Chapter 2

Literature Review & Theoretical Framework

Introduction

A literature review is considered as the most crucial sections of the research study in which researcher in order to provide support and base of the study. The section has discussed the concept of relationship marketing along with the factors that affect the same. Moreover, the process of CRM and its impact on business performance and productivity has been discussed in this chapter. Detailed discussion is also included about customer retention and loyalty and they are also supported by theoretical grounds.

Some of the Key-related Literature.

Evans (1994), developed the model for effective relationship marketing. It has three components Input, output, and assessment. The input consists of understanding customer expectations, building service partnerships, empowering employees, and total quality management. The output consists of customer satisfaction, customer loyalty, product quality, and profitability. And assessment consists of customer feedback and integration.

Annika Ravald (1996), has developed a conceptual framework for value concept. Added value can extract the Loyalty from the customer but the value addition should fulfill the needs of the customer. A more important factor is to reduce sacrifice as perceived by customers so that the cost of the relation is minimized. SoÈderlund (2001), examines the relationship of customers’ subsequent overt purchasing behavior with the variables of customers’ repurchase intentions and overt past purchasing behavior.
Eli Jones (2003), studies a firm’s market orientation and salesperson customer orientation and its impact on the relationship of the customer -Vendor. Firm’s market orientation and its salesperson customer orientation is influenced by sales managers’ perceptions of salesperson attitudes.

Venkatesh Shankar (2004) studies customer value and its role in Loyalty. The customer value comprises of variables customer satisfaction, and switching costs, the study also encompasses the interrelationship among the variables. Eggert (2006), used a quasi-longitudinal research method to understand the value creation at different stages of the relationship life cycle.

Palmatier (2007), has developed a model to assess the RO (Relational orientation) of Customer. Relationship marketing effectiveness is dictated by RO (Relational orientation) of Customer. The author has studied variables like “Industry relational norms”, “Relational–centric reward systems”, “Salesperson competence”, “Product dependence” and “buyer exchange inefficiency”.

Rauyruen (2007), studies relationship quality which comprises the variable trust, commitment, satisfaction and service quality and how it impacts customer loyalty. In his studies, he uses composite loyalty which is a combination of both behavioral and attitudinal loyalty. His study was in the courier industry in Australia in a B2B setting. Saura(2009) has developed a model to examine Loyalty with the variables relationship Value, trust, commitment, and satisfaction. He also examined the relationship between the variables. The study was done in manufacturing companies.

Alrubaiiee (2010) examined Loyalty by studying relationship marketing orientation. Relationship marketing orientation comprises of five variables Trust, Commitment, Communications, Bonding, and Satisfaction. The study also covers other demographic variables.
like sex, income, and education, Vivek (2012), developed a model where customer engagement (CE) is crucial to the output of Relationship marketing. CE has the variables participation and involvement of customers, and outputs are value, trust, affective commitment, word of mouth, loyalty, and brand community involvement.

Akman & Yörür (2012) identified that effective business to business (b2b) relationships are of core importance. He studies the effect of customer satisfaction on loyalty. The customer satisfaction consists of variables Trust, Communication Cooperation and commitment. The study has been undertaken in a developing country - Turkey.

Hadjikhani (2013) has studied how B2B Marketing theory has gone in the evolution path since at the end of 1800. The journey from economic nature to the application of behavioral sciences to Marketing theory what stands today.

The different phases are

1. B2B marketing and exchange theory development;
2. Behavioral theory and industrial marketing;

Bricci, Fragata, Antunes (2016) studies Loyalty in the distribution sector in Portugal with the variable trust, commitment, and customer satisfaction and the interdependency amongst the variables.
The theoretical framework of variables identified

Based on the literature, the following variables have been identified as most important to gain and sustain Loyalty from customers.

   a) Trust
   b) Commitment
   c) Salesperson-Customer bonding
   d) Cooperation of Salesperson

Trust

Trust of the customer on marketer is very basic to build up the relationship. It has two dimensions i.e Credibility and benevolence. Credibility is that the customer feels that the supplier is competent to fulfill his promises and benevolence is that the customer feels that the supplier has good intentions.

   a) It is a belief that the other party will not take any action which will affect negatively and will try to take all actions which will be beneficial to his company.
   b) It is also a belief that other party will keep their information confidential.
   c) It is a feeling of reliability and Integrity of others.
   d) It is confidence in exchange partners.
   e) It is a feeling of feeling safe in the relationship exchange.

Commitment

It is a willingness to develop, maintain and nourish a long term relationship. To do so, the partners are ready to sacrifice some costs and benefits in the current situation. The exchange partners give high importance to it and put maximum efforts for the sustainability of commitment. It is an interdependence between the partners.
The commitment may be of three types

Affective - Affection
Continued - Fear of loss
Normative - Obligation

Out of the three above, Affective commitment makes the relationship stronger. Trust and commitment are the most important variable in Relationship marketing and has been studied most by the researchers.

**Cooperation**

It is basically working together to get synergy in output. The output is beneficial to both the partners. It is a coordinated effort of both the partners to get higher mutual benefits. Both the partners deploy their resources in the relationship to get better output and performances. The resources may be - Overlapping (Both the party has), if it is useful called Supplementary otherwise called Surplus, Non-Overlapping (either party has) if it is useful called Complementary otherwise called Wasteful. Complementary resources based relationship becomes stronger.

**Salesperson-Customer bonding**

It is a psychological phenomenon of being in the relationship. It is more of an affectionate in nature. It may be of two types-Social bonding and Structural bonding. Out of above social bonding gives rise to a stronger relationship. Social bonding is characterized by, friendship, closeness social interaction, etc

**Loyalty**

It is the behavioral and attitudinal disposition of customer to repurchase or patronize a particular product or services from a particular vendor. A loyal customer some times sacrifices
benefits in the current situation and tolerates some inconvenience hoping that the situation will improve later. Whenever the customer decides to buy the product. He tries to purchase from the vendor he is loyal to.

There may be three types of Loyalty –

1. Behavioral Loyalty where he shows positive behavior towards the vendor to buy the product or services for his own uses.

2. Attitudinal loyalty where the customer spreads positive word of mouth about the vendor. They encourage others to buy products or services.

3. Composite Loyalty -Both of above.

Introduction to Customer Relationship Management

CRM is the combination of tools, technologies, and procedures used to manage, boost and enable sales, assistance, and interactions with the relationship between customers and business partners in the B2B enterprise. Thus, CRM is present in every business transaction (Zeng, Wen & Yen, 2003). Customer Relationship Management (CRM) is considered as the technology which helps in managing the company’s relationships and interactions with customers (Akhtar-Danesh & Mirza, 2017). The goal of CRM is simple and that is to improve business relationships with the clients. It also aids the business entity to stay connected with the customers by streamlining the existing processes. At the same time, it improves the profitability of the business (Jones, Busch, & Dacin, 2003). Furthermore, customer relationship management includes various strategies and techniques whereby appropriate relationships can be developed with potential customers. Here, an organization ensures to provide a range of benefits to the customers so that they can be satisfied enough to remain with the business entity.
However, CRM describes a business computer system which automatically manages interactions and communications with the customers. A business CRM system is regarded as an essential tool for today’s business that helps in managing customers, sales and marketing practices (Hunt, Arnett, & Madhavaram, 2006). Thus, the general terminology represents CRM as a business strategy which builds around the concept of improving customer service. It involves consistent communication with the clients on a regular basis so that they can provide feedback regarding product utility and benefits (Gil-Saura, Frasquet-Deltoro, & Cervera-Taulet, 2009). Hence, chiefly CRM focuses on increasing customer satisfaction which amends the degree of loyalty and in turn, it gives numerous benefits to the business entity. In other words, it can be called as building a partnership with the clients.

Factors affecting customer relationship management

There is a number of factors that affect CRM aspects of the business and a few have been mentioned in the below section (Siriprasoetsin, Tuamsuk, & Vongprasert, 2011; Younus, Rasheed, & Zia, 2015). The first and most important factor that affects CRM is relationship benefits. Relationship benefits represent all those advantages which can satisfy customers to remain with the organization such better confidence of the consumers and better reliability (Keh & Xie, 2009). Sometimes, business entities are not able to provide relationship benefits to the potential customers that not only leads to customer switching to other brands; but also it diminishes their interest level (Alrubaiiee & Al-Nazer, 2010). Along with this, most of the employees do not have the capabilities to promote relationship benefits; hence this is the reason end users are not attracted towards business services. In one of the empirical findings by Pai & Tu, (2011), whereby the researcher surveyed 210 respondents from a distribution services company in Taiwan to find the factors that impact CRM. From the assessment of the responses, it was found that relationship benefit is a very
important factor that may impact effective CRM. Similar findings were made by Siriprasoetsin, Tuamsuk, & Vongprasert, (2011), where the researcher studied on 125 librarians and 342 customers in Thailand. The researcher found that that relation benefits are an important component that may impact the CRM. Nonetheless, the un-availability of relationship benefits also affects the process of CRM. This leads to the next factor where the attraction of consumers is related to relationship benefits.

   Relationship benefits lead to the next factor that may affect CRM, that is attraction; as mentioned by Mirghafoori & Sharifabadi, (2015). The researcher argues that more the benefits from the products of any company, higher will be the attraction of the customers and thus may also act as a challenge. In order to gain the attention of customers, it is vital for the business entities to have several things to offer them. As compared to competitor’s products and services, the amenities should have the potential to attract the customers so that they show their interest. The business should always approach customers in the right way; however for that transparent information is required to be provided (Verhoef, 2003). In this study, the author investigated diverse effects of customer relationship perception and relationship marketing instruments on customer retention and found that commitment and loyalty programs are useful in providing economic benefits to both consumer and business entities. However, most often it is observed that the CRM process is greatly affected by the way of enticing customers and keeping all the promises; hence huge consideration should be given on this domain. Thus, the attraction only occurs when there are validated promises by the respective company.

   Another factor which has an impact on CRM aspect is promises which say that CRM process is associated with keeping all the promises with the clients so that they can remain with the business entity for longer time span (Ravald & Grönroos, 1996). At the same time, it is also
observed that the business loses its customers when they fail to keep their promises. Apparently, when a business delivers any product or service to the client, it promises for many things (Johnson, 2001). However, business seems to fail at the time of acting on the developer promises. Promises show that business is ready to deal with potential customers for a longer time span which at the same time develops a relationship between them. The promise is greatly associated with commitment wherein business has to meet the expected aspects which have been given to the clients.

Further, commitment is one more force which affects the relationship between client and service provider; hence this factor says that while selling any product to the customer, the organization commits for various amenities which needs to be fulfilled. The business commitment represents that they are more concerned about customer welfare. This is also beneficial to facilitate word of mouth publicity (Morgan, 2012). Keeping the commitment enhances organizational reputation in the eyes of customers (Söderlund, Vilgon, & Gunnarsson, 2001). However, it requires a wide range of efforts from the employees to treat all the customers in the manner that can hold them with the service provider (Moorman, Zaltman & Deshpande, 1992). Commitment requires consistent engagement with clients so that they can clear all their doubts and queries. While meeting up the commitment, it is also crucial for the business entities to focus on the source of communication as that decides what makes the relationship appropriate between customers and business entities.

The most common factor which affects CRM is communication which is considered as the key aspect on which several business domains are dependent in the B2B context. Thus, there should be direct communication between clients and business entities so that they can manage a regular flow of information on a timely basis and improve relationship aspects (Das, 2009).
Through appropriate communication, issues related to misconception and misrepresentation can be avoided. However, lack of adequate communication between end users and business entities affects their value of relationship and in turn, it impedes the company’s profitability and performance facets. Moreover, attention should be given on communication sources especially while handling queries and doubts of the clients (Keshvari, Faghi, Memarinia, Rezaei, & Miremadi, 2012). Relating it to the same, it can be said that along with communication, business entities should focus on cooperating with the clients in all areas.

CRM facets of the business are greatly impacted by yet another factor that is cooperation (Das, 2009). Cooperation is a coordinated effort to get a synergy in output which is beneficial to both the customers and the salesperson in the B2B industry. Both deploy their resources to achieve better output and performance from the deal in B2B when there is a relationship between the two entities (Das & Sharma, 2016). CRM process requires the availability of cooperation between clients and business entities so that they can share information among each other on a mutual basis. Lack of cooperation can affect the CRM process and that will also not manage the appropriate flow of data in all business domains (Evans & Laskin, 1994). Regarding cooperation, employees are required to deal properly with the end users and their queries. This will not only retain them with the organization but also it will generate their interest for other services. In order to facilitate cooperation with the clients, packaging industry of Bangladesh should have suitable interaction with people which also develops a good level of communication among them.

Lastly, another crucial force of CRM is interaction, which is the process of exchanging views and opinions with the end users; hence there should be direct interaction among customers and companies (Hapsari, Clemes, & Dean, 2017). This is the most important dimension in creating appropriate relationships. For a better relationship, it is vital for the company to regularly inform
the clients about business services and any other addition provision. However, inappropriate or lack of interaction among both the parties can impact organizational performance and in turn, the customer also switches to other service providers (Doma & Doma, 2013). Additionally, interaction also provides an opportunity to collect feedback from the employees regarding the service efficiency of the business. The researcher also analyzed that trust, commitment and satisfaction have a direct impact on customer loyalty dimensions.

**CRM process**

CRM is called as a systematic process that manages customer relationship initiation, maintenance of appropriate services across all customer contact point (Stock, Jong, & Zacharias, 2017). This also aids in maximizing the value of relationship portfolio; thus it underpins all the activities performed by the business. The process is all about identifying the needs and demands of customers; thus on such basis, they can be satiated for the same (Lages, Lancastre, & Lages, 2008). This is one such way through which better relationships can be built up with the clients. At the same time, it will also provide necessary benefits to the business entities related to customer satisfaction. Advancement in technology has enabled business organizations to automate their practices and processes (Prentice & Correia Loureiro, 2017). This has also resulted in greater profits because it reduces the cost of the operations by focusing on a specific procedure. All the primary components are being included in the procedure which aids the business entity to achieve the objective of balanced CRM approach. The stages of CRM process are being discussed in the below section according to, Ramanathan, Subramanian, Yu, & Vijaygopal, (2017):

- Operational: The process of CRM involves the integration of business processes with customer touch points. These technologies exist in those areas of the packaging industry
where trust exists and when a customer makes direct contact with employees of the company (Kang & Kim, 2017). It also involves various CRM solutions like better customer sales, marketing automation and field services (Srivastava, 2012). Operational elements of packaging industry should be integrated with ERP systems and chain management software.

- **Analytical:** CRM aids in analyzing the data which is being created in the database regarding operational areas of the management (Otsuka & Shiraishi, 2014). This also holds huge importance in improving the performance of the business. At this stage, the business entity is also required to predict customer behavior and their demands so that appropriate product can be developed for them (Konhäuser, 2008). Along with this, the packaging industry of Bangladesh should also emphasize on relevant customer segments through identifying the need of potential service users. All these activities are crucial for the business entity because after including all these organizational capabilities can be enhanced. Thus, after carrying out a detailed analysis of all these things can help the business to develop their CRM efforts (Boon-itt, Wong, & Wong, 2017). Thus it is apparent that CRM improves performance and productivity aspects of the packaging industry of Bangladesh; thus the process is being implemented in the organizations.

- **Collaborative:** The process of CRM should have collaboration with different services so as to facilitate proper interaction between customers and employees. Employees are required to develop direct interaction with the clients so as to know about their demands and preferences (Howells, 2013). All such efforts of the employees’ produce rich data which can further be analyzed through CRM technologies. Feedback is also required to be attained from the end users so that business processes can be improved (Kimgarst,
2017). This is yet another dimension that enhances knowledge of the business by getting back to the operational and collaborative CRM technologies.

**Impact of CRM**

In a highly competitive market, business entities are required to maintain a positive relationship with their end users. Knilans, (2017), identified that the implementation of CRM activities is essential because it not only reduces the cost of the business; but also it increases the chances of profit efficiency. Implementation of CRM activities helps the business to acquire greater benefits related to customers (Ahani, Rahim, & Nilashi, 2017). When prominent services are being delivered to the customers, they get satisfied and as a result, this helps them to promote the services to other end users as well which on the other hand facilitates word of mouth publicity. The first and foremost thing required for the business is enhancing the value of customer satisfaction so that they can be retained for a longer time span. Along with this, it is also crucial for the business to provide diverse services so that they can remain with the business entity. In terms of the impact of CRM, it can be said that business can retain numerous customers by rendering them suitable services and amenities. Customers are retained at the time when all related services are being given to them in every domain.

Similarly, with the help of CRM, business organizations can also maximize the number of benefits for people (Siriprasoetsin et al., 2011). However, adequate attention is also required to be given towards the maintenance of long term relationships in which consistent communication should be facilitated accordingly. With the execution of CRM strategy, it is also significant for the organizations to give value to the potential service users. Better relations with the end users help the business to derive loyalty from the customers in the form of repeat purchase. Consumers always
purchase products from the company when they get satisfaction and they are happy after the consumption of the product (Mirghafoori & Sharifabadi, 2015). Repeat purchase shows how the customers are satisfied; hence this helps the business to facilitate improvements and modifications in the service provision. It is essential for the business to continually improve the service domains so that retained customers can provide necessary benefits to the business entities. Along with this, customer loyalty is one such aspect that represents the customer base of the company and that also helps in maximizing monetary benefits. Customer loyalty is developed through formulating long term relationships with the end users and also through creating effective business deals with them (Pai & Tu, 2011).

Thus, customer loyalty holds huge importance in the business because that defines that business is successful in managing its external positioning among the rivalries. However, when organizations are unable to focus on CRM strategies, it experiences numerous problems and as a result, customer switches to different companies. Thus, here it can be said that CRM strategy is associated with positive and negative aspects which can impact the business decisions. Alongside, CRM also ensures the business to have a valuable dimension in which feedback and suggestion are required to be collected from them so that their interest can be safeguarded accordingly. Thus, customer relationship management is all about having an array of benefits for end users and their benefits.

**Theories of CRM**

**Social theories in the packaging industry**

Social theories define all social aspects that have a direct relationship with customer retention and loyalty. Along with this, social theories also define the ways which help the business
entities to retain the attention of customers on a higher extent (Yim, Tse, & Chan, 2008). Having appropriate relationships with clients is essential because it holds a valuable understanding of Business-to-Business (B2B) market segment. Companies in the packaging sector often experience problems in the area of identifying customer’s perception towards the products and services. Here, suppliers of the packaging industries decide which customer is worth treating as a potential user without involving the customer in the decision-making process (Shibata et al., 2017). Thus, here trust factor matters a lot in which customers have to rely on the services that business will meet all the quality standards in different products and services.

Social theories state that it is crucial for the business of packaging industries to develop a trust factor in the customers so that they can be retained for a longer time span. This will also encourage them to promote the services to other clients as well (Yim et al., 2008). Apart from this customer satisfaction, trust and loyalty paradigm needs to be tied with the firm so that components of intimacy and passion can affect customer loyalty in services, especially in the packaging industries. Therefore, businesses in the packaging industry of Bangladesh can also apply Sternberg’s triangular theory of love in a bi-level model which states that there should be direct interaction between staff and customer of the firm (Kesič, Noah, Ahmad, & Jaafar, 2017). It is also identified that intimacy and passion should be two recognized components that develop firm and customer interaction which further influences the degree of customer loyalty. It also denotes that better delivery of services can help the organization of packaging industries to acquire huge attention of people and at the same time it can also enrich customer service interactions. Thus, CRM helps in the improvement of social relations with the customers and retention in the packing industry of Bangladesh.
The social theory states that customers are already smarter, more informed as they have access to many channels and choices (Ahani et al., 2017). However, in today’s competitive and globalized concept, increased customer loyalty emerges as the most crucial challenge; therefore the business should clearly investigate the impact of relationship marketing orientation on customer loyalty and this needs to be handled as an important customer perspective. This way packaging industries of Bangladesh will also be able to ascertain how better relationships can be developed with the end users. Thus, competitors can easily defect to competitors who promise to offer better services at lower prices. Thus, the business should also emphasize on relationship marketing theory which helps in developing successful relationships. Though, there are numerous factors such as trust among the consumers regarding the brand, quality factors and price of the product; which affect customer relationship management; still, the business should focus on improving customer loyalty and firm’s performance.

In addition to this, commitment, trust, communication, and satisfaction are some of the aspects that need to be emphasized under the marketing orientation process. Such aspects should be discussed because it defines how business can survive in the market place by approaching diverse marketing techniques. Relationship marketing has a specific structure and it also underlines varied dimensions; however, it has a specific belief that no single dimension can fully construct the overall depth of the exchange relationship. Furthermore, the study also states that different roles of satisfaction, trust and commitment can enhance business interaction among end users (Chena, Chiub, & Chang, 2017). Social and cultural theories are associated with each other because both are engaged in determining the impact of external factors on business values and beliefs. The theories also emphasize on the way through which business aspects are being managed in relation to end users.
Cultural theories

Cultural theories define the factors which customer usually considers at the time of making any purchase decision. Furthermore, the cultural theory also depicts the impact of customer perception on business performance. The explanatory foundations of relationship marketing theory aim to increase scientific understanding through developing systematic structures which are capable of explaining the different phenomenon. This is relevant to cultural theory because it helps the business entities to develop a systematic relation with clients while focusing on the products and services. As per the cultural theory, it is crucial to identify the relational exchanges which are involved in service providers between advertising or marketing research agencies and respective clients (Das, 2009). It is also focused on strategic alliances that need to be developed between firms and their competitors specifically in packaging industries of Bangladesh. This is also useful for the purpose of developing long term relationships with customers through organizing affirmative programs for client benefit. Along with this, all firms should focus on price discipline by ensuring efficiency (Hunt et al., 2006). On theoretical and managerial perspectives, it is essential for the business entity of the packaging industries of Bangladesh to measure customer relationship management because it is also regarded as an intangible asset of the business. The practice needs to be implemented into practice so that business performance can be improved. In the study, a sample of 400 purchasing manager is selected who are operating in a B2B e-marketplace and they have also revealed that relationship performance is a high order concept which is associated with varied business dimensions (Gil-Saura et al., 2009). In this area, the study has defined relationship policies and practices which give the commitment to the customer which maximizes service patterns. Thus, at the managerial level, both the scale and scorecard are termed as useful instruments which define short term and long term management, controlling and planning.
facets (Lages, Lancastre, & Lages, 2008). Furthermore, the cultural theory also describes the value of B2B relationships which emphasizes trust, commitment, satisfaction, and loyalty which develops long term relationships with the clients. It has also explored these relationships in the business to business context by ascertaining how companies develop relationships with business suppliers. Thus, specifying the same empirical view of the literature is being discussed in different dimensions. The study made it clear that trust has a direct and positive impact on commitment and it also leads to loyalty antecedents. Along with this, loyalty seems to be positively affected by satisfaction with the suppliers which ensures the development of long term relationships (Lages et al., 2008). However as mentioned, cultural theories are linked to trust, commitment, satisfaction, and loyalty of the customers and the business providing services, the environment of the business process and environment of the relationships with the consumers also play a major impact.

**Environmental theories**

In the area of customer relationship marketing, B2B marketing theories should be implemented because it emphasizes the value of developing relationships with different business parties. The study states (Lages et al., 2008) about the historical development which contributes to revealing new knowledge on B2B concept which is highly applicable in a business scenario. In different fields of marketing, B2B marketing theories hold crucial value because that defines different ways through which better relationships can be developed with business clients. It also assists the business entities to depict the standards through which the buying behavior of the customers can be ascertained (Hadjikhani & LaPlaca, 2013). As per the views of different marketing scholars Lindenberg, (2000), it is essential for the suppliers to emphasize on developing long term relationships with the end users. Assessing the study made it clear that business should examine how repurchase intention of customers over past purchasing behavior is related to
customer’s subsequent overt purchasing behavior. Thus, in this perspective, the theoretical arguments are also denoted regarding purchase intent of consumers and overt purchasing behavior and that was being integrated with suppliers of the firm. The theory states that the prediction of purchase behavior on B2B market is imperative to make several changes in relationship development (Wu & Pagell, 2011). Hence, it became evident that the attitude and intention of customers are crucial concepts in consumer marketing research. Suppliers are also required to focus on improving business services so that customers can be retained accordingly (Söderlund et al., 2001).

**Customer loyalty**

Customer loyalty is defined as a customer’s behavioral and attitudinal temperament to repurchase a particular product from a particular salesman. A loyal customer is one who sacrifices the benefits in the present time hoping the situation to improve in near future, the customer would prefer to buy the product from the same salesman he is loyal to (Das & Sharma, 2016). Customer loyalty is the action wherein the end users continuously purchase the same products and services from a specific entity. Loyalty can be shown in the form of repeatedly purchasing the same sort of products (SalesForce, 2015). Here, in this concept, the customer selects specific organizations and in every situation, they purchase products from the same entity. Customer loyalty also means that customer is sticking to the supplier on specific grounds even when having numerous options. The potential customer always remains loyal to the organization even when substitute products are available in the market (Morgan, 2012). Such customers are predisposed to stay with one organization and they also resist competitive offers. Customer exhibit loyalty after purchasing products from the same company on a regular basis or over an extended period of time. It is also considered as a key objective of CRM because it describes the effectiveness of developing better
relationships with the clients. When customers are satisfied with the quality of services, they provide benefits to the organization by promoting the services to other people as well (Rahimi & Kozak, 2017). Along with this, customer loyalty also denotes that end users will remain with the same till business keeps on meeting their commitment for different things. Therefore, loyalty is always demonstrated by the actions of the customers.

**Factors affecting customer loyalty**

There are numerous factors for which customer loyalty is affected and they are being described in the below section of the research study in the context of packaging industries of Bangladesh. The most apparent factor associated with customer loyalty is trust. The primary factor associated with customer loyalty is trust. It takes place when the customer has built confidence in the company’s reliability and integrity. It acts as a mechanism of relational governance that assures customer’s reciprocity and non-opportunistic behavior. The positive interaction between the salesperson and the customer contributes to building the trust. Thus, higher engagement leads to more trust in the salesperson-customer relationship as they feel that the company cares for them (Morgan, 2012).

Customer loyalty is greatly affected by trust factor especially when the business fails to meet the standards it promised to the customers (Hapsari et al., 2017). Loyalty is associated with trust and it appears only when a customer finds the company trustworthy. People spend huge resources in their purchases merely after trusting on the entity that they will get quality and original products. At the same time trust can be achieved when all the standards of the products are being fulfilled in every domain. On the other hand, when business meets all the standards, the customer trusts the entity and in turn, it leads to higher purchase (Söderlund et al., 2001). Trust is to be
fulfilled when packaging industries of Bangladesh is able to keep up all the commitments made with the end users.

Another aspect is concerned with commitment. Commitment is explained as an enduring desire to maintain a valued relationship (Moorman, Zaltman, and Deshpande, 1992). Commitment is also defined as an emotional attachment between the company and the customer in B2B which depends upon identification, loyalty and integration and relationship (Morgan, 2012). It is a psychological bond where the customer feels motivated to remain in touch with the company which leads to desire based attachment. The benefits resulting from engagement with the company produce affective commitment towards the firm (Morgan, 2012). On the other hand, lack of commitment from the business entity also impedes the interest of customers and they switch to other entities (Marchand, Paul, Hennig-Thurau, & Puchner, 2017). In the concept of customer loyalty, end users also give a commitment to the business that in any case, they will purchase products from the same entity. This commitment will be kept from both sides by showing loyalty to each other. There is yet another way through which commitment of the business can be fulfilled that is through developing prominent relations with customers and salesperson.

Customer loyalty is also impacted by salesperson-customer bond where it is vital for the salesperson to interact and communicate regularly with the end users. Bonding is a vital factor in customer loyalty in which two parties of B2B act in a united manner to achieve the desired goal and improve the relationship between each other (Morgan, 2012). It is classified into two categories: social bond and structural bond. A social bond forms a stronger relationship than the other one and thus includes social interaction, friendly-closeness and performance satisfaction. Bonding develops and enhances customer loyalty that leads to a feeling of affection, a sense of belonging to the relationship and thus indirect sense of belonging to the company (Alrubaiiee &
Al-Nazer, 2010). This will not only help in keeping them updated; but it will also improve the service capabilities on a greater extent (Berger, Geimer, & Hess, 2017). Better relationships are always developed when the clients and salesperson have an appropriate bond with each other. This also ensures to provide necessary benefits to the business and clients. The degree of customer loyalty is increased when the salesperson feasible resolves all the queries and doubts of people. This makes the customer feel valuable and as a result, they contribute to the company’s success and prosperity (Ozturk, Nusair, Okumus, & Singh, 2017). Sales person of packaging industries of Bangladesh should always cooperate with other salesperson so that together they can deliver appropriate attention to the clients.

Another force affecting the same procedure is the cooperation of salesperson (Morgan, 2012). Cooperation helps in achieving the synergy in output due to co-ordinated efforts which is beneficial to both the customers and the salesperson. Both achieve better output and performance by deploying their resources from the deal in B2B (Das & Sharma, 2016). The salesperson is required to cooperate with the clients while communicating with them. This can also be performed by recognizing their problems and challenges (H.-C. Huang, Huang, Chou, & Teng, 2017). In order to enhance customer loyalty, it is significant for the business to cooperate with the clients in all they ask and demand. Therefore, in this regard, the business should continually emphasize meeting the requirements of end users so that they can find the services satisfying. Moreover, adequate cooperation is also vital between customers and business entities so that the value of services can be enhanced accordingly. In this domain, it is clear that for greater benefits business should develop long term relations with the clients (Stock et al., 2017).
Customer Retention and Loyalty in B2B Flexible Packaging Industry in Bangladesh

Importance of customer loyalty

Customer loyalty is important because of the most apparent reasons that are loyal customer stay longer. It is always observed that customers like to buy from a familiar and trusted organization where they can feel worth paying for the services. Customers usually do not switch until they have a specific reason (Kim, Yang, & Mattila, 2017). Probably, it is essential for the business of packaging industries of Bangladesh to know that customers will only leave them in the case when an organization fails to meet their promises and commitment. Thus, it is essential for the business entities to regularly focus on the needs and demands of customers as that is valuable for the organization in all domains. Another force for which customer loyalty is vital is that loyal customer buys more and more. Loyal customer concentrates their shopping through selected organizations only of packaging industries of Bangladesh; hence this gives a business the opportunity to serve the end users for longer time span (Kang & Kim, 2017). They also promote product capabilities through promoting it to their friends, relatives and known people (Srivastava & Rai, 2017). This is a major source which facilitates word of mouth publicity and in turn, it encourages customer base. At the same time, the loyal customer also aids the business entity of packaging industries to grow more in a competitive market through creating a market share by delivering quality goods and services (Tseng, Cheng, Li, & Teng, 2017). The benefits of customer loyalty are also vital to explore because it insulates the companies from price competition (Krautz & Hoffmann, 2017). Loyal customers never check for the prices against the competition as diligently as other customers. They show greater trust to the company; hence they are less concerned about the pricing factor (Prentice & Correia Loureiro, 2017). However, at the same time, it is also crucial for the packaging industries to charge only affordable and feasible prices so that customers may not switch to other business entities. Prices of the products should always be
feasible and worth paying. One more crucial factor for which loyal customer is important for the business is that they provide honest and high-quality feedback (M. Zhang, Guo, Hu, & Liu, 2017). Business can always trust loyal customers because they provide honest and valuable suggestions for improvements. Since loyal customer regularly uses the business products; thus business has the opportunity to create a better customer base in the external market place. Loyal customers provide valuable suggestion to the business; therefore this gives the opportunity to improve more (M. Zhang et al., 2017). Similarly, in this way packaging industries of Bangladesh can also improve the business standards through acquiring regular feedback and opinion from the potential service users.

**Theories of customer loyalty**

With the help of theoretical aspects, customer loyalty is described as the procedure in which business chiefly understands the ways satisfaction aspects can be encouraged at a greater extent (Krautz & Hoffmann, 2017). In the current time, it is being observed that companies are paying huge attention in developing long term and effective relationship with the customers (Ramanathan et al., 2017). However, even in the modern scenario, there is an unclear distinction between the terms of customer loyalty and brand loyalty. Along with this, it is being observed that customer loyalty is divided into behavioral and perceived way wherein monitoring customer loyalty is essential because that critically explains the actual behavior of the customers (Migacz, Zou, & Petrick, 2018). This is yet another important approach that defines retrospective transactional analysis of consumer activities. Emotional loyalty of the customers is reflected through their level of awareness about organizational dimensions and the way they satiate their needs and demands. This is also associated with the quality aspects of the products and services (Kiseleva, Nekrasova, Mayorova, Rudenko, & Kankhva, 2016). In addition to this, the business
should also ascertain all the components of perceived customer loyalty as that describes the emotional level of a customer’s perception of the company. This needs to be organized according to the most complete and comprehensive assessment. It is an imperative approach that involves both the monitorings of behavioral and perceived customer loyalty. It is also observed that customer loyalty is perceived as customer satisfaction as that depicts the satisfaction level of the customers (Tseng et al., 2017). Packaging industry of Bangladesh is engaged in assessing the factors that increase the purchase intent of the customers; thus accordingly technical and functional changes should be made to the company perspective. Behavioral and perceived loyalty is greatly affected by functional indicators which also covers other business aspects that facilitate customer loyalty and retention (Krautz & Hoffmann, 2017).

In order to enhance the degree of customer loyalty, the packaging industry organizes loyalty marketing programs in the form of rewards, gifts, points, and special offers. On the basis of the theoretical aspect, it is evident that delivering specific additional benefits to the clients can help the business to acquire more attention from other people in the audience. This is also useful in enticing customers to buy a specific product or service and sometimes these systems also amend customer base of the organization especially when customers are satisfied enough (Krautz & Hoffmann, 2017). Along with this, hard and soft benefits such as after sales and additional amenities; can also be provided wherein quality and worth deals should be given to the end users. Along with discounts and other benefits, packaging industry should also recognize the effects and interest of customers under the concept of soft benefits. Considering data about the customers, it is vital for the business to implement necessary programs and benefits. Apart from this, specific offers shall also be given to the end users so that the marketing activities of a business can be strengthened (Evanschitzky, Eiting, Woisetschläger, & Richelsen, 2017). Furthermore, the
packaging industry can also encourage custom loyalty programs wherein specific attention is ought to be given towards the benefits of existing customers. This is done so as to retain them for a longer time span (Ozturk et al., 2017). This is yet another approach through which business objectives can be met by focusing on business aim and objectives. Moreover, in this domain, it is also vital for the business to attract new buyers so that customer base can be enhanced. This will not only maximize the business’s capability but also it will render varied financial benefits. Thus, it states that along with customer loyalty programs, business entities should greatly value the customer feedback and opinion (Chena et al., 2017).

**Customer Retention**

**Meaning and definition**

Customer retention refers to the activities which business implements in order to satisfy the end users after they purchase the products and services (Garbarino & Johnson, 1999). At the same time, the business also carries out different activities for the purpose of reducing defects in products and services (Hamilton, Rust, & Dev, 2017). The main goal of customer retention program is to retain a large number of customers by giving them numerous additional and value-added services. It typically initiates when the business entity first contacts the customer and continues throughout the entire lifetime. This is also suitable in terms of developing long term relationships with the clients and as a result, it leads to successful retention efforts which help the business in acquiring numerous other benefits (Morgan, 2012). Customer retention can be termed as the measure of customer loyalty and the capacity of business to keep the end users satisfied by delivering quality services. A happy and satisfied customer always aids the business entity to grow more through their products and services. Along with this, customer retention is a process in which the business tries to deliver additional advantages so that end users may not switch to other
company. While providing numerous services to the clients, business always considers their motive of achieving competitive advantage over the rivalries (Srivastava & Rai, 2017). Thus, in the modern business scenario, it is significant for the packaging industry of Bangladesh to put several efforts in maximizing their competencies and skills. In the packaging industry of Bangladesh, customer retention is termed as the process where customer promotes the services to other people also through giving their references. This happens because customers are satisfied with the industrial standards and company services of packaging industry (Rahimi & Kozak, 2017).

**Importance of customer retention**

Customer lifetime value increases when they stay back with the business entities for a longer time span. Apparently, the monetary and non-monetary value of the business increases when customers are satisfied with the use of products and services. Customer retention improves business processes of packaging industry of Bangladesh and activities and it also helps in enticing other clients towards the service dimension (Evanschitzky, Eiting, Woisetschläger, & Richelsen, 2017). Customer retention ensures to get customer loyalty which provides necessary profits to the organizations. Loyal customers are more likely to leave positive reviews of the products; hence this helps the business to create an optimistic image of the company. Customer retention and loyalty both are associated with customer satisfaction; hence the business should greatly emphasize on these facets (J. M. Kang & Kim, 2017). Along with this, it is also ascertained that customer retention holds crucial value because it encourages the brand image of the business among the presence of numerous competitors. Brand reputation of the packaging industries of Bangladesh gets increased when customers are satisfied and when they promote the services to other people as well (McCrorry & Pilcher, 2008). This is also effective to increase the chances of
deriving a competitive advantage over the rivalries in the packaging industry. Furthermore, with the help of customer retention, a business can gain insights into the needs and demands of people.

Customer retention is also crucial for the business to survive in the same market place for a longer time period; hence apparently this will create a competitive business position. Similarly, customer retention denotes that business operating in the packaging industry of Bangladesh is able to meet all the requirements of clients through fulfilling all their needs and demands. The business also gets assistance from the end users when they are satisfied and retained (Krautz & Hoffmann, 2017). This gives the assurance that in a difficult time also such people will support the organization in recovering the amount. Therefore, on the basis of the above discussion, it is clear that customer retention is valuable and important for the organizations in many spheres; so there should be an adequate emphasis on the same (Ou, Verhoef, & Wiesel, 2017).

**Factors affecting Customer Retention**

There are different factors which affect customer retention aspects of the business; hence the discussion of a few factors is being included here. The first and foremost factor which affects customer retention dimensions is beginning with the customers (Chahal & Bala, 2017). Customers are always affected by the business approaches specifically when they do not get appropriate attention from the organizations. The interest of people gets affected when their demands and preferences are not given adequate importance. Businesses working in the packaging industry of Bangladesh needs to emphasize on more customer-centric approach so that to keep the end users engaged. Thus the business should focus on comprehending the needs and demands of clients through personalizing their experience. Data can also be retrieved by analyzing transactions made by the customers as per their behavior and demographic sources. This way business entity will be
able to ascertain how much effective services they have rendered to the potential services users. Customer retention is also regarded as a key driver that facilitates growth and long – term profits which impacts business performance (Chahal & Bala, 2017). This is valuable for businesses because it promotes long term sustainability and competitive advantage. Thus, along with non-monetary benefits, customer retention is also valuable for monetary benefits.

Another important aspect that impacts customer retention is value and attitude of customers. This is also crucial so that clients can be retained for a longer time span (Lindenberg, 2000). The client always avails services on a repeated basis especially when they are satisfied with the services. This not only aids in promoting the services to other clients but also it helps in expanding the amenities to the diverse market place. Packaging industry of Bangladesh has been meeting up the values and desires of clients through fulfilling all their quality dimensions. Thus, a business must be able to meet the expectations of customers in greater extent by delivering them all the expected and requisite services. Customer retention is also affected by customer service as availability of such thing can drive the end users to create a better position at the market place (Chahal & Bala, 2017). The most crucial aspect of marketing is improving client services so that customers can be retained for a longer time period. Better customer service helps in enhancing productivity and performance of the business of packaging industries and at the same time, it is also useful in terms of holding a greater value of the services (Alireza Mosavi & Ghaedi, 2012). The objective of customer retention can be achieved by developing a better plan for the end users and also through maximizing the number of benefits. Customer retention seems to be beneficial for business since that helps in enhancing the competitiveness aspects of the business operating in the packaging industries of Bangladesh. Another factor that impact customer retention is the availability of competition which changes the level of the customer base (Mosavi & Ghaedi, 2012).
Availability of competition in the market place diverts the attention of customers and that also lead to customer switching to other brands. When the level of substitute products is high in demand, business operating in packaging industries of Bangladesh has the risks of losing the existing customer base (Keh & Xie, 2009). It is crucial for the packaging industry to deliver appropriate amenities to the end users so that they may not switch to other entities. Thus, packaging industries should greatly emphasize on quality and price factor because it highly attracts customers. Price and quality are other important dimensions which facilitate word of mouth publicity.

Quality, price and other factors also impact customer retention aspects and this impedes the way business carry out their activities and processes (Hunt et al., 2006). While retaining the end users, it is essential for the packaging industry of Bangladesh to focus on competitive and affordable prices so that the customer may not find any problem in retaining the clients. The business should emphasize on analyzing the needs and demands of the end users on a regular basis (Garbarino & Johnson, 1999). This is not only essential in keeping the client satisfied but also it will aid in maintaining an enhanced customer base. Hence, these factors have a direct impact on customer retention aspects of the business which further changes performance aspects. Thus, the packaging industry of Bangladesh should also focus on all these terms to encourage the value of amenities among other players operating in the same market place.

**Theories of Customer retention**

**PAYNE’s Model**

In order to understand the concept of customer relationship management in better manner the PAYNE’s model of CRM is quite effective where this model relies on five core processes that take into consideration strategy development process, multichannel integration process, value creation process, information management process and performance assessment process (Rahimi
& Kozak, 2017). Each and every process in this model is quite crucial and it assists a lot in understanding the concept of CRM in a better manner. The model is suitable in analyzing the dimensions which can help the business to retain the interest of clients. It also improves business processes through integrating with the diverse phenomenon.

Figure 1: PAYNE’s model of CRM

Source: Rahimi & Kozak, (2017)

The strategy development process is directly associated with the integration of the business strategy from company’s point of view and the customer strategy as to how company interact and chooses its target market (J. M. Kang & Kim, 2017). This is related to customer retention because strategy development facet is important and that should be formulated on the basis of needs and preferences of the end users. Value creation process focuses on the actual value that can be
delivered to the customers as per their real expectations. Along with this the value creation process also focuses on highlighting how the value delivered to customers can benefit the organization in terms of enhancing business performance, high market share, profitability (Wan, Wan, de Brito, & Tavasszy, 2016). Multichannel integration and appropriate channel through which customers can be approached and delivering them remarkable experience. The information management system is another channel that involves the various type of data repository its system along with the analytical tools, back and front office applications (Hennig-Thurau et al., 2013). Therefore, these are some of the main elements in the model that makes it effective and in turn, it contributes a lot in understanding about the concept of CRM in a better manner (Knilans, 2017). When a business delivers prominent services to the end users, it drives the customers to give many benefits to the organization and enhances business performance.

**Modern strategies for CRM influencing customer retention and loyalty**

With changes in the market processes and customer purchase behaviors, the strategies for customer relationship management have also changed drastically over the years that are motivated to customer retention and loyalty. The literature review helped in assessing the modern strategies for customer relationship management, which are presented here.

The foremost strategy is analytical where, Customer relationship management is the most significant domain of the business which affects retention and loyalty aspects and that also impacts performance and productivity of the business (Pai & Tu, 2011). While implementing CRM strategies it is crucial for the organizations to have an analytical approach in which the needs and demands of customers should be analyzed on a greater extent (Das, 2009). Modern strategies state that it is crucial for packaging industry to create a database so that all the related information about the clients should be mentioned in the most authentic manner (Söderlund et al., 2001). Along with
this, proper recording of the data is also essential so that adequate information about the clients and their needs can be ascertained. Das, (2009) again on the other had implied that strategies of analytics are suitable for improving business performance especially when the organization predicts the needs and demands of end users. Alongside, the packaging industry of Bangladesh is also required to focus on customer segments that purchase the same sort of products. This will also assist in deriving the attention of potential service users. Packaging industry must emphasize on such dimensions so that they can change the organizational capabilities as per the service modifications (Evans & Laskin, 1994). Such efforts are essential to be carried out so that the CRM efforts of the business can be underpinned.

Operational strategies of CRM states that the packaging industry of Bangladesh should emphasize on technological aspects as that also strengthens the capabilities of business entities and performance dimensions (Hunt et al., 2006). It states that there should be a direct communication between end users and business entities since in this way services can be promoted. In this area, better services for the customers should be provided through delivering appropriate and feasible services (Konhäuser, 2008). With the help of operational strategies, business entities will be able to manage the supply chain procedure as per the demands of the clients. Under this, better solutions will also be found out by reviewing feedback and opinion of the clients. Thus, delivering suitable services can aid the clients to remain with the business for a longer time span.

There should be appropriate collaboration among different services areas so that business aspects can be strengthened (Pai & Tu, 2011). However, collaborative CRM strategies state that adequate interaction is required to be developed among customers and employees for convenience management. It is essential for the employees to have direct communication as well as interaction with the management and customers for building and enhancing the relationships (Mirghafoori &
Sharifabadi, 2015). Continuous analysis of the database of the company depicts that CRM technologies are being improved (Tseng et al., 2017). Regular and consistent communication with the clients also aids in amending the customer base which improves the overall business standards (Pai & Tu, 2011). Organizational competitiveness can be enhanced by coordinating all the actions and practices with business standards. Therefore, it can be said that the packaging industry of Bangladesh ought to make modifications in the existing processes; however, that should be integrated with organizational ways. Having collaborated business dimensions aids the organizations to create better approaches which not only improves performance aspects, but also it enhances client interest in the services.

B2B CRM strategies in B2B businesses need to emphasize more on the use of marketing automation tools as these tools help the business to capture and nurture customer inquiries in a personalized manner. More interaction should exist between clients and business entities so that accurate data can be acquired about the preferences of the customers (Mirghafoori & Sharifabadi, 2015). Thus it will assist the business to customize the service provider as per customer’s requirements. Packaging industry of Bangladesh should focus on real-time marketing so that all sections of the business can associate with each other (Migacz et al., 2018). B2B CRM strategies define how business can improve its existing practices by observing the external market place. This way, organizations can deliver prominent amenities to clients.

**Challenges in customer retention and loyalty in the B2B segment**

In the B2B market, challenges appear in the area of customer retention and loyalty especially when numerous entities operate in the same market place. A business fails to acquire the attention of customers when they are unable to deliver prominent services to the clients (Garbarino &
Johnson, 1999). At the same time, when numerous entities are available in the same market place, it also becomes difficult to create a customer base; hence this also increases competition (Boon-itt et al., 2017). The challenges associated with customer retention are lack of consistent marketing efforts or communication in which business proves to be unable to keep the standards and practices and lack of modern technology used for customer service. Alongside, having different cross channels can also impact customer experience which is yet another barrier under customer retention.

B2B relationships are formed as a result of trust and commitment between the customer and the salesperson. They are seen as antecedents to the relationship quality. They are dimensions of the relationship magnitude that acts as an antecedent and has relationship value. This value is significantly positive to both the factors where the perceived value is associated with trust and hence establishes the value as the antecedent. On the other hand, commitment lies between perceived value and behavioral intention. Relationship benefits do not have a significant relationship between these variables. Thus, commitment and trust are the only factors that are found eternal to form B2B relationships (Saura, 2009).

However, the sales volume in B2B transactions is greater than B2C sales. The behavior of B2B in the buying process is quite different from that of B2C as the committee usually makes purchases and also makes specification-driven decisions. However, the process of buying B2B products is riskier than a B2C product purchase. Also, they are not engaged in promoting their brand through mass media. Finally, they conduct their business electronically and not through auction (Saha, Aman, Hossain, Islam, & Rodela, 2014).

Trust and commitment affect relationship value. Both are found as antecedents to relationship quality. The perceived value is associated with trust and establishes the value as the
Customer Retention and Loyalty in B2B Flexible Packaging Industry in Bangladesh

antecedents whereas commitment lies between perceived value and behavioral intention. The study of B2B marketing has been unveiled in the 1890s but the contributions to B2B marketing theory was made significant during the last three and half decades (Das & Sharma, 2016). It had very little scientific identity in the past. It took several years to gain a specific focus of scientific inquiry. The behavioral science contribution to B2B took place at the end of the 1800s and early 1900s. Since then B2B has gone through significant developments and has transformed in the last three decades. There has been wider applicability of B2B towards service marketing and e-business (Das & Sharma, 2016).

B2B products can be classified into 3 categories-The first category deals with “entering goods and services”. These are defined as those products and services that become part of other products such as raw materials, component parts, and materials. This category is usually expensed and not capitalized. Another category deals with “foundation goods and services”. It includes those products that are used to make other products such as installations like offices and buildings, and accessory equipment like machine tools. The majority of foundation goods are capitalized and some goods can be expensed too. The final category deals with “facilitating goods and services”. It includes those products and services that could assist and support a company to achieve its objectives. These goods are not involved in the production process and hence are seen as expensed. For example, market research services and cleaning supplies etc (Claessens, 2016). Thus, B2B products meet the following characteristics- They offer a variety of goods and services to the customers and also assist them in their business. The B2B suppliers are offered new market channels for marketing and distribution of their products and these can be sold directly to the customers without any intermediary. B2B products offer cost savings by supporting transactions
and procurement processes. However, the process of buying could be riskier than other types of products (Groblinghoff, 2002).

**Empirical review**

**Impact of CRM on customer retention**

When CRM strategies are effectively implemented in the business, then it helps in acquiring the attention of people. CRM ensures to render prominent services to the customers which drive them to stay back with the organization for a longer time span. With the execution of CRM strategy, it is also significant for the organizations to give value to the potential service users. Better relations with the end users help the business to derive loyalty from the customers in the form of repeat purchase. Consumers always purchase products from the company when they get satisfaction and they are happy after the consumption of the product (Mirghafoori & Sharifabadi, 2015). Shams, (2014) conducted a qualitative research to properly identify the problem by using secondary data to find out factors that affect consumers’ loyalty and switching behavior. According to the researcher, consumers’ expectation and perception in the single point is a great challenge for a marketer which is prerequisite to customer satisfaction and hence responds to retention. However, the findings indicated that positive perception does not work, but how consumers switch to other brand for meeting up their expectations is completely based on the availability of competition which changes the level of customer base. Similar findings were made by Alamgir & Shamsuddoha, (2015), whereby promoting good services to clients and expanding the amenities to diverse market place helps in customer retention in the long run. Furthermore, good customer service availability helps in enhancing the productivity and performance of the business which in turn improves the retention mentality of the customers. The researcher also
concluded that quality, price and other factors also impact customer retention aspects and this impedes the way business carry out their activities and processes. In addition, businesses who emphasize on analyzing the needs and demands of the end users on a regular basis have better success in customer retention.

**Impact of CRM on customer loyalty**

Customer shows their loyalty towards the business entity when all their preferences and quality dimensions are being met. They show their loyalty in the form of continuously purchasing the products from the same entity (Pai & Tu, 2011). Repeat purchase shows how the customers are satisfied; hence this helps the business of packaging industries to facilitate improvements and modifications in the service provision. CRM assist the business to retain the end users for longer time span which enhances the chances of long term sustainability and competitive benefits. The competitiveness of the business entity of packaging industries gets enhanced when it is able to create a better position in between the rivalries. CRM ensures to increase the degree of customer loyalty through creating a satisfactory service dimension (Ahani et al., 2017). This is yet another dimension by which organizational segments of the packaging industry are being managed. The researcher however concluded that loyalty can be shown in the form of repeatedly purchasing the same sort of products. Potential customer always remains loyal with the organization even when substitute products are available in the market. When customers are satisfied with the quality of services, they provide benefits to the organization through promoting the services to other people as well. Again, Sultana, (2015) studied on the factors effecting CRM in Bangladesh by qualitative study amongst the employees of plastic packaging industry whereby it was found that most apparent factor associated with customer loyalty is trust and fulfillment of commitments. The researcher concluded that customer loyalty is greatly affected by trust factor especially when the
business fails to meet the standards it promised to the customers, and when business meets all the standards, the customer trusts the entity and in turn, it leads to a higher purchase. Alamgir & Shamsuddoha, (2015) conducted an exploratory study with the help of interviews amongst customer service managers of Ten different telecom operators of Bangladesh. Results of the interviews identified three factors affecting CRM success; which are trust, cooperation, and commitment. The researcher thus concluded that the commitment of the business must be fulfilled through developing prominent relations with customers and salesperson. This is again possible via cooperation with the clients while communicating with them. This can also be performed through recognizing their problems and challenges Thus adequate cooperation and trust generation is vital between customers and business entities so that the value of services can be enhanced accordingly.

**Conceptual framework**

This conceptual framework clearly demonstrates all the important aspects that are related to customer satisfaction, retention, and loyalty. The framework depicts that when a business is able to acquire the attention of customers, it can maximize many areas of the organization. Along with this, the interrelationship of customer retention and business performance is also discussed through this framework.
Summary

On the basis of the above summary, it is being ascertained that customer retention and customer loyalty are most crucial ways through which business dimensions and services can be improved to a greater extent in the packaging industry of Bangladesh. In order to summarize the literature review, it can be said that better services to the customers are required to be delivered as that safeguards their interest in staying with the business. In the study, the conceptual framework is being developed so as to depict different sub-components of the research study.