

DOI: <https://doi.org/10.54663/2182-9306.2025.SpecialIssueIM.080-100>

Research Paper

The Impact of Globalization on Relationship Marketing and Customer Loyalty: The Mediating Role of Cultural Adaptation

Muhammad Ussama Majeed *

Zahid Hussain **

Sumaira Aslam ***

ABSTRACT

In an era of unprecedented globalization, businesses must navigate complex cross-cultural landscapes to foster long-term customer relationships. As companies expand beyond national boundaries, cultural adaptation emerges as a crucial factor in shaping marketing strategies and sustaining customer loyalty. This study investigates the impact of globalization on relationship marketing and customer loyalty, emphasizing the mediating role of cultural adaptation within the Pakistani automotive sector. Using Structural Equation Modeling (SEM) on data from 128 respondents, the results confirm that globalization significantly influences relationship marketing and customer loyalty, with cultural adaptation playing a partial mediating role. Findings reveal that businesses that integrate cultural sensitivity into their marketing approaches can strengthen emotional connections with consumers, thereby enhancing loyalty. The study contributes to international marketing and consumer behavior literature by demonstrating that cultural adaptation bridges the gap between global strategies and local consumer expectations. Practical implications suggest that firms must balance global brand consistency with localized engagement strategies to optimize customer retention. The research also highlights the challenges of standardization versus adaptation in global markets. Future studies should explore industry-specific variations and longitudinal impacts of cultural adaptation in different business contexts.

Keywords: Globalization, Relationship Marketing, Customer Loyalty, Cultural Adaptation, Banking industry, International Marketing

* Department of Management Sciences, National University of Modern Languages, Lahore Campus, Pakistan. E-mail: usamamajeed845@gmail.com

** Department of Business Administration, Khadim Ali Shah Bukhari Institute of Technology KASBIT Karachi, Pakistan. E-mail: zahidhussain9341@gmail.com

*** School of Commerce and Accountancy, University of Management and Technology, Pakistan. E-mail: sumeraaslam18@gmail.com

Received on: 2024.10.30

Approved on: 2025.03.25

Evaluated by a double-blind review system

1. INTRODUCTION

Every company should have a strong marketing plan to raise revenue, build credibility, and strengthen brand recognition. As a result, companies are constantly searching for fresh approaches to broaden their reach and enter new industries. However, the field of marketing has evolved dramatically as a result of globalisation. It has changed how companies conduct their marketing strategy and presented possibilities as well as difficulties. Businesses can now access a worldwide audience thanks to globalisation. Additionally, businesses can engage with potential clients globally by enhancing relationships and customer loyalty through various channels, such as social networking sites, and search engine results (Zhang et al., 2022). Therefore, when viewed through the perspective of cultural adaptation, globalisation has an important effect on relationship marketing and consumer loyalty. Companies must consider cultural disparities as they grow, which necessitates modifying marketing tactics to appeal to local customers. This cultural awareness strengthens emotional bonds and boosts client loyalty (Osuji et al., 2020). According to Hong et al., (2023), Businesses may successfully customise their marketing campaigns by looking at local cultural trends, which have a big influence on customer behaviour and brand views. Personalized initiatives and consistent involvement, through relationship marketing, are greatly increasing customer happiness and loyalty. This strengthens client bonds and reduces anticipated switching expenses, which further cements customer loyalty (Baqai et al., 2020). Presently, businesses encounter several obstacles such as cultural disparities and customer demands, which may impede their ability to expand into new markets. Globalization has provided businesses with numerous opportunities to improve consumer involvement, reduce cultural mismatch, and forge close bonds with their clientele (Alyoshina et al., 2022). Thus, for long-term success in a variety of sectors, an equitable strategy to cultural adaptation is essential. The automobile industry ignores this circumstance as well and adjusts their marketing plans. A larger client base is possible for industries like the automobile industry, which can effortlessly target worldwide markets and populations. Additionally, they are culturally aware and modify their marketing tactics to fit in with regional tastes, dialects, and customs. This includes translating into different languages and using terminology that is unique to a given area in order to reach a wide range of consumers (Adi et al.,

2019). Marketing competitiveness has increased due to globalization. Now that businesses from all over the globe can aim for the same customer base, the market is congested (Mohanty et al., 2017). To stand across the global digital arena, the automotive industry offers distinctive value offerings and differentiates itself. Different laws and regulations apply to different markets worldwide (e.g., GDPR in Europe) (Adi et al., 2019). When gathering and utilizing consumer data, marketers need to follow these rules to stay out of trouble and pay less in fines (Schafferer et al., 2017). Sustaining credibility and confidence requires adherence to global standards. Managers in the automotive business produce content that appeals to a variety of customers while taking linguistic nuances, cultural allusions, and concerns into consideration (Lu et al., 2017). This increases consumer loyalty. Sustaining a constant worldwide brand image is difficult yet essential. The automotive industry must make sure that its values, messaging, and appearance are the same in all markets. Beliefs, passions, demands, and behaviors vary among cultures. These customs and beliefs affect how these customs view and respond to marketing messages (Natalia et al., 2020). Marketers that want to connect and interact with customers from different cultural backgrounds need to adapt their approach and tactics to the Cultural factors in international advertising environments of their intended audiences. In the global economy of today, successful marketing requires a comprehension of cultural variations (Zhang et al., 2017). Changing the promotions to fit the cultural standards of various regions could help their business reach a global clientele. It takes more than just translating the material to address cultural sensitivity in relationship marketing and international advertising concerns (Hong et al., 2023). Additionally, they must make sure that their message is understood by different cultures. This lessens misconceptions and encourages trust and devotion (Janosova et al., 2020). Tailoring marketing campaigns to the interests of target audiences can increase their effectiveness. For foreign marketing to be effective, cultural awareness is necessary. It is important to acknowledge and comprehend cultural variations in order to create more engaging and persuasive marketing campaigns (Shabani et al., 2022). Include cultural awareness in a marketing approach if they want to grow your business worldwide and connect with a diverse spectrum of customers. Local cultural customs are impacted by globalization in diverse ways across nations. The robust preservation of cultural traditions and resilience to modern influences (Kilbourne et al., 2018). Globalization's change of cultural conditions highlights both beneficial developments in health and detrimental effects, particularly for those with less privilege (Ndungu et al., 2023). The purpose of this study is to look into how globalization affects

relationship marketing, client loyalty, and the mediating effect of cultural adaptability. This research offers industry professionals and marketers insightful information to improve their marketing tactics, increasing consumer loyalty and effectiveness.

2. LITERATURE REVIEW

2.1 Globalization and cultural adaptation

Taking their business global might present a number of options. The strategic benefits are strong in a variety of businesses, ranging from the ability to reach new markets and lucrative consumer bases to the possibility of diversifying product offerings and lowering risk (Schafferer et al., 2017). According to Alyoshina et al., (2022), The business's reputation and brand awareness may increase with globalization, attracting investors and customers alike. Even though there are many advantages, a business plan and sufficient funding are not enough for a firm to expand internationally successfully. Aripin et al., (2024) found that Cultural adaptation is crucial amongst the many variables that might affect global expansion, including employment regulations, corporate taxes, saturated markets, and market resilience. Given the current status of the world's economy, cultural adaptation is an approach that every business that promotes its services to multiple languages or cultural community must have proficient in order to succeed (Lyshenko et al., 2018). To tailor the communication to the the audience's culture, they must conduct tactics, advise, and conduct research. Globalization provides an umbrella that enables businesses to promote their goods and services to consumers worldwide with minimal disruption to their advertising campaigns or collateral (Anjani et al., 2021). According to Linina et al., (2020), Businesses can gain a great deal from the globalization's simplified advertising method thanks to this tactic. Due to the increased integration of indigenous cultures via the employing of shared languages, the promotion of cultural variety, the encouragement of cross-cultural interaction, and the facilitation of the flow of concepts and customs, globalization is having an advantageous impact on indigenous cultures (Haeruddin et al., 2023). Global access to data has improved regional culture by introducing people to different civilizations, expanding the range of musical styles and food alternatives, and fostering the emergence of a hybrid of creative and traditional cultures (Baqai et al., 2020). Furthermore, as Western culture becomes widespread, new social standards and conversations have emerged, influencing musical choices and posing problems to conventional traditions (Grigorescu et al., 2017). All of these factors have contributed to the

evolution of regional cultures in response to globalization (Kungumapriya et al., 2018). Furthermore, the loss of regional culture among younger people emphasizes how crucial it is to inculcate cultural values via learning in order to protect and celebrate the variety of cultural legacy for future generations (Sharifonnasabi et al., 2020). Due to globalization, businesses are forced to operate internationally and offer their goods in countries where consumer behavior could vary from that of their home country. Being able to comprehend and adjust to local customer behaviors is crucial. Globalization and product adaption in particular are greatly influenced by culture (Nadanyiova et al., 2020). Rana et al., (2020) found that Businesses need to remain capable to modify their products while maintaining their uniqueness in order to improve their image worldwide. Global brands offer a greater benefit in terms of marketing expenditures and activities. Astute businesses have the capacity to identify and take advantage of cultural disparities (Sharma et al., 2021). Advertising goods and services to satisfy the demands of customers in many nations with different customs, ideologies, and values is known as marketing abroad (Kungumapriya et al., 2018). Therefore, cultural barriers can have a big effect on how successful foreign advertising efforts are. In addition to the language difficulties covered in the part before it, there are a number of additional important elements that contribute to cultural comprehension (Rana et al., 2020). One such element that may influence customer habits is the variance in cultural standards and values among various nations. “Knowing about various cultures enables us to appreciate the various viewpoints that exist in our global community.”It aids in eliminating unfavorable preconceptions and individual prejudices against various populations (Zhang et al., 2022). Furthermore, different cultures teaches us to accept and acknowledge “methods of existing” that aren’t always ourselves. In order to make certain that marketing initiatives aren’t offensive or come across as insensitive, it is imperative to comprehend these distinctions and match product and client requirements with cultural ideas and values (Rana et al., 2020). Different national laws governing marketing have a influence on understanding cultures as well. Businesses need to make certain that their advertising efforts abide by local legislation and guidelines because these might have significant effects on their marketing approach and content (Adi et al., 2019). Another important component that influences cultural comprehension is communication techniques. Cultural differences exist regarding communication choices and methods (Aripin et al., 2024). As an illustration, whilst certain cultures value indirect interactions, others value communicating directly. It is essential to comprehend these variations in order to customize communication tactics and messaging that

appeal to the intended demographic (Zhang et al., 2022). Think Intercultural Wellness classifies various methods of communication according to factors like tone, loudness, speech rate, eye contact, and usage of silences and pauses. When categories are used, we find that “Loud and articulate speech is frequently more prevalent in Arab, Latino, African American, and Caribbean cultures.” “Many White Americans appreciate strong eye contact, especially when talking and concentrating,” was a further example of this. Certain Asian cultures view direct eye contact as disrespectful (Kilbourne et al., 2018). Another aspect that influences cultural comprehension is saturated markets. The degree of market saturated Additionally, there are notable variances in competitiveness throughout markets, which businesses need to be mindful of in order to create marketing plans that work (Olavarria et al., 2018). When creating foreign marketing efforts, cultural difficulties are an important factor to take into account. By realizing and solving these issues, businesses can develop strategies that connect with their target market, foster brand loyalty, and increase sales (Lindskog et al., 2016).

H1: Globalization Significantly impact on Cultural Adaptation.

2.2 Cultural adaptation and relationship marketing

Lu et al., (2017) found that Globalization and migration are causing a rise in the cultural diversity in numerous countries. Businesses in those regions face difficulties in comprehending and meeting the requirements of different demographics. Because of this variety, companies must be prepared to supply their clients with goods and services that are in line with their cultural standards (Danibrata et al., 2017). The method of cultural adaptation starts when both parties recognize their distinctions from one another. After getting familiar with one another and respecting their unique characteristics, each of these individuals attempts to comprehend the other’s culture (Kungumapriya et al., 2018). At the next stage, one among the partners then adjusts to the others actions or mannerisms. Where among the participants attempts to incorporate aspects of the newly acquired culture into it’s own, that is when cultural adaptation reaches its peak (Rana et al., 2020). In interpersonal transfers, both parties offer shared objectives and work to enhance the advantages of the connection for everyone involved. According to Danibrata et al., (2017) Relationship marketing remains an exchange method that aims at developing and maintaining lasting connections between consumers, prescribers, wholesalers, suppliers, and retailers, developing connects that are advantageous for both sides. Similar to this, a lot of businesses give their representatives the duty of building rapport with clients by developing a sense of trust, since it is

the client who chooses what to purchase, where they buy it, and exactly how often to do so (Zhang et al., 2017). Culture is utilized in marketing methods that include cultural components to establish sincere bonds among a brand and its target market. This marketing strategy represents appreciation for many cultures and goes beyond simply advertising and selling goods and services (Wood et al., 2017). It does this by expressing cultural, societal, and economic storylines that are pertinent to the intended consumers. Through respected and culturally appropriate advertising and services, culture assists brands in navigating international markets (Lu et al., 2017). Brands can make certain their marketing efforts are effective, courteous, and encouraging by paying attention to and learning from the cultures that they interact with (Agarwal et al., 2018). In relationship marketing, genuineness, significance, openness, appreciate additional value, and dependability are essential components of a successful culture. Developing material with emotional storytelling and incorporating cultural concepts, spending money on local marketing, honoring local and cultural occasions, utilizing user-generated material, etc. are all ways to improve relationship marketing initiatives (Ali et al., 2017). By skillfully utilizing culture marketing, a company may expand its target demographic and enhance its connection with them, establishing a valued contributor to their cultural encounters and conversations without falling into the traps of cultural adaptation or indifference (Adi et al., 2019). This thoughtful, courteous, and purposeful interaction with cultural stories is what elevates a brand to a place where the public not simply notices it but additionally deeply values and trusts it (Kilbourne et al., 2018). A business can flourish in regional marketplaces if you have a deep awareness of the different cultures and a sincere a love and respect towards them (Zhang et al., 2022). In order to make sure that their advertising strategies were additionally effective nevertheless considerate of and appreciative of the cultural discourses they traverse, brands should place a high priority on absorbing information from the cultures they interact with (Wood et al., 2017).

H2: Cultural adaptation significantly impact on Relationship Marketing.

2.3 Cultural adaptation and customer loyalty

A consistent, a positive connection among a customer and a firm is known as customer loyalty. It's what encourages recurring business and makes current clients pick your organization over a rival providing comparable advantages (Kilbourne et al., 2018). According to Linina et al., (2020), Customer loyalty is the result of clients of a business coming back to it repeatedly and again and again. Loyal customers frequently support a brand despite its rivals and regularly decide to conduct

business with it. To build campaigns assistance them raise sales, draw in new clients, and raise their visibility, marketers employ a broad range of strategies (Mohanty et al., 2017). Marketing executives conduct studies concerning a particular culture or demography to assist in developing campaigns that resonate with this demographic's interests (Nadanyiova et al., 2020). Social conventions and cultural values influence how individuals interact, believe and take decisions. Understanding the ways in which culture affects various demographic groups can assist marketers in creating content that appeals to them (Zhang et al., 2022). Additionally, culture advertising can assist companies in building strong relationships with consumers worldwide (Singh et al., 2021). Kong et al., (2020) found that Improved communication with their intended demographic, increased customer loyalty and rapport-building, the ability to recognize possibilities for product or service innovation, higher sales and return on investment (ROI), and the ability to grow globally by entering new markets are all benefits of successful culture marketing. Culture has an impact on how consumers think and behave. It also influences how customers make decisions and behave when making purchases (Srivastava et al., 2017). Culture was seen as a precondition for marketing and played a significant role in governing and upholding brands. Since culture is context-specific, it is important to understand when cultural factors influence various inter-construct connections as predecessors, facilitators, or regulators (Diallo et al., 2018). Given the paucity of prior research on culture and its influence on consumers' brand loyalty, it might be necessary to close this knowledge gap by studying culture as a predicate to brand management's construction of customer loyalty (Bilkova et al., 2021). One of the most crucial elements for influencing permanent marketing positioning is discovered within cultural norms (Kilbourne et al., 2018). Customer loyalty and its predecessors may be influenced by culture. Personal cultural norms play a role in shaping how people react to brands (Zhang et al., 2017). Social values affect how consumers see products and how they make purchases. People and communities are shaped by their political opinions, interpersonal relationships, educational systems, ethics, and faith. These values are additionally influenced by certain life situations. taboos and cultural customs to decide what kind of content is appropriate for their ads (Wood et al., 2017). Different geographic regions have different cultural meanings for the same numerals, signs phrases, and clothes (Aripin et al., 2024). Customs and faith may have a big impact on what people decide to buy. They can create content that is respectful to the principles and customs of their intended demographic by learning about the common faiths

and traditions among them. Additionally, it can assist in locating chances to create marketing messages for particular occasions or holidays (Kilbourne et al., 2018).

H3: Cultural adaptation significantly impact on customer loyalty.

2.4 Mediating role of cultural adaptation

The significance of culture in influencing global marketing tactics has grown in the context of the always changing globalization. It is imperative for businesses to adjust and customize their marketing strategies to the cultural quirks of a wide range of customer bases when they grow outside of their home markets (Bakar et al., 2021). Marketers now face both options and obstacles as a result of the globalization of marketplaces. On the one hand, it presents the possibility of growing the client profile and improving reputation. However, it necessitates that marketers negotiate a labyrinth of cultural variation, where the standard approach is frequently destined for failure (Bumberova et al., 2020). Businesses must develop a thorough awareness of these elements since the nuances of culture have a significant impact on customer opinions, choices, and purchase decisions (Hollensen et al., 2020). Kungumapriya et al., (2018) found that Cultural consideration in advertising has become a crucial component of worldwide marketing strategy in modern interlinked globe. Businesses that expand internationally come encounter a variety of cultural environments with distinct conventions, attitudes, and beliefs (Hong et al., 2023). Ignoring and disrespecting these cultural quirks can result in expensive errors, harm to a company's image, and alienation of potential clients (Natalia et al., 2020). The way that people interpret communications, products, and services is greatly influenced by their culture. It affects habits, behaviors, and interests. Therefore, it is essential for global marketers to comprehend cultural quirks (Grigorescu et al., 2017). In-depth market study is necessary for businesses to comprehend cultural customs and interests. This entails learning about regional manners, cultural traditions, and mannerisms (Lu et al., 2017). This entails changing a product or piece of information to satisfy the linguistic, cultural, in addition to needs of a specific demographic (Zhang et al., 2017). Beyond simple interpreting, localization takes into account cultural quirks such as comedy, social conventions, pictures, and colors. Statutes and rules pertaining to advertising and commercial operations vary throughout nations (Kong et al., 2020). Companies need to make sure that their marketing plans abide by regional laws such as those pertaining to product security, safeguarding information, and marketing requirements (Linina et al., 2020). Effective marketing strategies depend on having an excellent grasp of the neighborhood market. Investigating regional rivals, market share, consumer

trends, and other aspects of the industry are all part of this (Srivastava et al., 2017). According to Kilbourne et al., (2018), Establishing confidence, trustworthiness, and connection with the intended audience in overseas markets requires cultural adaptation in marketing. Marketing materials that are in line with cultural standards and principles have a greater chance of grabbing customers' attention, making them feel good, and encouraging the intended behaviors (Baqai et al., 2020). On the other hand, irresponsible marketing has the potential to cause controversies, annoy customers, and damage a business's image (Sharifonnasabi et al., 2020). The consequences of cultural blunders can be immediate and extensive in modern hyperconnected world, as data travels quickly via social networking sites and online platforms. Successful business is correlated with each country's cultural heritage and customs. In essence, certain countries are unable to draw in and keep consumers (Lyshenko et al., 2018). On the other hand, certain cultures establish courteousness, privacy, modesty, and a great deal of culture, which can promote individual achievement and group business (Zhang et al., 2022). Businesses that are growing their global markets must have plans that maximize the costs associated with advertising products at each stage of the process (Adi et al., 2019). According to Nadanyiova et al., (2020), Understanding cultural variations across nations might result in more precise planning. The relevance of engaged businesses in the domains of global commerce is growing in today's global economic framework of equations and financial relationships engaging with one another more and more (Diallo et al., 2021). They work hard every day to improve the level and amount of their products and services and to gain greater penetration in the business sector. comprehending and appreciating cultural variances, adjusting to the local marketplace, and developing marketing tactics that appeal to the local audience are all essential components of effective global advertising (Bilkova et al., 2021). Businesses may successfully negotiate cultural differences and prosper in the global economy with the appropriate strategy. Creating goods and services that cater to local customers' requirements and habits as well as indigenous languages, cultural conventions, and principles are all part of adjusting to regional markets (Danibrata et al., 2017). Lu et al., (2017) found that Developing connections with regional partners, including vendors, distributors, and additional participants, can assist companies in navigating the challenges of global marketplaces and gaining advantage over local information and expertise (Kitchen et al., 2020). Developing brand loyalty advertising amongst local customers is a part of adjusting to regional markets. Businesses can customize their marketing techniques to create an intimate relationship with customers and promote frequent

purchases by taking into account neighborhood tastes, requires, and values (Nadanyiova et al., 2020). According to Paparoidamis et al., (2019), Establishing robust connections with regional collaborators, such manufacturers and suppliers, can assist businesses in cultivating brand allegiance in overseas marketplaces. Local partners can offer perceptions into customer needs and regional marketplace factors, which can aid businesses in creating successful marketing plans and cultivating clientele (Singh et al., 2021). In order to increase global advertising, brand loyalty marketing is crucial at every stage, from conducting market studies to adjusting to local markets and forming partnerships with local businesses (Agarwal et al., 2018). Businesses can improve their prospects for growth in overseas markets by developing an effective brand and encouraging consumer loyalty (Paparoidamis et al., 2019).

H4: Cultural adaptation mediates the relationship between relationship marketing, customer loyalty and globalization.

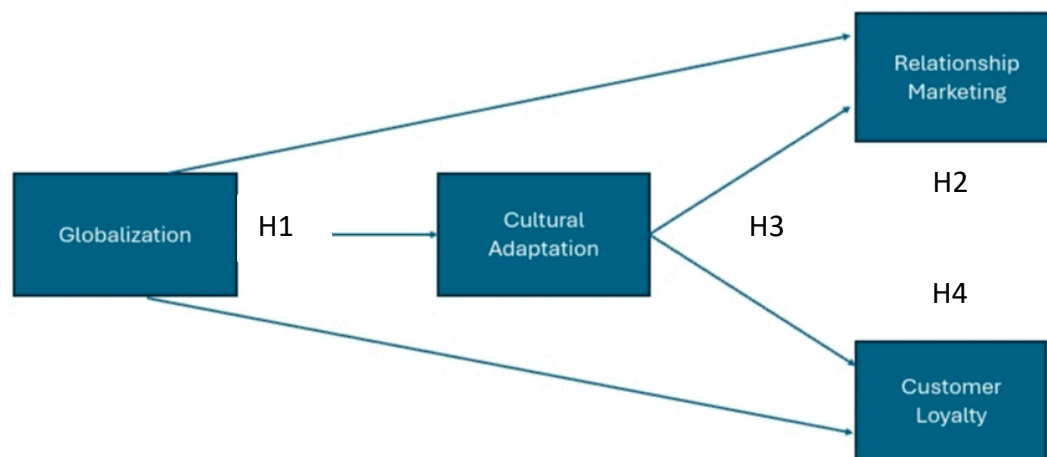


Figure 1. Conceptual Model

3. METHODOLOGY

Using a structured questionnaire, the survey approach was used to gather the data. During working hours, participants were individually approached at the car dealerships. Those who work in industries and car showrooms were among the participants. Information gathered from Pakistan's Karachi. Karachi is home to people from a wide range of sociocultural origins, which could render

it easier to generalize its results. It was done using a non-probabilistic sampling method. The questionnaire was reviewed and validated prior it was distributed to the participants, and permission from participants was obtained before they could take part in the study. The responders were given confidence that the information they provided would be private. 128 completed questionnaires in total were used in the data evaluation. A portion of the questionnaires were eliminated due to missing or incorrect answers. 128 people made up the research's ultimate sample size. The following is a description of the sample. 79% of respondents in the sample were men, while 21% of respondents were women. The average age of participants was 18 to 65, with 42.28% of them being in the 40–65 category. Regarding education, 26.40% of clients possessed master's degrees, 50% consisted graduates, and over 36.26 percent had finished intermediate-level schooling.

The scale components that were already in place were used in this research to determine the components. Every scale item employed in the research was tested and dependable. Answers to every scale item were gathered using the 7-point Likert scale. The four-item scale that was modified from was used for assessing globalization (Natalia et al., 2020). The four-item scale from (Paparoidamis et al., 2019) is used to determine cultural adaptability. Relationship marketing is assessed using a three-item questionnaire that was modified from (Kitchen et al., 2020). The three-item scale from is modified to assess the level of client loyalty (Rana et al., 2020).

4. RESULTS

We used the SEM for the structure model and the CFA for the evaluation model for examining the data. Prior to evaluating the SEM, the measurement framework had to be tested. A satisfactory model fit was demonstrated by the evaluation method's findings ($\chi^2 = 165.65$ (82), GFI = 0.929, CFI = 0.971, NFI = 0.945, RMSEA = 0.05). The Cronbach alpha values of the various components were greater than 0.6, indicating the accuracy within the scale. An additional indication of the scale's internal uniformity was its existence that each construct's composite dependability was greater than 0.5 (Table 1). For every element that satisfied the requirements of either convergence validity or (Rana et al., 2020), the AVE estimates ranged from 0.6 to 0.8. Table 2 shows that the square root of AVE was larger than the squared correlation coefficient (Paparoidamis et al., 2019) for every concept that satisfied the requirements for discriminant reliability (Fornell and Larcker, 1981).

Table 1. CFA results.

Constructs	Scale items	Factor loadings	a
Globalization	G1	0.71	0.838
	G2	0.78	
	G3	0.76	
	G4	0.72	
Cultural Adaptation	CA1	0.87	0.928
	CA2	0.88	
	CA3	0.87	
	CA4	0.74	
Relationship Marketing	RM1	0.78	0.922
	RM2	0.89	
	RM3	0.82	
	RM4	0.88	
Customer Loyalty	CL1	0.82	0.926
	CL2	0.88	
	CL3	0.83	

Table 2. Discriminant validity.

	CR	AVE	Globalization	Cultural Adaptation	Relationship Marketing	Customer Loyalty
G	0.842	0.578	0.748			
CA	0.926	0.767	0.157	0.866		
RM	0.924	0.765	0.238	0.312	0.876	
CL	0.928	0.817	0.131	0.142	0.264	0.893

CR: Composite Reliability, AVE: Average Variance Extraction

The structural framework was examined as part of the estimate process for the suggested connections among components. All the identified immediate impacts in our proposed model were empirically validated by the predicted path coefficients at an acceptable threshold of 0.05. Table 3 shows that every direct hypothesis in the path connection was determined to be significant. As an outcome, H1 is confirmed by the data, which indicate that consumer perception of globalization has a beneficial and significant effect on cultural adaptation ($\beta = 0.37, p \leq 001$). H2 was supported by the beneficial and substantial path connection among cultural adaptation and relationship marketing ($\beta = 0.26, p < 001$). Consumer loyalty and cultural adaptation have an immediate and beneficial link, according to H3. The results were substantial ($\beta = 0.26, p < 001$), which supports H3.

Table 3. SEM Results.

Hypothesis	Path Coefficients	t-values	Results
H1	0.375	4.121	Supported
H2	0.267	4.321	Supported
H3	0.264	4.739	Supported

p-value < 0.001.

To look into the mediating role of cultural adaptation, we used the SEM technique using 5000 bootstrap specimens and a confidence level of 95%. Utilizing bootstrapping methods, estimations regarding the additional impact were derived, and the importance of the effect was confirmed utilizing ranges of confidence (Preacher & Hayes, 2008). The mediation impact was deemed substantial if it had no zero within the 95% confidence interval's lowest and higher boundaries. The findings show that the association among globalization and relationship marketing is substantial for both direct and indirect reasons ($\beta = 0.111$, $p < 0.001$, [L = 0.042; U = 0.178]); as consequently, some mediation was noted because both significant direct as well as indirect impacts were noted. H4a is therefore supported. The results show that the association among globalization and consumer loyalty is substantial for both direct and indirect influences ($\beta = 0.102$, $p < 0.001$, [L = 0.042; U = 0.187]); as a result, limited mediation was noted because both significant indirect and direct impacts were noted. H4b is therefore supported. Since there is no zero among the lowest and higher boundaries of the ranges of confidence, we may assume that cultural adaptation acts as a mediator in the connection among globalization and relationship marketing. Partial mediation has been noted.

5. DISCUSSION

The findings of this study provide empirical support for the argument that globalization significantly influences relationship marketing and customer loyalty, with cultural adaptation playing a mediating role. The results align with prior research (Alyoshina, 2022; Zhang et al., 2022) that highlights globalization's role in reshaping marketing strategies. However, our findings contribute new insights by emphasizing the necessity of cultural adaptation in fostering meaningful customer relationships. Our study confirms that globalization has a positive impact on cultural adaptation, which in turn enhances both relationship marketing and customer loyalty. This result is in line with previous studies that suggest globalized business environments require localized

marketing efforts (Schafferer, 2017; Lu et al., 2017). The ability of firms to integrate local cultural elements into their marketing strategies leads to stronger customer engagement and brand trust. This supports the assertion of Hong et al. (2023) that businesses that actively engage in cultural adaptation are better positioned to retain customers in highly competitive international markets. Furthermore, our results show that cultural adaptation serves as a significant mediator between globalization and both relationship marketing and customer loyalty. This partially confirms the work of Paparoidamis et al. (2019), who suggested that cultural intelligence is crucial for brands operating in diverse markets. However, our findings extend this understanding by quantifying the mediating effect and demonstrating that cultural adaptation does not fully mediate the relationship, meaning that globalization also exerts direct effects on customer loyalty beyond cultural adaptation. These results have practical implications for global businesses. The findings suggest that firms must balance their global branding efforts with local adaptations to optimize customer engagement. As identified in prior research (Diallo et al., 2021; Singh, 2021), successful adaptation strategies include tailoring communication styles, localizing brand messages, and respecting cultural norms. Our study reinforces this and provides empirical support for the argument that firms failing to adapt culturally risk alienating their target markets. However, a key challenge businesses face is maintaining brand consistency while adapting to cultural differences. This paradox, often referred to as "glocalization" (Grigorescu & Zaif, 2017), suggests that businesses must find equilibrium between standardization and adaptation. While localization can strengthen relationships with customers, excessive differentiation may dilute global brand identity (Kungumapriya et al., 2018). This tension presents an area for further research. From a theoretical perspective, our study advances the relationship marketing literature by integrating globalization and cultural adaptation as critical factors influencing customer loyalty. Previous studies primarily examined relationship marketing within domestic settings, whereas our study expands its relevance to cross-cultural and global business contexts. Additionally, the results contribute to customer loyalty research by demonstrating that cultural adaptation fosters stronger emotional connections between businesses and consumers, reinforcing the idea that brand trust is contingent on cultural sensitivity (Zhang et al., 2022). Despite its contributions, this study has some limitations. The sample was restricted to the Pakistani automotive sector, which may limit the generalizability of findings to other industries or regions. Future studies could explore the impact of cultural adaptation in other contexts, such as service-based industries or digital platforms, where

cultural nuances may play an even more significant role. Additionally, future research may benefit from longitudinal designs to examine how cultural adaptation strategies evolve over time in response to globalization.

The study's findings indicate that globalization significantly influences relationship marketing and customer loyalty within the Pakistani automotive sector, with cultural adaptation serving as a crucial mediator. Specifically, the analysis, conducted through Structural Equation Modeling (SEM) and Confirmatory Factor Analysis (CFA), reveals that cultural adaptation has a positive, moderating effect on the relationship between globalization and customer loyalty. Through cultural adaptation, firms can effectively bridge global strategies with local market needs, enhancing emotional connections with customers. Results show that companies embracing local cultural norms, such as language and social customs, foster greater trust and brand loyalty. The study also finds that globalization opens avenues for international reach but comes with increased competition, requiring companies to differentiate themselves through culturally attuned relationship marketing. The SEM results confirm significant pathways from globalization to cultural adaptation and further to customer loyalty, highlighting the integral role of cultural sensitivity in a globalized marketplace.

6. CONCLUSION

This study investigates the impact of globalization on relationship marketing and customer loyalty, emphasizing the mediating role of cultural adaptation. Our findings demonstrate that globalization significantly enhances relationship marketing and customer loyalty, and that cultural adaptation plays a crucial role in bridging the gap between global business strategies and local consumer preferences. The results suggest that businesses seeking to expand internationally must prioritize cultural adaptation to maintain strong customer relationships. By incorporating local languages, customs, and consumer expectations into their marketing efforts, companies can foster higher levels of trust and engagement. However, this adaptation must be balanced with maintaining a coherent global brand identity, highlighting the ongoing challenge of glocalization. The theoretical implications of this study underscore the importance of integrating cultural adaptation into relationship marketing and loyalty models, particularly in the context of globalization. The findings provide a new perspective on how firms can strategically leverage cultural adaptation to strengthen their competitive positioning in foreign markets. For practitioners, the study provides

actionable insights into the strategic importance of cultural sensitivity in international marketing. Companies operating in global markets should invest in cultural intelligence training, market research, and localized engagement strategies to maximize customer loyalty. Future research should further explore industry-specific adaptations, analyze how digital transformation influences the globalization-adaptation dynamic, and assess cultural adaptation strategies in different geographical regions. Longitudinal studies could also examine whether the effects of cultural adaptation remain consistent over time. In conclusion, this study reinforces the central role of cultural adaptation in global marketing success. While globalization presents significant opportunities for business expansion, firms that fail to adapt to local cultural dynamics risk losing customer trust and loyalty. The findings emphasize that effective relationship marketing in the global age requires a balance between global consistency and cultural relevance, ensuring that businesses remain competitive in an increasingly interconnected marketplace. **Implications**

These findings underscore the need for businesses in the Pakistani automotive sector, and potentially similar industries, to incorporate cultural adaptation into their global marketing strategies. Practically, companies should prioritize understanding local customs and languages, as this has been shown to strengthen customer loyalty and facilitate smoother market entry. For stakeholders, especially marketing strategists and customer relationship managers, adopting culturally adaptive practices can mitigate risks associated with cultural misunderstandings and enhance brand equity in foreign markets. However, challenges include balancing cultural adaptation with maintaining a consistent global brand identity, as well as adhering to local regulatory requirements. The benefits, such as increased customer retention, reduced customer switching costs, and enhanced brand credibility, make the investment in cultural adaptation worthwhile. Additionally, cultural adaptation can act as a competitive advantage, enabling businesses to better navigate the crowded global marketplace and tailor their offerings to regional preferences, thereby reinforcing consumer loyalty.

6.1 Limitations

Despite its contributions, this study has certain limitations that must be acknowledged. First, the research focuses exclusively on the Pakistani automotive sector, which may limit the generalizability of the findings to other industries or geographic regions. Cultural adaptation and its impact on customer loyalty may differ across industries, particularly in service-based sectors or digital commerce, where direct consumer interaction plays a more significant role. Future research

should explore the applicability of these findings in different sectors, such as retail, hospitality, or e-commerce, to assess whether similar patterns emerge. Second, the study employs a cross-sectional research design, which captures data at a single point in time and does not account for potential changes in consumer behavior over time. Given the dynamic nature of globalization and cultural adaptation, a longitudinal study could provide deeper insights into how these relationships evolve. Additionally, the sample size of 128 participants, though sufficient for the structural equation modeling approach, may limit the robustness of the findings. Expanding the sample size and including respondents from multiple regions would enhance the study's external validity and statistical power.

6.2 Future research directions

Future research should expand on the current study by examining industry-specific variations in the role of cultural adaptation. Given the increasing importance of digital transformation and e-commerce, future studies could explore how digital businesses integrate cultural adaptation strategies to enhance customer loyalty in an online setting. Additionally, emerging markets with rapid globalization trends could be examined to determine whether cultural adaptation plays a similar role in consumer decision-making across diverse economies. Another promising avenue for research is the exploration of moderating variables that may influence the relationship between globalization, cultural adaptation, relationship marketing, and customer loyalty. Variables such as brand familiarity, consumer ethnocentrism, and perceived cultural distance could provide deeper insights into how customers respond to globalization-driven marketing efforts. Additionally, qualitative research approaches, such as in-depth interviews or case studies, could complement quantitative findings by uncovering the underlying motivations and perceptions that drive customer loyalty in globalized markets. By addressing these areas, future research can build on the foundation established in this study and further enhance our understanding of globalization's impact on customer relationships.

REFERENCES

- Aripin, Z., Pynatih, N. M. N., & Aristanto, E. (2024). Nurturing marketing relationships: The role of loyalty tendencies beyond relationship dynamics. *Journal of Economics, Accounting, Business, Management, Engineering and Society*, 1(2), 67-81.

- Agarwal, J., & Wu, T. (2018). *Emerging Issues in Global Marketing*. Springer.
- Sabou, S., Avram-Pop, B., & Zima, LA (2017). The impact of the problems faced by online customers on ecommerce. *Studia Universitatis Babes-Bolyai*, 62(2), 77.
- Adi, T. P. B. H., & Nyoman, S. N. (2019). Determinants of businessman decision in purchasing toward loyalty in the era of globalization. *Russian Journal of Agricultural and Socio-Economic Sciences*, 96(12), 126-132.
- Ali, I., & Garg, R. K. (2017). Marketing of services: Challenges & opportunities in context of the globalization of business. *International Journal of Engineering and Management Research (IJEMR)*, 7(3), 522-526.
- Anjani, D., & Dewi, I. J. (2021). The Influence Of Self-Congruity On Customer Loyalty Of Coffee Shops: Evidence From Global-Chain And Local-Chain Coffee Shops In Indonesia. *ASEAN Marketing Journal*, 12(2), 6.
- Alyoshina, I. V. (2022, January). Marketing in Russia in an age of digital globalization. In *Proceedings of the International Scientific Conference "Smart Nations: Global Trends In The Digital Economy" Volume 2* (pp. 189-197). Cham: Springer International Publishing.
- Baker, P., Russ, K., Kang, M., Santos, T. M., Neves, P. A., Smith, J. & McCoy, D. (2021). Globalization, first-foods systems transformations and corporate power: a synthesis of literature and data on the market and political practices of the transnational baby food industry. *Globalization and health*, 17(1), 58.
- Bílková, R. (2021). Digital marketing communication in the age of globalization. In *SHS Web of Conferences* (Vol. 129, p. 06002). EDP Sciences.
- Baqai, S., & Qureshi, J. A. (2020). Data as competitive weapon in the digital-globalization era: An empirical inquiry on marketing analytics using multivariate analysis. *Studies of Applied Economics*, 38(3).
- Bumberova, V., & Kanovska, L. (2020). Sustainable marketing strategy under globalization: a comparison between p-KIBS and t-KIBS sectors. In *SHS Web of Conferences* (Vol. 74, p. 01003). EDP Sciences.
- Diallo, M. F., Diop-Sall, F., Djelassi, S., & Godefroit-Winkel, D. (2018). How shopping mall service quality affects customer loyalty across developing countries: The moderation of the cultural context. *Journal of International Marketing*, 26(4), 69-84.
- Danibrata, A. (2017). The Impact of Information Technology, Customer Relationship Management, Service Personalization and Communication on Customer Loyalty. *International Journal of Business, Economics, and Law*, 13(2), 63-67.
- Diallo, M. F., Djelassi, S., & Kumar, V. (2021). Marketing and globalization: Relevance, trends and future research. *Recherche et Applications en Marketing* (English Edition), 36(3), 2-7.
- Grigorescu, A., & Zaif, A. (2017). The concept of glocalization and its incorporation in global brands' marketing strategies. *International Journal of Business and Management Invention*, 6(1), 70-74.
- Gong, T., & Yi, Y. (2018). The effect of service quality on customer satisfaction, loyalty, and happiness in five Asian countries. *Psychology & Marketing*, 35(6), 427-442.
- Huang, H., & He, J. (2021). When face meets globalization: how face drives consumers' attitudes toward global consumer culture positioning. *International Marketing Review*, 38(1), 184-203.
- Haeruddin, M. I. W., Musa, M. I., & Kurniawan, A. W. (2023). Marketing strategy analysis in a global market. *Journal Management & Economics Review*, 1(1), 17-24.

- Hong, P., Jagani, S., Pham, P., & Jung, E. (2023). Globalization orientation, business practices and performance outcomes: an empirical investigation of B2B manufacturing firms. *Journal of Business & Industrial Marketing*, 38(10), 2259-2274.
- Hollensen, S. (2020). *Glocalization: Companies search for the right balance between globalization and localization*. In Handbook on cross-cultural marketing (pp. 20-36). Edward Elgar Publishing.
- Jánošová, D., & Labudová, L. (2020). The impact of globalization on regional marketing. In SHS Web of Conferences (Vol. 74, p. 01009). EDP Sciences.
- Kong, L. L., MA, Z. Q., JI, S. H., & LI, J. (2020). The mediating effect of empathy on the relationship between cultural intelligence and intercultural adaptation in intercultural service encounters. *The Journal of Asian Finance, Economics and Business*, 7(2), 169-180.
- Kitchen, P. J., Tourky, M., Petrescu, M., & Réthoré, C. (2020). Globalisation, marketing, sustainability, tourism and the hand mirror of COVID-19. *Academy of Business Journal*, 1, 9-27.
- Kungumapriya, A., & Malarmathi, K. (2018). The impact of service quality, perceived value, customer satisfaction in calculative commitment and customer loyalty chain in Indian mobile telephone sector. *IOSR Journal of Business and Management*, 20(5), 72-82.
- Kilbourne, W. E. (2018). Critical macromarketing, sustainable marketing, and globalization. In *The Routledge Companion to Critical Marketing* (pp. 98-114). Routledge.
- Lindskog, H., Brege, S., Senejko, A., & Los, Z. (2016). Market segmentation for e-marketing based on time & money resources and attitudes towards globalization; Comparison between Sweden and Poland. In Proceedings of the 19th Toulon-Verona International Conference University of Huelva: Excellence in Services (pp. 261-276). University of Huelva Huelva, Spain.
- Linina, I., & Zvirgzdina, R. (2020). Evaluation of buyer's loyalty process in retail companies in Latvia under the conditions of globalization. In SHS Web of Conferences (Vol. 74, p. 04013). EDP Sciences.
- Lu, X., Liu, H. W., & Rahman, M. (2017). The impact of corporate social responsibility on customer loyalty: A case for two global corporations in China. *Strategic Change*, 26(3), 251-260.
- Lyshenko, M., Ustik, T., & Thermosa, I. (2018). Transformation of methodical marketing approaches to the investigation of the problem of farming agricultural enterprises in the grain market in globalization challenges. *Baltic Journal of Economic Studies*, 4(5), 158-166.
- Mohanty, S. K. (2017). Globalization, Innovation, and Marketing Philosophy: A Critical Assessment of Role of Technology in Defining New Dimensions. In *Business Analytics and Cyber Security Management in Organizations* (pp. 48-63). IGI Global.
- Nataliia, T. (2020). Priority directions for development of digital marketing in the conditions of globalization. *Pandemic Economic Crisis: Changes and New Challenges to Society*, 227.
- Ndungu, N. (2023). The Evolution of Brand Innovation and its Impact on Consumer Loyalty in a Globalized Economy. *Journal of Asian Multicultural Research for Economy and Management Study*, 4(4), 25-30.
- Nadanyiova, M., & Gajanova, L. (2020). The impact of Corporate Social Responsibility on brand loyalty in the process of globalization. In SHS Web of Conferences (Vol. 74, p. 04017). EDP Sciences.
- Osuji, C. U., & Amadi, J. C. (2020). Global education marketing: using distance learning to export knowledge implications on globalization. *Journal of Education and Entrepreneurship*, 7(1), 14-25.

- Olavarria-Jaraba, A., Cambra-Fierro, J. J., Centeno, E., & Vázquez-Carrasco, R. (2018). Relationship quality as an antecedent of customer relationship proneness: A cross-cultural study between Spain and Mexico. *Journal of Retailing and Consumer Services*, 42, 78-87.
- Papariodamis, N. G., Tran, H. T. T., & Leonidou, C. N. (2019). Building customer loyalty in intercultural service encounters: the role of service employees' cultural intelligence. *Journal of International Marketing*, 27(2), 56-75.
- Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior Research Methods*, 40(3), 879–891. <https://doi.org/10.3758/BRM.40.3.879>
- Rana, M. S., Rahman, M. K., Islam, M. F., & Hassan, A. (2020). Globalization effects on tourism marketing in Bangladesh. In *Tourism marketing in Bangladesh* (pp. 157-171). Routledge.
- Schafferer, C. (2017). *The Globalization of Political Marketing: An Introduction*. In *Election Campaigning in East and Southeast Asia* (pp. 1-9). Routledge.
- Srivastava, R. K. (2017). How differing demographic factors impact upon customer loyalty towards national or international fast-food chains: A comparative study in emerging markets. *Journal of Food Products Marketing*, 23(8), 901-925.
- Singh, K. (2021). The Effect of Unified Globalised Corporate Social Responsibility Strategy on Customer Loyalty. In *SHS Web of Conferences* (Vol. 92, p. 06036). EDP Sciences.
- Sharifonnasabi, Z., Bardhi, F., & Luedicke, M. K. (2020). How globalization affects consumers: Insights from 30 years of CCT globalization research. *Marketing Theory*, 20(3), 273-298.
- Shabani, L., Behluli, A., Qerimi, F., Pula, F., & Dalloshi, P. (2022). The Effect of Digitalization on the Quality of Service and Customer Loyalty. *Emerging Science Journal*, 6(6), 1274-1289.
- Sharma, I., Dhiman, R., & Jha, S. (2021). Digital Marketing as a Tool of De-globalization: A Study During Covid-19 Pandemic. *Globalization, Deglobalization, and New Paradigms in Business*, 155-171.
- Wood, V. R. (2017). Globalization, sustainability and marketing of healthcare in emerging markets: Doing good while doing well. In *Research Handbook of Marketing in Emerging Economies* (pp. 30-54). Edward Elgar Publishing.
- Zhang, J. J., Pitts, B. G., & Kim, E. (2017). Introduction: Sport marketing in a globalized marketplace. In *Contemporary sport marketing* (pp. 3-22). Routledge.
- Zhang, L., Yi, Y., & Zhou, G. (2022). Cultivate customer loyalty in national culture: a meta-analysis of electronic banking customer loyalty. *Cross Cultural & Strategic Management*, 29(3), 698-728.

How to cite this article:

Majeed, M. U.; Hussain, Z.; & Aslam, S. (2025). The Impact of Globalization on Relationship Marketing and Customer Loyalty: The Mediating Role of Cultural Adaptation. *International Journal of Marketing, Communication and New Media, Special Issue on International Marketing*, May 2025, pp. 80-100.