



Designing Innovative Corporate Social Responsibility (CSR), Social Media Marketing, and Sales Promotion to Increase Customer Retention in an Indonesia Local Fashion Brand: A Case Study of Nors Studio

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ABSTRACT: This study focuses on analyzing the direct and indirect effects of various marketing strategies on customer retention, with special emphasis on the role of perceived value as a mediator. To achieve the research objectives, a quantitative research design was adopted to collect data and capture customer feedback effectively, with a descriptive approach to explain each hypothesis and its implications in detail. A total of 250 valid questionnaires were received as survey participant responses for data analysis. The results of the analysis in this research are that perceived value has a positive relationship and significant effect on trust; perceived value does not have a significant effect on Nors Studio; trust has a positive and significant effect on Customer Retention; trust completely mediates perceived value to customer retention. Managerial implications based on these results are creating more services and educating customers about service offerings compared to competitors, improving services by implementing computerized systems to reduce errors, employee training, and proposing programs such as cash discounts or bonus products to maintain customer loyalty.

KEYWORDS: Customer Retention, CSR, Perceived Value, Social Media Marketing, Sales Promotion.

INTRODUCTION

The escalating competition among various organizations has presented numerous challenges in maintaining customer loyalty and attaining business objectives. Consequently, organizations have pivoted their focus from conventional marketing to relational exchange strategies with customers, aiming for sustained profitability in the long run. Consequently, prioritizing customer retention has emerged as a crucial aspect for enhancing organizational performance and competitiveness. To achieve this, it's imperative to recognize that customers assess their buying experiences based on perceived value vis-à-vis the expenditure incurred and the benefits received. Hence, a positive customer experience significantly influences both retention and purchasing patterns (Bapat and Thanigan, 2016). To nurture customer relationships and ensure organizational efficacy, comprehending the essence of customer retention has become indispensable (Afzali and Ahmed, 2016).

To effectively address the heightened competition among businesses, it has become imperative to delve into the determinants of customer retention. Prior investigations have explored various factors and predictors of customer retention across diverse industry landscapes. However, these factors often exhibit distinct characteristics across industries. This research zeroes in on the Fashion Industry sector in Indonesia, specifically examining Nors Studio, to elucidate the dynamics of customer retention and its precursors. This focus is warranted as previous research predominantly scrutinized Western cultural settings, with scant attention given to Asian countries, particularly within the Fashion Industry sector.

Tamuliene and Gabryte (2014) observed that despite extensive research on consumer repurchase intentions, there lacks consensus on the definition of customer retention. Furthermore, Mandhachitara and Poolthong (2011) underscored the significance of corporate social responsibility in influencing consumer behavior. However, the majority of studies on this subject have been conducted in Western nations, with limited exploration in the Asian context.

The importance of perceived value in shaping consumers' perceptions and loyalty has been well recognized. In today's fiercely competitive and rapidly evolving business landscape, retailers must deepen their insights into consumer behavior regarding the purchase and selection of various products and services to meet their needs effectively (Roy et al., 2017). Consequently, many retailers are prioritizing the establishment of a unique brand identity in consumers' minds to influence and incentivize purchasing

decisions, aiming to gain a competitive edge in their target markets. Perceived value has emerged as a crucial predictor of consumer behavior, yet despite its significance in shaping customers' assessments of brand offerings, there has been a noticeable dearth of empirical research exploring its nuances and impact on consumer behavior (Nguyen and LeBlanc, 1998).

Upon reviewing existing literature, it becomes apparent that certain scholars have regarded sales promotions as significant factors influencing customer retention within the retail sphere. Additionally, social media has emerged as a novel tool for marketing communication, fostering valuable relationships with customers and disseminating the latest organizational offerings to key stakeholders to fulfill marketing objectives. However, despite its significance as a communication medium, there is a dearth of research exploring the impact of social media marketing on customer retention. Duffett (2015) has also noted the scarcity of research on social media marketing in emerging economies. Consequently, this study is formulated to investigate the influences of social media marketing, corporate social responsibility, and sales promotion, mediated by perceived value, on customer retention. To the best of the author's knowledge, these variables have not been previously integrated into a unified framework to elucidate their direct and indirect effects on customer retention via perceived value. The subsequent section provides a literature review for this study, followed by the methodology and findings. Finally, this paper concludes with future research directions.

The following is a hypothesis formulation that was proposed to test its truth in the research conducted on Customer Retention at Nors Studio:

- H1: Perceived Value has a positive effect on Customer Retention
- H2: Social media marketing has a positive effect on the perceived value.
- H3: Social media marketing has a positive effect on the customer retention.
- H4: Perceived value mediates the relationship between social media marketing and customer retention.
- H5: Corporate social responsibility has a positive effect on the perceived value.
- H6: Corporate social responsibility has a positive effect on the customer retention.
- H7: Perceived value mediates the relationship between corporate social responsibility and customer retention.
- H8: Sales promotion has a positive effect on the perceived value.
- H9: Sales promotion has a positive effect on customer retention.
- H10: Perceived value mediates the relationship between sales promotion and customer retention.

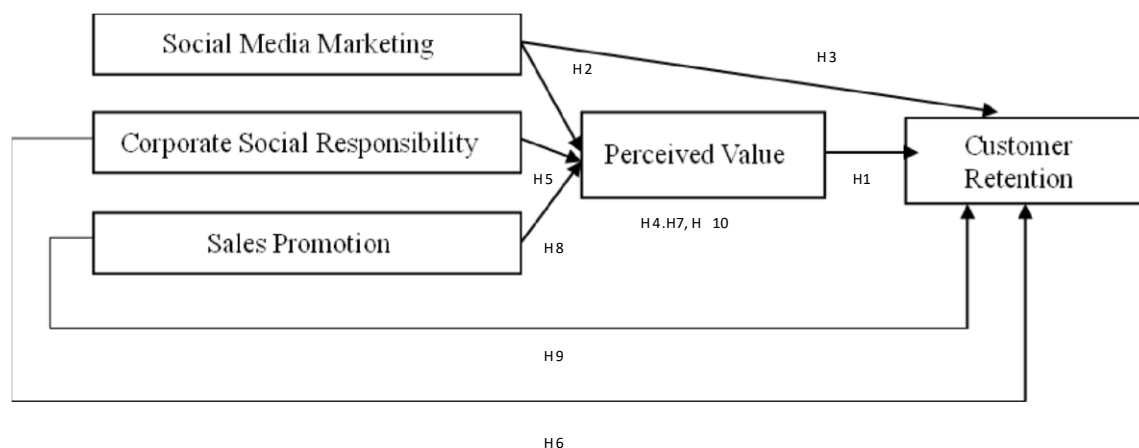


Figure 1. Hypothesis

LITERATURE REVIEW

Customer Retention

The majority of prior research on retaining customers has been influenced by the commitment-trust theory proposed by Morgan and Hunt (1994). This theory suggests that building and sustaining customer relationships hinges on cultivating trust and brand loyalty through positive purchasing experiences. Van Vuuren et al. (2012) argue that comprehending the fundamental elements of trust and loyalty is crucial for nurturing enduring relationships. Relationship marketing involves fostering connections with business clients



by meeting their requirements and upholding commitments made to them. Morgan and Hunt (1994) further emphasize that building trust and loyalty necessitates companies to deliver exceptional products and services while conveying brand value. Rather than prioritizing short-term gains, organizations embracing the relationship marketing approach aim to forge lasting connections with their most valuable customers. As a result, customers are inclined to develop trust in these organizations, and the reciprocal commitment enables both parties to meet their respective needs. Thus, heightened levels of trust and loyalty ultimately contribute to enhanced customer retention (Hilman and Hanaysha, 2015).

Customer retention can be defined as the process of fostering customer loyalty towards a specific brand, thereby encouraging customers to repeatedly choose its products or services over time (Cannie, 1994; Danish et al., 2015). It underscores the importance of recurrent patronage, which is primarily linked to consumers' repeat purchasing habits and allegiance to a brand (Buttle, 2004). Essentially, customer retention involves cultivating enduring customer commitment to a brand and nurturing such relationships through positive perceptions and past experiences (Boohene et al., 2013; Mohamed and Borhan, 2014). Customers who consistently prefer a particular brand for their purchases typically exhibit higher levels of satisfaction compared to those with less commitment. Additionally, a strong customer-brand relationship reduces consumers' susceptibility to price promotions offered by competitors. Anderson and Sullivan (1990) further demonstrated that customer retention carries financial implications for organizations, as acquiring new customers is more expensive than retaining existing ones due to the costs associated with advertising and promotional efforts aimed at influencing their buying behavior.

The primary objective for organizations employing the relationship marketing strategy has typically been customer retention (Coviello et al., 2001; Grönroos, 1991). While the precise measurement and characterization of customer retention may vary across industries and businesses (Aspinall et al., 2001), there is a consensus that prioritizing customer retention can yield numerous benefits (Ang and Buttle, 2006; Buttle, 2004; Dawkins and Reichheld, 1990). For example, existing customers tend to exhibit a greater willingness to pay premium prices for a company's products or services compared to new customers, and they are less responsive to promotional offers typically targeted at acquiring new customers (Ang and Buttle, 2006). Moreover, loyal customers who maintain their allegiance to a specific brand are prone to making frequent purchases, advocating for the brand to others, requiring less time from service providers, and being less sensitive to price fluctuations (Sim et al., 2006; Reichheld and Sasser, 1990). Previous studies have also demonstrated that the cost of acquiring new customers is nearly seven times higher than retaining existing ones (Sim et al., 2006), and that enhancing customer retention leads to enhanced profit margins. These collective advantages underscore the significance and value of retained customers for a brand's success.

In essence, sustaining customer loyalty stands as the central aim of enduring relationship marketing, emerging as a pivotal managerial focus, especially in scenarios where entities encounter sluggish growth in acquiring fresh clientele over time (Ahmad and Buttle, 2002). The retention of clientele has emerged as a pivotal objective for numerous entities, notably amidst the prevailing competitive commercial landscape, wherein various brands dedicate substantial resources, both temporal and financial, toward fostering enduring and reciprocal ties with potential patrons to realize heightened performance and attain marketing goals (Bataneh et al., 2015). Given these observations, the adoption and execution of relationship marketing as a corporate strategy for nurturing and preserving clientele could furnish a brand with robust and enduring competitive advantages (Roberts et al., 2003). Nonetheless, establishing and upholding customer relations over time proves to be a formidable undertaking unless a company comprehends the needs and anticipations of its clientele. Consequently, it has become imperative for organizations to grasp the requisites and anticipations of their clientele to effectively manage their brand connections, and subsequently acquire and utilize the necessary resources proficiently to ensure elevated levels of contentment and retention.

Perceived Value

Jones et al. introduced the notion of perceived value as the overall assessment made by consumers regarding the advantages of a product or service in relation to the price paid and the benefits gained in return (Zeithaml and Bitner, 2003, p. 491). The term "value" denotes the variance between prices and utilities, perceived through considerations of both quality and cost (Nguyen and LeBlanc, 1998). Additionally, in literature, perceived value is described as consumers' perceptions of the unique benefits and advantages of choosing a product or service over other options (Zeithaml et al., 1996). This implies that perceived value can be assessed based on consumers' investments in terms of time and cost (Zeithaml et al., 1996; Nasution and Mavondo, 2008). Generally, customer value focuses on how customers perceive or evaluate what they gain from purchasing a specific product or service (Chang et al., 2009), embodying the benefits received from choosing a particular brand. Some researchers have underscored that customers' evaluations



of perceived value stem from the functional utility or economic costs associated with purchasing a product/service (Hauser and Urban, 1986).

Due to the rapid evolution of technology, consumers' demands have undergone swift changes, prompting organizations to pivot towards enhancing customer value. Presently, value is co-created by both brands and their clientele, leading customers to anticipate diverse shopping encounters from companies. Gathering insights from customers regarding their desired value is crucial and can be deemed foundational for effective market management. Thus, organizations find it imperative to enhance their products and services in target markets by gaining deeper insights into enhancing customer value. This imperative has also driven many brands to gain a better understanding of the factors influencing customer value, aiming to establish sustainable competitive advantages and bolster customer retention (Lapierre, 2000). Within the realm of retail, managers have gradually come to realize that to sustain competitiveness, they must provide additional value to customers to elucidate fluctuations in pricing. As a result, retail managers need to comprehend the needs and expectations of diverse customers concerning the value proposition.

Numerous researchers have affirmed the significance of perceived value by demonstrating its direct impact on consumer purchasing inclination (Dodds and Monroe, 1985). Dube and Renaghan (2000) noted that one crucial aspect for organizations to consider in retaining and satisfying their clientele is the provision of additional value. In the current fiercely competitive marketing landscape, furnishing superior customer value has indisputably emerged as a fundamental marketing approach for numerous brands (Hansen, Samuelsen, and Silseth, 2008). This is because heightened customer value augments both customer satisfaction and brand loyalty, thereby enabling organizations to bolster profit margins through increased sales resulting from repeat purchases and positive referrals (Liu et al., 2007). Certain scholars have also validated that perceived value significantly contributes to customer retention (Chang and Wang, 2011).

Social Media Marketing

In contemporary times, many individuals are drawn to social media due to its myriad strengths and benefits as a communication tool, fostering enduring relationships between companies and their clientele (Hanaysha, 2016; Sano, 2014). Social media, as defined in literature, encompasses online communication networks and platforms designed to facilitate interactive information sharing among users (Esu and Anyadighibe, 2014). Additionally, Edosomwan et al. (2011) conceptualized social media as an online communication method leveraging social networks and blogs to enhance interaction, communication, and information sharing among individuals. Hennig-Thurau et al. (2010) described social media as digital channels enabling organizations and customers to interact across geographical and temporal boundaries. The proliferation of social media networks has empowered consumers with diverse options and comprehensive information about various services and products (Mann and Sahni, 2011).

Social media platforms have emerged as preferred online channels for consumer interaction with service providers, offering insights into latest offerings, which consumers then share with others before making purchasing decisions (Hudson et al., 2016; Qualman, 2013). Consequently, social media marketing has garnered significant attention from organizations, facilitating a deeper understanding of consumer needs, brand perceptions, and future behaviors (Bolton et al., 2013). The rapid expansion of social media marketing has fundamentally altered consumer interactions and communications with both peers and service providers (Duffett, 2015). Utilizing social media tools, marketers can engage in two-way communication with current and potential customers, swiftly gathering valuable insights into their behaviors. Furthermore, marketers have recognized the efficacy of social media marketing in leveraging word-of-mouth and brand referrals.

To stay competitive in today's dynamic business landscape, companies must adopt a social media marketing strategy. Persuad (2013) found that increased interaction among consumers on social platforms positively influences their purchase intentions, leading to favorable attitudes toward brands. Additionally, scholars such as Erdoğan and Cicek (2012) and Mangold and Faulds (2009) have noted that social media facilitates the exchange of information between consumers, allowing organizations to optimize marketing expenses, enhance brand awareness, bolster brand recognition and recall, and foster brand loyalty. The interactive nature of social media enables swift responses to customer issues or complaints at minimal costs, thereby promoting customer retention. In summary, leveraging social media marketing effectively can help companies cultivate positive relationships with both existing and prospective customers, thereby boosting perceived value and fostering customer loyalty.



Corporate Social Responsibility

The concept of corporate social responsibility (CSR) has recently garnered considerable attention from numerous scholars. According to Maignan et al. (1999), CSR is delineated as the process wherein organizations acknowledge economic, ethical, legal, and discretionary responsibilities towards diverse stakeholders. In essence, CSR underscores the actions and protocols adopted by organizations that incorporate the needs and anticipations of various stakeholders across three key dimensions: environmental, economic, and social (Aguinis and Glavas, 2012; Rodrigues and Borges, 2015; Rupp et al., 2010; Shabib and Ganguli, 2017). Pérez et al. (2013) provided an alternative definition of CSR, characterizing it as the effectiveness of a brand in producing and positioning its products within a specific target market while considering the fulfillment of social duties. The literature pertaining to CSR illustrates that consumers are inclined to appreciate the additional value associated with purchasing products or services from socially responsible brands (Ferreira et al., 2010; Strahilevitz, 1999). These benefits signify the outcomes derived from a transactional relationship with the brand. Furthermore, Ferreira et al. (2010) asserted that CSR exerts a favorable influence on customers' perceived value by acknowledging tangible benefits that can substantiate price differentials.

The assessment of consumers' attitudes towards the social responsibility initiatives undertaken by organizations stands out as a significant subject of investigation within marketing research across diverse industries (Rodrigues and Borges, 2015; Hassan et al., 2013). This significance arises from the fact that the implementation of social responsibility initiatives by organizations serves as a crucial source of information for various stakeholders regarding the brand's value, consequently bolstering consumers' trust in the service provider (Pérez et al., 2013). Previous scholarly works have consistently highlighted corporate social responsibility practices as pivotal determinants influencing consumers' perceptions and responses towards a company's offerings (Brown and Dacin, 1997; Marquina and Morales, 2012). Additionally, research has underscored the role of corporate social responsibility as a principal intangible asset for attaining sustainable competitive advantages and distinguishing brands in the market (Marquina and Morales, 2012; Bhattacharya and Sen, 2004; Maignan et al., 1999). Likewise, Green and Peloza (2014) affirmed that corporate social responsibility exerts a considerable impact on consumers' purchasing behaviors, particularly when brands embed implicit ethical attributes in their products or services and demonstrate a strong commitment to safeguarding consumers' interests. Consequently, consumers' perception of a brand's social responsibility influences their preference and the longevity of their relationships with the brand (Hassan et al., 2013).

In the marketing literature, it was documented that corporate social responsibility activities has a positive impact on consumers' attitudes toward the brand and its products or services (Luo and Bhattacharya, 2006; Mandhachitara and Poolthong, 2011; Smith and Langford, 2009). Corporate social responsibility was also considered as a key marketing strategy in retail stores for maintaining customers and communicating brand value. The active participation in social responsibility programs has largely been considered to be important for strengthening brand image and reputation (Anselmsson and Johansson, 2007; Elg and Hultman, 2016). Bhattacharya and Sen (2004) found that corporate social responsibility improves brand value by developing a sense of well-being, and this value is appreciated by consumers in the market. Other researchers reported that the consequences of corporate social responsibility include positive brand perceptions (Brown and Dacin, 1997), greater buying intentions and the perceived value (Mohr and Webb, 2005). Certain scholars also reported that corporate social responsibility has a significant positive effect on customer retention (Chung et al., 2015; Raman et al., 2012).

Sales Promotion

Sales promotion stands as a pivotal component within marketing endeavors, typically aimed at stimulating swifter and greater acquisitions of specific products or services proffered by a brand. These promotions commonly manifest in the guise of incentives, enticing a broader audience of consumers (Kotler and Keller, 2012). Agrawal (1996) characterizes sales promotions as a robust marketing tactic wielded by organizations to engender loyalty among customers and deter them from defecting to competitors. An alternative delineation of sales promotion, posited in literature, portrays it as a constituent of the marketing mix primarily crafted to inform, persuade, and jog the memory of a consumer cohort, thereby shaping their perceptions and beliefs concerning a brand (Stanton et al., 2007). Moreover, Kotler and Armstrong (2010) define promotions as marketing maneuvers orchestrated by brands to sway their customers and galvanize them into acquiring their products or services. Corporations execute sales promotions with the aim of augmenting brand recognition and amplifying consumers' attention and interest in the offerings (Satit et al., 2012; Witell, 2011).



Pourdehghan (2015) highlighted the significance of sales promotions in capturing consumers' attention and piquing their interest in a brand's products or services. Various promotional strategies, including price incentives, complimentary samples, discounted prices, and sweepstakes, can exert substantial influence on consumer attraction and purchasing behavior. Brands widely employ sales promotions to incite favorable consumer responses (Kotler and Keller, 2012). According to Tanner and Raymond (2012), the choice of promotional tactics hinges on multiple factors, encompassing the product life cycle, financial resources, product characteristics, target market attributes, consumer purchasing readiness, communication channels, organizational guidelines, competitive pricing and promotions, environmental variables, and media accessibility. Mullin and Cummins further affirm that sales promotion stands as the predominant method for enticing customers and optimizing sales.

Hasan et al. (2016) discovered that sales promotions wielded a noteworthy, affirmative influence on customers' purchasing decisions. Additionally, they underscored the pivotal role of promotional campaigns in shaping consumers' perceptions of brand value and their purchasing behaviors. Specifically, these promotional incentives imbue consumers with a sense of added value, particularly when products are offered at reduced prices in line with their financial preferences. Several studies (Andreti et al., 2013; Sagala et al., 2014) scrutinized sales promotions within retail environments and revealed their substantial impact on purchasing decisions and customer loyalty. Moreover, Witell (2011) showcased how loyal customers derive satisfaction from price promotions, fostering favorable attitudes toward the brand. Mendez et al. (2015) further advocated for the efficacy of sales promotions in bolstering customer retention and enhancing brand reputation over time. Aaker (1991) provided extensive support by elucidating how promotional events serve as platforms for fortifying and expanding brands. Additionally, other scholars corroborated the significant influence of sales promotions on customer retention (Amini et al., 2012; Chen and Green, 2011).

METHODOLOGY

This research involved Nors Studio customers and the potential consumers in the Bandung and Jabodetabek. A user-friendly sampling procedure was used to ensure random distribution of the questionnaire. Participants were given an explanation of the purpose of the study and provided informed consent before completing the survey. To reduce bias, respondents were approached at various times each day during the data collection period.

Prior to data collection, a comprehensive questionnaire was developed and divided into sections to collect detailed information about the respondents and the research constructs. The first section includes questions about respondent demographics, while the next section contains items to measure various constructs adapted from existing literature, including social media marketing, corporate social responsibility, sales promotion, perceived value, and customer retention, all of which are assessed using scales. Five-point Likert.

This research focuses on examining the direct and indirect effects of various marketing strategies on customer retention, with particular emphasis on the role of perceived value as a mediator. A quantitative research design was adopted to collect data and capture customer feedback effectively, with a descriptive approach to explain each hypothesis and its implications in detail.

The data analysis process involves several important steps: describing the data collected, testing the validity and reliability of the data, conducting classic assumption tests, regression analysis, and hypothesis testing to determine the relationships and effects proposed in the study. SPSS was used as the primary analysis tool to ensure reliable and valid findings, thereby providing an indepth understanding of the impact of the specified marketing strategy on customer retention.

RESULT

A total of 250 valid questionnaires were received as survey participant responses for data analysis. To analyze demographic characteristics, descriptive statistics were used using SPSS. It shows that 36% of the respondents were male, while 64% were female. If we look at the age demographics, the number of respondents aged 18-20 years is 14%. Respondents aged 21-23 years were 26%. Respondents aged 24-26 years were 24%. Respondents aged > 26 years were 36%. If we look at the demographic income in a month, respondents with a vulnerable income of 1-5 million rupiah are 52%. Respondents with vulnerable incomes of 5-10 million rupiah were 31%. Respondents with vulnerable incomes > 10 million rupiah were 18%. If we look at the educational demographics, 24% of the respondents had elementary/middle school/senior high school education. Respondents with a final education of D1/D2/D3 were 18%. Respondents with a final education of D4/S1 were 48%. Meanwhile, respondents with a Master's/S3 level of education were 9%.



To ensure the validity of the data used, validity testing was carried out with the r table value of 250 respondents obtaining a value of 0.138. Variable decision making is said to be valid if it has a value greater than r table (0.138). the r table value of each variable shows a value of 0.645, 0.392, 0.540, 0.495, and 0.427 respectively which has a value of more than 0.138. This shows that the variables in this research are valid variables.

To ensure internal consistency among the selected scales, a reliability test using Cronbach Alpha was carried out. The reliability of an item has been reduced to a result that does not change when combined to measure a particular construct. According to Nunnally (1978), reliability can be considered acceptable if the Cronbach Alpha value reaches 0.60 or more. In general, the research results show that the Cronbach Alpha value ranges from 0.757 to 0.812, meaning that the Cronbach alpha for all constructs (Social Media Marketing, Corporate Social Responsibility, Sales Promotion, Customer Retention, and Perceived Value) exceeds the minimum required value, namely 0.60, which supports the assumption reliability.

DISCUSSION

Perceived Value Has A Positive Effect On Customer Retention

Customer Perceived Value is the value that customers feel is based on the difference between what customers get and what customers give for different possible choices. Perceived Value is an assessment of the value felt by customers, which includes the suitability of price and quality, brand reputation and the benefits of the value paid, suitability of price and quality will provide satisfaction to customers because the costs incurred are in accordance with the benefits received. Brand reputation will be created when customers feel satisfied with the products or services that have been used and in accordance with customer expectations, so the implications will have an impact on Customer Retention.

it is stated that the significance value is $0.000 < 0.05$. So it can be concluded that there is a direct significant influence of the Perceived Value variable on Customer Retention. This is in accordance with research by Pipih Sopiyan (2021), the results show that Customer Perceived Value has a positive and significant effect on Customer Retention with a contribution level of 21.71%. This means that when customers feel high value for a product or service, they tend to continue using the product or service and do not easily switch to another product or service. Thus, companies that can increase the value perceived by customers can increase the level of customer care and retain their customers more effectively.

Social Media Marketing Has A Positive Effect On The Perceived Value

According to Aji et al. (2020), as a tool for communication, sales and maintaining relationships with consumers, brand holders are currently starting to shift to social media. This type of two-way communication platform is a great method for sharing information and opinions. Social media is considered more honest by consumers, because it communicates the brand, not trying to control the brand image. This type of interaction increases positive attitudes towards the brand, influences commitment and strengthens perceived value. Social media also influences brand sales performance. Because social media marketing activities will be able to encourage consumer purchasing interest. it is stated that the significance value is $0.000 < 0.05$. So it can be concluded that there is a direct significant influence of the Social Media Marketing Variable on Perceived Value. This is in accordance with Erdoğan and Cicek's (2012) research which found that Social Media Marketing has a positive and significant influence on Perceived Value with a contribution level of 39.71%. This means that when companies use social media to promote products or services, the value perceived by customers towards the product or service increases. Thus, companies that use Social Media Marketing can increase the value perceived by customers and retain their customers to be more relatable to consumers.

Social Media Marketing Has A Positive Effect On Customer Retention

Hanaysha's (2018) survey results explain that social media marketing has a positive influence on customer retention. Esu and Anyaghibe's (2014) findings show that there is an important relationship between social media micromarketing and Customer Retention. According to a study by Wilson Ozuem and Stokinger (2014), effective use of social media can lead to increased market share and customer retention. it is stated that the significance value is $0.000 < 0.05$. So it can be concluded that there is a direct, significant influence of the Social Media Marketing variable on Customer Retention. The results of this research are in line with research conducted by Hanaysha (2018) explaining that Social Media Marketing has a positive effect on Customer Retention. Research results from Esu and Anyaghibe (2014) revealed a significant relationship between social media micromarketing and customer retention.



Perceived Value Mediates The Relationship Between Social Media Marketing And Customer Retention

Persuad (2013) found that increased interactions between consumers on social media had a positive impact on purchase intentions, leading individuals to develop positive attitudes towards brands. In addition, various scholars have noted that social media facilitates the exchange of information among consumers regarding the products and services offered by certain brands (Erdoğan and Cicek, 2012; Mangold and Faulds, 2009). These capabilities enable organizations to optimize marketing spend, increase brand awareness, increase brand recognition and recall, and grow brand loyalty. In particular, the interactive nature of social media communications allows organizations to immediately address customer concerns or complaints at minimal cost, thereby increasing customer retention. In essence, skillful utilization of social media marketing efforts can assist organizations in cultivating positive relationships with existing and prospective customers, thereby increasing perceived value and customer retention. It is known that the direct influence that Social Media Marketing has on Customer Retention is 0.124. Meanwhile, the indirect effect of X1 through Y on Z is the multiplication of the beta value of X1 on Y with the beta value of Y on Z, namely: $0.285 \times 0.404 = 0.115$. So the total influence that X1 has on Z is the direct influence plus the indirect influence, namely: $0.124 + 0.115 = 0.239$. Based on the calculation results above, it is known that the direct influence value is 0.124 and the indirect influence value is 0.115, which means that the direct influence value is greater than the non-direct influence value. These results indicate that directly Social Media Marketing through Perceived Value has a significant influence on customers retention.

Corporate Social Responsibility Has A Positive Effect On The Perceived Value

Corporate social responsibility is considered an important marketing tactic in retail companies, which serves to retain customers and convey brand values effectively. Actively engaging in social responsibility initiatives is widely recognized as crucial for strengthening a brand's image and reputation (Anselmsson and Johansson, 2007; Elg and Hultman, 2016). Bhattacharya and Sen (2004) found that corporate social responsibility increases brand value by fostering a sense of well-being, a quality that is highly valued by consumers in the marketplace. It is stated that the significance value is $0.001 < 0.05$. So it can be concluded that there is a direct significant influence of the Corporate Social Responsibility variable on Perceived Value. This is in accordance with research Green and Pelozo (2011) found that CSR has a positive and significant influence on Perceived Value with a contribution level of 80.71%. This means that when a company shows a commitment to CSR, customers tend to assess high value for the product or service. Thus, companies that use CSR can increase the value perceived by customers and retain their customers more effectively.

Corporate Social Responsibility Has A Positive Effect On Customer Retention

Corporate social responsibility is considered an important marketing tactic in retail companies, which serves to retain customers and convey brand values effectively. Actively engaging in social responsibility initiatives is widely recognized as crucial for strengthening a brand's image and reputation (Anselmsson and Johansson, 2007; Elg and Hultman, 2016). Bhattacharya and Sen (2004) found that corporate social responsibility increases brand value by fostering a sense of well-being, a quality that is highly valued by consumers in the marketplace. Additional studies have highlighted the positive outcomes of corporate social responsibility, including favorable brand perceptions (Brown and Dacin, 1997), increased purchase intentions, and perceived value (Mohr and Webb, 2005). Additionally, several researchers have documented a significant positive correlation between corporate social responsibility and customer retention (Chung et al., 2015; Raman et al., 2012). It is stated that the significance value is $0.002 < 0.05$. So it can be concluded that there is a direct significant influence of the Corporate Social Responsibility variable on Customer Retention. This is in accordance with research by Onlaor and Rotchanakitumnuai (2010) who found that CSR has a positive and significant influence on customer satisfaction and customer loyalty. Apart from that, research by Kiki Agung Laksono (2011) also found that CSR has a positive and significant influence on customer loyalty. Thus, companies that use CSR can increase the value perceived by customers and retain their customers more effectively.

Perceived Value Mediates The Relationship Between Corporate Social Responsibility And Customer Retention

Corporate social responsibility is considered an important marketing tactic in retail companies, which serves to retain customers and convey brand values effectively. Actively engaging in social responsibility initiatives is widely recognized as crucial for strengthening a brand's image and reputation (Anselmsson and Johansson, 2007; Elg and Hultman, 2016). Bhattacharya and Sen (2004) found that corporate social responsibility increases brand value by fostering a sense of well-being, a quality that is highly valued by consumers in the marketplace. Additional studies have highlighted the positive outcomes of corporate social responsibility, including favorable brand perceptions (Brown and Dacin, 1997), increased purchase intentions, and perceived value



(Mohr and Webb, 2005). Additionally, several researchers have documented a significant positive correlation between corporate social responsibility and customer retention (Chung et al., 2015; Raman et al., 2012). It is known that the direct influence that Corporate Social Responsibility has on Customer Retention is 0.169. Meanwhile, the indirect effect of Corporate Social Responsibility through Perceived Value on Customer Retention is the multiplication of the beta value of Corporate Social Responsibility on Perceived Value with the beta value of Perceived Value on Customer Retention, namely: $0.116 \times 0.404 = 0.046$. So the total influence that Corporate Social Responsibility has on Customer Retention is the direct influence plus the indirect influence, namely: $0.169 + 0.046 = 0.215$. Based on the calculation results above, it is known that the direct influence value is 0.169 and the indirect influence value is 0.046, which means that the direct influence value is greater than the non-direct influence value. These results indicate that Corporate Social Responsibility directly through Perceived Value has a significant influence on Customers Retention.

Sales Promotion Has A Positive Effect On The Perceived Value

Price reduction or discounts are one of the tactics used to show sales promotions. Offering discounts is seen as a means of providing value that can be felt directly by consumers. Research conducted by Greewal et al (1998) found that sales promotions have a large and profitable impact on perceived value. Research conducted by Regina et al (2021) strengthens the finding that sales marketing has an important impact on perceived value. It is stated that the significance value is $0.001 < 0.05$. So it can be concluded that there is a direct significant influence of the Corporate Social Responsibility variable on Perceived Value. This is in accordance with research by Grewal (1998), which shows that sales promotions have a positive and substantial impact on perceived value. Apart from that, Regina et al (2021) found that the sales promotion variable had a significant influence on perceived value.

Sales Promotion Has A Positive Effect On Customer Retention

Hasan et al (2016) found that the implementation of sales promotions had a significant effect on customer purchasing decisions. They further highlight the important role of promotional campaigns in shaping consumers' perceptions of brand value and their choices. Specifically, these promotional initiatives provide consumers with a sense of added value by offering discounted prices, aligned with their financial preferences. Various investigations (Andreti et al., 2013; Sagala et al., 2014) examined sales promotions in retail environments, confirming their profound impact on purchasing decisions and customer loyalty. In addition, Witell (2011) shows how loyal customers respond positively to price promotions, thereby fostering favorable brand perceptions. Mendez et al. (2015) support the idea that sales promotions increase customer retention and brand price over time. Aaker (1991) provides strong support by illustrating how promotional events function as catalysts for brand strengthening and extension. Furthermore, experts emphasize the important role of sales promotions in customer retention (Amini et al., 2012; Chen and Green, 2011). It is stated that the significance value is $0.000 < 0.05$. So it can be concluded that there is a direct, significant influence of the Sales Promotion variable on Customer Retention. This is in accordance with Fauziah and Rahmidani (2021) who found that Sales Promotion has a positive and significant influence on impulse buying, which in turn has a positive influence on consumer satisfaction and consumer loyalty. Another study by Daulay et al. (2020) and Felita and Oktivera (2019) also found that Sales Promotion had a positive and significant effect on impulse buying and consumer loyalty. Thus, companies that use Sales Promotion can increase the value perceived by customers and retain their customers more effectively.

Perceived Value Mediates The Relationship Between Sales Promotion And Customer Retention

Hasan et al (2016) found that the implementation of sales promotions had a significant effect on customer purchasing decisions. They further highlight the important role of promotional campaigns in shaping consumers' perceptions of brand value and their choices. Specifically, these promotional initiatives provide consumers with a sense of added value by offering discounted prices, aligned with their financial preferences. Various investigations (Andreti et al., 2013; Sagala et al., 2014) examined sales promotions in retail environments, confirming their profound impact on purchasing decisions and customer loyalty. In addition, Witell (2011) shows how loyal customers respond positively to price promotions, thereby fostering favorable brand perceptions. Mendez et al. (2015) support the idea that sales promotions increase customer retention and brand price over time. Aaker (1991) provides strong support by illustrating how promotional events function as catalysts for brand strengthening and extension. Furthermore, experts emphasize the important role of sales promotions in customer retention (Amini et al., 2012; Chen and Green, 2011). It is known that the direct influence that Sales Promotion has on Customer Retention is 0.272. Meanwhile, the indirect effect of Sales Promotion through Perceived Value on Customer Retention is the multiplication of the beta value of Sales Promotion on Perceived Value with



the beta value of Perceived Value on Customer Retention, namely: $0.345 \times 0.404 = 0.139$. So the total influence that Sales Promotion has on Customer Retention is the direct influence plus the indirect influence, namely: $0.272 + 0.139 = 0.411$. Based on the results of the calculations above, it is known that the direct influence value is 0.272 and the indirect influence value is 0.139, which means that the direct influence value is greater than the non-direct influence value. These results indicate that directly Sales Promotion through Perceived Value has a significant influence on Customer Retention.

Innovative Social Media Marketing Strategy

Social Media Marketing innovation strategies to influence customer retention involve various effective approaches. One strategy that can be implemented is 1. Special Anniversary Discount

By providing superior and personal service (Surur & Paramita, 2022). For example, by using customer data, businesses can provide offers that suit their needs. Likewise with what Nors Studio can do in creating promos for its customers. For example, giving special discounts to consumers who have birthdays or providing exclusive offers to customers who have made several transactions. This will make consumers curious to take part in these promotional activities, especially in providing special discounts to consumers whose birthdays are on certain dates.

2. Instagram Promo for Nors Studio

Apart from that, another strategy that can be implemented is to carry out effective communication via social media (Rambe et al, 2024). Nors Studio can do this by regularly communicating with customers via email, text messages, or social media, so customers stay connected and feel heard. Such as asking for feedback on products or services when communicating with consumers via social media or other ordering platforms. This way, customers will feel that the business cares about and appreciates them, thereby increasing loyalty and retention.

3. Buy 2 Get 3 Free Promo

Another strategy that Nors Studio can implement is by providing special discounts and promotions to its loyal customers (Surur & Paramita, 2022). This special offer can be in the form of "Buy 2 Get 3 Free" or provide a discount with a discount of up to tens of percent, for example an 80% discount and the like. By providing special offers, businesses show that they value and care about their customers, thereby encouraging them to continue purchasing products and remaining loyal.

In developing a Social Media Marketing innovation strategy, Nors Studio must also update products and services regularly (Darma et al, 2022). With innovative shapes and other color choices that attract consumers' curiosity to see or ask about the product. This can be done by improving product features or offering new products that are relevant to consumer needs. This way, customers who want to upgrade can come back and remain loyal.

Innovative Corporate Social Responsibility Strategy

Designing a CSR (Corporate Social Responsibility) innovation strategy to influence customer retention can be done in several steps.

1. Big Discount Gamification

First, companies must build harmonious relationships with customers through discount strategies and surprise gifts tailored to each customer's needs and preferences (Surur & Paramita, 2022). Nors Studio can do this by providing big discounts or providing promos on certain dates when consumers celebrate birthdays. Additionally, Nors Studio may use customer data to offer a personalized and satisfying shopping experience, as well as provide short tutorials on the benefits of using the product and information about customer service. Another strategy is to use gamification, such as providing discounts or redeemable points, to reward loyal customers.

2. Consumer Clothing Package Suggestions

Second, companies must understand customer needs, such as the need for convenience and speed, flexibility, and fast assistance (Pranawukur & Sukma, 2021). That way, Nors Studio can design strategies that suit customer needs, such as providing suggestions for suitable clothing packages for customers who want to increase their connection speed. Another strategy is to use effective design thinking to build strong engagement with customers (Anggareni, et al, 2024), such as by providing suggestions to solve their problems.

3. Customer Relations Management

Third, Nors Studio must retain customers by providing good and efficient service. CRM (Customer Relationship Management) strategies can help companies increase the effectiveness of relationships with customers (Kumar & Reinartz, 2018), such as by



differentiating between various types or types of customers to provide the right service. In addition, Nors Studio can use an excellent service system that adjusts costs, and adjusts prices to the brand value provided to customers.

Thus, designing a CSR innovation strategy to influence customer retention can be done by understanding customer needs, providing good and efficient service, and using strategies that suit consumer behavior. In this way, companies can increase customer loyalty and experience steady growth.

Innovative Sales Promotion Strategy

Fashion companies can increase customer retention with effective sales promotion innovations. One strategy that can be implemented is:

1. 50% discount at the end of the month by using competitive price offers and attractive promotions, such as a 50% discount at the end of the month or offering free products with other purchases (Meitana & Sembhodo, 2022).
2. Use of social media platforms and email

In addition, Nors Studio can utilize social media platforms and email to send information about attractive promos and offers, as well as maintain open lines of communication with customers through responsive customer service (Sari et al, 2023). This way, customers will feel that the company cares about their experience and makes them loyal customers.

In recent years, e-commerce in Indonesia has increased sharply, and platforms such as Shopee have become one of the largest ecommerce platforms in Indonesia. In this situation, local fashion companies such as Nors Studio must improve their marketing and sales strategies to increase customer loyalty, including:

1. Flash Sale

One way that can be implemented is by using effective sales promotions such as Flash Sales and maintaining strong brand equity. Thus, customers will be more likely to repurchase Nors Studio products and increase their loyalty to the brand.

2. Providing Catalogs to Consumers

Nors Studio can also increase customer retention by understanding customer preferences and needs in more depth. By identifying who their customers are, what fashion preferences they have, and what they are looking for in a product, companies can adapt marketing and product strategies to meet their needs (Romli et al, 2021). One thing that can be done is to provide catalogs to consumers. Superior and long-lasting product quality is also very important in retaining customers. This way, customers will return to shop if they feel the product provides good value and is reliable.

3. 24/7 Customer Service Team

Lastly, Nors Studio can increase customer retention by keeping open lines of communication with customers. One program that can be implemented is to form a 24/7 customer service team. The team will respond to their questions, feedback or complaints quickly and professionally, and use social media, email and customer service platforms effectively to remain responsive to customer needs. This way, customers will feel that the company cares about their experience and makes them loyal customers.

CONCLUSION

Based on the research results above, it was found that research focuses on analyzing the direct and indirect impacts of social media marketing, corporate social responsibility, and sales promotions on customer retention, which is mediated by perceived value. The results of this research show that the results of the hypothesis tests carried out show that all have influential results from each independent variable, namely Social Media Marketing, Corporate Social Responsibility and Sales Promotion on the dependent variable, namely Customer Retention. Apart from that, the relationship between each independent variable and the mediated dependent variable has a direct effect on the relationship between the independent variables, namely Social Media Marketing, Corporate Social Responsibility and Sales Promotion, each of which has a direct effect through the Perceived Value variable on Customer Retention.

Nors Studio can increase customer retention by Innovative social media marketing strategies and consumer response programs demonstrate that Nors Studio can increase customer retention through a diverse and integrated approach. By implementing special discounts for birthday customers, attractive promotions on social media, and offers such as "Buy 2 Get 3 Free," Nors Studio can create a personalized and engaging shopping experience. Additionally, effective communication through digital platforms and responsive customer service are critical to building strong relationships with consumers. Other strategies, such as discount gamification and efficient customer relationship management (CRM), can also help understand customer needs and increase loyalty.



In the context of ever-growing e-commerce, Nors Studio must continue to innovate in sales promotions, such as flash sales and product catalogs that suit customer preferences, as well as establishing a 24/7 customer service team to ensure customer satisfaction. With these steps, Nors Studio can strengthen its position in the market and increase customer loyalty in a sustainable manner.

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