

THE BENEFITS OF BUILDING STRONG RELATIONSHIPS WITH CUSTOMERS

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Abstract

Today, it is quite difficult to create and maintain customer satisfaction in a competitive and dynamic market. In the 21st century, technological progress provides great opportunities, but it's also characterized by difficult challenges. The development of relationship marketing increases customer loyalty and contributes to the growth of business revenues. The relevance of this approach lies in its ability to form relationships based on trust. The main objective of this study is to study the importance and positive results of customer relationship marketing. This marketing approach is a specific philosophy that focuses on customer orientation, their satisfaction and retention. This means helping them, being honest in their relationships, and taking actions aimed at solving their desires or problems.

Keywords: Relationship Marketing, Customer Satisfaction, CRM, Loyalty Programs

Introduction

Satisfied customers have a positive impact on the retention and growth of a company's revenues. Therefore, at the current stage of business development attention is increasing towards the concept of relationship marketing. The issue of developing effective approaches to retaining existing customers, and especially profitable customers, is becoming increasingly relevant.

Modern companies are facing difficult challenges. It has become necessary to focus on the effective use of new digital technologies, implement social media marketing campaigns. The necessity of which is associated with changes in consumer behavior.

Relationship marketing plays a major role in building consumer trust, which, in turn, is the basis of relationships. Components of the marketing system, such as advertising, brand messaging, ethical behavior, etc. should be developed in such a way as to contribute to strengthening trust.

Methods

The research methodology includes a comprehensive review of the literature on relationship marketing. While working on the article, we studied scientific works of Georgian and foreign researchers, obtained information from Internet sources, websites of various organizations, from the State Statistics Service. The research problem is studied in relation to the past and present.

Literary review

Building long-term relationships with customers and creating satisfaction requires smart actions. Successful companies are those that regularly analyze data reflecting their activities, have the ability to adapt to the environment, and make the right decisions, through which they build positive relationships with buyers. Creating customer satisfaction has become a topical issue in almost all areas of business today. A number of studies have been conducted and articles have been written on this topic (Todua & Gogitidze, 2024), (Todua, et al, 2023), (Todua, 2018), (Mghebrishvili, 2019), (Mghebrishvili & Poletaeva, 2025), (Seturi, 2018), (Seturi & Surmava, 2023), (Seturi, 2025).

Attracting and retaining customers is a difficult task for a company. As Kotler and Keller point out, buyers are tightly controlling their costs, marketers should constantly strive to improve the efficiency of their

activities (Kotler & Keller). Product quality alone does not determine customer satisfaction, as they differ from each other. For some buyers, the most attractive thing is low price, for others, brand image, etc. Therefore, without a deep understanding of their needs and gaining trust, it is impossible to establish long-term relationships with consumers.

Customer satisfaction depends on the difference between their expectations and customer perceptions. The customer has expectations about the level of functionality of a product before using or purchasing it. Customer perception is the customer's assessment of the level of functionality of the product after using it. If the perception is lower than the expectation, then the customer is dissatisfied with the product; if the perception matches the expectation, the customer is satisfied; and if the perception exceeds the expectation, the customer is delighted. Smart leaders try to focus their businesses not only on short-term success, but also on long-term results (Seturi, 2022). Consumer purchase intention is greatly influenced by perceived product quality, price perception, and social media marketing. It helps build relationships with customers. The perceived quality of a product refers to how consumers evaluate its usefulness, as distinct from its actual or objective quality. Actual quality is determined by consumers' evaluations based on their interactions with the product; perceived quality exists at a more conceptual level, while actual quality is based on direct consumer experience (Oetomo & Santoso, 2025).

Successful companies always strive to achieve customer satisfaction, which leads to increased customer loyalty to the company. A satisfied customer can become a referral source and help the company attract new customers. The company's marketing department has an important responsibility to analyze consumer behavior. They must correctly assess both competitors and their own customers, who they are and what they want (Seturi, 2024).

Building the right customer relationships is the foundation of business success. One of its most important benefits is retaining existing buyers, which is much cheaper than attracting new customers.

According to one of studies, a 5% increase in customer retention can lead to a 25-95% increase in revenue (Bain & Company, 2023).

Today, the concept of relationship marketing is gaining more and more importance. Some relationships are narrow in scope, while others are broader, continuous, and ongoing (Malhotra & Agarwal, 2020); (Gronroos, 1990). Marketers can use data to develop their offerings to customers. CRM software applications allow marketers to use customer data to create, implement, evaluate, and communicate offerings (Buttle, 2008).

The most desirable type of relationship between a company and a customer is loyalty, which goes through several stages from a state of satisfaction to a special level of this relationship. Moreover, loyalty to companies and their brands is associated with the issue of trust in them. Therefore, today, smart companies pay great attention to the values and principles related to business ethics and morality. And they, as is known, are the basis of corporate culture. Its components are transparency, responsibility, fairness, care for employees, customers and the environment. A strong corporate culture is usually identified by the values, motivation and loyalty of employees and customers. A weak corporate culture is manifested in low morale, insufficient innovation, and a bad reputation. As Novakova et al. note, until these values and principles remain only at the theoretical level and do not become part of everyday practice in companies, we will constantly face failures, losses, and customer dissatisfaction (Nováková, et al., 2024).

Relationships help customers stay loyal to a brand, despite competition. Satisfied buyers often leave positive reviews about a company and its products. They share positive experiences with others. Personal recommendations and online reviews significantly influence purchasing decisions.

According to a report by „The Nielsen Company”, marketers face challenges as ad avoidance remains high. The company outlined several strategies in its research report that marketers can use to effectively reach their target audience:

- ✓ Influencer marketing can break through the noise: A significant portion of consumers (59%) report that they are equally or more inclined to buy products endorsed by influencers they follow.

- ✓ Consumers appreciate personalized marketing tactics, and content that goes beyond selling a product: Sixty-eight percent of consumers are at least somewhat likely to buy a product if a brand engages with them in a personalized way.
- ✓ Social media advertisements attract attention: More than half (55%) of consumers said they are at least somewhat likely to evaluate a new provider, brand, or product based on a social media ad or content they saw or heard, which can help marketers engage with and inspire action from their audience (Nielsen, 2023).
- ✓ According to a survey on trust in advertising, 88% of respondents worldwide trust recommendations from people they know more than any other channel (Nielsen, 2021).

As Johanesova & Vanova point out, in fact, all demands and achievements in customer satisfaction are the result of technology and company development (Johanesova & Vanova, 2020). Moreover, modern companies are actively using digital technologies to sell their products. Meanwhile, Georgian consumers' views on traditional marketing approaches are changing and they are paying more attention to new promotion methods (Todua, & Urotadze, 2023). At the same time, the role of smart technologies in modern business is growing. For example, Todua and Urotadze in their study identified informativeness, accessibility, interactivity, personalization, and security as the main determinants of smart technologies in the travel sector. Using regression analysis, they obtained statistically significant indicators and determined the impact of the perception of smart tourism technologies on loyalty to Georgian tourist destinations (Todua & Urotadze, 2021)

Each customer is an investment for the company. The better we treat the customer, the more successful we will be. Therefore, it is important to evaluate our achievements and results in this direction. For example, using the CSI – Customer Satisfaction Index, it is possible to identify the exact reasons for the decline in customer loyalty. Also, to determine what should be paid special attention to in the company, which business processes should be improved. This allows companies to identify their strengths, weaknesses and improvement priorities (Morgeson, et al, 2023).

Building relationships with customers creates a competitive advantage. Trust and a personalized experience give a brand an edge, making it harder for competitors to win over customers. According to Forbes, 70% of consumers are more likely to choose a brand that understands their needs (Forbes, 2024). According to Edelman research, 81% of consumers refuse to buy products from brands they do not trust (Edelman, 2023).

The goal of customer relationship marketing is not only to increase sales, but also to build long-term relationships with them. In this way, companies create a loyal customer base, which is very important for business success.

Developing customer relationships requires significant investments in CRM systems, software such as Salesforce or HubSpot. They allow companies to build relationships with customers and provide feedback. This helps businesses monitor. There are also challenges in terms of data privacy issues, changing customer expectations and competition in the market. Overcoming these difficulties requires a balanced approach that combines innovation and adherence to ethical standards. CRM requires significant resources, including appropriate staff. Working on a digital platform has become a central topic in research and policy discussions (Arsić, 2024).

However, the information system itself does not represent any economic benefit. Rather, it is necessary to use and evaluate it purposefully. As Silerova, et al note, the purposeful use and real assessment of information can bring effect. The achievement of specific economically quantifiable goals can clearly demonstrate the economic benefits of such an investment. This is precisely what data and information obtained from company databases are used for (Silerova, et al., 2023). Small and medium-sized businesses often fail to implement a CRM system, because its implementation requires quite a lot of resources. Expenditures are necessary for training personnel, storing data, and maintaining the system (Patil & Mohammed, 2023). Cultural aspects must be taken into account in CRM. Ethnic differences have a significant impact on consumer behavior. It is important to consider how cultural aspects, such as language, religion, and values, affect purchasing decisions (Lazar & Develi, 2024).

Customer relationship marketing is becoming increasingly relevant today. For example, in the hotel industry, where it plays a major role in managing customer data and improving service quality, achieving positive results such as customer retention, loyalty, and satisfaction (Al-Kharabsheh, 2024). Building customer relationships brings many benefits to the company. Therefore, it is necessary to manage relationships correctly and effectively. It aims to provide customers with value over a long period of time. Which can be achieved by developing loyalty to the company and its products (Baran & Galka, 2017).

A strong connection based on trust and communication helps customers feel more secure. It can also lead to customer retention and repeat purchases. As Adams argues, the main reasons why your business should focus on building customer relationships are: e-commerce is on the rise; customers like to be listened to; building relationships increases customer retention rates; finding and attracting new customers is expensive (Adams, 2023). In today's global economy, social media and technological advances have transformed the way companies interact with customers. With new forms of communication and IT practices. As Nasir argues, companies are looking for innovative ways to retain their customers. Achieving competitive advantage has become important through the implementation of relationship marketing methods and customer orientation (Nasir, 2015).

Today, we are witnessing significant changes due to the increasing impact of social media marketing. For example, influencer marketing is influencing young consumers, their brand awareness and perception, and shaping their online purchasing decisions (Awaz, et al, 2025).

Social media is gradually becoming an important marketing tool, providing companies with numerous opportunities to interact with customers. Customer participation in social media makes it easier for companies to create marketing offers. Today, social media is increasingly being used and its importance is growing in various fields (Todua & Todua, 2024). Customer relationships can lead to improved feedback and innovation. Companies that actively listen to their customers can identify problem areas and develop new products or services that better meet their needs.

Results

In recent years, customer relations have become an important aspect of companies' activities in Georgia. Some business entities are well aware of maintaining positive relationships with customers is crucial for long-term success. The development of customer relations focuses on creating their loyalty. Therefore, companies are increasingly paying attention to the issue of customer satisfaction. The emergence of digital platforms and e-commerce has made it even more relevant for businesses to provide customers with appropriate customer service. The business environment is becoming increasingly competitive. In such conditions, companies must distinguish themselves not only with quality products, but also with customer service and relationships with them (World Bank, 2023). Customer loyalty is the main result of a successful relationship with them. Therefore, a number of companies specifically create loyalty programs that help businesses retain customers and encourage repeat purchases.

One of the prominent examples in Georgia in this regard is the banking sector, where a number of organizations have developed loyalty programs and customer engagement strategies. They are designed to build trust and retain customers (EBRD, 2021). Some of Georgian companies are implementing customer relationship management (CRM) systems. This approach has helped them retain customers in the face of increasing competition. Transparency and honesty contribute to the development of customer relationships. This should be an integral part of all marketing activities. Businesses must adapt to data protection regulations, such as the GDPR, so that customers feel safe and valued. The European Data Protection Regulation has been in effect in all member states since May 25, 2018, harmonizing data privacy laws across Europe (General Data Protection Regulation).

Consistent and well-planned interactions on social media help build loyalty. Data-driven marketing uses analytics to determine customer satisfaction. By analyzing consumer behavior and preferences, companies can create targeted marketing campaigns that are relevant to their audience. Ethical marketing practices are essential for building long-term and strong relationships with consumers. Therefore, customer relationship

marketing is an important tool for any business that is aimed not only at increasing one-time sales, but also at building long-term relationships that ensure its sustainable and successful growth.

Conclusions

We have developed some recommendations, the consideration of which will help companies develop positive relationships with customers:

- To assess customer satisfaction, it is necessary to establish basic criteria. Approaches that will provide the right data should be selected and used to measure customer satisfaction. Therefore, it's better for companies to pay due attention to determining an indicator and monitor its changes;
- It is advisable to pay more attention not only to the customer retention rate, but also to the issue of loyalty. Although discounts and sales promotions have a great influence on customer decisions, it is very important to maintain a relationship based on trust with them. Accordingly, it helps companies take measures to better understand the desires of their customers and serve them. To achieve customer loyalty, it is necessary to fully satisfy their needs, as well as to establish the company itself as a customer-oriented organization;
- To increase customer satisfaction, marketers and other organization specialists should meet with them periodically, discuss their satisfaction issues, analyze the current situation, and develop recommendations. The professionalism of the staff in direct contact with customer is of great importance in creating satisfaction, the improvement of which improves the company's performance.

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