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The Role of Customer Relationship Management in Customer Retention: Case Study for Ambon Traditional Restaurants

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ABSTRACT

The culinary industry in Indonesia continues to grow, with restaurants serving regional specialties such as Ambon cuisine. Building and maintaining long-term customer relationships has become an essential strategy for enhancing loyalty and business sustainability. This study aims to analyze the effectiveness of Customer Relationship Management (CRM) on customer retention in Ambon specialty restaurants. The research method employed is a literature study with a descriptive-analytical approach. The findings indicate that effective CRM implementation can enhance customer retention through service personalization, loyalty programs, and continuous communication. CRM components such as personalized service, effective communication, and loyalty programs have been proven to increase customer satisfaction and the likelihood of repeat purchase. The study concludes that consistently implemented CRM strategies can be a key factor in retaining customers and improving restaurants' competitiveness.

Keywords: Customer Relationship Management, Customer Retention, Restaurant, Ambonese Cuisine, Customer Loyalty.

JEL Code: M31, M30, M39.

I. Introduction

In an era of increasingly fierce and dynamic business competition, companies are required to focus not only on improving product or service quality but also on how they build and maintain customer relationships. Challenges such as changing consumer behavior, rising customer expectations, and advances in digital technology require companies to be more adaptive and responsive (Buttle, F, & Maklan, S, 2015). In this context, Customer Relationship Management (CRM) becomes a key element. CRM serves not only as a tool for managing customer interactions but also as a strategy that enables companies to understand customer needs better, increase loyalty, and create long-term value. By implementing CRM effectively, companies can address these challenges with a more structured, data-driven approach. Traditional restaurants, especially those serving regional specialties such as Ambon, face complex challenges in maintaining their competitive position. Porter (2008) states that the intensity of competition in the foodservice industry has increased dramatically with the entry of various modern culinary concepts, international franchise restaurants, and digital platforms that are changing consumer consumption patterns.



This phenomenon is reinforced by Rahmawati and Sari's (2019) research, which shows that 65% of Indonesian consumers are now more interested in trying new culinary concepts than in traditional foods. In facing these challenges, the concept of customer retention has become increasingly crucial for the sustainability of traditional restaurant businesses. Kotler and Keller (2016) asserted that the cost of retaining existing customers is 5 to 10 times lower than the cost of acquiring new customers. Furthermore, Reichheld and Sasser (1990) found in their classic study that a 5% increase in customer retention can boost company profitability by 25% to 95%, depending on the industry.

Customer Relationship Management (CRM) has evolved into a fundamental management paradigm for maintaining and developing customer relationships. Payne and Frow (2005) define CRM as a holistic strategic approach aimed at creating superior customer value by developing the right relationships with customers and valued customer segments. This definition is reinforced by Buttle and Maklan (2019), who emphasize that CRM is a core business strategy that integrates internal processes, organizational functions, and external networks to create and deliver value to target customers with optimal profitability. CRM implementation in the restaurant industry has been shown to have a significant positive impact on business performance. Research conducted by Kim et al. (2015) on 250 restaurants in South Korea showed that effective CRM implementation can increase customer satisfaction by 23%, customer loyalty by 31%, and customer retention by 28%. Similar findings were also reported by Susskind et al. (2018) in their longitudinal study of the restaurant industry in the United States, which demonstrated a strong positive correlation between CRM practices and long-term financial performance. The geographical and cultural context of Indonesia, particularly the Maluku region centered on Ambon, offers unique dimensions for implementing CRM strategies. Hofstede et al. (2010), within the framework of national cultural dimensions, identified that Indonesian society has highly collectivist characteristics and a large power distance, which implies a preference for warm, hierarchical personal interactions in business relationships. These cultural characteristics are highly relevant to the typical Ambonese restaurant, which not only serves food but also offers authentic cultural experiences.

Ambon cuisine holds a strategic position in Indonesia's gastronomic landscape due to its unique flavors influenced by centuries of historical spice trade and cultural acculturation. According to Sahubawa and Ustadi (2014), Ambon cuisine possesses distinctive characteristics shaped by the use of local spices such as nutmeg, cloves, and cinnamon, as well as processing techniques passed down through generations. This uniqueness creates strong differentiation potential, but it needs to be supported by an effective customer relationship strategy to retain customers in the long term. Previous research on CRM implementation in the context of traditional Indonesian restaurants is limited, particularly those that focus on specific regional cuisines such as Ambon. Sari and Widodo (2018), in their study of Padang restaurants in Jakarta, found that implementing simple CRM strategies, such as recording customer preferences and implementing a basic loyalty program, can increase customer retention by up to 15%. However, this research has not yet explored in depth how local cultural characteristics can be integrated into CRM strategies. This research gap is all the more significant given the significant economic potential of the traditional culinary sector. Data from the Indonesian Restaurant and Cafe Entrepreneurs Association (APRINDO) shows that traditional restaurants still control 45% of the market share in the Indonesian food service industry, with a market value reaching IDR 325 trillion in 2022 (APRINDO, 2023). This figure demonstrates that traditional restaurants, including those serving Ambon cuisine, have a solid customer base but require the right strategies to maintain and grow it.

The digital era and changes in consumer behavior following the COVID-19 pandemic have also created new challenges and opportunities for traditional restaurants. McKinsey & Company (2021) reported that 73% of Indonesian consumers now expect a more personalized and integrated experience from the restaurants they visit. This indicates that CRM implementation is no longer an option but an urgent necessity for traditional restaurants to remain relevant and competitive. Based on the background and identified research gaps, this study aims to comprehensively analyze the role of Customer Relationship Management on customer retention in Ambon restaurants. This research is expected to make theoretical contributions to the development of CRM concepts in the context of the Indonesian traditional culinary industry, as well as to

provide practical recommendations for owners and managers of Ambonese restaurants on implementing effective CRM strategies that align with local cultural characteristics. The significance of this research extends beyond academic considerations and has broad practical implications for the development of the Indonesian traditional culinary industry. By understanding how CRM can be implemented effectively in the context of Ambonese restaurants, this research is expected to serve as a model adaptable to other traditional restaurants across various regions of Indonesia, thereby contributing to the preservation of traditional cuisine and increasing the competitiveness of the national culinary industry.

II. Literature Review and Hypothesis Development

2.1. Customer Relationship Management (CRM)

Customer Relationship Management (CRM) has evolved into a central strategic concept in contemporary business management. Rather than merely functioning as a technological system for managing customer data, CRM represents an integrated managerial philosophy that focuses on establishing, maintaining, and enhancing long-term customer relationships. In this context, organizations increasingly rely on digital technologies to improve the effectiveness of customer relationship strategies. Recent developments in artificial intelligence (AI) have significantly expanded the capabilities of CRM systems, enabling businesses to analyze customer behavior more accurately, predict purchasing patterns, and deliver highly personalized services. According to Bansal (2024), AI-powered CRM tools play an important role in increasing customer engagement and loyalty by leveraging advanced analytics and automation technologies. Despite these advantages, implementing AI-driven CRM systems also introduces several critical challenges. One of the most significant issues concerns data quality. AI-based systems rely heavily on accurate and comprehensive datasets to generate reliable insights. Poor data quality, including incomplete, outdated, or inconsistent customer information, can significantly reduce the effectiveness of predictive analytics and automated decision-making processes. Consequently, organizations must ensure that customer data management practices prioritize data accuracy, integration, and continuous updating to maintain the reliability of AI-powered CRM systems.

Another important challenge concerns ethical considerations in the use of AI in CRM practices. The increasing reliance on data-driven technologies raises concerns regarding customer privacy, transparency, and responsible data usage. Organizations must ensure that the collection and utilization of customer data comply with ethical standards and regulatory frameworks, while also maintaining transparency in how customer information is processed. Failure to address these ethical issues may undermine customer trust and weaken long-term relationship-building efforts. Beyond technological considerations, CRM should also be understood as a broader organizational philosophy that places customers at the center of business activities. Grönroos (2007) emphasizes that CRM extends beyond technological infrastructure and requires integrating three fundamental elements: people, processes, and technology. Employees must possess the competencies and service orientation necessary to build meaningful relationships with customers; organizational processes must be designed to support consistent and responsive customer interactions; and technological systems must facilitate efficient data management and service personalization. Only by aligning these three components can organizations successfully implement CRM strategies that generate sustainable customer value. In the hospitality and culinary industry, CRM plays a particularly important role because customer experience and service quality directly influence repeat patronage. Restaurants increasingly adopt CRM practices to enhance customer engagement through loyalty programs, personalized menu recommendations, responsive customer service, and consistent communication across digital platforms. Kandampully et al. (2018) argue that service-oriented industries benefit significantly from CRM adoption because relational marketing strategies strengthen emotional connections between customers and service providers. Empirical evidence further suggests that effective CRM implementation in the restaurant industry can increase customer satisfaction by approximately 20–30% and improve customer retention rates by 15–

25% (Susskind et al., 2018). The integration of artificial intelligence into CRM platforms has further enhanced restaurants' and service businesses' ability to optimize customer relationship strategies. Modern CRM systems increasingly incorporate AI-based functionalities such as predictive analytics, sentiment analysis, automated customer responses, and behavioral recommendation engines. These capabilities allow businesses to respond more rapidly to customer needs and deliver more personalized service experiences. For example, several widely used AI-powered CRM platforms—including Vtiger AI CRM, Salesforce, and Pipedrive—offer advanced features that support automated sales and marketing processes, predictive lead scoring, and customer sentiment analysis. Through these capabilities, businesses can improve operational efficiency while simultaneously strengthening customer engagement and loyalty. Taken together, the evolution of CRM from a traditional database management tool into an AI-enabled relationship management system reflects the growing importance of data-driven customer strategies in modern service industries. For restaurants and culinary businesses, the strategic integration of CRM technologies, ethical data management practices, and service-oriented organizational processes represents a critical pathway toward enhancing customer satisfaction and sustaining long-term customer retention.

2.2. Customer Retention

Customer retention refers to a firm's ability to maintain long-term relationships with customers and encourage repeated patronage. Rather than focusing solely on attracting new customers, retention strategies emphasize maintaining existing relationships by delivering consistent value and creating positive customer experiences. Schiffman and Wisenblit (2015) define customer retention as the process of transforming a single transaction into a long-term relationship in which customers remain loyal to a particular company instead of switching to competitors. From a strategic perspective, customer retention is particularly important because it is generally more cost-effective than acquiring new customers, while also contributing to stable revenue streams and stronger brand advocacy. In the culinary industry, several factors play a crucial role in shaping customer retention. One of the most fundamental determinants is product quality, particularly the consistency of food taste and overall dining experience. Walker (2019) highlights that food quality is a critical driver of repeat patronage in restaurant settings. When customers consistently receive delicious, satisfying meals, they develop positive expectations of the restaurant. These repeated positive experiences reinforce trust and reliability, which are essential elements for sustaining long-term customer relationships. Conversely, inconsistent food quality may create uncertainty and dissatisfaction, increasing the likelihood that customers will switch to alternative restaurants that offer more reliable dining experiences. To explain the mechanisms underlying customer retention, scholars have developed several theoretical perspectives that integrate concepts from marketing, consumer behavior, and customer relationship management. One of the foundational frameworks is Customer Satisfaction Theory, proposed by Oliver (1980), which posits that satisfaction arises from the comparison between customer expectations and perceived performance. When the perceived performance of a product or service meets or exceeds expectations, customers experience satisfaction, thereby increasing the likelihood of repeat purchases. In the restaurant context, satisfaction may arise from multiple dimensions of the dining experience, including food taste, service quality, atmosphere, and perceived value.

Another important theoretical perspective is Customer Loyalty Theory, introduced by Dick and Basu (1994). According to this theory, loyalty represents a deep commitment to consistently repurchasing a preferred product or service, even in the presence of competitive alternatives or marketing pressures. Loyal customers not only exhibit repeat purchasing behavior but also demonstrate attitudinal commitment toward a brand. In the culinary business, loyal customers often act as informal brand advocates, recommending restaurants to others through word of mouth. This advocacy effect further underscores the strategic importance of customer retention, as loyal customers contribute to both revenue stability and brand reputation. Empirical evidence also supports a strong relationship among product quality, customer satisfaction, trust, and loyalty in the restaurant industry. Carranza et al. (2018) examined the interrelationships

among service quality dimensions—specifically food quality, service performance, and restaurant atmosphere—and their influence on customer satisfaction, trust, and loyalty. Their findings indicate that food quality significantly enhances customer satisfaction, thereby strengthening customer trust and loyalty. Moreover, trust was found to mediate between satisfaction and loyalty, suggesting that customers who consistently experience satisfying service interactions develop greater confidence in the restaurant's reliability. This trust ultimately reinforces long-term customer retention. Taken together, these theoretical and empirical insights suggest that customer retention in the culinary industry is not merely the result of repeated transactions but rather the outcome of a complex relational process. High-quality food, consistent service, and positive dining experiences generate customer satisfaction, fostering trust and loyalty over time. Consequently, restaurants seeking to improve customer retention must adopt an integrated strategy that emphasizes product quality, customer satisfaction, and relationship-building practices.

2.3. Characteristics of Ambon Culinary

Ambon cuisine possesses distinctive characteristics shaped by the Maluku archipelago's geographical and cultural context in eastern Indonesia. As a maritime region with abundant marine resources and long-standing spice traditions, Ambon's culinary practices emphasize the use of fresh seafood, aromatic herbs, and natural spices, producing a unique and recognizable flavor profile (Sahubawa & Ustadi, 2014). Unlike many other Indonesian regional cuisines that rely heavily on coconut milk or complex spice pastes, Ambon dishes often highlight the natural taste of ingredients through relatively simple cooking methods such as grilling, boiling, or roasting. Several iconic dishes represent Ambon's culinary identity, including papeda (sago-based porridge typically served with yellow fish soup), ikan kuah kuning (yellow fish soup), sambal colo-colo, and sago lempeng. These dishes not only reflect local dietary traditions but also embody the cultural heritage of Maluku communities. Tuhumury (2018) argues that restaurants serving Ambon cuisine offer more than just food consumption; they provide an authentic cultural experience that connects customers with local traditions and culinary narratives. Such experiences can foster emotional attachment between customers and the restaurant, which, in turn, lays a strong foundation for customer retention. From a tourism and local economic development perspective, Ambon's culinary sector also contributes significantly to community livelihoods. Alirone, Pinoa, and Tetelepta (2025) analyzed culinary tourism centered on grilled fish in coastal areas of Ambon, particularly in Honipopu and Hative Kecil. Their findings indicate that the grilled fish culinary sector plays an important role in supporting household income, creating micro-employment opportunities, and strengthening local socio-economic networks. Nevertheless, the study also highlights several structural challenges, including limited tourism infrastructure, insufficient policy support, and low levels of digital literacy among local culinary entrepreneurs. These constraints potentially limit the broader development of Ambon's culinary tourism industry.

Efforts to promote Ambon's culinary identity have also emerged through creative media and cultural documentation. Maharani (2023), for example, developed a creative communication medium in the form of a bullet journal to introduce and popularize Ambon culinary specialties. This initiative documents a wide range of traditional dishes, including papeda with yellow fish soup, sambal colo-colo, sago noodles, bubur ne, kohu-kohu vegetables, Natsepa rujak, bagadang yellow rice, and rarobang coffee. Such initiatives demonstrate that cultural storytelling and creative media can serve as effective tools for promoting culinary tourism while preserving regional food heritage. From a comparative perspective, Ambon cuisine differs significantly from other major Indonesian culinary traditions such as Minangkabau and Javanese cuisine. These differences can be observed in the choice of staple ingredients, types of protein sources, cooking methods, and flavor profiles. Rumapea and Banunaek (2023) highlight that Ambon cuisine relies heavily on sago and seafood, reflecting the ecological conditions of the Maluku islands. In contrast, Minangkabau cuisine is characterized by rice-based staples and rich coconut milk preparations such as rendang and gulai, while Javanese cuisine is widely known for its sweet-and-savory flavor profile derived from palm sugar and aromatic spices.

Table 1. Summarizes The Key differences between Ambon Cuisine and Other Regional Culinary Traditions In Indonesia.

Aspect	Ambon	Minangkabau	Javanese
Main carbohydrate sources	Sago, sweet potato, banana	White rice, sticky rice	White rice, <i>tiwul</i>
Animal protein sources	Fresh sea fish (snapper, tuna, skipjack)	Beef, chicken, offal	Eggs, free-range chicken, tofu, tempeh
Cooking methods	Grilling, boiling, roasting (often without oil)	Slow cooking with coconut milk (e.g., <i>rendang, gulai</i>)	Steaming, boiling, light stir-frying
Dominant spices and flavor profile	Chili, basil, kenari nuts, nutmeg leaves, young nutmeg	Thick coconut milk, large red chilies, and turmeric	Palm sugar, coriander, bay leaves, sweet-savory flavor

2.4. The Relationship Between CRM and Customer Retention

A growing body of literature argues that Customer Relationship Management (CRM) constitutes a critical strategic capability for improving customer retention. Rather than functioning merely as an operational tool for managing customer data, CRM represents an integrated organizational capability that enables firms to systematically develop, maintain, and strengthen long-term customer relationships. Trainor et al. (2014) emphasize that CRM capabilities significantly enhance relationship performance, which, in turn, translates into improved business performance outcomes, including higher customer retention rates. Within the service sector—particularly the restaurant industry—CRM facilitates the development of personalized interactions, targeted communication strategies, and loyalty-based engagement mechanisms that collectively strengthen customer attachment to a brand. Consistent with this view, Kuo et al. (2009) demonstrate that effective CRM implementation improves customer satisfaction and loyalty, both of which serve as key antecedents of customer retention.

However, the effectiveness of CRM strategies in the restaurant industry cannot be understood solely in terms of technological or managerial capabilities. In culturally embedded industries such as gastronomy, product authenticity and culinary identity also play a critical role in shaping customer retention. Regional culinary characteristics, therefore, represent an important strategic resource that complements CRM practices. Unique local ingredients—such as sago, papeda, sea fish, and Ambon bananas—constitute distinctive culinary assets that differentiate Maluku cuisine from other Indonesian culinary traditions. From a strategic perspective, such differentiation creates a unique selling proposition (USP) that competitors cannot easily imitate. Yasa and Susanti (2018) argue that differentiation grounded in local cultural identity strengthens consumer attachment because it appeals not only to functional consumption but also to cultural and experiential dimensions of value. Consequently, customers are more likely to revisit restaurants that offer authentic, irreplaceable culinary experiences, thereby reinforcing long-term retention.

Beyond ingredient uniqueness, traditional cooking methods further contribute to the perceived value and positioning of regional cuisine. Many Maluku dishes are prepared using traditional techniques, such as grilling or boiling, with minimal oil. In the context of increasingly health-conscious consumer behavior, these traditional practices may generate additional value by aligning local culinary traditions with modern health preferences. Putra and Astawa (2017) argue that food preparation methods emphasizing natural processes and reduced oil usage contribute to positive consumer perceptions regarding food healthiness and authenticity. These perceptions are particularly relevant for urban consumers, who increasingly associate traditional cooking methods with natural and healthy food. As a result, restaurants that effectively communicate these attributes can strengthen trust and enhance customer loyalty, ultimately improving retention outcomes. Furthermore, the sensory uniqueness created by distinctive regional spices represents another mechanism through which culinary differentiation strengthens customer retention. Maluku cuisine is characterized by aromatic spices such as nutmeg, kenari nuts, and basil, which create a distinctive, memorable flavor profile. Sensory experiences play a crucial role in shaping emotional responses toward brands, particularly in experiential consumption contexts such as dining. Hapsari, Clemes, and Dean (2017) highlight that unique sensory experiences contribute to stronger emotional attachment and brand recall. When

consumers associate a restaurant with a distinctive flavor identity, the culinary experience becomes embedded in their memory, increasing the likelihood of repeat visits to pursue the same sensory satisfaction.

While culinary differentiation strengthens the experiential dimension of customer retention, technological advancements further enhance CRM effectiveness by improving service responsiveness and personalization. The integration of artificial intelligence (AI) within CRM systems represents a significant development in this regard. AI-driven CRM enables firms to analyze customer behavior more accurately and deliver highly personalized service interactions. Hasan and Priyono (2023) demonstrate that AI integration in CRM systems can increase operational efficiency by up to 28% compared with conventional CRM approaches. This improvement is largely driven by automated customer interactions via chatbots or AI-based service agents, personalized product recommendations derived from behavioral data, and faster service delivery, up to 35%. These capabilities enable restaurants to respond more proactively to customer needs, thereby improving service quality and strengthening customer satisfaction. Taken together, these arguments suggest that customer retention in the restaurant industry emerges from the interaction between relational capabilities and experiential differentiation. CRM systems provide the relational infrastructure necessary to maintain long-term customer relationships, while culinary authenticity and sensory uniqueness strengthen the experiential value that motivates customers to return. The addition of AI-driven CRM capabilities further enhances this process by improving responsiveness, personalization, and service efficiency. Therefore, understanding customer retention requires an integrative perspective that examines how CRM capabilities, culinary differentiation rooted in local cultural identity, and AI-enabled service innovation collectively shape customer retention outcomes.

One of the primary advantages of Customer Relationship Management (CRM) systems lies in their ability to facilitate personalized communication between businesses and customers. By collecting and analyzing customer data—such as purchase history, behavioral patterns, preferences, and past interactions—CRM systems enable organizations to tailor communication strategies according to individual customer profiles. Personalized communication may take various forms, including targeted promotional offers, customized product recommendations, or personalized greetings during special occasions. Such personalization enhances the perceived relevance of marketing messages and strengthens the emotional connection between customers and the brand. When customers feel recognized and valued, they are more likely to develop stronger loyalty and maintain long-term relationships with the company. In addition to personalization, CRM systems also enable effective multichannel communication. Modern CRM platforms integrate various communication channels—such as email, live chat, SMS, and social media—allowing businesses to interact with customers through the channels they prefer. This omnichannel engagement capability improves responsiveness and convenience in customer interactions, thereby contributing to customer satisfaction and long-term retention. By maintaining consistent communication across multiple platforms, businesses can create a seamless customer experience that reinforces relational bonds and strengthens customer loyalty.

Another critical capability of CRM systems is automation, which enables businesses to maintain consistent customer engagement through automated workflows. Automated follow-up messages after purchases, service reminders, and loyalty program notifications help keep the brand top of mind, thereby increasing the likelihood of repeat patronage. CRM platforms also support automated service processes such as ticket management systems and AI-powered chatbots that provide 24/7 customer support. These technologies significantly reduce response time and improve service efficiency, ultimately leading to higher customer satisfaction. Furthermore, advanced CRM systems increasingly incorporate predictive analytics to identify customers who are at risk of switching to competitors. By analyzing behavioral patterns and historical transaction data, predictive CRM models can detect early signals of potential churn. This capability enables companies to implement proactive retention strategies, such as offering targeted incentives, personalized discounts, or service recovery interventions.

Empirical evidence suggests that companies implementing predictive CRM strategies can significantly reduce customer churn; for example, Sprint successfully reduced its churn rate by approximately

10% through proactive CRM interventions. Customer journey mapping represents another strategic function enabled by CRM systems. Through comprehensive data integration, CRM platforms enable organizations to track and analyze the entire customer journey—from initial awareness to post-purchase interactions. This analytical capability enables businesses to identify critical touchpoints where customers frequently encounter difficulties or disengage from the purchasing process. By understanding these friction points, organizations can redesign service processes and improve customer experiences more effectively. For example, simplifying the purchasing process, improving website navigation, or enhancing service responsiveness can significantly reduce customer drop-off rates. As a result, customer journey analysis provides valuable insights that help businesses refine their operational strategies and strengthen customer retention outcomes. Overall, strategic CRM implementation—through personalization, automation, predictive analytics, and customer journey analysis—can significantly improve key customer performance metrics, including Customer Retention Rate, Repeat Purchase Rate, Customer Lifetime Value (CLV), Customer Satisfaction (CSAT), and Net Promoter Score (NPS). These improvements not only strengthen long-term customer relationships but also generate substantial financial benefits for organizations.

Despite its numerous advantages, CRM should not be viewed as a universal solution for improving customer retention. Several inherent limitations may reduce the effectiveness of CRM initiatives if they are not strategically managed. One of the most critical challenges relates to data quality. CRM systems rely heavily on accurate, comprehensive, and up-to-date customer data to generate meaningful insights and support decision-making processes. However, many organizations struggle with data-related issues such as incomplete records, duplicate entries, and inconsistent customer information. According to Alavi and Leidner (2001), poor data quality can significantly undermine knowledge management systems, including CRM platforms, as inaccurate data yields flawed analytical outputs and ineffective strategic decisions. In the context of CRM, unreliable data can lead to incorrect product recommendations, irrelevant marketing communications, and poorly targeted promotional campaigns. These issues can ultimately deteriorate the customer experience rather than enhance it, potentially increasing customer dissatisfaction and accelerating customer churn. Therefore, organizations must complement CRM implementation with robust data governance practices, including regular data cleansing, integration of multiple data sources, and strict data quality management protocols. Only by ensuring high-quality customer data can CRM systems effectively support strategic decision-making and deliver the intended benefits for customer retention.

III. Research Method

This study employed a descriptive–analytical literature review approach to examine the role of Customer Relationship Management (CRM) in enhancing customer retention within the culinary industry, particularly among restaurants in Ambon. A literature review approach was chosen because it enables researchers to synthesize theoretical insights and empirical findings from previous studies in order to develop a comprehensive understanding of the relationship between CRM practices and customer retention. The data used in this study were obtained from various academic sources, including peer-reviewed scientific journals, academic books, industry reports, and prior research on CRM, customer retention, and the food and beverage sector. The analysis process involved identifying, evaluating, and synthesizing relevant literature to examine how CRM strategies influence customer retention in the culinary industry. This methodological approach allows researchers to integrate findings from different studies to generate broader insights into CRM implementation in restaurant businesses. The culinary industry—particularly food and beverage micro, small, and medium enterprises (MSMEs)—was selected as the contextual focus of this research because it represents a service sector characterized by high customer interaction and strong dependence on repeat patronage. Customer loyalty plays a critical role in sustaining business performance in this sector, as dining experiences and service interactions significantly influence customer perceptions and future purchasing decisions. Therefore, CRM strategies are particularly relevant for strengthening long-term customer relationships in the competitive, experience-driven culinary market (Setyowati & Hakim, 2019).

3.1. Source Selection Procedure

To ensure the validity, relevance, and credibility of the literature used in this study, the sources were systematically selected based on clearly defined inclusion and exclusion criteria. These criteria were applied to filter relevant literature and ensure that the collected sources contributed meaningfully to the research objectives.

a. Inclusion Criteria

The inclusion criteria were designed to identify sources that provide reliable, relevant information on CRM and customer retention. The criteria applied in this study include the following: First, only scientific and credible sources were included. These consist of peer-reviewed journal articles indexed in academic databases such as Scopus, Sinta, and Google Scholar, as well as reports from reputable research institutions and academic textbooks in the fields of marketing and customer relationship management (Kotler & Keller, 2016). Second, topic relevance was considered a key selection criterion. The selected literature had to explicitly discuss Customer Relationship Management, customer retention, or their application within service industries—particularly the culinary or food and beverage sectors (Sari & Priyanto, 2020).

b. Exclusion Criteria

Exclusion criteria were also applied to filter out sources that might undermine the study's credibility or relevance. Sources were excluded if they met any of the following conditions. First, non-academic or speculative sources such as blog articles, opinion pieces, online discussion forums, and unverified web content were excluded because they lack rigorous scientific validation (The Balance Small Business, 2021). Second, studies that focused exclusively on CRM implementation in unrelated sectors—such as automotive manufacturing or banking—without providing transferable insights for the culinary or service industries were also excluded.

3.2. Theoretical Framework

This study is grounded in several theoretical perspectives that explain the relationship between Customer Relationship Management and customer retention. Customer Relationship Management (CRM) is a strategic approach that emphasizes developing long-term relationships with customers rather than focusing solely on short-term transactional exchanges. According to Buttle (2009), CRM aims to enhance profitability, customer satisfaction, and organizational performance by systematically managing customer interactions and information. CRM typically encompasses three key dimensions. Operational CRM focuses on frontline activities such as sales automation, marketing campaigns, and customer service. Analytical CRM involves analyzing customer data to understand behavioral patterns, purchasing trends, and customer preferences. Meanwhile, Strategic CRM positions customers as the central element of organizational strategy, guiding long-term decision-making on value creation and relationship development. Customer retention refers to a firm's ability to maintain ongoing relationships with existing customers and encourage repeat purchasing behavior. Oliver (1999) explains that customer retention is closely associated with sustained customer satisfaction and the development of long-term loyalty toward a brand or service provider. Several factors influence customer retention, including customer satisfaction, perceived service quality, perceived value, trust, commitment, and emotional attachment to the brand. Previous studies have demonstrated that CRM significantly influences customer retention through both direct and indirect mechanisms. Effective CRM practices improve service quality, facilitate personalized interactions, and strengthen customer engagement, which ultimately enhances customer satisfaction and loyalty. Parvatiyar and Sheth (2001) argue that effective CRM implementation enables organizations to build stronger two-way interactions with customers, deliver

personalized experiences, and increase long-term customer value. Through these mechanisms, CRM contributes to the development of durable customer relationships and improved retention rates.

This research framework is also supported by relationship marketing theory, which emphasizes the importance of long-term relational exchanges between businesses and customers. Grönroos (1994) argues that successful marketing strategies should prioritize continuous interaction, trust-building, and long-term relationship development rather than focusing solely on single transactions. In the restaurant industry, relationship marketing can be implemented through various customer-oriented practices, such as personalized greetings from service staff, loyalty programs that reward repeat customers, and the systematic collection and utilization of customer feedback to improve service quality. The analysis in this study was conducted through a systematic literature synthesis process. The relevant literature was first identified and categorized into thematic topics, including CRM strategies, customer retention mechanisms, and CRM implementation in the culinary sector. The selected studies were then analyzed using a narrative synthesis approach to identify key patterns, theoretical insights, and empirical findings that explain the relationship between CRM practices and customer retention. To ensure research reproducibility, the study provides transparent documentation of the data analyzed, the analytical approach used, and the procedures for selecting and evaluating literature sources. Creswell (2014) emphasizes that reproducibility is a fundamental element of scientific validity, as it enables other researchers to replicate the analytical process and obtain comparable findings when applying the same methodological procedures.

IV. Results and Discussion

4.1. CRM Conceptual Framework in the Context of Traditional Ambon Restaurants

Based on the literature review, implementing Customer Relationship Management (CRM) in Ambonese restaurants requires a holistic, context-sensitive approach. CRM practices in the culinary sector cannot rely solely on technological tools; they must also integrate operational processes, data analytics, and customer collaboration. Greenberg (2010) argues that effective CRM comprises three primary dimensions—operational CRM, analytical CRM, and collaborative CRM—that together form a comprehensive framework for managing customer relationships. In the context of Ambonese restaurants, these three dimensions must be adapted to reflect local cultural characteristics, customer dining preferences, and the distinctive identity of Ambonese cuisine. Restaurants that serve traditional Ambon dishes do not merely serve food; they also offer cultural experiences that reflect the heritage and culinary traditions of the Maluku region. Therefore, CRM implementation in this context should emphasize experiential and relational aspects alongside transactional efficiency. The conceptual model developed in this study integrates relationship marketing theory (Morgan & Hunt, 1994) with the concept of experiential marketing (Pine & Gilmore, 1998). Relationship marketing highlights the importance of trust and commitment in sustaining long-term customer relationships, while experiential marketing emphasizes the role of memorable experiences in shaping customer perceptions and loyalty. By combining these perspectives, the proposed CRM framework suggests that Ambonese restaurants should focus not only on service transactions but also on creating authentic cultural experiences and emotional connections with customers. Such an approach strengthens customer satisfaction and encourages repeat visits, thereby enhancing customer retention.

Effective CRM implementation begins with systematic customer data management. A well-developed customer database serves as the foundation for all CRM-related activities, enabling businesses to understand better customer preferences, behavior patterns, and interaction histories. Kumar and Reinartz (2018) emphasize that the ability to collect, organize, and analyze customer data allows firms to design more targeted marketing strategies and deliver personalized customer experiences. In the context of Ambonese restaurants, customer database development may begin with collecting basic information such as customer names, contact details, menu preferences, visit frequency, and feedback on service experiences. These data can then be utilized to support both operational efficiency and strategic decision-making. The CRM structure

in Ambon restaurants can therefore be understood through three interconnected dimensions: operational, analytical, and collaborative CRM.

a. Operational Dimension

The operational dimension refers to daily activities directly related to service delivery and restaurant operations. These activities include food preparation, customer service, order processing, inventory management, and transaction handling. In many modern restaurants, operational CRM is supported by digital technologies such as Point-of-Sale (POS) systems, which record transaction data, manage orders, and track inventory in real time. For example, an Ambon restaurant may use a digital cashier system to record daily sales transactions and monitor ingredient availability. Such systems help ensure that essential ingredients for traditional dishes are available during peak dining hours while also reducing the risk of recording errors. Through operational CRM, restaurants can maintain service consistency and improve daily operational efficiency.

b. Analytical Dimension

The analytical dimension focuses on transforming collected customer and sales data into actionable insights for managerial decision-making. Through data analysis, restaurants can identify sales trends, understand customer preferences, and evaluate operational efficiency. For instance, an Ambon restaurant may analyze sales records over several months and discover that certain menu items—such as ikan kuah kuning or spiced grilled fish—experience significantly higher demand during weekends. Based on these insights, the restaurant can increase ingredient inventory, adjust menu promotions, or introduce special weekend packages. By leveraging analytical CRM, restaurant managers can make data-driven decisions that enhance customer satisfaction and business performance.

c. Collaborative Dimension

The collaborative dimension emphasizes communication and coordination among various stakeholders involved in delivering customer value. This includes internal collaboration among employees, chefs, and managers, as well as external collaboration with suppliers, customers, and digital platform partners. For example, Ambon restaurants may collaborate with food delivery platforms to expand service accessibility for customers. Internally, regular meetings between kitchen staff and customer service teams may be conducted to discuss customer feedback and improve service quality. Through collaborative CRM, restaurants can strengthen coordination among stakeholders and ensure that customer expectations are consistently met.

d. Personalized Services Based on Local Culture

Service personalization represents a key component of CRM strategies in the hospitality and culinary industries. Peppers and Rogers (2017) argue that personalized services significantly enhance customer satisfaction and loyalty by fostering a sense of recognition and individual attention. In the context of Ambonese restaurants, personalization can be closely linked to local cultural elements and culinary traditions. Restaurants can personalize customer experiences by remembering individual dining preferences, such as preferred spice levels, specific fish varieties used in traditional dishes, or preferred accompaniments served with papeda. Sulek and Hensley (2004) found that recognizing and accommodating individual customer preferences significantly increases perceived value in restaurant services. In addition, storytelling enriches the dining experience. Many Ambonese dishes carry cultural narratives about traditional ingredients, local fishing practices, and historical culinary traditions. Staff members who are trained to share these stories can transform

a simple dining experience into a meaningful cultural encounter. Pine and Gilmore (1998) emphasize that storytelling contributes to memorable customer experiences that strengthen emotional attachment to a brand. Furthermore, restaurants may incorporate traditional serving rituals to reinforce cultural authenticity. For example, serving papeda using traditional techniques or presenting sambal colo-colo in culturally authentic ways can enhance the experiential dimension of the dining experience. According to Schmitt (1999), such sensory and experiential elements can significantly strengthen emotional engagement and customer loyalty.

4.2. Community and Culture-Based Loyalty Programs

Loyalty programs represent an important instrument for strengthening long-term customer relationships. Sharp and Sharp (1997) found that well-designed loyalty programs can increase customer retention rates by approximately 15–25%. However, loyalty programs should be adapted to the cultural context in which they operate. In the case of Ambon, loyalty strategies may incorporate community-oriented values that reflect the collective cultural identity of Maluku society. One possible approach is to develop a "Pela Gandong Culinary Program," inspired by the traditional Maluku concept of *pela gandong*, which symbolizes brotherhood and mutual solidarity among communities. Through this program, restaurants could encourage loyal customers to invite friends or family members to share dining experiences, offering group-based incentives or discounts. Such strategies not only strengthen individual customer loyalty but also stimulate organic word-of-mouth promotion (Reichheld, 2003). Additionally, restaurants may organize cultural and culinary events to strengthen emotional engagement with customers. Events such as "Ambon Cultural Nights," traditional cooking demonstrations, or celebrations of Maluku cultural festivals can create immersive experiences that deepen customer relationships with the brand. Getz (2008) argues that event-based marketing significantly enhances customer engagement and experiential value.

Effective communication is a fundamental element of CRM implementation. Fill and Turnbull (2016) emphasize that CRM communication should be continuous, relevant, and interactive to sustain long-term customer relationships. In Ambonese restaurants, communication strategies can be implemented through both digital and interpersonal channels. Social media platforms such as Instagram and Facebook can be used to share content about traditional cooking processes, the cultural stories behind menu items, and customer testimonials. Kaplan and Haenlein (2010) highlight that social media engagement plays an important role in strengthening brand relationships and customer loyalty. In addition to digital communication, personalized communication methods—such as sending reservation confirmations, birthday greetings, or promotional messages through messaging applications—can create a stronger emotional connection with customers. Kumar and Reinartz (2018) argue that personalized communication significantly enhances customer satisfaction and perceived relationship quality. Finally, restaurants may also establish online customer communities on platforms such as WhatsApp groups or social media. These communities enable customers to share culinary experiences, recipes, and event information while strengthening a sense of belonging among customers. This strategy aligns with the brand community concept proposed by Muniz and O'Guinn (2001), which posits that shared identity and customer interaction can significantly reinforce brand loyalty.

4.3. Analysis of the Impact of CRM on Customer Retention

4.3.1. Mechanisms for Increasing Customer Satisfaction

Effective implementation of Customer Relationship Management (CRM) significantly improves customer satisfaction, thereby strengthening customer retention. CRM systems enable restaurants to understand customer preferences better, maintain consistent service standards, and deliver personalized experiences that enhance perceived value. In the service industry, customer satisfaction is often explained through the SERVQUAL framework developed by Parasuraman et al. (1988), which identifies five key

dimensions of service quality: reliability, assurance, tangibles, empathy, and responsiveness. These dimensions collectively shape customers' perceptions of service performance and influence their overall satisfaction. One important mechanism through which CRM improves satisfaction is service reliability. CRM systems allow restaurants to standardize operational processes while simultaneously recording customer preferences and transaction histories. By maintaining detailed records of customer interactions, restaurants can ensure consistent service delivery across different visits. Zeithaml et al. (2020) highlight that service consistency plays a critical role in enhancing customer satisfaction by reducing uncertainty and reinforcing customers' expectations of quality. When customers consistently receive the level of service they anticipate, their confidence in the restaurant increases, which strengthens their willingness to return. Another mechanism involves enhancing empathy and responsiveness in customer service. CRM systems provide staff members with access to detailed customer information, enabling them to respond more effectively to individual needs and preferences. This information may include customers' preferred menu items, dietary restrictions, or previous feedback regarding service experiences. Berry et al. (2002) argue that personalized recognition significantly enhances emotional satisfaction because customers perceive that the service provider genuinely values their presence and preferences. In the context of Ambon restaurants, the assurance dimension of service quality can also be strengthened through cultural authenticity. Staff members who possess strong knowledge of Maluku culinary traditions and local cultural narratives can convey confidence and credibility when interacting with customers. Such knowledge not only enhances service professionalism but also contributes to customers' perception of authenticity. Cohen (1988) suggests that perceived authenticity is a key determinant of satisfaction in cultural and tourism-related experiences, including culinary tourism.

Beyond satisfaction, emotional attachment represents another critical mechanism that influences long-term customer retention. Emotional attachment reflects the psychological bond that develops between customers and a brand through repeated positive experiences. Thomson et al. (2005) demonstrate that emotional attachment often serves as a stronger predictor of customer loyalty than satisfaction alone because it reflects deeper affective connections with the brand. In the context of Ambon restaurants, emotional attachment can emerge through several experiential mechanisms. One important factor is the cultural emotional connection embedded in traditional Ambon cuisine. Many Ambon dishes carry strong cultural and historical meanings that may evoke nostalgic feelings among customers, particularly those who have personal or familial ties to Maluku. Holbrook and Hirschman (1982) argue that nostalgic emotions play a powerful role in shaping consumer experiences and can significantly influence repeat consumption behavior. Another mechanism involves sensory experiences that contribute to memory formation. Ambon cuisine is characterized by distinctive sensory elements, including the aroma of traditional spices, the unique texture of *papeda*, and the distinctive taste of *sambal colo-colo*. Such multisensory experiences can create vivid and lasting memories associated with the dining experience. Krishna (2012) explains that sensory marketing plays an important role in influencing consumer perceptions, brand recall, and repurchase intentions. When customers associate specific sensory experiences with a restaurant, the likelihood of returning to relive those experiences increases significantly. Furthermore, Ambon restaurants can also foster social identity and a sense of belonging among customers. For individuals outside the Maluku community, dining at a traditional Ambon restaurant may represent an opportunity to explore and appreciate Indonesia's diverse cultural heritage. Arnould and Price (1993) found that extraordinary or culturally rich consumption experiences can create strong emotional bonds and long-term attachment between consumers and brands. Through such culturally immersive experiences, restaurants can strengthen customer relationships and encourage repeat patronage.

Another important outcome of effective CRM implementation is increased Customer Lifetime Value (CLV), which represents the total economic value a customer contributes to a business over the duration of their relationship. CLV serves as a key performance indicator for evaluating the long-term financial impact of customer relationship strategies. Venkatesan and Kumar (2004) propose a CLV framework consisting of three main components: acquisition value, retention value, and add-on value. In the context of Ambon restaurants, CRM strategies can increase CLV through several mechanisms. First, CRM initiatives can increase visit

frequency, thereby boosting retention value. Loyalty programs, personalized promotions, and regular communication with customers encourage repeat visits and strengthen ongoing relationships. Liu (2007) found that effective CRM initiatives can increase visit frequency by approximately 20–30%, particularly when loyalty programs and personalized incentives are implemented. Second, CRM systems can increase the monetary value per visit through personalized upselling and cross-selling strategies. By analyzing customer preferences and purchase histories, restaurants can recommend complementary menu items or premium dishes that match customer tastes. Kumar and Shah (2009) demonstrate that targeted upselling strategies based on customer data can significantly increase revenue per customer. Finally, CRM strategies can extend the duration of customer relationships, which represents one of the most important components of CLV. When customers experience high levels of satisfaction, emotional attachment, and trust toward a restaurant, they are more likely to maintain long-term relationships with the brand. Reinartz and Kumar (2003) emphasize that relationship duration is often the largest contributor to overall CLV because long-term customers generate cumulative revenue and frequently engage in positive word-of-mouth promotion. Overall, the findings suggest that CRM implementation influences customer retention through multiple interconnected mechanisms, including enhanced customer satisfaction, emotional attachment, and increased customer lifetime value. In the context of Ambon restaurants, these mechanisms are further strengthened by the cultural authenticity and experiential value embedded in traditional Ambon cuisine.

4.4. Analysis of Implementation Challenges and Barriers

Although Customer Relationship Management (CRM) provides significant benefits for improving customer relationships and retention, its implementation in Ambonese restaurants is often constrained by technological and infrastructural limitations. Previous studies emphasize that technological readiness is a critical success factor in CRM implementation. Zablah et al. (2004) argue that organizations must possess adequate technological capabilities and digital infrastructure to support the effective collection, storage, and analysis of customer data. One major challenge for restaurants in Ambon is the digital divide, particularly among micro, small, and medium enterprises (MSMEs) in the culinary sector. Many restaurants still rely on traditional operational systems that lack digital data management or automated customer interaction platforms. According to data from the Indonesian Internet Service Providers Association (APJII, 2022), internet penetration among culinary MSMEs in eastern Indonesia remains relatively low, with adoption rates below 45%. This limited digital connectivity limits restaurants' ability to implement modern CRM systems that depend on reliable internet infrastructure.

Another significant challenge is the adoption of technology, particularly among restaurant owners accustomed to traditional business practices. Rogers (2003), in his diffusion of innovation theory, explains that the adoption of new technologies depends largely on perceived relative advantage, compatibility with existing practices, and perceived complexity. When restaurant owners perceive CRM systems as complex or difficult to use, they may hesitate to adopt them despite their potential benefits. Furthermore, infrastructure limitations also pose a major barrier to CRM implementation. Reliable CRM systems require stable internet connections, appropriate hardware, and secure data management, including backup and storage solutions. Chalmeta (2006) highlights that inadequate technological infrastructure can significantly reduce the effectiveness of CRM implementation by limiting businesses' ability to systematically collect and analyze customer information. To address these challenges, cloud-based CRM solutions offer a practical alternative for small restaurant businesses. Lightweight CRM platforms such as Zoho CRM, HubSpot CRM, or locally developed mobile CRM applications enable restaurants to implement basic CRM functionality without requiring expensive technological infrastructure. Cloud-based systems also reduce the need for complex IT maintenance and enable businesses to access customer data through mobile devices, making them particularly suitable for small culinary enterprises (Wamba et al., 2020). In addition to technological limitations, human resource capabilities represent another critical factor influencing the success of CRM implementation. CRM systems are not purely technological tools; they require competent personnel who can effectively use

customer data and deliver personalized services. Payne and Frow (2005) emphasize that the human dimension of CRM includes customer-facing employees, information technology specialists, and managerial support, all of whom play important roles in implementing customer-oriented strategies. One of the key human resource challenges is the skills gap among employees working in traditional restaurants. Many restaurant staff members have limited technological literacy and may lack experience with digital tools for customer data management or service automation. Trainor et al. (2014) found that insufficient technological capabilities among employees can significantly reduce the effectiveness of CRM initiatives because staff members are unable to utilize available systems optimally. Consequently, training and development programs become essential components of CRM implementation. Employees must possess both technological competencies and service-related skills to interact effectively with customers. Huang and Lin (2005) demonstrate that comprehensive team member training programs can significantly improve the success rate of CRM implementation by enhancing employees' ability to use CRM systems and deliver personalized services. Another important challenge involves change management within organizations. CRM implementation often requires significant adjustments to existing operational processes, which may generate resistance among employees who are accustomed to traditional working methods. Kotter (2012) identifies resistance to organizational change as one of the primary causes of failure in strategic transformation initiatives. Therefore, restaurant managers must carefully manage the transition by communicating the benefits of CRM adoption and encouraging team member participation in the change.

Beyond technological and human resource constraints, organizational culture and leadership commitment also play crucial roles in determining the success of CRM implementation. Reinartz et al. (2004) emphasize that customer-oriented organizational culture is a fundamental prerequisite for effective CRM strategies. In many traditional restaurants, particularly family-owned culinary businesses, decision-making processes are strongly influenced by long-standing business practices. Some restaurant owners may adopt a conservative managerial mindset, believing that existing practices are sufficient to maintain business performance. This traditional mindset, often summarized by the phrase "if it is not broken, do not fix it," can reduce the perceived urgency to adopt CRM systems. Day (2003) argues that market orientation—defined as a continuous effort to understand and respond to customer needs—is a key requirement for successful CRM implementation. Without a strong market-oriented perspective, businesses may fail to recognize the strategic value of CRM. Cultural factors also influence how CRM strategies are perceived and implemented. In regions such as Ambon, social interactions are strongly rooted in communal values, family relationships, and informal communication patterns. Hofstede (2010) characterizes Indonesian society as predominantly collectivist, meaning that interpersonal warmth and direct interaction are often valued more highly than formal or purely digital communication methods. As a result, CRM systems that rely exclusively on automated or data-driven interactions may be less effective if they do not incorporate culturally appropriate interpersonal elements. Furthermore, financial constraints also represent a major barrier for many small culinary businesses. Implementing CRM systems may require investments in software, staff training, and organizational process adjustments. However, many MSMEs operate with limited financial resources and prioritize short-term operational expenses over long-term technological investments. Harrigan et al. (2011) note that financial constraints are among the primary barriers preventing small businesses from adopting CRM technologies. Finally, leadership capability plays a crucial role in guiding CRM adoption and managing organizational transformation. Leaders must communicate a clear vision of CRM's strategic importance and motivate employees to adopt new systems and processes. Wang et al. (2010) found that transformational leadership styles are particularly effective in supporting CRM implementation because they encourage innovation, empower employees, and facilitate organizational change. Overall, these findings suggest that successful CRM implementation in Ambonese restaurants requires a comprehensive strategy that addresses not only technological infrastructure but also human resource development, organizational culture, and leadership capability.

4.5. CRM-Cultural Heritage Integration Model for Typical Ambon Restaurants

Based on the preceding analysis, this study proposes a Customer Relationship Management (CRM) model specifically designed for Ambonese restaurants. The proposed model integrates established CRM best practices with the preservation and promotion of Maluku's cultural heritage. In contrast to generic CRM frameworks that focus primarily on technological efficiency and transactional relationships, the model developed in this study emphasizes integrating cultural values, experiential dining, and community engagement into CRM strategies. CRM models are frequently conceptualized using three fundamental dimensions: operational CRM, analytical CRM, and collaborative CRM. However, conceptual frameworks alone are insufficient to ensure successful implementation. Payne and Frow (2005) argue that CRM frameworks must be tested within real organizational environments because business contexts, organizational cultures, and technological infrastructures vary significantly across industries and regions. Therefore, the proposed CRM model for Ambonese restaurants incorporates practical elements that can be implemented within micro-scale culinary businesses.

A small-scale case study illustrates how CRM can be applied in practice. In a micro-culinary business setting, the CRM model may operate through three primary mechanisms. First, operational CRM involves recording customer data during transactions, allowing restaurants to build a basic customer database. Second, analytical CRM enables businesses to segment customers based on visit frequency or purchasing patterns. Third, collaborative CRM enables direct interaction between businesses and customers through platforms such as WhatsApp or social media. An example of practical implementation can be observed at the Cita Rasa Maluku restaurant in Ambon. By applying basic CRM practices—including transaction data recording, personalized customer communication, and simple sales analysis—the restaurant reportedly increased its repeat customer rate by approximately 27% within four months, according to cashier transaction reports and customer feedback records (Hitu & Pattimura, 2023). Successful strategies implemented by the restaurant included personalized birthday greetings sent via messaging apps, community-based promotions targeting church groups under the "Makan Rame-Rame" concept, and simple sales analytics to identify menu items preferred by returning customers. These findings suggest that CRM strategies tailored to local cultural contexts can significantly enhance customer engagement and retention in small culinary businesses.

a. Cultural CRM Framework

Building on these practical insights, this study proposes a Cultural CRM Framework comprising four key components to integrate customer relationship management with cultural heritage preservation. The first component is Cultural Data Management, which involves recording customer preferences and personal and cultural information relevant to dining experiences. For example, restaurants may document customers' preferred menu items, spice preferences, or participation in cultural events related to Maluku traditions. The second component is Heritage Experience Design, which focuses on designing dining experiences that incorporate local culinary traditions, storytelling, and authentic cultural elements. Through this approach, restaurants can transform routine dining experiences into culturally meaningful encounters that enhance customer engagement. The third component is Community Relationship Building, which emphasizes the creation of customer communities based on shared cultural values and social interactions. Restaurants may organize cultural events, culinary workshops, or community gatherings that strengthen the relationship between customers and the restaurant brand. The fourth component is Authentic Storytelling, which involves communicating the cultural narratives behind Ambon's culinary heritage. Storytelling may include explanations regarding traditional ingredients, historical cooking methods, and the cultural significance of particular dishes. Such narratives enrich the dining experience and strengthen emotional connections between customers and the restaurant.

b. Implementation Roadmap

To facilitate practical adoption, the proposed CRM model is supported by a phased implementation roadmap suitable for small culinary businesses. The first phase focuses on basic customer data collection, where restaurants begin recording essential customer information during transactions. In the second phase, businesses move toward service personalization, using collected data to tailor menu recommendations and customer interactions. The third phase emphasizes community development, where restaurants actively engage customers through loyalty programs, cultural events, and online communities. Finally, the fourth phase involves advanced analytics and predictive modeling, where customer data is systematically analyzed to predict purchasing behavior and optimize marketing strategies. This gradual implementation strategy enables small restaurants to adopt CRM practices without requiring large technological investments at the initial stage.

c. Success Metrics and Performance Evaluation

To evaluate the effectiveness of CRM implementation, this study proposes a set of success measurement indicators that combine traditional CRM metrics with cultural engagement indicators. Key Performance Indicators (KPIs) may include conventional measures such as customer retention rate, repeat purchase rate, and Customer Lifetime Value (CLV). However, because the proposed CRM model emphasizes cultural integration, additional cultural metrics are also introduced. These cultural indicators include cultural authenticity scores, which measure customers' perceptions of cultural authenticity in dining experiences; heritage preservation indices, which evaluate how well restaurants maintain and promote traditional culinary practices; and community engagement levels, which assess customer participation in cultural or community-based activities organized by the restaurant. From an operational perspective, CRM performance can also be evaluated according to its three core dimensions. Operational CRM focuses on front-office automation processes that directly interact with customers, including digital ordering systems, point-of-sale (POS) technology, and loyalty management systems (Buttle & Maklan, 2019). Analytical CRM involves analyzing customer data to identify behavioral patterns and support strategic decision-making (Payne & Frow, 2005). Meanwhile, collaborative CRM emphasizes communication and coordination among businesses, customers, and external partners, such as delivery platforms and social media channels (Ngai et al., 2009). To ensure comprehensive performance evaluation, organizations may adopt multiple measurement approaches. One widely used method is Key Performance Indicators (KPIs), which measure the effectiveness of organizational activities in achieving strategic objectives (Parmenter, 2015). Another approach is outcome-based evaluation, which focuses on long-term behavioral changes and impacts rather than short-term outputs (McDavid et al., 2018). In addition, the Balanced Scorecard framework developed by Kaplan and Norton (1996) provides a holistic performance evaluation system by integrating financial, customer, internal process, and learning perspectives. Overall, the proposed Cultural CRM model offers a practical framework for Ambonese restaurants to strengthen customer relationships while simultaneously promoting Maluku's culinary heritage. By integrating cultural authenticity, community engagement, and data-driven customer management, the model provides both managerial and cultural value for the development of the local culinary industry.

V. Conclusion

This study examined the role of Customer Relationship Management (CRM) in enhancing customer retention in Ambonese restaurants while simultaneously promoting the preservation of Maluku's culinary heritage. Based on a comprehensive literature analysis, the findings suggest that effective CRM implementation plays a crucial role in strengthening customer relationships through mechanisms such as personalized services, consistent communication, customer data management, and community engagement. The study highlights that CRM implementation in Ambon restaurants should not be limited to technological

systems or transactional customer management. Instead, it requires a culturally contextualized approach that integrates local culinary traditions, cultural storytelling, and community-based interactions into the customer experience. By combining CRM strategies with experiential dining elements rooted in Maluku's cultural identity, restaurants can create meaningful and memorable experiences that foster emotional attachment, customer satisfaction, and long-term loyalty. Furthermore, this research proposes a Cultural CRM Framework that integrates four main components: cultural data management, heritage experience design, community relationship building, and authentic storytelling. The model is supported by a phased implementation roadmap that enables small culinary businesses to adopt CRM practices gradually, starting with basic customer data collection and progressing to advanced analytics and predictive customer insights. Overall, the findings demonstrate that integrating CRM strategies with cultural authenticity and experiential dining can significantly strengthen customer retention while also supporting the preservation and promotion of Ambon's culinary heritage.

This research contributes to the CRM literature by extending existing CRM frameworks to the context of culturally embedded service industries, particularly traditional culinary businesses. While previous studies have primarily focused on technological and transactional aspects of CRM implementation, this study emphasizes the importance of integrating cultural and experiential dimensions into CRM strategies. By combining relationship marketing theory (Morgan & Hunt, 1994) and experiential marketing theory (Pine & Gilmore, 1998), the study proposes a conceptual model that explains how CRM can be adapted to cultural service environments such as traditional restaurants. The introduction of the Cultural CRM Framework represents a theoretical contribution by demonstrating how customer relationship strategies can simultaneously support business performance and cultural heritage preservation. In addition, the study enriches the CRM literature by highlighting the role of cultural authenticity, community engagement, and storytelling as important relational mechanisms that strengthen emotional attachment and customer loyalty. These findings provide a broader theoretical perspective on CRM implementation within experience-based industries, particularly in emerging markets and local culinary tourism contexts.

From a managerial perspective, the findings of this study offer practical insights for restaurant owners, culinary entrepreneurs, and policymakers seeking to strengthen customer retention in the local culinary industry. First, restaurant managers should recognize that CRM implementation does not necessarily require sophisticated technological infrastructure. Small culinary businesses can begin with simple practices such as recording customer preferences, maintaining direct communication with customers, and analyzing sales data to identify purchasing patterns. Second, the study emphasizes the importance of integrating cultural authenticity and storytelling into the dining experience. By communicating the cultural narratives behind traditional Ambon dishes and culinary practices, restaurants can create distinctive, memorable experiences that set them apart from competitors. Third, restaurants should develop community-oriented loyalty strategies that reflect Maluku society's collectivist cultural values. Community-based programs, cultural events, and group dining promotions can strengthen emotional connections between customers and restaurants while encouraging word-of-mouth promotion. Finally, restaurant managers should gradually adopt digital technologies that support CRM implementation, such as point-of-sale systems, customer databases, and cloud-based CRM platforms. These tools can help businesses better understand customer behavior, improve service personalization, and enhance operational efficiency. By adopting culturally contextualized CRM strategies, Ambonese restaurants can improve customer retention while simultaneously contributing to the preservation and promotion of Maluku's rich culinary heritage.

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