

Research Article

The Influence of Word of Mouth (WOM) and Customer Relationship Management (CRM) on Customer Loyalty at PT Garuda Sertifikasi Indonesia with Customer Delight as a Mediating Variable

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Abstract: The study aims to examine the influence of word of mouth (WOM) and customer relationship management (CRM) on customer loyalty at PT Garuda Sertifikasi Indonesia, with customer delight serving as a mediating variable. This research is motivated by the increasing competition among certification service providers, which requires companies to implement effective strategies to retain and satisfy their customers. The target population in this study encompasses the entire client base of PT Garuda Sertifikasi Indonesia, totaling 429 individuals. The sampling technique used was Hair's formula, resulting in 70 respondents. Data were collected through questionnaires, interviews, and documentation. A path analysis technique was used to analyze the data to determine direct and indirect effects between variables. The findings indicate that both WOM and CRM positively influence customer loyalty. Effective word-of-mouth strategies help build the company's reputation and trust, while CRM ensures consistent communication, better service, and long-term customer engagement. The research also found that WOM and CRM positively affect customer delight. Customers who experience exceptional service and personalized attention tend to be more satisfied and emotionally connected to the brand. Furthermore, customer delight was proven to have a significant positive impact on customer loyalty. It also acts as a mediating variable, strengthening the effect of WOM and CRM on loyalty. This means that delighted customers are more likely to remain loyal and advocate for the company. The results of this study emphasize the importance of maintaining strong relationships and exceeding customer expectations in order to build sustainable loyalty. This research contributes valuable insights for service-based companies in enhancing marketing and customer retention strategies.

Keywords: Communication, Delight, Loyalty, Relationship, Strategy

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1. Introduction

In the contemporary landscape of industrial competition, organizations must implement effective marketing strategies to foster strong connections with consumers and ensure long-term sustainability. Every company strives to offer distinct advantages and benefits through their products to gain a competitive edge and secure profits[1]. In this endeavor, building and sustaining customer loyalty has become a crucial aspect of corporate strategy. Customer loyalty is often the key differentiator in competitive markets, and companies that fail to cultivate this loyalty risk losing consumers to more strategic rivals.

This study focuses on PT Garuda Sertifikasi Indonesia, a professional certification body committed to delivering top-tier management system certification services that offer added value to client organizations. With the emergence of 88 certification firms, both domestic and foreign, in 2025, PT Garuda Sertifikasi Indonesia is currently navigating a highly competitive landscape that demands robust customer retention strategies.

The central focus of this study is to analyze the trends and changes in customer loyalty experienced by PT Garuda Sertifikasi Indonesia. From 2020 to 2024, the company has experienced significant variability in client numbers rising from 329 in 2020 to a peak of 997 in 2022, before falling sharply to 391 by 2024. Such inconsistency underscores a lack of stable customer loyalty, which threatens long-term viability. Customer loyalty entails a strong commitment to repurchase or consistently support a consistently preferred option unaffected by situational variables and marketing efforts by competitors[2]. Loyalty is more behavioral than attitudinal, involving non-random, repeat purchases over time[3]. The erratic customer data at PT Garuda Sertifikasi Indonesia indicates underlying issues in customer satisfaction and loyalty that require further exploration and targeted solutions.

Previous studies have employed various approaches to explore factors influencing customer loyalty, notably word of mouth (WOM) and customer relationship management (CRM). WOM is a marketing activity where customers disseminate product or service information to others, thereby indirectly promoting the brand [4]. Empirical studies affirm a positive correlation between WOM and customer loyalty [5], [6], [7]. However, other research contradicts this relationship [8], [9]. Similarly, CRM is a strategic system for managing customer relationships to enhance satisfaction and loyalty[10]. Studies confirm CRM's positive influence on loyalty [11], [12], whereas others argue otherwise [13], [14]. These mixed findings indicate the need for a more nuanced exploration incorporating potential mediating variables.

To address the inconsistencies in previous findings, this study introduces customer delight as a mediating variable between WOM and CRM and customer loyalty. Delight is an emotional state where customers feel genuinely pleased due to unexpected service quality exceeding their expectations[15]. Delight signifies a firm's success in surpassing customer needs and desires, thus serving as a metric of organizational performance[16]. Empirical studies support the notion that customer delight enhances loyalty [17], [18]. However, contrasting views suggest no significant influence [19], reinforcing the necessity of including delight as a mediating factor in this research model.

Further, existing literature has explored the role of WOM and CRM in influencing customer delight. WOM significantly contributes to delight by creating trust through peer recommendations[20]. Empirical studies validate the positive impact of WOM on customer delight [21]. However, opposing findings highlight the importance of contextual factors in shaping customer responses [22], [23]. Similarly, CRM has been shown to affect delight through personalized service, responsiveness, and accurate follow-up [1]. Research confirms this relationship[24], [25], although differing results have been reported [26].

In the case of PT Garuda Sertifikasi Indonesia, qualitative insights obtained from customer interviews reveal significant shortcomings in both WOM and CRM practices. Customers report receiving last-minute audit schedules, leaving inadequate preparation time, and experience delays in certificate issuance due to understaffed administrative departments. These service failures contribute to negative WOM and dissatisfaction, undermining customer delight. Furthermore, the company's CRM initiatives are perceived as impersonal and reactive, lacking proactive engagement and personalization, which weakens customer attachment to the firm. These issues collectively hinder the company's ability to foster repeat business and positive referrals.

Given the operational challenges and conflicting findings in past research, The objective of this research is to conduct an in-depth examination of how WOM and CRM influence customer loyalty at PT Garuda Sertifikasi Indonesia, mediated by customer delight. By adopting a quantitative research approach with empirical data from a sample of the company's client base, this study seeks to test the proposed relationships and offer evidence-based recommendations. The use of Structural Equation Modeling (SEM) will allow for the simultaneous evaluation of direct and indirect effects, offering a nuanced understanding of the dynamics between the studied variables.

The findings of this study enrich the scholarly literature through multiple notable contributions. First, it addresses the inconsistency in prior studies regarding the effects of WOM and CRM on customer loyalty by incorporating a mediating variable customer delight which is underexplored in this context. Second, it offers practical implications for service-based organizations, particularly certification providers, on how to strategically leverage WOM and CRM practices to enhance customer satisfaction and retention. Third, the study enriches the body of knowledge by contextualizing customer loyalty within the Indonesian certification industry, thereby offering localized insights that may differ from broader global findings.

Ultimately, the proposed research aims to offer actionable insights for PT Garuda Sertifikasi Indonesia's management in refining their customer engagement strategies. By understanding the pivotal roles of WOM, CRM, and customer delight in driving loyalty, the company can adopt more targeted initiatives to improve service delivery, manage customer expectations, and foster long-term relationships. In doing so, PT Garuda Sertifikasi Indonesia will be better positioned to withstand industry competition and secure sustainable business growth in the increasingly saturated certification market.

2. Proposed Method

To accomplish the aims of this research, a combination of qualitative and quantitative approaches was utilized through a mixed-method strategy. The study targeted the entire client base of PT Garuda Sertifikasi Indonesia, which comprised 429 individuals. The determination of the sample size was carried out based on the formula proposed by Hair, resulting in a total of 70 respondents selected for the quantitative phase. Data collection was conducted through questionnaires, interviews, and documentation. Quantitative data were examined through path analysis to explore both the direct and mediated relationships among the variables, while qualitative data supported the interpretation of findings and provided contextual depth. A flow diagram illustrating the research design and analytical process is included to enhance clarity and reader understanding.

3. Results and Discussion

Hypothesis evaluation in this research involves assessing both direct and mediated influences. The analytical process was performed through SmartPLS 3.0, and the resulting model is illustrated in the diagram presented in Figure 1.

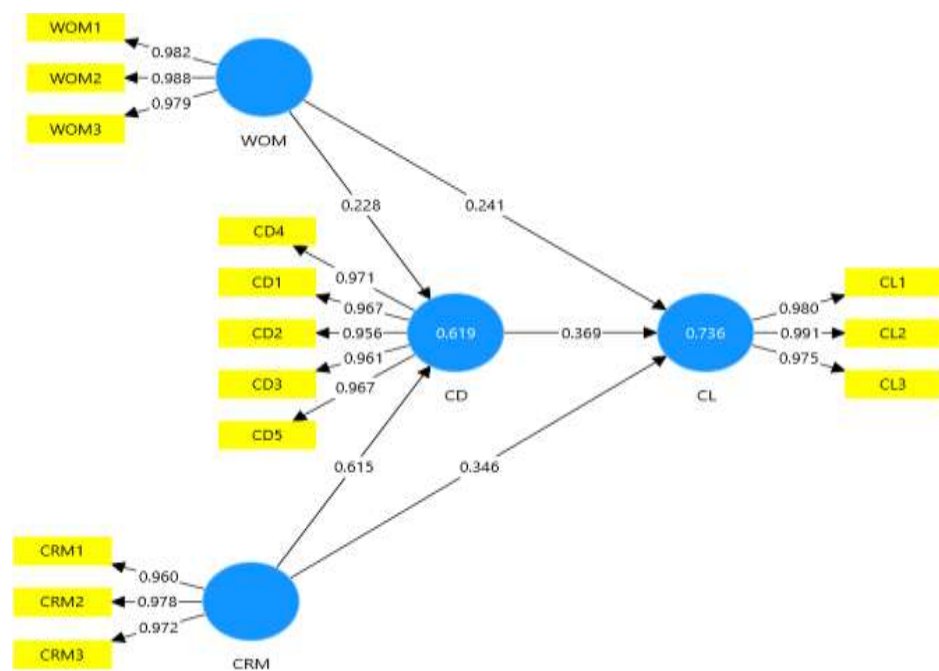


Figure 1. Path Diagram of the Relationships Between Variables

Figure 1 illustrates the outcomes of data analysis performed using SmartPLS 3.0, which subsequently informed the development of Table 2 to display the associations among the studied variables.

Table 1. Relationships Between Variables

	Original sample (O)	T statistics	P values	Keterangan
WOM -> CL	0.241	2.359	0.020	Diterima
CRM -> CL	0.346	2.699	0.008	Diterima
WOM -> CD	0.228	2.784	0.006	Diterima
CRM -> CD	0.615	7.068	0.000	Diterima
CD -> CL	0.369	3.810	0.000	Diterima
WOM -> CD -> CL	0.084	2.247	0.027	Diterima
CRM -> CD -> CL	0.227	3.032	0.003	DIterima

Source: Processed Data, 2025

Referring to Table 1, the findings from the hypothesis testing related to the interrelationships between the variables are outlined as follows:

- a) Effect of Word of Mouth (WOM) on Customer Loyalty (CL)
The results reveal that the relationship between Word of Mouth and Customer Loyalty is statistically significant, as evidenced by a path coefficient of 0.241, a t-value of 2.359, and a p-value of 0.020 ($p < 0.05$). This implies that favorable customer communication through WOM contributes positively to loyalty behavior. Consequently, Hypothesis 1 (H1), which posits a positive impact of WOM on Customer Loyalty, is empirically supported.
- b) Effect of Customer Relationship Management (CRM) on Customer Loyalty (CL)
The statistical analysis indicates that Customer Relationship Management exerts a significant positive effect on Customer Loyalty, with a path coefficient of 0.346, t-statistic of 2.699, and significance level of 0.008. These findings validate Hypothesis 2 (H2), confirming that CRM strategies enhance customer commitment and foster loyalty.
- c) Effect of Word of Mouth (WOM) on Customer Delight (CD)
A path coefficient of 0.228, along with a t-value of 2.784 and significance of 0.006, demonstrates that WOM has a meaningful and positive influence on Customer Delight. These results substantiate Hypothesis 3 (H3), highlighting that positive word-of-mouth communication can elevate customers' emotional satisfaction.
- d) Effect of Customer Relationship Management (CRM) on Customer Delight (CD)
The analysis yields a strong and significant relationship between CRM and Customer Delight, with a path coefficient of 0.615, t-statistic of 7.068, and p-value of 0.000. This provides robust empirical support for Hypothesis 4 (H4), indicating that well-implemented CRM initiatives can significantly enhance customers' delight experiences.
- e) Effect of Customer Delight (CD) on Customer Loyalty (CL)
With a path coefficient of 0.369, a t-value of 3.810, and a significance value of 0.000, the data confirm that Customer Delight significantly influences Customer Loyalty in a positive direction. Hence, Hypothesis 5 (H5) is supported, suggesting that emotionally satisfying customer experiences are a key driver of loyalty.
- f) Mediating Role of Customer Delight (CD) in the Relationship between WOM and CL
The indirect path from WOM to Customer Loyalty through Customer Delight shows a coefficient of 0.084, t-statistic of 2.247, and p-value of 0.027, indicating a statistically significant mediating effect. Therefore, Hypothesis 6 (H6) is accepted, affirming that Customer Delight partially mediates the influence of WOM on loyalty.
- g) Mediating Role of Customer Delight (CD) in the Relationship between CRM and CL
The mediation analysis indicates that CRM influences Customer Loyalty through Customer Delight, with a coefficient of 0.227, a t-statistic of 3.032, and a significance level of 0.003. These findings validate Hypothesis 7 (H7), suggesting that CRM not only directly affects loyalty but also does so indirectly via enhanced customer satisfaction.

4. Conclusions

The findings from the study conducted at PT Garuda Sertifikasi Indonesia reveal that both Word of Mouth (WOM) and the implementation of CRM strategies has been found to positively and significantly impact customers' loyalty toward a brand or company. In addition to their direct effects, WOM and CRM also enhance customer delight, which subsequently contributes to greater customer loyalty. These results underscore the importance of customer delight as a mediating variable, through which WOM and CRM further strengthen the relationship with loyal customers. Overall, the study highlights the strategic role of communication and relationship management in fostering long-term customer commitment.

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