Introduction

The world has come full circle from selling to marketing and from seller’s market to buyer’s market. The customer today has the option to buy what he thinks he should and from whom, being in his best interest. Product development, technological improvement, cost optimization and excellent service facility are very important for any organisation but their importance is only if the customer appreciates it. For example, both diamond and coal are carbon but they are priced differently due to different valuations by the customer. Therefore, any business begins and ends with the customer (Sugandhi, 2002).

Relationship focus is gaining an edge over simple buying and selling relationship with customers. There is a paradigm shift towards customer relationship management and enhancing customer loyalty.

Whether enterprises can make their current customers loyal depends on whether they can manage the customer relationships well. As customers have grown to be more conscious consumers, enterprises have had to pay the prices of the errors and faults they do in customer relationships. The most important quality of the 1990s is that customers revealed their power then. They realized that they themselves had something to say and have they listened to. The firms, then, understood that they had to listen to their customers so as to be able to sustain their presence in the market. (Bozkurt, 2000) After the 2000s, with the increased use and effect of the internet and such platforms as discussion groups, customers had the opportunity to be more powerful and effective against the enterprises. Thus, enterprises noticed that they could only be successful if they adopted customer-based marketing.

In emerging business, competition customer loyalty plays very crucial role for achieving the competitive advantages (Lin & Wang, 2006).

Customer loyalty has been defined early that it is normally the willingness of customer to maintain their relations with a particular firm or service/product (Kim & Yoon, 2004). Inreality, loyalty should be explained as a customer commitment to do dealing with a particular firm, buying their products and services and referring it to colleagues (Mcllroy & Barnett, 2000). By tradition, customer loyalty is divided into two components one is based on behaviour and the other is based on attitudes (GuillÈn, Nielsen, Scheike & MarÌn, 2011). Rauyruen and Miller (2007) also explain customer loyalty as a merged concept of behavioural loyalty (willingness of customer to repurchase from and continue relationships with the company) and attitudinal loyalty (emotional attachments and advocacy of customers toward the company).

In the context of this research, Sales Promotion measures are also evaluated in terms of establishing customer loyalty. The primary objective of sales promotion is to have a direct impact on
buying behavior (Alvarez & Castilles, 2004). Preferred effects vary from increasing short term sales, building long-term market share, getting consumers to try new products, obtain better visibility or rewarding loyal customers (Kotler & Armstrong, 2004).

Customer loyalty is visible at different aspects of customer buying nature in purchase of daily utility items, soaps, oils, garments, home appliances, services like banks, mobile operators, internet based services and many more. Home appliance industry has been taken as base parameter for the analysis of this research due to its industry specific Customer Relationship Management (CRM) activities, product length, customer perception, competiveness and direct sales promotion strategies. The aim of this research is to probe into the effectiveness of the CRM strategies and sales promotion measures in building customer loyalty.