

# CHAPTER 1

## INTRODUCTION

### 1.1 Research Background

In the highly competitive business environment, building and maintaining customer loyalty has become a pivotal factor in the success of a business. In the B2B business, where customer relation often characterized by long-term transactions and high-value purchases, customer loyalty is even become more important factor for success and sustainable business (Wang et al., 2019)

Digital marketing has become an increasingly important tool for business in B2B sector. With the rise of the internet and the proliferation of digital technologies, business has been able to reach a much wider audience than ever before. Digital marketing allows businesses to target specific audiences, create personalized experiences, and measure the success of campaigns (Chaffey et al., 2017)

In recent years, the rise of digital technologies and the internet has transformed the way businesses operate. Digital content marketing (DCM) and social media have become popular tools for businesses to engage with their customers and build long-term relationships with them. B2B businesses, in particular, have been quick to adopt digital marketing strategies to leverage the power of these tools. The increase access to online information has helped B2B buyers or customers to do research and compare before they are contacting the seller (Edelman & Singer, 2015; Halchack, 2017; Steward, Narus, & Roehm, 2018). Both of these tools/strategies have gained popularity in the B2B context as businesses have realized their potential to build customer loyalty and drive sales. Consumers constantly interact with social media platforms, allowing brands to develop DCM strategies to foster a closer relationship with their consumers (Keegan & Rowley, 2017). DCM and social media have emerged as powerful tools for businesses to engage with customers and build strong relationships with them. This thesis aims to explore correlation of

digital content marketing and social media on customer satisfaction and customer loyalty in the B2B environment.

PT. Kromtekindo Utama is authorized distributor for Waters Corporation in Indonesia that specialized in chromatography laboratories instrument. PT. Kromtekindo Utama was established in 1994 as since then has focused on providing chromatography solutions to all over Indonesia. Its customers come from various fields, such as pharmaceuticals, life-science, academia, government, and research laboratories.

PT. Kromtekindo Utama operates in the B2B sector, where long-term relationships and high-value transactions are essential. This context provides a rich ground for exploring the dynamics of customer satisfaction and loyalty influenced by digital content marketing and social media.

As digital marketing plays a pivotal role in contemporary business strategies, PT Kromtekindo Utama's focus on enhancing its online presence and engagement through DCM and social media makes it a pertinent case study. The company's initiatives can provide insights into how digital strategies impact customer perceptions and loyalty in the B2B environment. The company has a substantial customer base and collects data on customer interactions and satisfaction. This availability of empirical data allows for a thorough analysis of the correlations between digital marketing efforts, customer satisfaction, and loyalty. With the ongoing advancements in digital marketing technologies, PT. Kromtekindo Utama's efforts to continuously improve its digital engagement strategies offer an opportunity to investigate the effectiveness of these initiatives in enhancing customer satisfaction and loyalty.

PT. Kromtekindo Utama's position within the life science instrumentation industry, its commitment to leveraging digital marketing, and the relevance of customer satisfaction and loyalty in B2B relationships make it an ideal subject for the thesis examining the interplay between digital content marketing, social media, and customer experiences.

## **1.2 Research Problem**

Despite the growing importance of digital content marketing and social media in the B2B context, there is a lack of research on their correlation on customer satisfaction and customer loyalty. While several studies have explored the correlation of customer satisfaction on customer loyalty, but there is limited research that examine the correlation of digital content marketing and social media on customer satisfaction and customer loyalty in the B2B context. This thesis aims to fill this gap by finding the correlation of digital content marketing and social media on customer satisfaction and customer loyalty in the B2B context as well to give actionable strategies to improve customer satisfaction and foster customer loyalty.

### **1.3 Research Questions**

To achieve the research objectives, the following research questions will be addressed,

1. What is the relationship between Digital Content Marketing and customer satisfaction in the B2B context?
2. What is the relationship between Social Media and Customer Satisfaction in the B2B context?
3. How does customer satisfaction correlate with customer loyalty in the B2B context?
4. What is the relationship between Social Media and Customer Satisfaction in the B2B context?
5. How does customer satisfaction correlate with customer loyalty in the B2B context?

### **1.4 Research Goals or Objectives**

The primary objective of this study is to explore the correlation of digital content marketing and social media on customer loyalty in the B2B context. Specifically, the study aims to

1. Investigate the relation of digital content marketing on customer satisfaction in B2B context
2. Investigate the relation of Digital content marketing on Customer Loyalty in B2B Context
3. Investigate the relation of social media on customer satisfaction in B2B context
4. Investigate the relation of social media on customer loyalty on B2B context
5. Investigate the relation of customer satisfaction on customer loyalty in B2B context

### **1.5 Justification for Research**

The B2B life-science based instrumentation industry represents a dynamic and specialized sector that provides essential equipment, technologies, and services to support scientific research, diagnostics, and biotechnology advancements. In recent years, the industry has witnessed a significant shift towards digitalization, as companies increasingly utilize digital content marketing and social media platforms to engage with their B2B customers, including researchers, laboratory managers, and procurement professionals. This digital transformation has reshaped the industry's marketing landscape, presenting both opportunities and challenges for companies seeking to build and maintain customer loyalty.

The B2B life-science based instrumentation industry is experiencing a profound transformation driven by the rapid adoption of digital content marketing and social media strategies. As these platforms become integral to how businesses communicate, engage, and build relationships with their customers, it is imperative to understand their impact on customer loyalty within the industry. This thesis seeks to address this critical need by investigating the specific dynamics of digital content marketing and social media in shaping customer loyalty among B2B clients in the life-science instrumentation sector.

The relevance of this research is underscored by the industry's increasing reliance on digital channels to disseminate product information, provide educational content, and interact with customers in real time. As traditional sales and marketing approaches are augmented or replaced by digital strategies, it becomes essential to ascertain how these changes influence customer perceptions, satisfaction, and ultimately, loyalty. By exploring the interplay between digital content marketing, social media, and customer loyalty in this specialized B2B context, this study aims to provide valuable insights that can inform strategic decision-making and marketing practices within the industry.

Moreover, as the life-science instrumentation sector continues to evolve and innovate, understanding the factors that contribute to customer loyalty is pivotal for sustaining long-term relationships and cultivating repeat business. The findings of this research have the potential to

empower industry practitioners with actionable knowledge, enabling them to refine their digital marketing strategies, strengthen customer loyalty initiatives, and ultimately drive competitive advantage in a rapidly changing marketplace.

As digitalization continues to reshape the industry's marketing landscape, the study's findings can serve as a catalyst for innovation and best practices, helping companies adapt to changing customer behaviours and preferences in the digital era.

The industry impact of the research encompasses its potential to benefit businesses and stakeholders within the industry. By empowering companies with actionable insights to enhance customer loyalty through digital marketing and social media, the research can support the industry's efforts to build stronger, more enduring customer relationships. This can lead to improved customer retention, sustained revenue streams, and a more competitive marketplace for industry players.

The industry impact of this research lies in its potential to drive positive change, inform industry practices, and contribute to the industry's ability to navigate and thrive in a digital-first environment. By providing valuable insights and guidance, the study aims to support the industry's evolution, enhance customer relationships, and contribute to the overall success and competitiveness of businesses within the B2B life-science based instrumentation sector.

## **1.6 Scope of the Research**

The research will specifically focus on the customer base owned by PT. Kromtekindo Utama, a distributor company that authorized chromatography instrumentation brand in Indonesia. The study will primarily focus on the specific regional market relevant to the B2B life-science based instrumentation industry.

This research will investigate the influence of digital content marketing strategies and social media platforms on customer loyalty within the industry. This includes the creation, dissemination, and

engagement with the digital content across various online platforms, as well as the use of social media for communication and relationship-building with B2B customers.

This study also will access customer loyalty within the B2B context, considering factors such as repeat purchases, long-term relationships, customer satisfaction, and willingness to recommend or advocate for the supplier's products or services. The scope will encompass the various dimensions of loyalty and its relationship with digital marketing efforts.

### **1.7 Research Hypothesis**

In order to investigate the impact of DCM and social media on customer loyalty in the B2B context, the following hypothesis are made.

H1: There is a positive correlation between Digital content marketing and Customer satisfaction

H2: There is a positive correlation between Social Media and customer satisfaction

H3: There is positive correlation between customer satisfaction and customer loyalty

H4: There is positive correlation between Digital content marketing and customer loyalty

H5: There is positive correlation between Social Media and customer loyalty

### **1.8 Limitations of the Research**

The existing literature within the field of B2B marketing and customer relationship management in the life-science based instrumentation industry has provided valuable insights into various aspects of business-to-business interactions and marketing strategies. However, a noticeable knowledge gap exists in the specific context of digital content marketing, social media, and their impact on customer loyalty within this industry.

While some studies have explored digital marketing and social media in B2B contexts, there is a lack of comprehensive empirical research that specifically focuses on the life-science based instrumentation sector.