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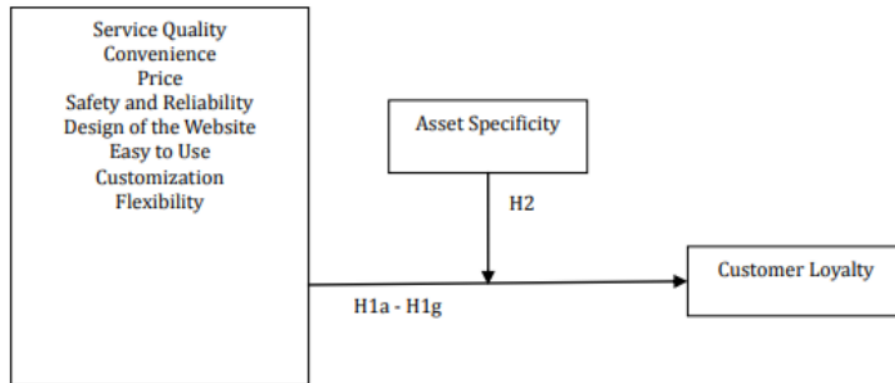
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### **Conceptual argument**

Customer loyalty can be considered as a relationship between a business and its customers where the scale of it denotes how willing a customer is to engage with the operation of the business. A particular business and its customer loyalty go hand in hand and can effect or get affected by one another. However, in what degree customer loyalty can help in recognition of a business is a different matter.

Study presented by Lin *et al.* (2018), p.235, identifies that customer loyalty is one of the most important asset in the business operations and the performance of the organization is important to generate effective customer loyalty. Service quality improvement can effectively be considered as an asset and the study implies that through effective service quality improvements positive customer satisfaction level can be achieved. As a good service quality will contribute to positive customer loyalty improvements, the loyalty factor can also be considered as a valuation of asset. Study conducted by Mikola (2019), p.10 also supports the fact considering that positive online engagement practices of the company with ease of use of its products and services brings convenience to the buildup of trust and satisfaction level of the customers leading to positive growth of customer loyalty. As positive outcomes of company's operations can be considered as an asset, therefore customer loyalty generation is the biggest asset of a company that is focused on customer service



**Figure 1: Customer loyalty buildup as an asset**

(Source: Lin *et al.* 2018)

However, studies of Lafley & Martin (2018), p. 50, identifies the situation differently and implies that the factor of customer loyalty is overrated and inapplicable as a reliable asset. Though a lot of companies spend time and money to invest in customer satisfaction to gain loyalty, yet the customers make most of their purchasing decisions automatically. Most of them prefer to look for familiar and easy to buy products in adverse situations rather than being loyal to one particular product or service provider of their choice. Thus the discussion on customer loyalty as a reliable asset is fairly debatable.

**References**

- Lafley, A. G., & Martin, R. L. (2018). Customer loyalty is overrated. *Harvard Business Review*, 95(1), 45-54. Retried on: 8<sup>th</sup> January, 2022 from: <https://www.oresky.eu/wp-content/uploads/2017/09/Customer-Loyalty-Is-Overrated.pdf>
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- Mikola, R. O. B. E. R. T. (2019). The Impact of Trust Factor on Customer Loyalty in B2C ECommerce. In *International Program, Graduate School of Business*. 1-18. Retried on: 8<sup>th</sup> January, 2022 from: <https://e-research.siam.edu/wp-content/uploads/2019/12/IMBA-2019-IS-Robert-Mikola-The-Impact-of-Trust-Factors-on-Customer-Loyalty-in-B2C-Ecommerce.pdf>

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