

THE EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT ON CUSTOMER LOYALTY MEDIATED BY CUSTOMER SATISFACTION AT PRIVATE UNIVERSITIES IN GREATER BANDUNG

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Abstract: This study investigates the effect of Customer Relationship Management (CRM) on customer loyalty, mediated by customer satisfaction, in the context of private higher education institutions in Greater Bandung, Indonesia. Increasing competition among higher education institutions has highlighted the importance of student satisfaction and loyalty as strategic assets for ensuring sustainability and growth. Although previous research has emphasized the role of CRM in improving business performance, empirical studies in the education sector, particularly in developing countries, are limited. Using a quantitative survey method, data were collected from 100 students at a private higher education institution in Bandung through a structured questionnaire. The instrument measured CRM, customer satisfaction, and loyalty using adapted and validated scales. Data analysis was conducted using SPSS 25 to test validity, reliability, and hypotheses. The findings indicate that CRM has a significant positive effect on customer satisfaction and loyalty. However, customer satisfaction does not act as a mediator, thus CRM has a greater direct effect on student loyalty. The results of this study underscore the strategic importance of CRM implementation in higher education to foster long-term relationships with students by enhancing satisfaction and loyalty. This study contributes to the literature on CRM in the education sector in emerging markets.

Keywords: customer relationship management, customer satisfaction, customer loyalty
