

# **Supplier-customer relationship management and customer loyalty: The banking industry perspective**

## **Abstract**

**Purpose** - The purpose of this paper is to examine the impact of the relationship marketing underpinnings, namely: commitment; competence; communication and conflict handling on the one hand and customer loyalty on the other, as well as the mediation effects of trust and relationship quality. **Design/methodology/approach** - Bank customers in Kota Kinabalu, Malaysia were surveyed using a questionnaire. Bank intercept technique was used in administering the instrument. A total of 220 customers provided the data for the study. Multiple regression analysis was used to measure the construct's relationship. **Findings** - The results show that relationship marketing strategies, namely: communication; commitment; competence; and conflict handling are directly and indirectly (through trust and relationship quality) associated with customer loyalty. Moreover, trust and relationship quality are directly associated with loyalty. **Research limitations/implications** - Although the study focuses on the banking industry in Malaysia, the outcome may be relevant to other service sectors. By identifying the relevant RM underpinnings in this sector, more researches adapting or replicating the present study in other sectors would help in pushing back the frontier of knowledge in the customer relationship management domain. **Practical implications** - This study unveils how firms can use the relationship marketing (RM) strategy to nurture and keep loyal customers and how to manage the supplier-customer relationship in the banking sector. **Originality/value** - Not much is understood about the actual influences of the underpinnings of relationship marketing on customer loyalty from empirical evidence. This research would help organisations in evaluating the results of investments and sacrifices of the firm in building relationships with its customers.