customer retention (CR) as a dependent variable and customer satisfaction (CS), perceived value of loyalty program (PVLP) and switching costs (SC) as independent variables, while SC is also tested as a mediator. To test the research model and hypotheses we used Confirmatory Factor Analysis (CFA) and Structural Equation Model (SEM). Findings indicate a positive impact of CS, PVLP and SC on CR. Additionally, results show that SC partially mediates the PVLP – CR relationship. Study implies practical and theoretical contributions, as findings can be used by businesses to improve CR and transition economies' literature of customer management can be enriched with a new model of CR.

Keywords: customer retention, Balkan countries, customer satisfaction, loyalty program, switching costs

Introduction

Within services marketing literature, Morgan & Hunt (1994) developed the model of Relationship Marketing (RM). According to the authors, one of the main forms RM takes is customer relationship marketing (CRM). The core practice of CRM is retention strategy which consists of different tactics used to create bonds and connections with customers (Ganaie & Bhat, 2020). Today, due to data mining and information, businesses can easily categorize their customers based on their value and purchase frequency (Shaw et al., 2001) and create different relationships depending on the level of customers' loyalty and purchases. This type of customer classification enables businesses to create and implement different effective strategies of customer retention (Weinstein, 2002) by providing benefits to the most valuable customer segments (Yi & Jeon, 2003).

The definition of CR and the way it is measured varies among different businesses. DeSouza (1992) proposed the measurement of *the weighted retention rate* which considers not only the exact number of retained customers but also the value of their purchases (quantity and financial value). According to Aspinall et al. (2001) retention can be measured in terms of behavioral and attitudinal indicators. In their research with businesses, authors found that behavior retention is measured by sales at individual level, percentage of customers that are still buying and purchases in the last period or frequency of purchases, while attitudinal retention is measured by loyalty and attitudes. A crucial part of managing CR is to identify the factors that make customers stay or leave. DeSouza (1992) classifies six groups of factors that push customers to leave: price, product, service, market, technology and organizational factor.

In a highly competitive business environment, customer retention (CR) is an important factor for long-term success. Studies show that CR has a direct effect on a business's financial performance (Chua et al., 2017). Also, retaining existing customers is more cost-effective and less time-consuming for businesses compared to reaching new customers and getting them to purchase their services (Jones et al., 2000). As DeSouza (1992) emphasized, business performance is mostly related to a high rate of customer retention. This makes CR a very important part of a marketing strategy and a must-tool for long-lasting customer relationship development, higher market share and profitability.

Many authors developed models showing factors that make customers stay and improve CR. Those models are mainly focused on developed countries. But when Balkan countries literature is consulted, there is an identified gap regarding customer retention models. It can be noted that most of the studies are focused on CRM in general. For instance, Stojkovic et al. (2011) investigated the impact of CRM, as an overall strategy, on competitiveness of businesses in Balkan countries. Also, results from the study of Radukic et al. (2019) state that businesses of Albania and Montenegro are focused on customer retention, but this finding is

derived from the variable of demand conditions (customer needs) as part of the model for labor markets efficiency, so there is no direct measurement of customer retention and the study is not focused on CR. Further, Ciunova-Shuleska et al. (2017) developed a model where customer retention is listed as an independent variable that drives customer loyalty and business financial performance, without identifying any factor impacting CR. There is another study that investigates switching costs (among other factors) in Kosovo (Xhema et al., 2018), but the analyses are based on the impact of SC on customer loyalty, without including customer retention as a specific variable.

Considering this identified gap in literature, our research purpose is to fill this gap and provide a model that explains some factors that drive customer retention, focused on the services industry on transition economies of Balkan region. Thus, the theoretical contribution lies in enriching the literature with a CR model, for transition economies, including the variables that according to previous studies were proved to have the most impact on CR in developed countries. Despite this, the model will also offer practical implications as it could be used by managers to better manage customer retention rates.

Literature review and hypotheses

Proposed conceptual research model

Based on the literature review, we propose a conceptual research model. Figure 1 shows the hypothesized relationships between variables. Model consists of four variables. CR is the dependent one, while others are independent variables. Switching costs plays the role of mediator between PVLP and CR.

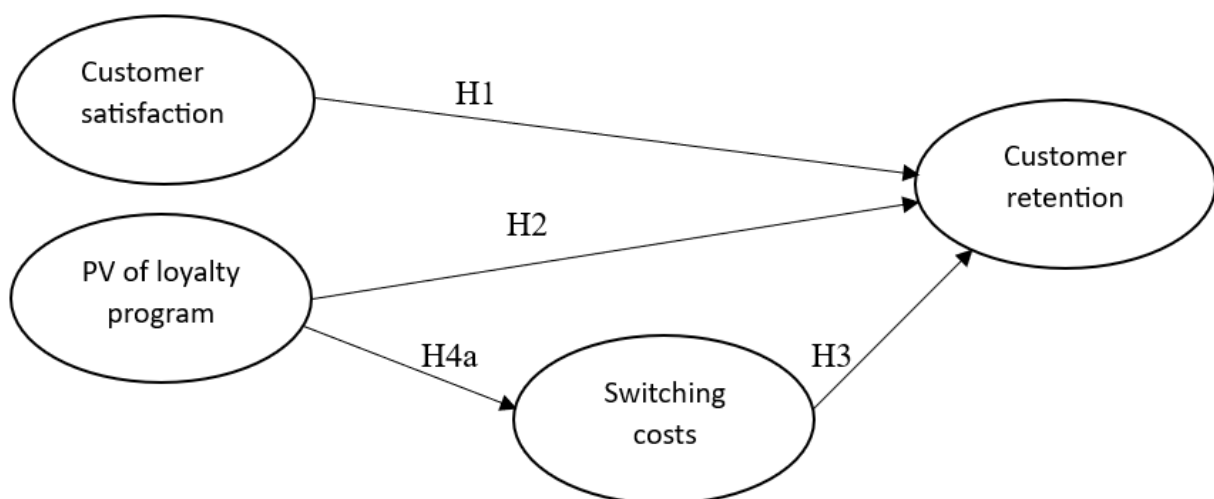


Figure 1 Proposed conceptual model

Source: Author

Hypotheses

Customer satisfaction and customer retention

Reviewing definitions of customer satisfaction (CS), it can be defined as evaluation of customers' experience (Anderson & Srinivasan, 2003) with a company's offer (Marino & Presti, 2018), and it is reached when that offer meets the customer's expectations (Simanjuntak et al., 2020). Regarding the services sector, customer satisfaction has been identified as a factor that positively impacts long-term business-customer relationship, leading to higher customer loyalty and customer retention (Hennig-Thurau et al., 2002). The relationship between CS and CR has been widely studied. Since early studies in this field (Oliver, 1980), satisfaction was found to drive repurchase intention, which can be translated into customer retention (Tsai & Huang, 2007). Sim et al. (2006) found a positive impact of CS in CR among hotel customers. Yu et al. (2020) investigated factors affecting customer retention in hotels and findings show that if there are factors that create positive experience for customers, they are more likely to revisit the respective hotel. Brunner & Wolfartsberger (2020) found that if companies get to create and deliver values that match customers' needs and maintain close relationships with them, they will have more satisfied customers and this will generate higher retention rates. The study of Bodey et al. (2017) proves that the positive relationship between CS and CR is also relevant in the franchise services sector. Salem (2021) and Ofori et al. (2018) state that CS and CR are related through the customer complaints handling strategy, meaning that if businesses are able to successfully handle customer complaints, their customers will be more satisfied and this will positively influence the customer retention rate. Considering these findings, we propose the first research hypothesis as follows:

H1: Customer satisfaction has a positive impact on customer retention.

Perceived value of a loyalty program and customer retention

Yi & Jeon (2003) define loyalty programs (LP) as marketing programs that businesses use to stimulate their customers' repurchasing behavior by offering advantages and rewards to them. In order to be beneficial for the businesses, these programs must be perceived as worthy and valuable by their customers. The value customers can get from loyalty programs may be financial (coupons, discounts) and psychological (recognition, invitation for an event). Xie & Chen (2014) listed four factors that define the value of a loyalty program: functional, psychological, externality and financial value.

Early studies (Bolton et al., 1998; Verhoef, 2003) found a positive impact of LP on customer retention. Koo et al. (2020) investigated the impact of LP on hotel customers. They found that the perceived value of the loyalty program (PVLP) positively impacted customer retention through satisfaction with LP. Xie et al. (2015) show that when hotels' customers have positive perception for functional, psychological and economic values of a loyalty program, they have higher rates of reusing hotel services. Nettet et al. (2021) claim that

positive PVLP has a positive effect on repurchase behavior of grocery stores customers. Same results can also be found in Bahri-Ammari & Bilgihan (2019) research focused in the mobile telecommunication industry. A more recent study (Zeng et al., 2022) found that customer retention rate tends to increase in businesses that use multi-tier loyalty programs, meaning that they categorize their customers in different tiers depending on their spending and as customers move up to higher tiers they are provided with more benefits. This literature leads to our second hypothesis:

H2: Perceived value of a loyalty program has a positive impact on customer retention.

Switching costs and customer retention

In early research (1992) DeSouza claimed that a good customer retention strategy should focus on barriers that stop customers from switching to another supplier. Fornell (1992) defines switching costs (SC) as costs that make it costly for customers to switch service providers. Burnham et al. (2003) categorized the costs in three main groups: procedural SC (economic risk, evaluation, learning, set-up (time, effort) costs), financial SC (benefit loss, monetary loss costs) and relational SC (personal relationship loss and brand relationship loss costs). Further, authors found that high SC led to higher customer intention to continue staying with the same service provider. Colgate & Lang (2001) investigated the banking and insurance industry and found that emotional and psychological SC were the main reasons why customers didn't switch service providers. Han et al. (2009) research distinguishes between positive and negative SC and shows that both types of SC affect customers to stay even if they are not fully satisfied with the service provider. Tanford et al., (2013) found that hotels that offered benefits like a satisfying amount of discount for members of reward programs, had a lower customer defection rate. Same results are also found in Baloglu et al. (2017) work, which indicate that SC positively impacts CR through customer emotional commitment. Also, Kim et al. (2014) declared that SC had a positive impact on member loyalty intentions and continuance commitment. More recent studies (Li et al., 2023; Kim et al., 2019; Mostafa & Ibrahim, 2020) also show that SC positively impacts CR in the services sector. Based on these results, we propose the third research hypothesis as follows:

H3: Switching costs have a positive impact on customer retention.

Linking PVLP and CR through SC – Mediating effect

There are studies that investigated the relationship between perceived value of loyalty programs, switching costs and customer retention. Hennig-Thurau et al. (2002) state that special treatment benefits like financial or emotional ones, that are offered due to the loyalty program membership, result in higher switching costs that in return increase customer retention. Xie et al. (2015) also declare that customers do not change service providers because of the fear that they may lose the benefits from loyalty programs. So, if customers perceive a positive value of a LP, this will lead to higher switching costs, which will make them continue being a company's customer. In line with these researches, Koo et al. (2020) also found that SC mediates the relationship between PVLP and CR. In addition, the research

of Kim et al. (2019) with IT service users prove that if customers get price discounts, they will perceive switching costs as higher and this leads to stronger customer retention. Based on these findings we raised the fourth research hypotheses:

H4a: Perceived value of loyalty program has a positive impact on switching costs.

H4b: Switching costs mediate the relationship between perceived value of loyalty program and customer retention.

Research methodology

Instrument for data collection and measurement scale construction

Data was collected during April 2023. For data collection we used an electronic questionnaire with 23 Likert scale questions (with five degrees of evaluation: 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree). Each of the research variables is measured with a certain number of items (questions). Items are derived from similar previous research and are adapted for this study purpose. Table 1 shows the sources for each item construction. As mentioned above, switching costs are grouped in some types of costs (Burnham et al., 2003) and the items used to measure this variable in this study consist of procedural and financial switching costs.

Table 1 Sources of items' construction

Variable	Item	Source
Customer satisfaction	My choice to use this company was a wise one	Hennig-Thurau et al. 2002
	I am always delighted with this firm's service	
	Overall, I am satisfied with this organization	
	Always fulfills my expectations	Hennig-Thurau, 2004
	Has never disappointed me so far	
Customer retention	Revisit intention	Al-Tit, 2015
	Chance of continuing with current service provider for the next year	
	Spreading the word-of-mouth	
	I am a loyal customer of "X" service provider	Hennig-Thurau, 2004
	My next service order will take place at "X"	
	In future I will order my services at "X"	
Perceived value of a loyalty program	Reasonable rewards for what I spend	Xie & Chen, 2014
	Easy to understand the reward program	
	Many reward options	
	Easy to upgrade to a higher elite level	
	Special promotions available only to members	
	Better recognition than non-members	
Switching costs	It takes me a great deal of time and effort to get used to a new company	Yang & Peterson, 2004
	It costs me too much to switch to another company	Colgate & Lang, 2001
	Too much bother in terms of time and effort	
	Switching to a new service provider will probably involve hidden costs/charges	Burnham et al., 2003
	Learning to use the features offered by a new service provider as well as I use my service would take time	
	I will lose benefits of being a long-term customer if I leave my service provider	

Source: Author

Sample description

Sample consists of 674 individual customers of services in four Balkan countries (Kosovo, North Macedonia, Albania and Montenegro). The descriptive data for the research sample are shown in Table 2. The vast majority of the sample is 20 – 35 years old (67.95%), they are mainly female (75.96%) and the largest part of the sample are citizens of Kosovo (43.03%). Regarding the type of service for which they provide the answers of the questionnaire, the largest percentage comes from telecommunication services (34.12%) while there are also clients of banking, tourism, retail and other services.

Table 2 Descriptive data of research sample

Descriptive		Frequency	Percentage	Cumulative percentage
Age	Up to 20	95	14.09%	14.09%
	20 - 35	458	67.95%	82.04%
	Over 35	121	17.95%	100.00%
	Total	674	100%	
Gender	Male	162	24.04%	24.04%
	Female	512	75.96%	100.00%
	Total	674	100%	
Country	Kosovo	290	43.03%	43.03%
	North Macedonia	157	23.29%	66.32%
	Albania	122	18.10%	84.42%
	Montenegro	105	15.58%	100.00%
	Total	674	100.00%	
Type of service	Telecommunication	230	34.12%	34.12%
	Banking	178	26.41%	60.53%
	Tourism	65	9.64%	70.17%
	Retail	87	12.91%	83.08%
	Total	674	100.00%	

Source: Author

Data analyses

For data analyses we used IBM SPSS Statistics and IBM AMOS 26. First the measurement scale was tested for validity and reliability. Further the conceptual research model was tested for goodness of fit and at last the research hypotheses were tested. For these analyses we used Confirmatory Factor Analysis (CFA) and Structural Equation Model (SME).

Results and findings

Construct's reliability and validity

To estimate the reliability and validity of the measurement scale we used Cronbach's Alpha – α and average variance extracted – AVE. As Kline (1994) states, Cronbach's Alpha value shows the internal consistency of items used to measure one variable. If it reaches the value of 0.7 or greater, it means that the measurement construct has a valid consistency. Table 3 shows that all the variables have Alpha values greater than 0.7, showing a satisfactory internal consistency. Further the constructs were analyzed for convergent validity. Average variance extracted – AVE was calculated for each construct. According to Becker et al. (2003), if AVE value is higher than 0.5, it shows that convergent validity is reached. As results of AVE in Table 3 show, all the constructs have an accepted value, so it can be concluded that convergent validity has been reached.

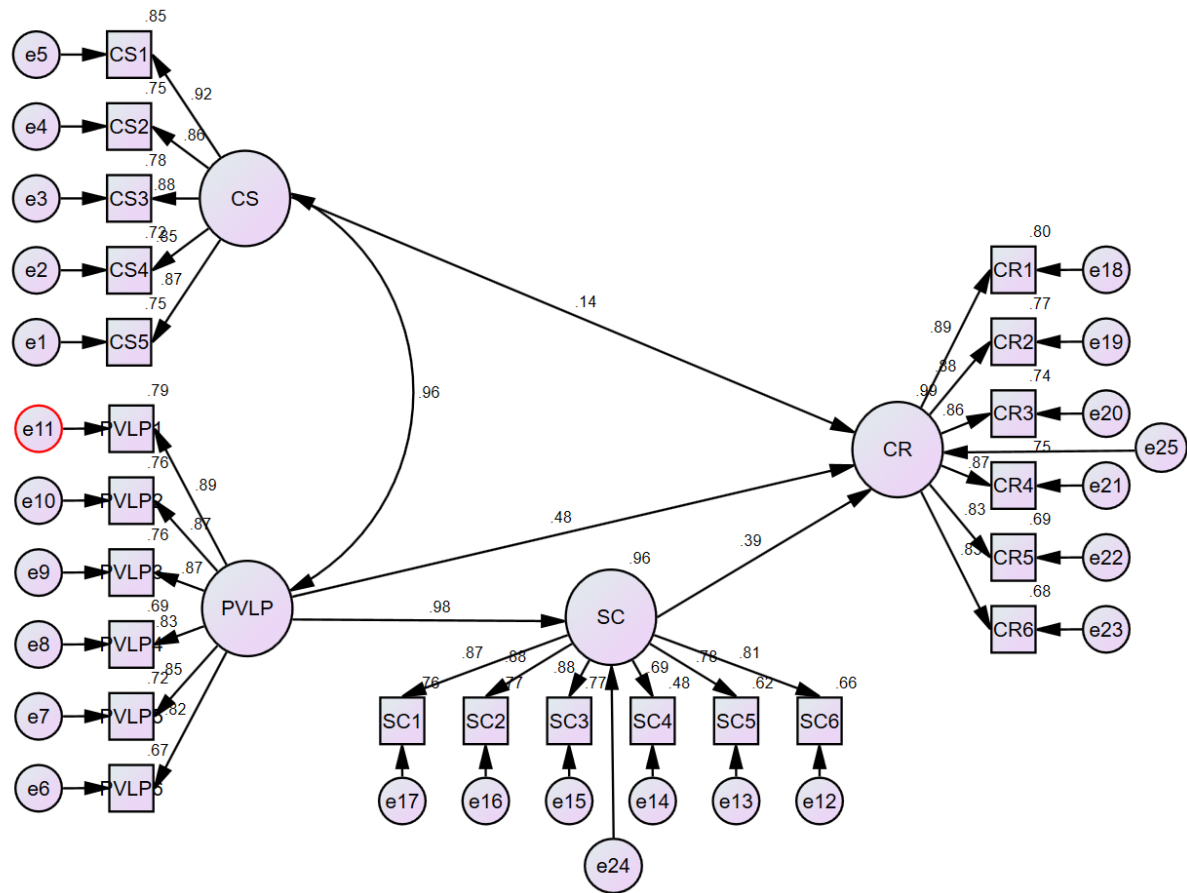
Table 3 Scales' reliability and validity

Construct	Items	Factor loadings	Cronbach's Alpha	AVE
Customer satisfaction	CS5	0.867	0.944	0.769
	CS4	0.847		
	CS3	0.881		
	CS2	0.865		
	CS1	0.924		
Perceived value of the loyalty program	PVLP6	0.817	0.944	0.732
	PVLP5	0.85		
	PVLP4	0.832		
	PVLP3	0.873		
	PVLP2	0.874		
	PVLP1	0.887		
Switching costs	SC6	0.813	0.925	0.679
	SC5	0.785		
	SC4	0.695		
	SC3	0.88		
	SC2	0.878		
	SC1	0.875		
Customer retention	CR1	0.895	0.943	0.738
	CR2	0.876		
	CR3	0.858		
	CR4	0.866		
	CR5	0.831		
	CR6	0.827		

Source: Author calculation

SEM and conceptual research model estimation

Structural Equation Model (SEM) analysis was used to test the proposed conceptual research model. Path coefficients of the hypothesized relationship between research variables are shown in Figure 2. To test the goodness of model fit we analyzed the following indicators: CMIN/DF (Chi-square per degrees of freedom), RFI (Relative Fit Index), IFI (Incremental Fit Index), TLI (Tucker-Lewis coefficient), CFI (Comparative Fit Index) and RMSEA (Root Mean Square Error of Approximation). The results of the model fit indicators are shown in Table 4. Chi-square value CMIN/DF is 2.468, a value quite below 5.0 (≤ 5), which is the threshold for a good model fit (Marsh & Hocevar, 1985). Additionally, RFI, IFI, TLI and CFI values are greater than 0.9 (> 0.9), also showing a good model fit. At last, RMSEA is 0.05 and the value falls in the range between 0.05 and 0.08 which is used as a reference for good model fit indication (MacCallum et al., 1996). From the results of these indicators, it can be concluded that the research model has a good model fit.



Source: Author calculations

Table 4 Model fit indicators

Model	NPAR	CMIN	DF	P	CMIN/DF	RFI rho1	IFI Delta2	TLI rho2	CFI	RMSEA
Default model	74	555.296	225	0.000	2.468	0.965	0.981	0.979	0.981	0.050

Figure 2 Path coefficients and research model

Source: Author calculation

SEM and testing of hypotheses

Proposed research hypotheses were tested using Structural Equation Model (SEM). Values of regression estimates (β coefficients), p values and critical ratios – t value were used to support or not support the significant impact of the independent variable on the dependent variable.

Huber et al. (2007) state that, for a hypothesis to be supported, the β value should be greater than 0.1 in 0.05 significance level. The three first hypotheses proposed the impact of identified factors (customer satisfaction, perceived value of the loyalty program and switching costs) on customer retention. As results on Table 5 indicate, all hypotheses are supported. Value of $\beta = 0.17$ in $p = 0.03$ level of significance shows that customer satisfaction has a positive impact on customer retention, thus supporting the first hypothesis. Results also show a positive impact of the perceived value of loyalty programs on customer retention, supporting also the second hypothesis ($\beta = 0.615$, $p = 0.003$, $t = 3.023$). Further, the impact of switching costs on customer retention also results to be positive, supporting the third hypothesis ($\beta = 0.467$, $p = 0.002$, $t = 3.035$). At last, the impact of perceived value of the loyalty program on switching costs resulted as significantly positive, supporting the first part of the fourth hypothesis ($\beta = 1.044$, $p = 0.000$, $t = 24.879$).

Table 5 Hypotheses testing

Hypotheses				Estimate	S.E.	C.R.	P	Conclusion
H1	C R	<---	CS	0.17	0.07 8	2.174	0.03	Supported
H2	C R	<---	PVLP	0.615	0.20 3	3.023	0.00 3	Supported
H3	C R	<---	SC	0.467	0.15 4	3.035	0.00 2	Supported
H4a	S C	<---	PVLP	1.044	0.04 2	24.87 9	0.00 0	Supported

Source: Author calculation

Mediating effect of switching costs

To test the mediating effect of switching costs on the relationship between perceived value of loyalty program (PVLP) and customer retention (CR), the direct and indirect effect were calculated. Results on Table 6 shows that there is a significant ($p = 0.003$) positive direct effect of PVLP on CR, $\beta = 0.615$. Also, there is a significant ($p = 0.007$) positive indirect effect of PVLP on CR through the mediator SC (switching costs), $\beta = 0.487$. Since there is a significant direct and indirect effect, we conclude that the relationship PVLP – CR is partially mediated through the mediator SC, supporting the second part of the fourth hypothesis of the research, H4b.

Table 6 Mediating effect estimation

Relationship	Direct effect	Indirect effect	Confidence interval		P-value	Conclusion
			Lower bound	Upper bound		
PVLP -> SC -> CR	0.615 p = 0.003	0.487	0.147	0.904	0.007	Partial Mediation

Source: Author calculation

Conclusion and discussion

The research purpose was to identify some factors impacting customer retention (CR) and to investigate the mediating effect of switching costs on CR, focused in the services sector in Balkan countries. Data analyses reveal that all proposed research hypotheses were supported.

Findings show a positive significant impact of customer satisfaction (CS) on CR. This means that if a service provider fulfills or exceeds customer needs and customers are satisfied, they will most likely continue ordering services from that same provider, leading to higher rates of CR. This is in line with other previous research (Simanjuntak et al., 2020; Yu et al., 2020; Brunner & Wolfartsberger, 2020; Salem, 2021), who also found a positive impact of CS on CR.

Further, our research also found a positive significant impact of perceived value of loyalty program (PVLP) on CR. This implies that, if customers perceive that they can get benefits from membership on a loyalty program, they will stay with the respective service provider and will not switch to other providers, so that they continue to get those benefits (discounts, rewards, etc.). This finding supports other previous studies who also found a positive relationship between PVLP and CR (Xie et al., 2015; Nettet et al., 2021; Bahri-Ammari & Bilgihan, 2019; Zeng et al., 2022).

Research results showed a positive impact of switching costs (SC) on CR as well. This proved that if customers face any kind of costs (financial or procedural) they will not switch to other service providers but will continue to stay with the existing one. These findings are consistent with results of similar research (Baloglu et al., 2017; Li et al., 2023; Kim et al., 2019; Mostafa & Ibrahim, 2020).

At last, the findings indicate that SC partially mediates the impact of PVLP on CR. This shows that if customers perceive a high value from loyalty program membership, they will also perceive high costs of switching service providers, and this will keep them as customers of that provider. This finding supports results of Xie et al. (2015), Koo et al. (2020) and Kim et al. (2019) who also found the mediating effect of SC between PVLP and CR.

Theoretical and practical implications

The theoretical contribution of this research lies on the enrichment of the services' customer relationship marketing literature for transition economies, including Balkan countries. The study provides a new model of customer retention which identifies factors that significantly impact the improvement of customer retention in the services sector. It serves as a pioneer study in this field, which can be further expanded and developed by future researchers.

Except for theoretical implications, this study has practical contributions as well. CRM managers may use this model as a tool to further improve their customer retention rates. The findings of the research serve as proof that if attention is paid to customer satisfaction and loyalty programs are used to raise switching costs, businesses will manage to have higher customer retention in their business. This will then lead to better business performance.

Limitations and scope for future research

Despite the contributions, this study has some limitations as well, which will lead to calls for future research. First the number of countries that are part of the research sample is limited to only four Balkan countries, and we encourage future researchers to expand the sample to all Balkan countries. Second, the research focus is on the services industry, but no service classification was used in analyses. In future, the research may include the type of service sector as a control variable and find if there is an effect on the relationship between variables. Third, even though the variable of switching costs included questions of financial and procedural costs, the effect of each type of costs is not included in the analyses. Based on previous research results, the distinction of the effect of different switching costs may lead to interesting findings on future research.

Literature

- Anderson, R. E., & Srinivasan, S. S. (2003). E-satisfaction and e-loyalty: A contingency framework. *Psychology & marketing*, 20 (2), 123-138.
- Aspinall, E., Nancarrow, C., & Stone, M. (2001). The meaning and measurement of customer retention. *Journal of Targeting, Measurement and Analysis for Marketing*, 10, 79-87.
- Bahri-Ammari, N., & Bilgihan, A. (2019). Customer retention to mobile telecommunication service providers: the roles of perceived justice and customer loyalty program. *International Journal of Mobile Communications*, 17 (1), 82-107.
- Baloglu, S., Zhong, Y. Y., & Tanford, S. (2017). Casino loyalty: The influence of loyalty program, switching costs, and trust. *Journal of Hospitality & Tourism Research*, 41 (7), 846-868.
- Becker, J. M., Rai, A., Ringle, C. M., Völckner, F. (2013), "Discovering unobserved heterogeneity in structural equation models to avert validity threats", *MIS quarterly*, 37 (3), 665-694.
- Bodey, K. L., Shao, W., & Ross, M. (2017). Localization and customer retention for franchise service systems. *Services Marketing Quarterly*, 38 (2), 100-114.

- Bolton, Ruth N. (1998). A Dynamic Model of the Duration of the Customer's Relationship with Continuous Service Provider: The Role of Satisfaction. *Marketing Science*, 17 (1), 45–65
- Brunner, M., & Wolfartsberger, J. (2020). Virtual reality enriched business model canvas building blocks for enhancing customer retention. *Procedia Manufacturing*, 42, 154-157.
- Burnham, T. A., Frels, J. K., & Mahajan, V. (2003). Consumer switching costs: A typology, antecedents, and consequences. *Journal of the Academy of Marketing Science*, 31 (2), 109-126.
- Chua, B. L., Lee, S., & Han, H. (2017). Consequences of cruise line involvement: A comparison of first-time and repeat passengers. *International Journal of Contemporary Hospitality Management*, 29 (6), 1658-1683.
- Ciunova-Shuleska, A., Osakwe, C.N. & Palamidovska-Sterjadovska, N. (2016). Complementary impact of capabilities and brand orientation on SMBs performance, *Journal of Business Economics and Management*, 17 (6), 270-1285
- Colgate, M., & Lang, B. (2001). Switching barriers in consumer markets: an investigation of the financial services industry. *Journal of consumer marketing*, 18(4), 332-347.
- DeSouza, G. (1992). Designing a customer retention plan. *Journal of Business Strategy*.
- Fornell, C. (1992). A national customer satisfaction barometer: The Swedish experience. *Journal of marketing*, 56 (1), 6-21.
- Ganaie, T. A., & Bhat, M. A. (2020). Relationship marketing practices and customer loyalty: A review with reference to banking industry. *International Journal of Engineering and Management Research*, 10
- Han, H., Back, K. J., & Barrett, B. (2009). Influencing factors on restaurant customers' revisit intention: The roles of emotions and switching barriers, *International journal of hospitality management*, 28 (4), 563-572.
- Henning, T., Gwinner, K. P., & Gremler, D. D. (2002). A integration of relational benefits and relationship quality, *Journal of service research*, 4 (3), 230-247.
- Huber, F., Herrmann, A., Meyer, F., Vogel, J., & Wollhardt, K. (2007). Kausalmodellierung mit Partial Least Squares—Eine anwendungsorientierte Einführung. Gabler, Wiesbaden
- Jones, M. A., Mothersbaugh, D. L., & Beatty, S. E. (2000). Switching barriers and repurchase intentions in services, *Journal of retailing*, 76 (2), 259-274.
- Kim, Y., Cho, M. H., & Han, H. (2014). Testing the model of hotel chain frequency program members' loyalty intentions. *Asia Pacific Journal of Tourism Research*, 19 (1), 35-60.
- Kim, M. K., Park, M. C., Lee, D. H., & Park, J. H. (2019). Determinants of subscriptions to communications service bundles and their effects on customer retention in Korea, *Telecommunications Policy*, 43 (9)
- Kline P (1994) An Easy Guide to Factor Analysis. *Routledge*, London.

- Koo, B., Yu, J., & Han, H. (2020). The role of loyalty programs in boosting hotel guest loyalty: Impact of switching barriers, *International Journal of Hospitality Management*, 84
- Li, Z., Long, M., Huang, S., Duan, Z., Hu, Y., & Cui, R. (2023). Effects of inertia and switching costs on customer retention: a study of budget hotels in China, *International Journal of Contemporary Hospitality Management*, 35 (3), 1030-1050.
- MacCallum, R.C., Browne, M.W., and Sugawara, H., M. (1996), "Power Analysis and Determination of Sample Size for Covariance Structure Modeling," *Psychological Methods*, 1 (2), 130-49
- Marino, V., & Lo Presti, L. (2018). Engagement, satisfaction and customer behavior-based CRM performance: An empirical study of mobile instant messaging, *Journal of Service Theory and Practice*, 28 (5), 682-707
- Marsh, H. W., & Hocevar, D. (1985). Application of confirmatory factor analysis to the study of self-concept: First- and higher-order factor models and their invariance across groups, *Psychological Bulletin*, 97 (3), 562-582
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing, *Journal of marketing*, 58 (3), 20-38.
- Mostafa, R. H., & Ibrahim, M. M. (2020). The effects of customer equity and religious motivation on customer retention and switching intention: A study of the Egyptian banking sector, *Journal of Islamic Marketing*, 11 (6), 1873-1891.
- Nettet, E., Bergem, O., Nervik, B., Sørli, E. S., & Helgesen, Ø. (2021). Building chain loyalty in grocery retailing by means of loyalty programs—A study of 'the Norwegian case', *Journal of Retailing and Consumer Services*, 60
- Ofori, K. S., Boakye, K., & Narteh, B. (2018). Factors influencing consumer loyalty towards 3G mobile data service providers: evidence from Ghana, *Total Quality Management & Business Excellence*, 29(5-6), 580-598.
- Oliver, R. L. (1980). A cognitive model of the antecedents and consequences of satisfaction decisions, *Journal of marketing research*, 17 (4), 460-469
- Radukic, S., Mastilo, Z., Kostic, Z., & Vladusic, L. (2019). Measuring of the goods and labor markets efficiency: comparative study of Western Balkan countries, *Montenegrin Journal of Economics*, 15(2), 95-109.
- Salem, S. F. (2021). Do relationship marketing constructs enhance consumer retention? An empirical study within the hotel industry, *SAGE Open*, 11 (2)
- Shaw, M. J., Subramaniam, C., Tan, G. W., & Welge, M. E. (2001). Knowledge management and data mining for marketing, *Decision support systems*, 31(1), 127-137.
- Sim, J., Mak, B., & Jones, D. (2006). A model of customer satisfaction and retention for hotels, *Journal of Quality Assurance in Hospitality & Tourism*, 7(3), 1-23.
- Simanjuntak, M., Putri, N. E., Yuliati, L. N., & Sabri, M. F. (2020). Enhancing customer retention using customer relationship management approach in car loan business, *Cogent Business & Management*, 7 (1)

- Stojkovic, D., Djordjevic, D., & Sajfert, Z. (2012). Customer relationship management concept and competitiveness of companies from Western Balkans, *African Journal of Business Management*, 6 (12)
- Tanford, S., Raab, C., & Kim, Y. S. (2013). A model of hotel defection at the purchasing stage, *Journal of Hospitality Marketing & Management*, 22 (8), 805-831.
- Tsai, H. T., & Huang, H. C. (2007). Determinants of e-repurchase intentions: An integrative model of quadruple retention drivers, *Information & Management*, 44 (3), 231-239.
- Verhoef, P. C. (2003). Understanding the effect of customer relationship management efforts on customer retention and customer share development, *Journal of marketing*, 67 (4), 30-45.
- Weinstein, A. (2002). Customer retention: A usage segmentation and customer value approach, *Journal of Targeting, Measurement and analysis for Marketing*, 10, 259-268.
- Xhema, J., Metin, H., & Groumpos, P. (2018). Switching-costs, corporate image and product quality effect on customer loyalty: Kosovo retail market, *IFAC-PapersOnLine*, 51(30), 287-292
- Xie, L., & Chen, C. C. (2014). Hotel loyalty programs: how valuable is valuable enough? *International Journal of Contemporary Hospitality Management*, 26(1), 107-129.
- Xie, K. L., Xiong, L., Chen, C. C., & Hu, C. (2015). Understanding active loyalty behavior in hotel reward programs through customers' switching costs and perceived program value, *Journal of Travel & Tourism Marketing*, 32 (3), 308-324
- Yi, Y., & Jeon, H. (2003). Effects of loyalty programs on value perception, program loyalty, and brand loyalty, *Journal of the academy of marketing science*, 31 (3), 229-240.
- Yu, J., Seo, J., & Hyun, S. S. (2021). Perceived hygiene attributes in the hotel industry: customer retention amid the COVID-19 crisis, *International Journal of Hospitality Management*, 93
- Zeng, K. J., Irina, Y. Y., Yang, M. X., & Chan, H. (2022). Communication strategies for multi-tier loyalty programs: The role of progress framing, *Tourism Management*, 91