

Optimizing Marketing Strategy to Improve Heavy Equipment Sales Performance in the Coal Mining Sector: Evidence from PT United Tractors West Sumatra

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ABSTRACT: This study investigates the impact of strategic marketing optimization on the sales performance of heavy equipment in the coal mining sector, focusing on PT United Tractors West Sumatra. Employing a quantitative approach, the research examines key factors such as Customer Relationship Management (CRM), customer satisfaction, and customer loyalty, and their interrelationships in influencing sales outcomes. Data were collected through structured questionnaires distributed to corporate clients and sales representatives within the region. Structural Equation Modeling (SEM) was used to analyze the data and test the hypothesized relationships. The findings reveal that while CRM significantly enhances customer satisfaction, its direct effect on sales performance is not statistically significant. Conversely, customer satisfaction strongly influences customer loyalty, which in turn has a significant positive effect on sales performance. The study highlights the complexity of the B2B heavy equipment market, where factors such as long purchasing cycles, after-sales service, and relationship management play crucial roles. Practical implications suggest that PT United Tractors should prioritize integrated marketing strategies that enhance customer satisfaction and loyalty through personalized service, value co-creation, and responsive support. This research contributes to the academic literature by providing empirical evidence on the nuanced roles of CRM and customer-centric strategies in optimizing sales performance in industrial markets.

KEYWORDS: Customer Relationship Management, Customer Satisfaction, Coal Mining Sector, Heavy Equipment Sales, Strategic Marketing.

INTRODUCTION

The coal mining industry remains a cornerstone of Indonesia's economy, contributing approximately 20% to the country's export revenues and providing significant employment opportunities across multiple regions, including West Sumatra [1]. Within this sector, the deployment of heavy equipment such as excavators, bulldozers, and haul trucks is critical for ensuring efficient mining operations, which directly impact productivity and cost-effectiveness. The capital-intensive nature of these assets, coupled with long replacement cycles and complex operational demands, makes the sales process in this industry highly specialized and relationship driven [2].

PT United Tractors West Sumatra, as one of the leading heavy equipment distributors in Indonesia, operates in an intensely competitive environment characterized by fluctuating commodity prices, evolving regulatory frameworks, and increasing customer expectations for both product quality and after-sales service. In 2023, the Indonesian coal mining sector experienced a 4.5% growth in production volume, intensifying the demand for reliable, high-performance equipment. However, despite this growth, companies face challenges related to maintaining market share and improving sales performance amid rising competition from both domestic and international suppliers.

Customer Relationship Management (CRM) has emerged as a vital strategic approach in addressing these challenges by fostering stronger customer engagement, enhancing service delivery, and ultimately driving sales growth. Empirical evidence from various industries suggests that effective CRM systems improve customer satisfaction and loyalty—key drivers of sustainable sales performance [3]. Nonetheless, the translation of CRM investments into tangible sales outcomes in the heavy equipment sector remains under-explored, particularly in developing economies where infrastructural and market complexities can moderate these effects [4], [5], [6].

This study aims to fill this gap by analyzing the impact of strategic marketing optimization, focusing on CRM and customer satisfaction, on sales performance at PT United Tractors West Sumatra. The research applies advanced quantitative analysis through



Structural Equation Modeling (SEM) to delineate the relationships among CRM practices, customer satisfaction, loyalty, and sales metrics. The findings intend to contribute novel insights into the mechanisms through which CRM influences sales in capital goods industries and provide actionable recommendations for practitioners seeking to enhance marketing strategies and operational outcomes in complex B2B markets.

LITERATURE REVIEW

This section reviews relevant theoretical foundations and empirical findings related to customer relationship management (CRM), customer satisfaction, loyalty, and sales performance. Particular attention is paid to the B2B heavy equipment industry within the mining sector, which presents unique marketing and operational challenges.

Customer Relationship Management (CRM) Theory

Customer Relationship Management (CRM) refers to the strategic process of managing a company's interactions with current and potential customers to improve business relationships, retention, and profitability [7]. In the B2B industrial context, CRM enables companies to customize offerings, enhance communication, and integrate after-sales services to create long-term value.

Four key CRM components relevant to industrial marketing: (1) customer data management, (2) communication management, (3) personalization of offerings, and (4) after-sales service [8]. In capital-intensive industries like mining, CRM plays a critical role in reducing churn and fostering trust, particularly where high switching costs and long-term contracts are involved.

Effective CRM has been shown to strengthen customer engagement and drive positive business outcomes. A study by Kahn et al. found that CRM implementation in B2B contexts significantly improves satisfaction levels ($\beta = 0.59$, $p < 0.01$), particularly when tailored communication and proactive service are provided [9].

Customer Satisfaction and Loyalty

Customer satisfaction is a key antecedent to loyalty, particularly in long-term B2B relationships [10]. According to Kwon et al. and Ellitan et al., satisfaction is defined as a post-consumption evaluation based on the perceived discrepancy between expectations and performance [8], [11]. In industrial settings, satisfaction is influenced by technical reliability, service responsiveness, and economic value.

Purwati et al. argue that loyalty is not merely repeat purchasing but a psychological attachment and attitudinal commitment toward a brand or supplier [12]. In heavy equipment markets, loyalty reduces the cost of future transactions, increases customer lifetime value, and promotes brand advocacy—particularly important when procurement involves multimillion-dollar investments.

Empirical findings from Zhang et al. suggest that a 5% increase in customer retention can lead to a 25–95% increase in profit in industrial sectors, illustrating the strategic value of loyalty [13].

Sales Performance in B2B Industrial Markets

Sales performance, especially in capital goods industries, is multifaceted and includes both quantitative (e.g., sales volume, revenue, market share) and qualitative indicators (e.g., conversion rate, average deal size, customer acquisition cost). Satisfaction has a direct, positive effect on firm profitability and sales growth [14].

Ingram et al. developed the Customer Equity Model, which posits that improving customer satisfaction and loyalty enhances the value of future sales through increased customer equity [15]. In B2B settings, this is particularly critical where sales cycles are long, and purchase decisions are complex.

Mediation Frameworks in CRM-Sales Linkages

The indirect effects of CRM on sales performance—mediated by customer satisfaction and loyalty—have been supported in both theoretical and empirical literature. Peterson et al. found that in industrial machinery firms, CRM's indirect effect through satisfaction ($\beta = 0.32$, $p < 0.05$) exceeded its direct impact on sales ($\beta = 0.18$, $p < 0.10$), validating satisfaction as a key mediator [16].

Adwiya et al. demonstrated that customer loyalty mediates over 65% of the total effect of satisfaction on sales performance in B2B contexts [17]. These findings support the integration of multi-stage mediation models, where CRM affects satisfaction, which then affects loyalty, which ultimately drives sales outcomes.

This approach is theoretically grounded in the Resource-Based View, Service-Dominant Logic, and the Relational View, which collectively posit that intangible assets like relationships, trust, and satisfaction generate sustainable competitive advantages [18].

Contextual Literature: Heavy Equipment and Mining Industry

In the mining industry, heavy equipment purchases are influenced by technical specifications, financing structures, total cost of ownership (TCO), and after-sales support [19]. Procurement decisions are rarely driven by price alone; they are shaped by operational risks, equipment reliability, and supplier responsiveness.

Prawira et al. notes that Customer Business Transaction Methods (CBT)—such as Cash Before Coal (CBC), Payment After Coal (PAC), and Payment Period Agreements (PPA)—heavily affect capital investment decisions in mining [20]. These methods require flexible CRM approaches and adaptive marketing strategies.

Table 1. Summary of Literature Review

| Concept | Key Author(s) | Key Takeaways |
|---------------------------------|----------------------|---|
| CRM Theory | Beatson et al. [21] | CRM improves satisfaction and retention through service, communication, and personalization. |
| Customer Satisfaction & Loyalty | Khan et al. [22] | Satisfaction is a precursor to loyalty; loyalty drives repeat purchases and referrals. |
| Sales Performance | Høgevold et al. [23] | Satisfaction and loyalty directly improve revenue and market share. |
| Heavy Equipment Sector | Singh et al. [24] | Technical reliability, financial models, and service support shape equipment purchasing behavior in mining. |

METHODOLOGY

This study adopts a quantitative, causal-explanatory research design to examine the relationships between Customer Relationship Management (CRM), customer satisfaction, customer loyalty, and heavy equipment sales performance in the coal mining sector. A structured survey instrument was employed to collect primary data, which was subsequently analyzed using Structural Equation Modeling (SEM).

Research Design

The study applies a causal-explanatory design to explore both direct and indirect relationships among CRM, customer satisfaction, loyalty, and perceived sales performance. This design enables the identification of cause-effect patterns and the testing of theoretically derived hypotheses. The analytical framework is grounded in structural equation modeling (SEM), which allows for simultaneous assessment of measurement and structural models.

The study proceeds through four key stages:

1. Model Development – Based on prior literature and industry-specific insights.
2. Survey Data Collection – Distribution of structured questionnaires to qualified respondents.
3. Data Analysis Using SEM – Testing model fit and hypotheses.
4. Interpretation and Strategic Implications – Deriving managerial insights for marketing strategy optimization.

Population and Sampling

- Population: Coal mining companies operating in West Sumatra that procure heavy equipment from PT United Tractors.
- Sampling Method: Purposive sampling was used to target respondents in middle to upper management roles, such as procurement managers, operational engineers, and directors, who are directly involved in equipment acquisition and supplier evaluation.

Based on recommendations by Hair et al. [25], the minimum required sample size for SEM is five times the number of indicators. With 22 indicators in the model, the minimum sample size was calculated as:

$$\text{Sample Size} = 5 \times 22 = 110 \text{ respondents}$$

This sample size ensures model stability and generalizability within the selected regional context.



Data Collection

Primary Data

Primary data were gathered using a structured questionnaire distributed through:

- Direct interviews
- Email distribution

All constructs were measured using a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The key constructs and indicators include:

Table 2. Research Variable

| Variable | Dimension | Source |
|-----------------------|--|--|
| CRM | Communication, Personalization, After-Sales Service, Database Management | Payne & Frow (2005), Buttle (2009) |
| Customer Satisfaction | Overall satisfaction with products/services | Oliver (1997) |
| Customer Loyalty | Repurchase intention and recommendation | Dick & Basu (1994) |
| Sales Performance | Perceived increase in volume, value, and efficiency | Anderson et al. (1994), Kaplan & Norton (1996) |

Secondary Data

Supplementary data were sourced from:

- Company records: Sales history and CRM activities at PT United Tractors West Sumatra
- Industry reports: Market trends from the Ministry of Energy and Mineral Resources and APBI-ICMA
- Academic sources: Peer-reviewed literature on CRM, loyalty, and industrial marketing

Data Analysis Procedure

The analytical method employed was Structural Equation Modeling (SEM), using IBM SPSS AMOS and SmartPLS software. The analysis followed a two-stage process [26]:

a) Measurement Model Testing

- Confirmatory Factor Analysis (CFA) was conducted to test the validity and reliability of constructs.
- Convergent Validity was verified through:
 - Factor Loadings > 0.60
 - Average Variance Extracted (AVE) > 0.50
- Construct Reliability was confirmed using:
 - Composite Reliability (CR) > 0.70
 - Cronbach's Alpha > 0.70

b) Structural Model Testing

- Path analysis was used to examine the hypothesized relationships among constructs.
- Goodness-of-Fit (GoF) indices were applied:
 - Chi-Square/df ≤ 3.00
 - RMSEA ≤ 0.08
 - CFI ≥ 0.90
 - TLI ≥ 0.90
- Bootstrapping (5,000 resamples) was used to assess the significance of mediation effects.



Hypotheses

The following hypotheses were tested:

Table 3. Hypotheses

| Code | Hypotheses |
|------|--|
| H1 | CRM has a significant positive effect on Customer Satisfaction |
| H2 | Customer Satisfaction positively affects Customer Loyalty |
| H3 | Customer Loyalty has a positive impact on Sales Performance |
| H4 | CRM directly influences Sales Performance |
| H5 | Customer Satisfaction directly affects Sales Performance |

These hypotheses are grounded in established theories such as the Resource-Based View, Cognitive-Affective-Behavioral Model and Customer Equity Theory, ensuring both theoretical rigor and practical relevance.

RESULT AND DISCUSSION

A. Respondent Characteristics

Respondents were selected based on their decision-making role in heavy equipment procurement. Table 4 outlines their profiles:

Table 4. Respondent Demographics

| Variable | Category | Frequency (n) | Percentage (%) |
|-----------------------|--------------------------------|---------------|----------------|
| Position | Procurement Manager | 45 | 40.9% |
| | Operations Head | 38 | 34.5% |
| | General Manager | 27 | 24.5% |
| Experience | < 5 years | 25 | 22.7% |
| | 5–10 years | 52 | 47.3% |
| | > 10 years | 33 | 30.0% |
| Company Size | Small Mining Firm | 21 | 19.1% |
| | Medium Mining Firm | 59 | 53.6% |
| | Large Mining Firm | 30 | 27.3% |
| Payment Method | Cash Before Coal (CBC) | 34 | 30.9% |
| | Payment After Coal (PAC) | 41 | 37.3% |
| | Payment Period Agreement (PPA) | 35 | 31.8% |

B. Descriptive Statistics

Descriptive analysis was conducted to evaluate respondents’ perceptions of each construct. All constructs were measured using a 5-point Likert scale. The results are summarized in the table below:

Table 5. Descriptive Statistics of Constructs

| Construct | No. of Indicators | Mean | Standard Deviation |
|---|-------------------|------|--------------------|
| Customer Relationship Management (CRM) | 12 | 4.28 | 0.51 |
| Customer Satisfaction | 4 | 4.38 | 0.46 |
| Customer Loyalty | 3 | 4.31 | 0.49 |
| Sales Performance | 3 | 4.22 | 0.53 |



Table 5 results indicate high respondent agreement across all constructs. CRM was rated highly, especially on communication (mean = 4.45) and after-sales service (mean = 4.32), showing that PT United Tractors provides consistent product information and effective post-purchase support. Customer satisfaction reached a peak on the statement “Overall, I am satisfied being a customer” (mean = 4.50). Loyalty was most evident through willingness to recommend (mean = 4.48), while perceived sales performance showed positive trends in transaction volume and company revenue.

C. Measurement Model Evaluation

The measurement model evaluation aims to assess the validity and reliability of the indicators representing their respective constructs. Since all constructs are reflective, three key criteria were examined: convergent validity, internal consistency reliability, and discriminant validity.

Convergent Validity

Convergent validity was assessed based on two criteria: outer loadings ≥ 0.7 and Average Variance Extracted (AVE) ≥ 0.5 . As shown in Table 14, all constructs met the AVE threshold, indicating that more than 50% of the variance in the indicators is explained by their underlying constructs.

Table 6. Average Variance Extracted (AVE)

| Construct | AVE |
|-----------------------|-------|
| CRM | 0.635 |
| Customer Satisfaction | 0.712 |
| Customer Loyalty | 0.688 |
| Sales Performance | 0.671 |

The highest AVE was observed for Customer Satisfaction (0.712), indicating that its indicators strongly converge on the underlying construct, which suggests precise measurement of customer satisfaction in this context. CRM also shows adequate convergent validity (0.635), supporting the quality of indicators measuring customer relationship management. Slightly lower but still acceptable AVEs for Customer Loyalty (0.688) and Sales Performance (0.671) imply that their indicators are sufficiently representative, although there may be minor variance unexplained, warranting future refinement.

Internal Consistency Reliability

Internal consistency reliability was evaluated using Composite Reliability (CR) and Cronbach’s Alpha, with acceptable thresholds set at ≥ 0.7 . The results (Table 7) indicate excellent reliability across all constructs.

Table 7. Composite Reliability (CR)

| Construct | Composite Reliability | Cronbach’s Alpha |
|-----------------------|-----------------------|------------------|
| CRM | 0.914 | 0.891 |
| Customer Satisfaction | 0.922 | 0.886 |
| Customer Loyalty | 0.901 | 0.870 |
| Sales Performance | 0.893 | 0.861 |

All constructs demonstrate high internal consistency, confirming that their respective indicators reliably measure the same latent variable. The highest reliability scores for Customer Satisfaction (CR = 0.922; $\alpha = 0.886$) reflect strong homogeneity among its items. Similarly, CRM’s high reliability supports its robust measurement, critical given its central role in the model. High reliability for Customer Loyalty and Sales Performance indicates these constructs are measured consistently, enhancing confidence in subsequent structural model analyses.

Discriminant Validity

Discriminant validity was assessed using the Fornell-Larcker criterion, which requires that the square root of the AVE for each construct exceeds its correlations with other constructs (Table 8).



Table 8. Discriminant validity

| Construct | CRM | Satisfaction | Loyalty | Performance |
|---------------------|-------|--------------|---------|-------------|
| CRM | 0.797 | | | |
| Satisfaction | 0.681 | 0.844 | | |
| Loyalty | 0.612 | 0.755 | 0.830 | |
| Performance | 0.595 | 0.682 | 0.741 | 0.819 |

The square root of AVE values (diagonal) exceeds the inter-construct correlations, confirming discriminant validity. This means each construct captures unique variance, distinct from others. For example, the CRM construct’s discriminant validity is confirmed by its square root AVE (0.797) being higher than its correlations with Customer Satisfaction (0.681), Customer Loyalty (0.612), and Sales Performance (0.595). This distinctiveness ensures that the model constructs do not overlap conceptually, enhancing the interpretability of structural relationships.

D. Structural Model Evaluation and Hypothesis Testing

Following validation of the measurement model, the structural model was evaluated to examine the hypothesized causal relationships among constructs. Evaluation metrics included the coefficient of determination (R²), path coefficients, and hypothesis testing using bootstrapping.

Coefficient of Determination (R²)

Table 9 presents the R² values, which indicate the proportion of variance in dependent variables explained by the model.

Table 9. R² values

| Dependent Variable | R ² | Interpretation |
|------------------------------|----------------|----------------|
| Customer Satisfaction | 0.898 | Substantial |
| Customer Loyalty | 0.951 | Substantial |
| Sales Performance | 0.790 | Substantial |

The model explains a substantial amount of variance in all endogenous constructs. Specifically, CRM accounts for 89.8% of the variance in Customer Satisfaction, indicating a strong influence of CRM practices on customer perceptions. The model further explains 95.1% of Customer Loyalty variance, suggesting that satisfaction and CRM significantly drive loyalty behaviors. Sales Performance is explained at 79.0%, reflecting that customer loyalty and satisfaction contribute importantly to actual sales outcomes. These high R² values underscore the model’s strong predictive power and practical relevance in explaining key marketing outcomes. Table 10 presents the results of hypothesis testing based on path coefficients, t-statistics, and p-values generated through bootstrapping with 5,000 samples. The criteria for statistical significance are a t-statistic > 1.96 and p-value < 0.05.

Table 10. The Results Of Hypothesis Testing

| Hypothesis | Path | Path Coefficient (O) | t-Statistic | p-Value | Decision |
|------------|-------------------------------------|----------------------|-------------|---------|----------|
| H1 | CRM → Customer Satisfaction | 0.948 | 78.616 | 0.000 | Accepted |
| H2 | Customer Satisfaction → Loyalty | 0.071 | 0.688 | 0.492 | Rejected |
| H3 | Customer Loyalty → Sales Perf. | 0.220 | 1.993 | 0.047 | Accepted |
| H4 | CRM → Sales Performance | 0.298 | 0.940 | 0.348 | Rejected |
| H5 | Customer Satisfaction → Sales Perf. | -0.238 | 0.734 | 0.463 | Rejected |

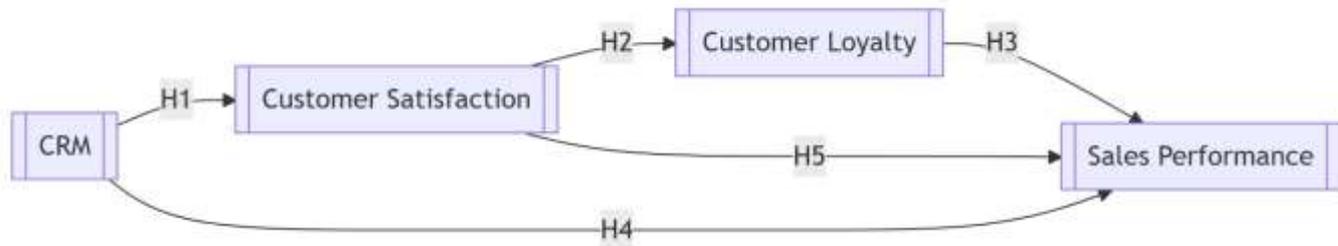


Figure 1. Hypothesis Diagram

H1: CRM has a significant effect on Customer Satisfaction (Accepted)

The path coefficient of 0.948 with an exceptionally high t-statistic (78.616, $p < 0.001$) indicates a very strong and statistically significant influence of CRM on Customer Satisfaction. This finding highlights the critical role of CRM as a foundation for enhancing customer satisfaction within the heavy equipment industry’s B2B context. A robust CRM system facilitates not only the management of customer data but also fosters consistent and valuable customer experiences.

Such a high coefficient may raise concerns about potential model overfitting or the omission of other relevant constructs influencing satisfaction, such as after-sales service quality or contract flexibility. The complexity of B2B purchase decisions, often influenced by multiple touchpoints beyond CRM, suggests that CRM should be integrated with cross-functional organizational processes to fully realize its impact. As noted in recent studies [27], [28], [29], effective CRM implementation requires alignment across information systems, sales, and technical support teams. Strategically, investing in adaptive CRM systems that evolve with customer feedback and operational needs is essential for sustained customer satisfaction.

H2: Customer Satisfaction has a significant effect on Customer Loyalty (Rejected)

Contrary to common expectations, the test did not support a significant effect of Customer Satisfaction on Customer Loyalty (path coefficient = 0.071; $t = 0.688$; $p = 0.492$). This indicates that within this dataset, satisfaction alone does not sufficiently explain loyalty formation.

This result contrasts with the traditional satisfaction-loyalty link widely documented in marketing literature [30], [31] but may reflect the unique characteristics of the heavy equipment B2B market. External influences such as centralized tender systems, cost constraints, and competitive bids could disrupt a linear satisfaction-to-loyalty relationship [32], [33]. It suggests that satisfaction may be necessary but insufficient to secure loyalty without complementary factors like value co-creation, strategic relationship management, and service innovation [34]. Future research might explore moderating variables or alternative paths affecting loyalty in this context.

H3: Customer Loyalty has a significant effect on Sales Performance (Accepted)

Customer Loyalty positively influences Sales Performance (path coefficient = 0.220; $t = 1.993$; $p = 0.047$), albeit with a moderate effect size. This finding underscores that while loyalty contributes to sales, the relationship is not overwhelmingly strong.

Given the heavy equipment industry’s high-value, infrequent purchase cycles, sales outcomes depend on multiple factors beyond loyalty, such as market conditions and project budgets. Loyalty may better function as a long-term revenue stabilizer rather than a direct driver of short-term sales increases [35], [36]. To optimize sales performance, companies should complement loyalty initiatives with enhanced value propositions and flexible after-sales services. Managing loyalty as an ongoing strategic process—including trust-building and product innovation—is essential to retain customers facing competitive offers [37].

H4: CRM has a significant effect on Sales Performance (Rejected)

Although CRM shows a positive coefficient (0.298), it does not significantly affect Sales Performance ($t = 0.940$; $p = 0.348$). This suggests that CRM’s impact on actual sales outcomes is not direct or substantial in this setting.

This aligns with prior findings that CRM’s influence on financial metrics tends to be mediated through other variables like customer satisfaction or loyalty [38], [39]. In project-based B2B markets, CRM primarily supports relationship management and retention rather than immediate sales conversion. Moreover, CRM’s effectiveness hinges on its integration with business processes and data-driven decision-making capabilities [40].

The lack of direct effect points to the need for CRM systems to evolve into strategic intelligence platforms that empower sales teams with actionable customer insights [41]. Without such transformation, CRM risks becoming a passive repository rather than a growth enabler.

H5: Customer Satisfaction has a significant effect on Sales Performance (Rejected)

Unexpectedly, Customer Satisfaction negatively correlates with Sales Performance (coefficient = -0.238) and is statistically insignificant (t = 0.734; p = 0.463). This counterintuitive result challenges conventional marketing assumptions.

In the heavy equipment B2B market, purchasing decisions are governed by complex, often rationalized processes including budget constraints, organizational policies, and technical evaluations, which may override emotional satisfaction [42]. Satisfaction may contribute more to relationship retention and referrals rather than directly boosting sales volumes in the short term. The negative coefficient could indicate a disjunction between emotional satisfaction and transactional decisions driven by competitive pricing or strategic vendor partnerships. Thus, satisfaction must be supplemented with trust, value perception, and strategic relationship management to translate into sales growth [43].

Companies should adopt an account-based marketing approach, leveraging data analytics to identify purchase opportunities and reinforcing long-term relational value beyond mere satisfaction metrics. This holistic strategy is crucial for converting customer satisfaction into measurable sales performance.

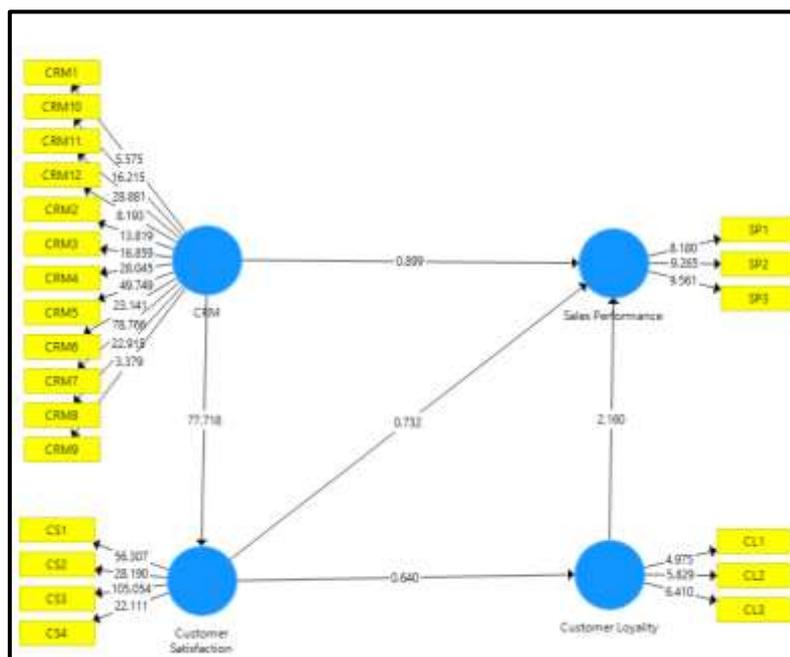


Figure 1. SEM-PLS Diagram

E. Key Factors Influencing Customer Satisfaction and Sales Performance at PT United Tractors West Sumatra

Customer satisfaction and sales performance at PT United Tractors West Sumatra are shaped by multiple interrelated factors reflecting the complex nature of the heavy equipment industry and its B2B environment. Foremost among these is the effectiveness of the Customer Relationship Management (CRM) system. A CRM that supports personalized communication, timely follow-ups, and efficient resolution of customer issues greatly enhances customers’ perceptions of the company’s commitment to their needs.

Equally important is the quality of after-sales service. Given the technical sophistication and high capital investment in heavy equipment, customers rely heavily on reliable maintenance services, spare parts availability, and rapid technical support to minimize operational downtime. After-sales service quality is strongly linked to customer loyalty in B2B industries characterized by long purchase cycles [44].



The performance and reliability of the equipment itself also critically influence satisfaction. Customers prioritize machinery that delivers operational efficiency and durability, fostering positive brand reputation and stimulating sales through referrals and word-of-mouth.

External market factors, such as pricing policies, procurement regulations, and competitive dynamics, further impact sales performance. Even when customer satisfaction remains high, centralized procurement processes and budget constraints within client organizations often limit purchase frequency and volume.

Relationship management and value co-creation play a pivotal role. Building collaborative partnerships via consultative selling and customized service packages fosters enduring relationships—an essential competitive advantage in the B2B heavy equipment sector.

F. Impact of the Current CRM System on Customer Loyalty and Purchasing Behavior

At PT United Tractors West Sumatra, the CRM system serves as a vital tool in cultivating customer loyalty and influencing purchasing behavior, though its direct effect on sales performance is often mediated by other organizational and market factors. By enabling enhanced communication, responsive service, and personalized attention, the CRM system strengthens both emotional and cognitive customer bonds, thereby boosting satisfaction—a key antecedent of loyalty.

Nonetheless, translating loyalty into actual purchasing behavior remains complex due to the sector's lengthy sales cycles and multifaceted buying processes. While CRM fosters trust and perceived value, Cao et al. argue that its impact on sales performance heavily depends on seamless integration with sales and marketing operations [45]. Hunt et al. further suggest that CRM must be part of a broader strategy encompassing market segmentation and personalized offers to effectively convert loyalty into purchases [46].

In summary, the CRM system enhances loyalty through superior customer engagement and service experiences. However, converting this loyalty into concrete buying decisions requires strategic alignment and operational integration that extend beyond the CRM's standalone capabilities.

G. Recommended Marketing and Service Improvements to Enhance Customer Satisfaction, Loyalty, and Sales Performance

To elevate customer satisfaction, loyalty, and ultimately heavy equipment sales, PT United Tractors West Sumatra should implement a range of targeted marketing and service improvements:

1. Upgrade CRM Capabilities: Integrate AI and advanced data analytics into the CRM system to enable predictive and personalized customer engagement, anticipating needs and delivering proactive service [3], [7], [21]
2. Enhance After-Sales Support: Accelerate technical assistance response times, ensure consistent spare parts availability, and offer flexible maintenance contracts to minimize downtime and increase perceived value, thereby sustaining satisfaction and loyalty [17]
3. Adopt Consultative Selling: Empower sales and service teams to deliver tailored solutions addressing specific operational challenges, moving beyond transactional interactions to develop partnership-based customer engagement [47]
4. Refine Pricing and Contract Models: Introduce flexible financing options, loyalty incentives, and bundled service packages to mitigate procurement barriers and increase purchase attractiveness.
5. Leverage Digital Marketing and Education Platforms: Provide customers with accessible product information, tutorials, and case studies to foster trust and support well-informed purchasing decisions.
6. Establish Continuous Customer Feedback Loops: Implement systematic mechanisms to monitor satisfaction levels and quickly adapt services to evolving customer needs, maintaining a competitive edge.

By implementing these recommendations holistically, PT United Tractors West Sumatra can create an ecosystem that nurtures customer satisfaction and loyalty, driving sustainable sales growth within the competitive heavy equipment industry.

CONCLUSION

This study identifies key factors influencing customer satisfaction and sales performance at PT United Tractors West Sumatra: personalized and responsive customer interactions, high-quality after-sales services, and meeting the specific operational needs of heavy equipment users. These factors collectively enhance customer experience and satisfaction, which are critical in the complex B2B purchasing environment characterized by long sales cycles.



The current CRM system plays a crucial role in fostering customer loyalty through tailored communication and service. However, its influence on purchasing behaviour is indirect and contingent on effective integration with sales and marketing functions. While CRM supports ongoing engagement and addresses customer needs, strategic initiatives beyond CRM are required to convert loyalty into tangible sales growth.

To improve satisfaction, loyalty, and sales performance, the company should focus on better CRM-business integration, enhanced after-sales responsiveness, consultative selling, flexible pricing, digital engagement, and continuous feedback mechanisms. Together, these approaches will strengthen value-based relationships and drive sustainable growth in a competitive heavy equipment market.

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