



Impact of CRM dimensions on customer retention through customer satisfaction. A customer perspective of Balkan transition economies

Fitore Jashari-Mani

PhD candidate, Business Administration, South East European University, North Macedonia

Abstract

One of the main challenges of service providers is the retaining of the acquired customers. Customer relationship management - CRM has proved to be an effective tool in reaching this objective. Many researchers tested the effect of CRM on customer retention - CR, but most of the studies were focused on developed economies and were analyzed from a business perspective. Literature review highlights the lack of studies that examine the impact of CRM on CR from customer perspective and that are focused on transition economies, especially in Balkan developing countries. Considering this, our paper aims to develop a model that proves the impact of CRM on CR, focused in three Balkan countries (Kosovo, Albania and North Macedonia). Data was collected from a sample that consists of 764 residents of these countries, all customers of the services sector. Our research model shows the impact of three CRM dimensions (key customer focus - KCF, technology-based CRM - TCRM and CRM knowledge management – KM) on customer retention through customer satisfaction - CS. The model fit and research hypotheses were tested using Confirmatory Factor Analysis (CFA) and Structural Equation Model (SEM). Findings show a positive impact of KCF, TCRM and KM on CS, which as a result positively affects CR as well. Theoretical and practical implications are discussed.

Keywords: CRM, customer satisfaction, customer retention, Balkan countries