ABSTRACT

Globalization and modernization has redefined the Sri Lankan fast food industry and today people can be seen consuming food out of their homes moving towards convenient options. The demand for fast food is on uptrend. Fast food restaurants are in a constant race to increase profits, keep the current customers and gain or poach new ones, competing for customers on a globalised market.

One of the many sets of strategy aimed at aiding the interaction between fast food restaurant and customer is the Customer Relationship Management (CRM). It aims to help restaurants build individual customer relationships in such a way that both the fast food restaurant and the customer get the most out of the exchange, providing both parties with long term benefits.

Fast food restaurants are implementing Customer Relationship Management by using Customer Relationship Management techniques. The purpose of this thesis is to check the effectiveness of CRM techniques in customer retention. To identify the significant relationship between CRM techniques and customer retention, a well-structured self administered questionnaire has been used for data collection. For data analysis, and testing of hypothesis, Statistical package for the social science (SPSS) has been employed. Data was collected from 100 employees in marketing department of four major fast food entities in Srilanka.

Maintenance of purchasing data, Send frequent promotional, Customer service, Loyalty schemes and Providing customized product techniques were tested, and these CRM techniques influence positively on customer retention in fast food restaurants. The results also supported the contention that CRM techniques are effective in Fast food restaurant’s CRM implementation. The contribution of this master’s thesis relevant to academics, researchers for further development studies in CRM and also companies’ Marketing Managers in a way to use these findings to increase the retention rates by adjusting or introducing relevant techniques in the CRM system.

**Keywords:** Customer Relationship Management, Fast Food Restaurants, Customer Retention