

Strategic and Operational Customer Relationship Management in Improving Marketing Performance Through Reseller Loyalty

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ABSTRACT

This study aims to analyze the influence of Strategic Customer Relationship Management (CRM) and Operational CRM on Marketing Performance, mediated by Reseller Loyalty, at Queen Dawet. This research is significant because reseller-based MSMEs require effective relationship management strategies to ensure business continuity and enhance marketing outcomes. A quantitative approach was employed using Partial Least Squares Structural Equation Modeling (PLS-SEM) via SmartPLS 4 software. Purposive sampling was used to select 36 respondents who met the study's criteria. The results indicate that Strategic CRM has a significant effect on Reseller Loyalty; however, Operational CRM does not. Furthermore, Strategic CRM, Operational CRM, and Reseller Loyalty do not significantly affect Marketing Performance. Reseller Loyalty also fails to mediate the relationship between CRM variables and Marketing Performance. These findings suggest that relationship commitment and trust are crucial for building reseller loyalty, even though such loyalty does not directly boost marketing performance. This study contributes to the CRM literature regarding MSMEs specifically reseller-based businesses offering insights for future policy making.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh Strategic Customer Relationship Management (CRM) dan Operational CRM terhadap Kinerja Pemasaran melalui Loyalitas Reseller pada Queen Dawet. Penelitian ini penting karena UMKM berbasis reseller memerlukan strategi pengelolaan hubungan yang efektif untuk menjaga keberlangsungan bisnis dan meningkatkan hasil pemasaran. Penelitian ini menggunakan pendekatan kuantitatif dengan metode Partial Least Squares Structural Equation Modeling (PLS-SEM) menggunakan software SmartPLS 4. Teknik pengambilan sampel menggunakan purposive sampling sebanyak 36 responden dinyatakan valid sesuai kriteria penelitian. Hasil penelitian menunjukkan bahwa Strategic CRM berpengaruh signifikan terhadap Loyalitas Reseller. Namun, Operational CRM tidak berpengaruh signifikan terhadap Loyalitas Reseller. Selain itu, Strategic CRM, Operational CRM, dan Loyalitas Reseller tidak berpengaruh signifikan terhadap Kinerja

Pemasaran. Loyalitas Reseller juga tidak mampu memediasi hubungan antara variabel CRM terhadap Kinerja Pemasaran. Temuan ini menunjukkan bahwa komitmen hubungan dan kepercayaan penting dalam membangun loyalitas reseller, meskipun loyalitas tersebut belum mampu meningkatkan kinerja pemasaran secara langsung. Penelitian ini memberikan kontribusi terhadap literatur CRM pada UMKM, khususnya bisnis berbasis reseller untuk pengambilan kebijakan dimasa yang akan datang.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are currently facing increasingly intense business competition due to market globalization, digital transformation, and changing consumer behavior. MSMEs are required not only to attract customers but also to maintain sustainable business relationships with distributors, resellers, and business partners in order to survive in competitive markets. Resellers play a strategic role in expanding market reach and increasing product distribution effectiveness, particularly for MSMEs that rely on indirect selling systems. Therefore, maintaining reseller relationships has become an important strategy for improving long-term business sustainability and marketing performance. In this context, companies are increasingly required to implement effective Customer Relationship Management (CRM) strategies to maintain competitive advantage and strengthen business relationships (Buttle & Maklan, 2022).

Customer Relationship Management (CRM) is considered one of the most important business strategies for developing long-term relationships and improving customer retention. CRM enables companies to understand customer needs, maintain communication, and create sustainable business relationships through strategic and operational approaches. According to The Commitment-Trust Theory of Relationship Marketing, successful relationship marketing is strongly influenced by trust and commitment between business partners, which encourage long-term cooperation and relational exchanges. This theory emphasizes that relationship quality plays an important role in maintaining sustainable partnerships. Similarly, relationship marketing emphasizes that long-term relationships built through customer relationship management strengthen partner loyalty, trust, and sustainable business performance (Buttle & Maklan, 2022). In reseller-based businesses, relational commitment and trust are essential factors in encouraging resellers to maintain long-term cooperation with the company.

CRM implementation can generally be categorized into strategic CRM and operational CRM. Strategic CRM focuses on long-term relationship development, customer-oriented strategies, and relationship commitment, while operational CRM emphasizes operational activities such as communication systems, customer databases, transaction processes, and service automation (Buttle & Maklan, 2022). Strategic CRM

aims to create customer-centric organizational culture and sustainable relationship value, whereas operational CRM focuses more on efficiency in customer interaction processes. Both dimensions are considered important in supporting customer loyalty and improving organizational performance. However, their effectiveness may vary depending on business characteristics, relationship intensity, and organizational context.

Several previous studies have shown that CRM positively influences customer loyalty and marketing performance. Research conducted by Customer Relationship Management (CRM) Strategy in Increasing Consumer Loyalty found that CRM strategies contribute significantly to increasing customer loyalty through relationship development and service quality improvement. In addition, previous studies have shown that customer relationship management (CRM) implementation enhances business performance by strengthening customer relationships, increasing customer retention, and creating long-term competitive advantages (Buttle & Maklan, 2022). Nevertheless, previous findings remain inconsistent. Some studies revealed that operational CRM does not always significantly influence loyalty due to the lack of emotional attachment and interpersonal relationships in operational interactions. Other studies also found that loyalty does not necessarily improve marketing performance directly because external market conditions, reseller capabilities, and business competition may influence organizational performance differently. These inconsistent findings indicate that the relationship between CRM, loyalty, and marketing performance still requires further investigation.

In addition, most previous CRM studies primarily focused on customer loyalty in large companies and digital businesses, while limited studies specifically examined reseller loyalty in MSME contexts. Resellers possess different relational characteristics compared to end customers because reseller relationships involve cooperation, business commitment, communication intensity, and long-term partnership orientation. Therefore, reseller loyalty should not only be viewed from transactional perspectives but also from relational and partnership perspectives. This condition creates an important research gap regarding how strategic CRM and operational CRM influence marketing performance through reseller loyalty in MSMEs.

Queen Dawet is a micro, small, and medium-sized enterprise (MSME) operating in the traditional beverage industry that relies heavily on a reseller-based distribution system, with approximately 90% of its sales generated through reseller networks. Although the company achieved total sales of 140,404 units in 2025, monthly sales fluctuated considerably, ranging from 8,074 units in November to 15,299 units in August. These fluctuations indicate that maintaining stable marketing performance remains a challenge despite having an extensive reseller network. Such conditions highlight the importance of examining how Customer Relationship Management (CRM) and reseller loyalty contribute to improving marketing performance. Therefore, investigating the role of CRM in strengthening reseller loyalty and improving marketing performance is

important, particularly for MSMEs that depend on reseller-based distribution systems. This research is expected to contribute theoretically by extending the relationship marketing perspective, particularly the Commitment-Trust Theory proposed by The Commitment-Trust Theory of Relationship Marketing, in reseller-based MSME relationships. Practically, this study is also expected to provide managerial insights for MSMEs in developing effective CRM strategies to maintain reseller loyalty and improve marketing performance.

LITERATURE REVIEW

Relationship Marketing Theory

Customer Relationship Management (CRM) is a customer-centric business strategy that integrates people, business processes, and technology to establish, develop, and maintain long-term relationships with customers and business partners. CRM aims to create superior customer value by enhancing customer satisfaction, strengthening loyalty, and improving organizational performance through sustainable relationship management (Buttle & Maklan, 2022). According to Buttle and Maklan (2022), CRM consists of three complementary dimensions: strategic CRM, operational CRM, and analytical CRM. Strategic CRM focuses on developing a customer-oriented business culture that fosters trust and long-term relationships. Operational CRM supports the automation and integration of customer-facing activities, such as marketing, sales, and customer service. Meanwhile, analytical CRM utilizes customer data to generate insights that support managerial decision-making and improve organizational performance (Buttle & Maklan, 2022).

This study focuses on strategic CRM and operational CRM because these dimensions are directly related to managing relationships with reseller partners. Strategic CRM reflects organizational commitment to developing long-term collaboration and mutual trust, whereas operational CRM facilitates communication, complaint handling, and personalized services that strengthen relationship quality. Effective implementation of these CRM dimensions is expected to enhance reseller loyalty and contribute to improved marketing performance (Buttle & Maklan, 2022; Payne et al., 2021).

Reseller Loyalty

Reseller loyalty refers to a reseller's commitment to maintaining a long-term business relationship with a supplier through consistent repurchase behavior, continued cooperation, and a willingness to prioritize the supplier over competing alternatives. In a business-to-business (B2B) context, reseller loyalty extends beyond transactional exchanges and reflects a strategic partnership built on trust, commitment, and mutual value creation (Liu-Thompkins et al., 2022). Reseller loyalty is considered a strategic asset because loyal resellers contribute to stable sales, broader market coverage, and long-term business sustainability. Previous studies indicate that reseller loyalty is influenced

by relationship quality, effective communication, trust, and collaborative partnerships between suppliers and resellers. These factors encourage resellers to continue purchasing, maintain long-term cooperation, and resist competitive offerings, thereby strengthening the firm's competitive position (Growing through Giving, 2022).

In this study, reseller loyalty is measured using three dimensions: repeat purchase intention, resistance to competitors, and positive word-of-mouth recommendations. These dimensions represent both behavioral and attitudinal loyalty, reflecting the reseller's commitment to sustaining long-term cooperation and supporting the supplier's marketing performance (Liu-Thompkins et al., 2022).

Marketing Performance

Marketing performance refers to the extent to which an organization achieves its marketing objectives through effective marketing activities and strategies. It reflects the organization's ability to generate favorable outcomes, including increased sales, market expansion, customer acquisition, and sustainable competitive advantage. Marketing performance is widely recognized as an important indicator for evaluating the effectiveness of marketing strategies and business success (Morgan et al., 2019). Marketing performance is influenced by various organizational capabilities, including customer relationship management, innovation, market orientation, and relationship quality with customers and business partners. Organizations that effectively manage customer relationships are more likely to improve customer retention, expand market coverage, and achieve sustainable business growth. Therefore, marketing performance serves as a key outcome of successful relationship-based marketing strategies (Crick et al., 2021).

In this study, marketing performance is measured using three indicators: sales growth, customer growth, and market coverage. These indicators reflect the organization's ability to improve business outcomes, expand its customer base, and strengthen its market position, making them appropriate measures for evaluating the effectiveness of CRM implementation in reseller-based businesses (Morgan et al., 2019; Crick et al., 2021).

Hypothesis Development

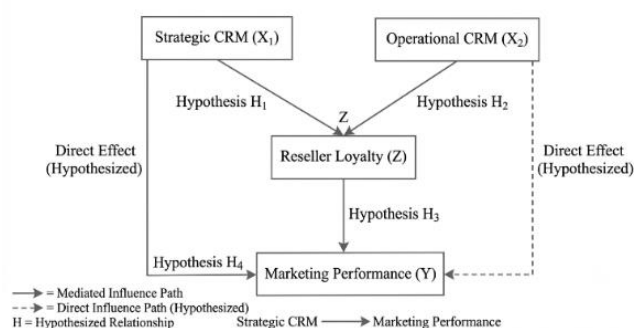


Figure 1. Conceptual Framework

The conceptual framework was developed based on the assumption that CRM practices represent organizational efforts to build and maintain business relationships, while reseller loyalty represents a relational outcome that may contribute to improved marketing performance. Therefore, this study investigates whether reseller loyalty functions as an intermediary mechanism between CRM implementation and marketing outcomes.

Strategic CRM and Reseller Loyalty

Strategic Customer Relationship Management (CRM) emphasizes the development of long-term relationships through organizational commitment, trust, and customer-oriented strategies. By understanding stakeholder needs and fostering mutually beneficial partnerships, strategic CRM enables firms to establish stronger relationships with business partners, ultimately enhancing relationship quality and long-term collaboration (Buttle & Maklan, 2022).

Previous studies have demonstrated that strategic CRM significantly strengthens customer and partner loyalty by improving trust, commitment, and relationship quality (Almohaimmeed, 2023; Soliman & Elsayed, 2022). In reseller-based businesses, strategic CRM encourages resellers to maintain long-term cooperation and prioritize the firm's products over competitors. Therefore, the following hypothesis is proposed:

H1: Strategic CRM has a positive effect on reseller loyalty.

Operational CRM and Reseller Loyalty

Operational Customer Relationship Management (CRM) focuses on managing customer-facing activities through technology, communication systems, sales processes, and customer service. Effective operational CRM enables organizations to provide timely information, responsive services, efficient complaint handling, and personalized interactions that enhance relationship quality with customers and business partners (Buttle & Maklan, 2022).

Previous empirical studies have shown that operational CRM positively influences customer and partner loyalty by improving service quality, communication effectiveness, and customer satisfaction. Efficient operational processes strengthen business relationships by increasing stakeholder confidence and encouraging long-term cooperation (Almohaimmeed, 2023; Abubakar et al., 2022). In reseller-based businesses, responsive operational support and effective communication are expected to foster stronger reseller loyalty and sustain long-term partnerships. Therefore, the following hypothesis is proposed:

H2: Operational CRM has a positive effect on reseller loyalty.

Strategic CRM and Marketing Performance

Strategic Customer Relationship Management (CRM) emphasizes the development of long-term relationships that create value for both organizations and business partners. By fostering trust, commitment, and customer-oriented strategies, strategic CRM enables firms to strengthen relationship quality, improve partner retention, and achieve sustainable competitive advantage (Buttle & Maklan, 2022).

Empirical studies have reported that strategic CRM positively influences marketing performance by improving customer retention, market expansion, and business growth. Organizations that successfully implement strategic CRM are more likely to achieve superior marketing outcomes because strong relationships with customers and business partners enhance organizational competitiveness and long-term performance (Almohaimmed, 2023; Chatterjee et al., 2022). In reseller-based businesses, strategic CRM is expected to improve marketing performance by strengthening reseller commitment and encouraging continuous participation in product distribution activities. Therefore, the following hypothesis is proposed:

H3: Strategic CRM has a positive effect on marketing performance.

Operational CRM and Marketing Performance

Operational Customer Relationship Management (CRM) focuses on integrating customer-facing activities, including sales, marketing, customer service, and communication processes, to improve organizational efficiency and responsiveness. Through effective operational CRM, organizations can provide timely information, resolve customer issues efficiently, and deliver consistent services that strengthen business relationships and create customer value (Buttle & Maklan, 2022).

Previous studies have reported that operational CRM positively affects marketing performance by improving service quality, customer satisfaction, customer retention, and organizational responsiveness. Efficient operational processes enable firms to strengthen relationships with business partners, expand market opportunities, and achieve sustainable business growth (Chatterjee et al., 2022; Yaqoob et al., 2023). In reseller-based businesses, responsive operational support and effective communication are expected to facilitate stronger collaboration with resellers, thereby contributing to improved marketing performance. Therefore, the following hypothesis is proposed:

H4: Operational CRM has a positive effect on marketing performance.

Reseller Loyalty and Marketing Performance

Reseller loyalty reflects a reseller's commitment to maintaining long-term cooperation with a supplier through continuous purchases, resistance to competitive offers, and positive recommendations. In business-to-business (B2B) relationships, reseller loyalty represents a valuable relational asset that supports business continuity,

distribution effectiveness, and long-term organizational success (Liu-Thompkins et al., 2022).

Previous empirical studies have demonstrated that customer and partner loyalty positively influence marketing performance by increasing sales growth, expanding market coverage, and improving customer retention. Loyal business partners are more likely to sustain long-term cooperation, promote the firm's products, and contribute to stable business growth, thereby enhancing overall marketing performance (Rather & Hollebeek, 2021; Liu-Thompkins et al., 2022). In reseller-based businesses, loyal resellers are expected to strengthen product distribution and support the achievement of superior marketing outcomes. Therefore, the following hypothesis is proposed:

H5: Reseller loyalty has a positive effect on marketing performance.

The Mediating Role of Reseller Loyalty

Relationship Marketing Theory suggests that organizational performance is achieved through the development of long-term relationships characterized by trust, commitment, and loyalty. Customer Relationship Management (CRM) strengthens these relational attributes by fostering effective communication, personalized interactions, and long-term collaboration with business partners. As a relational outcome, reseller loyalty is expected to translate the benefits of CRM into improved organizational performance (Buttle & Maklan, 2022).

Previous empirical studies have shown that customer loyalty mediates the relationship between CRM practices and organizational performance. Effective CRM implementation enhances loyalty by improving relationship quality, while loyal customers and business partners contribute to higher marketing performance through continuous cooperation, repeat transactions, and positive recommendations (Almohaimmeed, 2023; Chatterjee et al., 2022). In reseller-based businesses, both strategic CRM and operational CRM are expected to strengthen reseller loyalty, which subsequently contributes to improved marketing performance. Therefore, the following hypotheses are proposed:

H6: Reseller loyalty mediates the effect of Strategic CRM on marketing performance.

H7: Reseller loyalty mediates the effect of Operational CRM on marketing performance.

METHOD

Research Design and Data Collection

This study employed a quantitative approach with an explanatory research design to examine the relationship between Strategic Customer Relationship Management (Strategic CRM), Operational Customer Relationship Management (Operational CRM), Reseller Loyalty, and Marketing Performance. The research was conducted at Queen Dawet MSME, a beverage business located in Sidoarjo, Indonesia, which applies a

reseller-based distribution system. Data were collected through a structured questionnaire distributed online using Google Forms to active resellers of Queen Dawet. The respondents were selected using purposive sampling based on the criteria of being active resellers, having a minimum involvement period of three months, and having experience interacting with the company regarding product distribution activities. A total of 43 respondents participated in this study. The measurement instrument used a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4, as this method is suitable for predictive research models involving multiple latent constructs and relatively small sample sizes (Hair et al., 2021).

The research model consists of four latent constructs: Strategic CRM, Operational CRM, Reseller Loyalty, and Marketing Performance. The measurement items were adapted from previous studies and adjusted to the context of reseller-based MSMEs. The operationalization of each construct is presented in Table 1.

Table 1. Operational Definition and Measurement Indicators of Research Variables

Construct	Definition	Indicators	Source
Strategic CRM (X1)	Organizational efforts to develop and maintain long-term relationships with resellers through trust, commitment, communication, and partnership orientation.	Trust, commitment, relationship continuity, partnership orientation	Buttle & Maklan (2022)
Operational CRM (X2)	Operational activities that support reseller interactions through communication management, transaction processes, and service support.	Communication effectiveness, transaction management, service support, complaint handling	Buttle & Maklan (2022)
Reseller Loyalty (Z)	The willingness of resellers to maintain long-term cooperation and continue supporting the company.	Repeat cooperation, retention, resistance to competitors, positive recommendation	Liu-Thompkins et al. (2022); Suarniki & Daud (2024)
Marketing Performance (Y)	The achievement of organizational marketing objectives reflected through market and sales-related outcomes.	Sales growth, reseller growth, market coverage, business expansion	Morgan et al. (2022)

Source: Processed Primary Data, 2026

Data Analysis

The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4. The analysis consisted of measurement model evaluation and structural model evaluation. The measurement model was assessed through convergent validity, discriminant validity, and reliability testing. Convergent validity was evaluated using outer loading and Average Variance Extracted (AVE), while discriminant validity was assessed using the Heterotrait-Monotrait Ratio (HTMT). Reliability was

evaluated using Cronbach's Alpha and Composite Reliability (Hair et al., 2021; Henseler et al., 2015).

The structural model evaluation included coefficient of determination (R^2), path coefficient analysis, bootstrapping significance testing, and mediation analysis. Hypotheses were considered supported when the p-value was below 0.05 and the t-statistic exceeded 1.96 (Hair et al., 2021).

RESULT AND DISCUSSION

Results

Respondent Characteristics

This study involved 43 respondents consisting of active resellers of Queen Dawet MSME. Based on gender characteristics, the majority of respondents were female, totaling 31 respondents (72.1%), while male respondents totaled 12 respondents (27.9%). These findings indicate that reseller activities at Queen Dawet are predominantly managed by women, reflecting the active involvement of female resellers in MSME distribution activities.

Measurement Model Evaluation (Outer Model)

The outer model evaluation was conducted to assess the validity and reliability of the research constructs. The evaluation included convergent validity, discriminant validity, and reliability testing.

Convergent Validity

Convergent validity was evaluated using outer loading values and Average Variance Extracted (AVE). According to Joseph F. Hair Jr., indicators are considered valid if the outer loading value exceeds 0.70 and the AVE value exceeds 0.50.

Table 2. Outer Loading Test

Variable	Indicator	Outer Loading
Customer Relationship Management	X1	0.891
	X2	0.934
	X3	0.838
	X4	0.867
	X5	0.886
	X6	0.904
	X7	0.952
Reseller Loyalty	Z1	0.911
	Z2	0.933
	Z3	0.923
	Z4	0.914
	Z5	0.911
Marketing Performance	Y1	0.924
	Y2	0.946
	Y3	0.963
	Y4	0.860

Source: Processed research data, 2026.

Based on Table 2, all indicators achieved outer loading values above 0.70. Therefore, all indicators used in this study were considered valid and capable of representing their respective constructs adequately.

Reliability and Construct Validity

Reliability testing was conducted using Cronbach's Alpha, Composite Reliability, and AVE values. Constructs are considered reliable if Cronbach's Alpha and Composite Reliability exceed 0.70, while AVE values should exceed 0.50.

Table 3. Reliability and Validity Test

Variable	Cronbach's Alpha	Composite Reliability	AVE
Strategic CRM	0.963	0.973	0.901
Operational CRM	0.954	0.963	0.815
Reseller Loyalty	0.954	0.964	0.844
Marketing Performance	0.942	0.959	0.854

Source: Processed research data, 2026.

Based on Table 3, all variables achieved Cronbach's Alpha and Composite Reliability values above 0.70, as well as AVE values above 0.50. Therefore, all constructs in this study were considered reliable and demonstrated satisfactory convergent validity.

Discriminant Validity

Discriminant validity was evaluated using the Heterotrait-Monotrait Ratio (HTMT). According to Jörg Henseler, HTMT values below 0.90 indicate acceptable discriminant validity.

Table 4. HTMT Test Results

Variable	CRM	Marketing Performance	Reseller Loyalty
CRM	-		
Marketing Performance	0.896	-	
Reseller Loyalty	0.998	0.881	-

Source: Processed research data, 2026.

Based on Table 4, most HTMT values were below the recommended threshold of 0.90, indicating satisfactory discriminant validity among the constructs. However, the HTMT value between CRM and Reseller Loyalty slightly exceeded the recommended threshold, suggesting a relatively high correlation between the two constructs. This finding is understandable because CRM is designed to establish and strengthen long-term relationships with business partners, while reseller loyalty represents one of the expected relational outcomes of successful CRM implementation.

Despite the HTMT value exceeding the recommended threshold, both constructs were retained because they are conceptually distinct and supported by the underlying theoretical framework. CRM refers to organizational strategies and activities aimed at developing, maintaining, and enhancing relationships with resellers through strategic and operational initiatives. In contrast, reseller loyalty reflects the reseller's behavioral and attitudinal commitment, such as repeat cooperation, continued partnership, and

willingness to recommend the company. Thus, although closely related, the two constructs capture different dimensions of the relationship management process and should not be considered interchangeable. Similar situations have been acknowledged in PLS-SEM studies, where highly related constructs may exhibit elevated HTMT values while remaining theoretically distinguishable when supported by strong conceptual justification (Hair et al., 2021; Henseler et al., 2015).

Structural Model Evaluation (Inner Model)

The structural model evaluation was conducted to examine the predictive capability and relationships among variables.

Table 5. R-Square Test

Variable	R-Square
Reseller Loyalty	0.951
Marketing Performance	0.736

Source: Processed research data, 2026.

Based on Table 5, the R-square value for Reseller Loyalty was 0.951, indicating that Strategic CRM and Operational CRM explained 95.1% of the variance in Reseller Loyalty. Meanwhile, the R-square value for Marketing Performance was 0.736, indicating that 73.6% of the variance in Marketing Performance could be explained by the variables included in this study.

Hypothesis Testing

Hypothesis testing was conducted using the bootstrapping method by examining path coefficients, t-statistics, and p-values. Hypotheses were accepted if the t-statistic exceeded 1.96 and the p-value was below 0.05.

Table 6. Path Coefficient Test

Relationship	Original Sample	T-Statistic	P-Value	Result
Strategic CRM → Reseller Loyalty	0.728	5.338	0.000	Significant
Operational CRM → Reseller Loyalty	0.269	1.812	0.070	Not Significant
Strategic CRM → Marketing Performance	-0.162	0.308	0.758	Not Significant
Operational CRM → Marketing Performance	0.418	1.158	0.247	Not Significant
Reseller Loyalty → Marketing Performance	0.614	0.930	0.353	Not Significant

Source: Processed research data, 2026.

Based on Table 6, Strategic CRM had a positive and significant effect on Reseller Loyalty with a p-value of 0.000. Meanwhile, Operational CRM did not significantly affect Reseller Loyalty. Furthermore, Strategic CRM, Operational CRM, and Reseller Loyalty did not significantly affect Marketing Performance because all p-values exceeded 0.05.

Mediation Analysis

Mediation analysis was conducted to evaluate the indirect effect of CRM variables on Marketing Performance through Reseller Loyalty.

Table 7. Indirect Effect Test

Relationship	Original Sample	T-Statistic	P-Value	Result
Strategic CRM → Reseller Loyalty → Marketing Performance	0.447	0.910	0.363	Not Significant
Operational CRM → Reseller Loyalty → Marketing Performance	0.165	0.652	0.514	Not Significant

Source: Processed research data, 2026.

Based on Table 7, Reseller Loyalty did not significantly mediate the relationship between Strategic CRM and Marketing Performance, nor between Operational CRM and Marketing Performance. These findings indicate that reseller loyalty was unable to function as an intervening variable in strengthening the effect of CRM implementation on Marketing Performance at Queen Dawet MSME.

Discussion

The Effect of Strategic CRM on Reseller Loyalty

The findings revealed that Strategic CRM had a positive and significant effect on Reseller Loyalty. This result indicates that relationship-oriented initiatives implemented by Queen Dawet MSME successfully strengthened reseller commitment and encouraged long-term cooperation. Strategic CRM emphasizes trust development, communication quality, partnership orientation, and long-term relationship management, all of which contribute to strengthening reseller commitment and relationship sustainability (Buttle & Maklan, 2022). The findings further suggest that reseller loyalty is primarily driven by relationship quality rather than transactional exchanges. When resellers perceive consistent communication, organizational support, and mutual benefits, they are more likely to maintain long-term cooperation and continue promoting the company's products. This finding is consistent with recent studies reporting that effective CRM implementation enhances customer and partner loyalty by strengthening relationship quality and improving customer experiences (Almohaimmeed, 2023; Suarniki & Daud, 2024; Adriel et al., 2024).

Furthermore, the results indicate that reseller loyalty within MSMEs is highly dependent on relational mechanisms. Unlike large organizations that rely heavily on integrated information systems and standardized procedures, MSMEs often develop reseller relationships through close interpersonal communication, trust, and continuous interaction. Therefore, Strategic CRM becomes a crucial managerial approach for strengthening reseller attachment and ensuring long-term partnership sustainability. These findings reinforce previous empirical evidence that relationship-oriented CRM strategies contribute positively to customer loyalty and organizational competitiveness (Chatterjee et al., 2022; Ledro et al., 2022).

The Effect of Operational CRM on Reseller Loyalty

The results indicated that Operational CRM did not significantly influence Reseller Loyalty. This finding suggests that operational activities, including transaction management, administrative coordination, and communication systems, were insufficient to strengthen reseller commitment significantly. Although Operational CRM facilitates business processes and improves service efficiency, these operational improvements alone may not be enough to develop long-term reseller loyalty. Loyalty is often influenced by broader relational factors, such as trust, mutual commitment, perceived organizational support, and relationship quality, rather than operational efficiency alone (Buttle & Maklan, 2022). One possible explanation is that the reseller network of Queen Dawet MSME relies heavily on interpersonal interactions rather than standardized operational systems. Most resellers maintain their partnerships through frequent communication, personal support, and close collaboration with the business owner. Consequently, improvements in operational processes may increase service convenience but do not automatically strengthen emotional attachment or long-term commitment. Similar findings have been reported by Almohaimmeed (2023), who found that CRM practices do not directly enhance customer loyalty unless they create meaningful relationship experiences that improve customer satisfaction and relationship quality.

Furthermore, the insignificant relationship may indicate that Operational CRM functions primarily as a supporting mechanism rather than the main determinant of reseller loyalty within MSMEs. Operational efficiency remains important for ensuring smooth business activities; however, stronger reseller loyalty is more likely to be achieved when operational capabilities are integrated with relationship-oriented strategies that emphasize trust, communication quality, and long-term collaboration (Chatterjee et al., 2022; Suarniki & Daud, 2024).

The Effect of Strategic CRM on Marketing Performance

The results showed that Strategic CRM did not significantly affect Marketing Performance. Although Strategic CRM successfully strengthened reseller loyalty, the relationship-oriented strategies implemented by Queen Dawet MSME were unable to directly generate measurable improvements in marketing performance. This finding indicates that maintaining strong relationships with resellers alone is insufficient to improve organizational marketing outcomes. Marketing performance is influenced by multiple internal and external factors, including market conditions, competitive intensity, reseller capabilities, distribution effectiveness, and customer demand, which may limit the direct contribution of Strategic CRM to business performance (Morgan et al., 2022). A possible explanation is that reseller loyalty within Queen Dawet MSME primarily reflects relationship continuity rather than sales productivity. Although resellers remain committed to maintaining long-term partnerships, their sales performance, customer

acquisition capabilities, and market coverage differ substantially. Consequently, strong relational bonds do not necessarily lead to higher sales growth or broader market expansion. Similar findings have been reported by Chatterjee et al. (2022), who argued that CRM initiatives do not automatically improve organizational performance unless they are supported by complementary organizational capabilities and effective resource utilization.

Furthermore, the insignificant relationship suggests that Strategic CRM functions as a long-term relationship-building strategy rather than a direct driver of marketing performance. For reseller-based MSMEs, relationship-oriented initiatives should be complemented with marketing support programs, reseller capability development, promotional activities, and market expansion strategies to transform strong reseller relationships into measurable business outcomes. Therefore, while Strategic CRM remains essential for maintaining sustainable reseller partnerships, additional managerial efforts are required to achieve significant improvements in marketing performance (Buttle & Maklan, 2022; Crick et al., 2022).

The Effect of Operational CRM on Marketing Performance

The results demonstrated that Operational CRM did not significantly influence Marketing Performance. This finding indicates that operational systems and administrative processes were unable to directly improve marketing outcomes within Queen Dawet MSME. Although Operational CRM contributes to transaction efficiency, communication management, service consistency, and administrative coordination, these operational capabilities alone may not be sufficient to generate measurable improvements in marketing performance. Previous studies have suggested that CRM implementation is more likely to improve organizational performance when it is integrated with broader strategic capabilities and effective managerial decision-making (Buttle & Maklan, 2022; Chatterjee et al., 2022). One possible explanation is that marketing performance within reseller-based MSMEs is influenced by numerous factors beyond operational efficiency. Sales growth and market expansion depend not only on effective operational processes but also on reseller selling capabilities, promotional activities, customer demand, competitive conditions, and market opportunities. Consequently, improvements in Operational CRM may facilitate day-to-day business activities without necessarily producing significant increases in sales performance or market coverage. This finding is consistent with Morgan et al. (2022), who emphasized that marketing performance is multidimensional and influenced by various organizational and market-related factors.

Furthermore, the insignificant relationship indicates that Operational CRM should be viewed as an enabling capability rather than a direct determinant of marketing performance. For MSMEs such as Queen Dawet, operational improvements should be complemented by relationship-oriented strategies, reseller development programs, and

marketing initiatives that enhance reseller productivity and market penetration. Therefore, integrating operational efficiency with strategic marketing efforts is essential for achieving sustainable improvements in organizational marketing performance (Crick et al., 2022; Buttle & Maklan, 2022).

The Effect of Reseller Loyalty on Marketing Performance

The results revealed that Reseller Loyalty did not significantly affect Marketing Performance. This finding indicates that although reseller loyalty contributes to maintaining relationship continuity and partnership stability, it does not automatically translate into improved marketing outcomes. Loyal resellers may continue cooperating with the company, but their contribution to sales growth and market expansion depends on various individual and contextual factors, including selling capability, customer network, market coverage, and commitment to actively promoting products. A possible explanation is that reseller loyalty within Queen Dawet MSME represents a relational asset rather than a direct performance driver. Resellers may demonstrate commitment through repeat purchasing behavior and continued partnership, yet differences in reseller productivity may limit their contribution to measurable marketing outcomes. This finding supports the argument that relationship quality and loyalty are important foundations for business sustainability, but their impact on performance depends on the organization's ability to convert relational resources into productive business activities (Liu-Thompkins et al., 2022; Morgan et al., 2022).

Furthermore, the insignificant relationship highlights that reseller-based MSMEs should not rely solely on maintaining loyal partnerships as a strategy for improving marketing performance. Organizations need to strengthen reseller capabilities through training, sales support, promotional assistance, and performance-based programs to transform reseller loyalty into tangible business outcomes. Therefore, reseller loyalty should be viewed as a strategic foundation that requires complementary managerial initiatives to generate sustainable marketing performance improvements (Buttle & Maklan, 2022).

The Mediating Role of Reseller Loyalty

The mediation analysis indicated that Reseller Loyalty did not significantly mediate the relationship between CRM implementation and Marketing Performance. Although Strategic CRM was proven to significantly enhance reseller loyalty, this relational outcome was not sufficient to generate significant improvements in marketing performance. These findings suggest that CRM implementation creates stronger relationship outcomes; however, the translation of these outcomes into organizational performance requires additional mechanisms and supporting capabilities. One possible explanation is that CRM implementation within Queen Dawet MSME primarily functions

as a relationship development mechanism rather than a direct performance enhancement mechanism. CRM activities may successfully build trust, communication quality, and partnership commitment among resellers, but these relational benefits may require additional strategic actions to influence sales growth, market expansion, and overall marketing performance. Previous studies have highlighted that CRM capabilities contribute to organizational outcomes when supported by complementary resources, effective strategy implementation, and the ability to transform customer relationships into business value (Chatterjee et al., 2022; Ledro et al., 2022).

Furthermore, the absence of a significant mediation effect indicates that reseller loyalty alone is insufficient to explain the mechanism through which CRM influences marketing performance. In reseller-based MSMEs, stronger performance outcomes may depend on additional factors such as reseller productivity, promotional strategies, product competitiveness, and market development capabilities. Therefore, CRM remains an important managerial approach for maintaining sustainable reseller relationships, but organizations need to combine relationship management practices with performance-oriented strategies to achieve superior marketing outcomes (Morgan et al., 2022; Yaqoob et al., 2023).

CONCLUSION

This study concludes that CRM implementation plays an important role in strengthening reseller relationships within reseller-based MSMEs. Strategic CRM was found to have a significant positive effect on reseller loyalty, indicating that relationship-oriented practices such as trust building, communication quality, and partnership support are essential in maintaining long-term cooperation. However, reseller loyalty and CRM dimensions did not significantly improve marketing performance directly, suggesting that strong business relationships alone are insufficient to generate measurable performance outcomes without being supported by additional organizational capabilities. From a managerial perspective, Queen Dawet MSME and similar reseller-based businesses should not only focus on maintaining reseller relationships but also develop strategies to improve reseller productivity. Managerial initiatives such as reseller training, sales support programs, promotional assistance, performance monitoring, and market expansion strategies are recommended to transform reseller loyalty into tangible marketing outcomes. Therefore, CRM implementation should be integrated with broader marketing and business development strategies to achieve sustainable growth.

Future research is recommended to examine additional variables that may explain the relationship between CRM and marketing performance, such as reseller capability, entrepreneurial orientation, digital marketing capability, innovation capability, or market

orientation. Future studies may also expand the research context by involving different MSME sectors, larger sample sizes, and longitudinal approaches to provide deeper insights into how CRM practices contribute to long-term business performance.

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