The Impact of Relationship Marketing Strategies on Customer Loyalty in the High-End Hair Salon Industry in Auckland

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ABSTRACT

The business world is a competitive place, and enterprises must cultivate sustainable relationships with their clients to gain customer loyalty. Concepts of relationship marketing (RM) are becoming vital in the service industry. Different RM strategies are used to attract customers, but some of these strategies do not achieve customer loyalty as easily as predicted due to customers’ changing behaviour patterns. This paper investigates the impact of RM strategies on customer loyalty through relationship qualities (customer satisfaction and trust) by concentrating on the high-end hairdressing sector in Auckland. Additionally, this research investigates the expectations of customers of high-end hair salons formed by RM strategies, which influence their satisfaction, trust, and customer loyalty to their service provider. The results indicate that brand image shows a significant relevance to trust, satisfaction, and customer loyalty claiming that brand image is an essential element of RM. Additionally, this investigation reveals that, hair salons in Auckland are looking forward to ascertaining a sustainable relationship with their clients through a spectrum of strategies such as positive brand image, good service quality, reasonable price, and good value deals to earn optimistic relationship quality, which will ultimately escalate to customer loyalty. Findings of this research will be useful in supporting hair salons to gain a greater understanding of their customers by adopting effective RM strategies.

KEYWORDS

Relationship marketing; Customer loyalty; Customer satisfaction; Hair salons

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1. Introduction

The modern marketplace is competitive and unpredictable, and the most vital concern that companies face is keeping loyal customers, who provide long-term benefits to the organisations, rather than focusing on providing good quality services (Kandampully et al., 2015). In competitive environments, sellers cannot use traditional marketing strategies such as 4Ps (place, promotion, price, and product) because they over-focus on products rather than customers (West et al., 2015). Hence, relationship marketing (RM) is becoming a more preferred method for building a more robust and sustainable connection between customers and the company. According to Bowen (1990), services can be divided into three categories: moderate contact standardised, moderate contact non-personal, and high contact customised. Hair salons are known as a high-contact customised category, as they have people-oriented services and personally tailored service solutions. Interactions and services offered to customers are likely to impact customer experience significantly, leading to satisfaction, trust, and customer loyalty (Godlevskaja et al., 2011).

RM has become one of the leading strategies to compete in the new aggressive environments by assisting businesses to keep their clients by providing high-quality customer services, including benefits such as repeated purchasing, market access, and exit barriers (Gupta & Sahu, 2012). Developing relationships in the market is about achieving mutual benefits, which is a complicated and challenging process. Hence, long-term customer satisfaction would necessitate customer-focused and productive RM strategies. However, failure to satisfy customers will result in customers switching to other organisations (Vivek et al., 2012).

It has been reported that people returned to hair salons regardless of difficult economic times. The L’Oréal hairdressing industry report showed that after the global financial crisis, women tended to spend more on their hair visits. According to L’Oréal New Zealand, the hair salon industry is in good condition, despite economic struggles nationwide for the past years (Lowe, 2021). Because of the significance and effectiveness of word-of-mouth, personal relationships with clients have a significant effect on the success of the hair salon industry, outperforming conventional and digital advertisements. Hence, even though the world had been dramatically affected by COVID-19, which brought a massive global financial crisis, the hair salon industries were not affected by it, provided they had strong RM strategies and strong customer loyalty (Jones, 2020).

Competition is also linked to a price war in the hair salon market. Some hair salons offer a consumer package plan to keep their current customers with reasonable price offers; as hair salons must have loyal customers to survive in the competitive market. Some hair salons, on the other hand, are confident in their ability and want to retain their high-end status; hence they will refuse to compete on costs (López-Jáuregui et al., 2019). To thrive in the short and long term, hair salons must recognise the interrelation between RM strategies, relationship qualities (RQ) and customer loyalty within the hair salon industry (Brodie et al., 2013).

For many services, the key to marketing is to create sustainable, favourable relationships with customers. Companies must understand the value of consumer satisfaction rather than relying solely on attracting new customers in order to achieve stable financial sustainability. In the face of aggressive competition in today’s hair salon industry, many RM strategies have been planned and implemented by hair salons. However, customers on the other hand, are often influenced by a variety of marketing activities, including competitive pricing campaigns, telemarketing, direct mail, door-to-door promotions, radio commercials, TV advertising, and internet promotion, as well as user loyalty programmes. According to earlier studies, customers often want to seek out other options when they are dissatisfied with the quality of service (Ahmad & Ihtiyar, 2012; Bychkova & Kwame, 2012; Chao et al., 2015).

One of the simplest ways for service providers to keep their clients and build customer loyalty is to implement an RM plan. Many previous findings have shown that RM strategies affect behavioural loyalty, which affects customer retention. Good knowledge of target customers and establishing good relationships with them are important (Chen & Myagmarsuren, 2011). Hair salons have often encountered difficulty in drawing more customers,
and while focusing on developing high-quality relationships with customers, rewarding and trusting them, have eventually failed to achieve customer loyalty through RM strategies (Lin & Chung, 2013).

1.1. Research Objective

The research objective for this project was to determine how RM strategies affect customer loyalty in the high-end hair salon industry. The aim of this research is identification of the relationships between eight constructs which can be applied to the Auckland hair salon industry: brand image, value offered, price perception, service quality, customer loyalty, switching cost, trust, and satisfaction. These constructs can be applied to the Auckland hair salon industry. These antecedents have been considered potential determinants of customer loyalty for the past two decades by other researchers (Wang & Wu, 2012).

Hair salon owners will be able to use this analysis to improve their qualities and competency by learning how constructs are interconnected and how they contribute to customer loyalty. Since it was recognised as a key long-term driver to profitability, customer loyalty has been a focus point for many companies. Therefore, this project has explored how and which RM strategies to adopt in high-end hair salon operational activities to boost business efficiency and profitability.

1.2. Research Questions

Different RM techniques have been introduced into practice by businesses. Some of those techniques did not function efficiently. For example, the marketing 4Ps focus on too much product technology and quality tended to over-emphasise the product and neglect customer problem-solving. These different RM techniques are advantageous only for entry marketing but provide no significant advantage to improve customer retention long-term (Ettenson et al., 2013). However, phenomena indicate that switching behaviour also occurs amongst most targeted clients. Consequently, the research questions for this study are as follows:

1. How does each of the RM strategies have an impact on customer loyalty?
2. Which of the RM strategies in practice make the greatest contribution to customer loyalty?

2. Literature Review

Given the vital role of RM in today's industries, understanding how RM is carried out in practice will be beneficial. This marketing strategy could ultimately progress to establishment of sustainable relationships between a company and its clients, as well as customer loyalty. The conceptual structure of this research which is set out in Figure 1 is the fusion of various past conceptual structures. This figure was adopted from the model developed by Feng and Zhang (2009, p. 3) to illustrate the RM tactics, RQ and switching costs on customer loyalty.

2.1. Relationship Marketing (RM)

Since consumer loyalty is the ultimate goal for companies, resulting in strong repeat purchases and a favourable behaviour toward purchasing the same good or service, the RM strategy's primary goal is to gain and expand it. Loyal clients to a brand are less likely to search for other choices; they are less likely to be influenced by other company persuasion and more likely to spread positive word of mouth among their friends and family. Loyal customers contribute significant sales and need less time and effort, making them efficient and valuable business assets (Khadka & Maharjan, 2017). A positive connection can be found between loyal customers and profitability. RM has been vital in the hair salon industry since it is the key to competitive advantage. It also provides interdependence, commitment and cooperation between service providers and their customers, all of which are
vital in RM (Chow et al., 2012).

2.2. Relationship Marketing (RM) Strategies

Customers gain confidence in their service provider by reduction of their anxiety; and gaining trust in the provider’s product or service. Customers can also earn benefits in the form of employee personal appreciation, employee familiarity with customers, employee relationship development, and special treatment such as additional services (Narteh et al., 2013). The benefits of RM to the organisation are encouragement to build competitive advantage over their main trade partners, gathering quality sources of marketing knowledge for improved planning of marketing strategies, and focusing on service quality. Nevertheless, searching new for clients might be time consuming and cost five to ten times more than maintaining one (Gilaninian et al., 2011). Feng and Zhang (2009) identified four main RM tactics, namely service quality, price perception, brand image, and value offered as depicted in Figure 1.

![Figure 1](image_url)

**Figure 1.** The interconnection of Relationship Marketing, Relationship Quality and Switching Costs to Customer Loyalty.

2.2.1. Service Quality

Service quality is known to be a route to sustainability in RM for aggressive business markets. There has been significant research on how service quality impacts RQ in service providers. When an organisation offers higher quality service than is required, customer satisfaction will be more easily achieved. As well, customer trust is developed when customers consider a favourable service and expect the service to be delivered to them as desired (Khadka & Maharjan, 2017). Service quality is therefore an essential metric for measuring a service provider’s efficiency in the hair salon industry. High-quality service is seen as a visible means of generating confidence and loyalty for customers, achieving strategic advantages and establishing a long-term customer relationship (Strenitzerová & Gana, 2018). Thus, quality service and customer loyalty are the most crucial factors in sustaining customer relations and gaining optimum profit in the competitive market, especially in the hair salon industry.
2.2.2. Price Perception

Several studies have discovered that customer loyalty and trust are influenced by price perception. Customers also shift service providers due to a variety of pricing issues, including high perceived prices and unreasonable or confusing pricing practices. In order to gain customer satisfaction, service providers must understand and observe their customers' price demands, such as by attractive packaging, a reasonable price mix, and cheaper costs without lowering quality (Vasic et al., 2019). Price perception is often linked to price seeking, and during the search process, customers are likely to be drawn in by perceived high-quality products at perceived low prices (Faith & Agwu, 2018).

2.2.3. Brand Image

The importance of one-to-one business-customer and consumer-brand relationships is shown by the concept of marketing relationships within services. A customer partnership is formed through a sequence of brand experiences that customers have had, and during such an experience, the service provider must understand their clients' thoughts and impressions towards their company (Maggon & Chaudhry, 2015). In the marketing literature, brand definition has been widely debated. Brand image is not only an essential motivating force for tangible products to be marketed, but it is also a vital challenge for service providers. Brand image is described as the concept or mental perception of a brand that is generated and retained in the minds of customers, whether rational or emotional (Beverland et al., 2015).

2.2.4. Value Offered

Customers usually evaluate the advantages they have received from goods and services with their prices, and then a decision will be made to determine the worth of consumption. For instance, by offering value deals, service providers will have competitive advantages, improving their customer loyalty by increasing their customers' perceived benefits (Almquist et al., 2016). As a result, companies that incorporate such value-adding techniques can maximise consumers' perceived benefits while decreasing their perceived losses, facilitating repurchasing, and staying constant with the service provider. In the hair salon industry, to achieve customer interest and trust, it is important for service providers to deliver some kind of value to customers during the service engagement period, such as reward redemption promotions and discount offers, in order to improve customer satisfaction (Russo & Confente, 2017).

2.3. Relationship Quality (RQ)

RM is important in today's markets because continuity is critical for assessing the strength of the relationship and the satisfaction level of consumer needs and expectations. RQ is derived from the RM field. If approached properly by both a buyer and a seller's values and objectives, good trading interactions should eventually lead to a lasting buyer-seller relationship (Itani et al., 2019). Customers will feel uncertain and at risk during the process when service is invisible and diverse in certain service situations. Positive relationship consistency, on the other hand, can minimise service uncertainty and risk, allowing for greater customer continuity and the development of long-term relationships. To put it another way, better relationship efficiency reinforces bonds between service providers and their clients to promote a secure sustainable relationship through which both parties benefit (Alrubaiee & Al-Nazer, 2010). Feng and Zhang (2009) identified three RQ, namely trust, satisfaction and switching costs (Figure 1).

2.3.1. Trust

Successful businesses build long-term consumer partnerships with the intention of relationship sustainability, productivity and meeting mutual objectives. Customers who have faith in the ability of service providers will
certainly be able to engage themselves to a service provider that meets their expectations. Furthermore, even though the situation changes, customers will continue to believe that the service provider will consider their interests rather than behaving in a manner that adversely affects the relationship’s long-term sustainability (Camilleri, 2017). Customers’ trust is crucial in establishing sustainable relationships and also increasing customer loyalty, as demonstrated in several studies (Kumar & Reinartz, 2012; Liu et al., 2011). These studies also showed that customers become committed to a firm with trust as a basis and develop a loyalty to the company which can be beneficial in the competitive hair salon world (Mohsan et al., 2011).

2.3.2. Satisfaction

Much focus has been paid to customer loyalty in academic literature and practical studies. These studies show that when marketing activities are introduced, there is a relationship between customers’ satisfaction with goods or services and achievements in the competitive hair salon industry (Zhong & Moon, 2020). Furthermore, Rahman et al. (2012) described satisfaction as experiences based on the target product’s general buying and service performance, as opposed to repurchase expectations over time. In the RM literature, consumer loyalty has become a key success metric for assessing the service provider-customer relationship quality. Customers’ presumptions of values and advantages are primarily influenced by previous positive experiences, which boost confidence and increase the likelihood of a person staying in the service (Bricci et al., 2016).

2.3.3. Switching Costs

Switching costs occur when a customer moves service provider from one to another. As a result, costs can become a barrier to the customer’s decision to switch service providers. Cost switching includes technological, economical, and psychological costs that make switching services complicated or costly for customers (Ghazali, 2011). Switching costs resulted as the importance of a customer-led additional expense was acknowledged, resulting in the termination of a partnership and shifting to a new and secure one. Time, commitment, risk-taking, and psychological costs are all examples of switching costs that may be monetary or non-monetary (Burritt & Kilara, 2016). In other words, customers will likely stay with the current service provider if the perceived cost of switching is high. Thus, hair salons must understand their customers’ perceived switching costs to increase their probability of staying loyal to the salon (El-Manstrly, 2016).

2.4. Customer Loyalty

Attitudinal and behavioural loyalty are two types of customer loyalty that are commonly identified. Attitudinal loyalty is measured based on customer preference, buying intention, the retailer’s prioritisation, and tendency to promote and determine the customer’s attitude toward loyalty, while behavioural loyalty tends to earn profits through purchase frequency. Behavioural loyalty is measured according to a customer’s buying level and the amount spent in a store versus the amount spent at other stores from which the customer purchases. Morgan and Hunt (1994) discovered an important correlation between a customer’s relationship commitment and trust, willingness to withdraw, and cooperation, which can be classified as relationship behaviour effects. Given that customer loyalty is always the primary motivation for companies to adopt RM strategies, the intent of this study is to determine how the four RM strategies listed above impacted RQ and customer loyalty (Rai & Medha, 2013).

2.5. Research Gap

Several investigations have already been undertaken to measure the factors of customer loyalty. RQ have been used by a number of studies as the key elements for achieving loyalty (Malik et al., 2012). Many researchers have
evaluated and validated one of the four RM strategies; but each technique was carried out separately by antecedents, and few studies have incorporated these four strategies (Alrubai & Al-Nazer, 2010; Cheng & Lee, 2011; Rizan, Warokka, & Listyawati, 2014). As a result, this report will fill a research gap and show the correlations between these four strategies, RQ, and customer loyalty. In addition, the research is intended to assist businesses in achieving customer loyalty and establishing relationships in the most transparent and effective way possible.

3. Research Method

Primary research was conducted for this project; in order to study the RM strategies that affect customer loyalty in a high-end hair salon in Auckland. A questionnaire based on the findings from existing studies was designed and was sent to salon customers to ask them to rate the significance of each construct. After the data was obtained, the construct value rating was analysed. The suggested structures are evaluated in this study, which uses quantitative data analysis. Quantitative research is characterised as a technique of data collection and analysis that emphasises quantification (Queiros et al., 2017).

The quantitative method enabled the researcher to measure the responses of a large number of people to a small number of questions, allowing the researcher to compare and statistically evaluate the outcomes. The results of closed-ended questionnaires aid researchers in identifying a general pattern in answers from program participants. Quantitative methods and processes allow researchers to obtain and present a large and generalisable range of data rapidly and efficiently (Yilmaz, 2013).

3.1. Case selection and Sampling

The hairdressing service industry has been experiencing rapid growth in New Zealand in recent years. Market analysts attribute this increase to the increasing demand for premium services. However, there are still no companies that dominate the industry's market share (Van Der Laan, 2020). According to IBISWorld's (2020) report, the hair salon industry's annual growth was expected to be 4.6% from 2014 to 2019. However, price competition had a negative effect on the earnings of the industry's low-price segments in 2018, and analysts expected the low-cost approach to continue to be employed by many hair salons. In New Zealand, most hairdressing experts have also focused on areas with a high population density. About 60% of hair salons are located in Auckland, Canterbury and Wellington. These areas account for about 58% of the country's population. IBISWorld found that, not only in New Zealand but globally, the hair industry's main factors are shop product variations, customer loyalty, and shop location. As a result, in order to succeed in the hair salon market, companies must achieve a long-term strategic advantage based on customer loyalty (IBISWorld, 2020).

A total of ten high-end hair salons were asked for their support by the researcher by permitting the researcher to put a QR code and information sheet for customers to scan and read to access the questionnaire. The chosen salons aimed at the high-end market, targeting customers with higher income and spending. A minimum of 100 responses was expected to be collected so that any error in data collection and processing data would be reduced. Because of a lack of funding and time constraints, the analysis was limited. In order to be more accurate in gathering data, a quantitative method of online survey was chosen as a data collection tool, with questionnaires being the most reliable and time efficient method (Bell, Bryman, & Harley, 2018).

3.2. Questionnaire Design and Data Collection

There are five primary methods of gathering and analysing scientific data in the market analysis: experiments, surveys, review of data collected, history, and case studies. This research project used surveys as the primary research tool as it was a quantitative method, where data was structured in surveys, and comparison was simple.
although time-consuming (Palinkas et al., 2015). The online survey for this research employed a self-completion questionnaire containing closed questions. The market research method was comparable to that of a self-completion questionnaire, and the testing instrument had to be simple to use and its questions needed be straightforward to answer (Singer & Couper, 2017). For several studies, one of the most common considerations is whether to put questions in open or closed format. Closed questions have many advantages: the collected responses are easy to compare, easy to process and easier to differentiate the correlation between variables, so it was appropriate to have closed format questions for this research (Krosnick et al., 2015). The questionnaire consisted of two sections and 40 statements in total. The gender and age of respondents was asked in the first segment of the survey, which focused on individual characteristics. The second part of this research review covers all eight constructs and 38 statements. Each construct’s items were adapted and modified from previous literature. Responses for all questions were graded on a five-point Likert scale, with 5 being strongly agree and 1 being strongly disagree.

3.3. Analytical Techniques

The phase of transforming, extracting, and analysing raw data with the aim of finding valuable information is known as data analysis. There are three reasons why data processing concepts are useful in science. Firstly, data analysis may help researchers to gain better insights into data. Secondly, it may aid in eliminating inaccurate decisions and assumptions, and finally, understanding the influence of data collection methods will have a positive effect on research design and objectives (Batrinca & Treleaven, 2015).

The data clearing process began by dropping those responses that were not 100% complete. Also, the straight-lining answers were removed. For each question, the responses of odd pattern distributions such as '5, 5, 5, 5, ...' were deleted, as these types of responses have not been involved and will affect the results. Firstly, the data was downloaded from Qualtrics and then processed for further study using SPSS software. The data was then processed using the five-point Likert scale in step two, assuming the data was ready to go after the scanning and cleaning data.

4. Data Analysis and Findings

This section presents the data that was accumulated by the online questionnaire and later analysed by SPSS software. The response rate, reliability, individual characteristics of the participants and responses for the eight constructs are all discussed in this chapter.

The questionnaires were distributed at ten high-end hair salons, and all of them were in Auckland. This research uses the reactions of 116 participants from the ten selected high-end hair salons. However, only the data on 112 customers was available and considered in the study due to missing data issues.

4.1. Reliability

The quickest and most widely utilised tool for evaluating internal reliability is Cronbach’s alpha. The value of all potential split-half reliability coefficients is measured using Cronbach's alpha. It is an indicator of internal stability that varies from 0 to 1, with a higher alpha value suggesting greater internal consistency (Taber, 2018). According to this research, it is crucial to measure each of the eight constructs for its internal reliability. The Cronbach alpha was implemented to evaluate the internal reliability and consistency, in which how close a set of items is related as a category. The average Cronbach’s alpha values for the eight constructs chosen was calculated, and for this research it is above .7 (average = .978), indicating acceptable reliability in social science research.
4.2. Demographic Characteristics

4.2.1. Gender

Figure 2 below shows that 60.71% of the participants were female, while just 37.50% were male. This indicated that most of the clients who visited high-end hair salons in Auckland were female. It also suggests that most of the responses in the survey came from women. Males were seen receiving cutting and chemical treatments such as colouring and perming their hair. This explains why the research could catch male clients to provide a gender touch (Li, 2017). Women seemed to visit high-end hair salons more because of the many services they offer other than hair cutting, such as perming, colouring, and setting hairstyles. While men were known to be more embarrassed by letting people know they are doing more than hair cutting, visiting a barber will allow them to feel more "man" while waiting for a haircut (Brookes & Smith, 2017).

![Figure 2. Gender Distribution of the Sample.](image)

4.2.2. Age

Figure 3 below shows the majority of the participants involved in this survey, 36.61%, were between the ages of 26-35. With a figure of 31.25%, those between the ages of 18-25 came in second; 36-45 years were 17.86% while 46-55 years were 7.14%. Those aged 55 years and above had the lowest percentage of 5.36%. The finding implies that most customers were between 26-35 years old, which also coincides with the median age of the hairdressing industry workforce, 32 years old. This shows that people in the age group of 26-35 are more actively involved in hairdressing, regardless of the hair salon industry workforce or customers (Education & Training in the NZ Beauty Industry, 2012).

4.3. Relationship marketing (RM) strategy in high-end beauty salons in Auckland

In this analysis, respondents were required to disclose the RM strategy's impact on the sampled high-end hair salons operating in Auckland. Table 1 summarises and presents the measured standard deviation and mean averages. A mean score of less than 10 is taken as not at all, mean score that ranges from 10-20 is interpreted as small extent, mean score that ranges from 20-30 as moderate extent, mean score of 30-40 as great extent, and above 40 as very great extent. Furthermore, the lower the standard deviation means consensus on the particular question, while a higher standard deviation shows a lack of consensus on that specific question.
4.3.1. Service Quality

The study sought to find the extent of trust as an RM component among high-end hair salon customers in Auckland. The computed standard deviation and mean scores are presented and summarised in Table 1.

Table 1. Service Quality.

<table>
<thead>
<tr>
<th>Field</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>This hair salon follows up customer requests promptly*.</td>
<td>24.23</td>
<td>1.08</td>
</tr>
<tr>
<td>The frontline employees of this salon are always willing to help me.</td>
<td>29.29</td>
<td>1.17</td>
</tr>
<tr>
<td>The response to customers’ complaints is always made quickly.</td>
<td>28.86</td>
<td>1.08</td>
</tr>
<tr>
<td>This salon is consistent in providing good quality service.</td>
<td>29.32</td>
<td>1.16</td>
</tr>
<tr>
<td>This salon offers personalised services to meet customers’ needs.</td>
<td>29.18</td>
<td>1.17</td>
</tr>
<tr>
<td>This salon provides timely information when there are new services.</td>
<td>28.81</td>
<td>1.15</td>
</tr>
</tbody>
</table>

Note: *Minimum is 21 and maximum is 25. For all the other fields minimum is 26 and maximum is 30. The average of standard deviation (Std. Dev.) is 1.14.

The overall mean score of 28.28, indicated that the level of service quality that the high-end hair salons provided was to a moderate extent. It can also be seen that customers’ requests and quick responses to customers’ complaints were key to achieving service quality amongst the salon clients. The findings agreed with Morgeson et al. (2020), who claimed that promptly responding to complaints and following up on requests increases service quality, thus increasing customer satisfaction. Thus, service quality is a vital element in creating customer loyalty. For an organisation to achieve service quality, it should respond promptly to customers’ requests and deal with customers’ complaints quickly to provide quality service, especially those that are offering services. Furthermore, customer loyalty can be achieved by providing service that is of a high degree of quality. It can be assumed that customer loyalty is dependent on whether the expectation of service quality has been met (Liu et al., 2011).
4.3.2. Price Perception

The study sought to find the extent of price perception as an RM component among high-end hair salon customers in Auckland. The computed standard deviation and mean scores are presented and summarised in Table 2.

<table>
<thead>
<tr>
<th>Field</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>This salon adopted effective ways to help customers know its pricing policies for products and services*</td>
<td>27.08</td>
<td>1.03</td>
</tr>
<tr>
<td>The pricing policies of products and services from this salon are attractive.</td>
<td>28.90</td>
<td>0.98</td>
</tr>
<tr>
<td>The hair service rate offered by this hair salon is reasonable.</td>
<td>29.04</td>
<td>0.93</td>
</tr>
<tr>
<td>This salon is offering flexible pricing for various services that meet my needs.</td>
<td>28.88</td>
<td>1.03</td>
</tr>
<tr>
<td>I will continue to stay with this salon unless the price is significantly higher for the same service.</td>
<td>29.25</td>
<td>0.98</td>
</tr>
</tbody>
</table>

Note: *Minimum is 24 and maximum is 28. For all the other fields minimum is 26 and maximum is 30. The average standard deviation (Std. Dev.) is 0.99.

The overall mean score of 28.63 indicates that price influenced customer loyalty to a moderate extent. Moderate customers justified this by stating that they would continue to be salon members until the price for the same service increased dramatically. They have a basic understanding of the service's pricing policies. This finding agreed with Munusamy et al. (2010), where they found in their study that there is a possibility of customers switching to the competitor when they feel the price of the service received is not consistent with the quality of services offered. Interestingly, Malik et al. (2012) also discovered that price perception and customer loyalty are linked. This indicated that customers would remain loyal customers as long as the price appeared to be reasonable and fair along with the service or products they purchased.

4.3.3. Brand Image

In this study, the respondents were asked to state the extent of brand image as a component of RM among high-end hair salon customers in Auckland. The computed standard deviation and mean scores are presented in the summarised Table 3.

<table>
<thead>
<tr>
<th>Field</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I consider that this hair salon’s reputation is high.</td>
<td>29.19</td>
<td>0.96</td>
</tr>
<tr>
<td>I have a good feeling about the hair salon’s social responsibility.</td>
<td>29.02</td>
<td>1.08</td>
</tr>
<tr>
<td>The salon delivered a good brand image to its customers.</td>
<td>29.22</td>
<td>0.99</td>
</tr>
</tbody>
</table>

Note: For all the fields minimum is 26 and maximum is 30. The average of standard deviation (Std. Dev.) is 1.01.

The overall mean score of 29.14, the level of brand image amongst customers who visited sampled salons was to a moderate extent. It can also be seen that reputation was vital to achieving brand image amongst the salon clients. The findings agreed with Kim and Kim (2016) that reputation and good social responsibility to customers result in a positive brand image, impacting customer loyalty. For an organisation to achieve an excellent brand image, it should maintain a positive reputation for delivering a good feeling about the hair salon’s social responsibility, especially those that are offering services. Furthermore, due to its potential to influence consumer perceptions of products and services, Hur et al. (2011) considered the brand image an essential factor for companies that have significantly impacted buying decisions and consumer behaviours. When the consumer agrees to purchase a product from the company, the consumer willingly cooperates with that business, ignoring the competitors, which
helps the business to sustain its profits in the long run.

4.3.4. Value Offered

The respondents were asked to state the extent of value offered as a component of RM amongst customers of high-end hair salons in Auckland. The computed standard deviation and mean scores are presented and summarised in Table 4.

<table>
<thead>
<tr>
<th>Field</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The promotional offers from this hair salon were worth the money.</td>
<td>28.80</td>
<td>0.96</td>
</tr>
<tr>
<td>It was easy to get benefits from the promotional offers.</td>
<td>28.59</td>
<td>1.03</td>
</tr>
<tr>
<td>The proposed rewards from this salon were what I wanted.</td>
<td>28.52</td>
<td>1.02</td>
</tr>
<tr>
<td>I will likely receive the proposed reward.</td>
<td>28.54</td>
<td>0.97</td>
</tr>
</tbody>
</table>

Note: For all the fields the minimum is 26 and maximum is 30. The average of standard deviation (Std. Dev.) is 1.0.

The mean score of over 28.61 reveals that the extent of value offered in Auckland’s sampled salons is to a moderate extent. There is a moderate extent of promotional offers from the high-end hair salons worth the money, and customers are likely to achieve the proposed reward. This has led to enhanced constant feedback from the customers resulting in better services being offered by the salons. These findings agreed with Kumar and Reinartz (2012), who claimed that value offered is an essential RM element; it is also the most effective RM approach in terms of offering customers excellent discounts. They chose a service provider that could provide them with reliability, resulting in customer satisfaction, trust, and even loyalty.

4.3.5. Trust

The study sought to find the extent of trust as an RM component among high-end hair salon customers in Auckland. The computed standard deviation and mean scores are presented and summarised in Table 5.

<table>
<thead>
<tr>
<th>Field</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>This salon is reliable because it is mainly concerned with the customers' interests.</td>
<td>29.27</td>
<td>0.92</td>
</tr>
<tr>
<td>The pricing system of this salon is trustworthy.</td>
<td>29.03</td>
<td>0.97</td>
</tr>
<tr>
<td>The reputation of this salon is trustworthy.</td>
<td>29.25</td>
<td>0.92</td>
</tr>
<tr>
<td>The policies and practices of this salon are trustworthy.</td>
<td>29.22</td>
<td>0.94</td>
</tr>
<tr>
<td>The service process provided by this salon is secure.</td>
<td>29.28</td>
<td>0.93</td>
</tr>
</tbody>
</table>

Note: For all the fields the minimum is 26 and the maximum is 30. The average of standard deviation (Std. Dev.) is 0.94.

With an overall mean score of 29.21, the level of trust amongst customers who visited selected high-end hair salons was to a moderate extent. It can also be seen that reliability and a trustworthy reputation were key to achieving trust amongst high-end hair salon clients. The findings agreed with Martínez and Del Bosque (2013), who indicated that reliability and trustworthiness result in customer trust, impacting customer loyalty. Trustworthiness is an essential element in building customer loyalty. Thus, for a company to achieve trust, it should keep its promises to be reliable, especially those offering services. Furthermore, customers often choose to purchase a service from a business they can trust; and as a result many early researchers have identified the value of trust and its effects in cultivating successful, long-term customer relationships (Rubio et al., 2017).

4.3.6. Satisfaction

The study sought to find the level of satisfaction with the RM strategies component amongst high-end hair
salons in Auckland. The computed standard deviation and mean scores are presented and summarised in Table 6.

**Table 6. Satisfaction.**

<table>
<thead>
<tr>
<th>Field</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am satisfied with the overall service quality offered by this salon.</td>
<td>29.40</td>
<td>0.94</td>
</tr>
<tr>
<td>I am satisfied with the professional competence of this salon.</td>
<td>29.42</td>
<td>0.94</td>
</tr>
<tr>
<td>I am satisfied with the performance of the frontline employees of this salon.</td>
<td>29.40</td>
<td>0.97</td>
</tr>
<tr>
<td>I am comfortable with the relationship with this salon.</td>
<td>29.43</td>
<td>0.95</td>
</tr>
</tbody>
</table>

*Note: For all the fields the minimum is 26 and the maximum is 30. The average of standard deviation (Std. Dev.) is 0.95.*

With an overall mean score of 29.41, the satisfaction level among customers who visited sampled salons was moderate. It can be seen that overall service quality and professional competency were key to achieving satisfaction amongst the salon clients. The findings agreed with Keiningham et al. (2014), who claimed that the higher the customer satisfaction level, the higher the customer loyalty level. Client satisfaction aids businesses in achieving economic growth in terms of revenue, investment return, and market share. Furthermore, service quality and professional competency have direct and indirect influences on customer satisfaction in different service settings or industries (Ahmad & Ihtiyar, 2012).

4.3.7. Switching Cost

The study sought to find the extent of RM strategies' switching cost components amongst high-end hair salons in Auckland. The computed standard deviation and mean scores are presented and summarised in Table 7.

**Table 7. Switching Cost.**

<table>
<thead>
<tr>
<th>Field</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel that switching to a new salon causes monetary and non-monetary costs.</td>
<td>28.73</td>
<td>1.09</td>
</tr>
<tr>
<td>To switch to a new salon; I should compare all salons (on account of services, service charging, location, etc.).</td>
<td>29.02</td>
<td>1.05</td>
</tr>
<tr>
<td>Even if I have enough information, comparing the salons takes much time, effort and energy.</td>
<td>28.97</td>
<td>1.09</td>
</tr>
<tr>
<td>If I change my hair salon, I would be concerned if the new hairdresser cannot achieve my expectations.</td>
<td>29.37</td>
<td>0.86</td>
</tr>
<tr>
<td>If I switch to a new salon, I am not able to use some services (colour, treatment, particular brand or products, etc.)</td>
<td>28.57</td>
<td>1.10</td>
</tr>
</tbody>
</table>

*Note: For all the fields the minimum is 26 and the maximum is 30. The average of standard deviation (Std. Dev.) is 1.04.*

The overall mean score of 28.93 indicates that the cost of switching influenced customer loyalty to a moderate extent. This was justified by moderate customers who confirmed that they would compare other salons before switching to a new one and would be moderately concerned about whether the new hair salons could achieve the customers' expectations. These findings correlate with Tsai et al. (2010), who stated that customer loyalty is inseparably related to performance and satisfaction experiences. Switching costs are known to be the most accurate predictors for repurchase behaviours for products or services, and as a result, switching costs are associated with satisfaction and loyalty.

4.3.8. Customer Loyalty

The study sought to determine the extent of customer loyalty to the sampled salons in Auckland. The computed standard deviation and mean scores are presented and summarised in Table 8.
Table 8. Customer Loyalty.

<table>
<thead>
<tr>
<th>Field</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I intend to continue using hair services from this salon for a long time.</td>
<td>29.09</td>
<td>0.91</td>
</tr>
<tr>
<td>If I want to change to a new hair service, I am willing to continue selecting this salon.</td>
<td>29.12</td>
<td>1.01</td>
</tr>
<tr>
<td>Even if another salon’s price is lower, I will go on using this salon.</td>
<td>28.94</td>
<td>1.04</td>
</tr>
<tr>
<td>I am willing to say positive things about this salon to other people.</td>
<td>29.39</td>
<td>0.90</td>
</tr>
<tr>
<td>I will encourage friends and relatives to use the services offered by this salon.</td>
<td>29.28</td>
<td>0.90</td>
</tr>
<tr>
<td>To me, this salon clearly is able to provide the best service.</td>
<td>29.28</td>
<td>0.96</td>
</tr>
</tbody>
</table>

Note: For all the fields minimum is 26 and maximum is 30. The average standard deviation (Std. Dev.) is 0.95.

The overall customer loyalty for a high-end hair salon in Auckland was to a moderate extent implying that customers are loyal to their current salons (overall mean score of 29.18). They will continue being a customer of this hair salon for an extended period, and they do not care about the competitors’ pricing. Customer loyalty is described as the probability of customers saying good things about the hair salon, recommending it to others, and encouraging others to buy services from the hair salon, according to the results of this report (Richard & Zhang, 2012).

5. Discussion and Conclusions

Customer satisfaction has been a vital aim of RM in the service sector. Long-term partnerships with consumers are thought to necessitate RM strategies to achieve mutual benefits for both the service provider and its clients. Despite the fact that service providers often use RM strategies, customers still prefer to shift to a competitor (Hansen & Hennig-Thurau, 2013).

This research analyses four essential and widely used RM strategies in order to address the first research question given in Section 1.2. Through the mediation of two dimensions of RQ, this involves the four RM strategies on customer loyalty, shown in Table 9.

Table 9. Mean Average and Mean Standard Deviation for all Constructs.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Mean Average</th>
<th>Mean Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Quality</td>
<td>28.28</td>
<td>1.14</td>
</tr>
<tr>
<td>Price Perception</td>
<td>28.63</td>
<td>0.99</td>
</tr>
<tr>
<td>Brand Image</td>
<td>29.14</td>
<td>1.01</td>
</tr>
<tr>
<td>Value Offered</td>
<td>28.61</td>
<td>1.0</td>
</tr>
<tr>
<td>Trust</td>
<td>29.21</td>
<td>0.94</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>29.41</td>
<td>0.95</td>
</tr>
<tr>
<td>Switching Cost</td>
<td>28.93</td>
<td>1.04</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>29.18</td>
<td>0.95</td>
</tr>
</tbody>
</table>

Note: Std. Dev. (Standard Deviation)

5.1. How does each of the RM strategies have an impact on customer loyalty?

The project’s first research question is to determine how the four RM strategies affect the RQ, which in turn impact on customer loyalty in the high-end hair salon industry in Auckland. The survey’s findings are presented as follows:

The four RM strategies are positively linked to RQ (trust and satisfaction). Customer trust, satisfaction, and loyalty are all negatively correlated with service quality strategy, showing the lowest mean average of 28.28 and the highest standard deviation of 1.14. This means that high-end hair salon service providers’ service quality, such as follow-up on customers’ requests and handling complaints, is not well received by the customers. However, the
strategies of price perception and value offered have the most similar mean average and standard deviation: 28.63, 28.61, and 0.99, 1.0 respectively, meaning they both have a very similar effects on customer loyalty according to the findings in this research.

Loyalty is associated with the qualities of a relationship (trust and satisfaction). This research further provides quantitative support to previous literature that claimed that high levels of customer satisfaction and trust would lead to a high level of customer commitment to the service provider (Martínez & Del Bosque, 2013). The similar Mean Average shows this across the three constructs: trust (29.21), satisfaction (29.41), and customer loyalty (29.18). A customer would always choose to purchase a service from a company the customer can trust. Many early researchers misunderstood the importance of trust and its significance in fostering profitable, long-term customer relationships (Chen, 2013). These three constructs of satisfaction (0.95), trust (0.94), and customer loyalty (0.95) have the lowest and most similar value in Mean Standard Deviation amongst the other constructs, implying that they have a favourable relationship with one another.

Customer loyalty is impacted indirectly via RQ in the hair service industry provided by the constructs of value offered, brand image, price perception and service quality. All are regarded as moderate extent, which demonstrated the probable correlations between satisfaction, trust, and customer loyalty as shown in Table 9.

5.2. Which of the RM strategies in practice make the greatest contribution to customer loyalty?

From Table 9, brand image (Mean Ave. 29.14) shows significant relevance to Trust (Mean Ave. 29.21), Satisfaction (Mean Ave. 29.41), and Customer Loyalty (Mean Ave. 29.18) as it has a similar mean average amongst the three constructs. Sulibhavi and Shivashankar (2017) claimed that brand image is an essential element of RM. It is known to be the most effective RM strategy that leads to customer loyalty in high-end hair salons. Brand image can also distinguish companies from competitors by appealing to customers and generating an urge to purchase. To maintain customer loyalty, the brand image must be innovative and up-to-date in order to adapt to the fast-changing business world (Thompson, 2014). According to the research findings, hair salons in Auckland that seek to establish a sustainable relationship with their clients can use a variety of strategies (positive brand image, good service quality, reasonable price, and good value deals) to earn RQ, which will progress to customer loyalty.

5.3. Implications

RM strategies, RQ, and customer loyalty are all correlated in this research project. Previous studies and research regarding RM and its outcomes allow a better understanding of the relationship and engagement between these three constructs. The findings affirm the following viewpoints: RM strategies can boost a buyer-seller relationship's consistency, thus increasing consumer loyalty. Customer satisfaction and trust, as RQ, are favourable outcomes of RM strategies which eventually lead to the ultimate goal of RM which is customer loyalty (Coelho & Henseler, 2012). There is no notable impact between switching costs and customer loyalty in this study. Hence, in the case of the Auckland high-end hair salon industry, customers are unlikely to consider switching costs when determining whether to stay with their existing service provider or shift to another. According to Barroso & Picón (2012), it also depends on different industries and various customers to have an impact on switching costs and customer loyalty.

Managers in charge of RM strategies will benefit from the outcomes of this research. Understanding the success of RM strategies from the perspective of customers is useful for marketers. Although many RM strategies may increase RQ and customer loyalty, some customers may have a different response from others. Marketers should focus their efforts on improving client expectations of RQ and customer loyalty by implementing more effective RM strategies into their firm’s operational activities (Casidy & Nyadzayo, 2019). In this situation, service quality
strategies are less effective at building customer trust and retention than the value offered, price perception, while brand image is the most efficient strategy. This suggests that the customer would be unhappy with or oblivious to such quality service practices. Consequently, service providers should care about how they offer a series of satisfying experiences to their clients, such as providing more enjoyable and more than expected experiences to build a positive brand image. Service providers must also realise the benefits of RQ and customer loyalty in order to operate a profitable company (Raza & Rehman, 2012).

The research findings highlight the significant impact of service quality, price perception, value offered, and brand image on customer loyalty within the high-end hair salon industry in Auckland. While service quality shows a negative correlation with trust, satisfaction, and loyalty, price perception and value offered have similar positive effects on customer loyalty. Trust and satisfaction are reaffirmed as crucial factors in building customer loyalty, with brand image identified as a key driver of loyalty by differentiating businesses and influencing consumer choices. The study underscores the importance of maintaining an innovative brand image alongside service quality and pricing strategies to cultivate lasting customer relationships and enhance loyalty in a competitive market environment. The above findings of this research enhance existing knowledge in the area of RM and RQ within service industries, such as the high-end hair salon industry.

The research findings from the study offer valuable insights that can be applied to various other industries such as personal care services, barber shops, nail salons, spas and tanning salons. The positive correlation between RM strategies and RQ, particularly trust and satisfaction, underscores the universal importance of these factors in fostering customer loyalty across different service sectors. While the study highlights challenges in service quality within the hair salon industry, the similarities in the effects of price perception and value offered on customer loyalty suggest transferability to other service contexts. Moreover, the significant role of brand image in driving customer loyalty, as evidenced by its strong association with trust, satisfaction, and loyalty, indicates that enhancing brand image can be a key strategy for businesses in diverse industries to build lasting customer relationships and loyalty. In contrast, there are some constrains in applying findings of the findings of this research to other industries. While the positive correlation between RM strategies and RQ is evident, the negative correlation between service quality and customer trust, satisfaction, and loyalty may not directly translate to all service sectors. The specific challenges faced by high-end hair salons in service quality might not be universal across different industries. Additionally, the emphasis on brand image as a key driver of customer loyalty, while crucial in the salon industry, may vary in importance across diverse business sectors where other factors like product quality or pricing strategies play a more significant role. Therefore, while the study provides valuable insights into RM strategies and their impact on customer loyalty within the hair salon industry, caution should be exercised when generalising these findings to other industries due to potential variations in customer expectations and industry-specific dynamics.

5.4. Limitations

Using the survey analysis approach, this study explores strategies that affect RQ, resulting in customer loyalty. Although it generates this framework based on previous research, it still has some limitations and potential direction to continue pursuing:

This research studied some important RM strategies in the Auckland high-end hair salon industry. However, there are other strategies that could influence customer loyalty, such as commitment and customer behaviour which were not explored in this research. Consequently, future research should include more variety of strategies to obtain a further understanding. Lai et al. (2012) mentioned the influence of RM strategies on customer loyalty, which includes "pull effects" such as alternative attractiveness, and "push effects" such as commitment, trust, value, and quality.

The quantitative research method was adopted in this study. Customers from ten selected high-end hair salons
in Auckland were sampled for the study. Inevitably, the results of the survey will not be generalised to other groups of people and industries. It would be difficult to conduct a more in-depth analysis into the effect of RM strategies on customer loyalty as a result of this. To reduce coverage error and sample error, research participants could be increased to expand the survey (Fan & Yan, 2010).

Without any prior checking for reliability and validity, the items for each questionnaire’s constructs were developed from previous literature by the researchers. Any of the objects can be vague or difficult to comprehend, resulting in incorrect data being gathered and influencing the study findings (Belzer et al., 2013). Lastly, due to COVID-19, there was a lack of immediate feedback due to online learning and data collection. Hence it was more time consuming, and resources for this research project were limited (Mukhtar et al., 2020).

This research project highlights the importance of RM strategies to achieve customer loyalty in the high-end hair salon industry in Auckland, New Zealand. The main RM strategies targeted in this research are service quality, price perception, value offered, and brand image. The findings of the research illustrate that all above four constructs have a positive impact on building RQ such as trust and customer satisfaction, in turn these are associated with customer loyalty. Additionally, the results of the research suggest that service quality strategies are less effective in building customer trust and retention, while brand image is the most efficient strategy. The study provides useful insights for managers in charge of RM strategies, emphasizing the need to focus on improving client expectations of RQ and customer loyalty by implementing effective RM strategies. The limitations of the research provide potential directions for future studies to further explore the impact of various RM strategies on customer loyalty and relationship qualities. Despite these limitations, this research project provides a foundation for understanding the relationship between RM strategies, RQ, and customer loyalty, which are critical for service providers to consider in operating a profitable company.

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Conflict of interest

All the authors claim that the manuscript is completely original. The authors also declare no conflict of interest.

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