

JEL Classification: D83, L20, L86, M10

DOI: <http://doi.org/10.34025/2310-8185-2023-4.92.03>

Yurii Koroliuk, Doctor of Science in Public
Administration, Professor,

<https://orcid.org/0000-0001-8732-3731>

Valentyna Chychun, Candidate of Economic Sciences,
Associate Professor,

<https://orcid.org/0000-0003-0032-9757>

Chernivtsi Institute of Trade and Economics of SUTE, Chernivtsi

CYBER SECURITY MANAGEMENT IN THE BUYER LOYALTY SYSTEM

Summary

The need to find new methods of management of trading enterprises, where the management of cyber security of trading operations should occupy a key position, is becoming highly relevant. The search and implementation of these methods is a priority task for management practitioners and theoreticians, public administration specialists. That is why the purpose of the article is to find and research effective methods of cyber security management in the customer loyalty system of domestic enterprises, to build an effective organizational chart of the customer loyalty cyber security management mechanism, which is based on the protection of all components of the commodity-economic interaction and its proper resource provision. As part of the study, the following general scientific theoretical methods were used: system analysis and synthesis - to build a management scheme for the loyalty cyber protection system; induction method - for accumulation, generalization and processing of information of relevance and unsolved research problems; the method of deduction - to distinguish the main components of the problem; methods of abstraction and concretization - for a schematic and practically oriented description of the problems of cyber protection of trade enterprises; abstract logical method - for identifying logical problems of the loyalty cyber protection system, assessing the risks of cyber incidents, identifying resource needs of cyber protection. As a result of research on the security of informatization of trade and economic processes, the significant impact of cyber incidents on the decrease in customer loyalty of trade enterprises has been confirmed. However, in the case of domestic sellers and buyers, there is a low interest in issues of information and cyber security of trade operations. The main problem remains the lack of a unified approach to managing customer loyalty cyber security. The paper proposes a scheme for cyber protection of customer loyalty, which provides for a comprehensive mechanism for assessing, monitoring and solving cyber risks and cyber incidents. The main component of the effectiveness of such a scheme is the Information Security Policy and the prompt response to cyber incidents. The practical significance of the obtained results lies in the fact that the recommendations and proposals outlined in the study provide justification for the

implementation of an effective system of cyber protection of the loyalty of buyers of domestic trade enterprises. Prospects for further research in this direction are the segmentation of the organizational chart of the buyer's loyalty cyber security management mechanism for the cases of domestic trade enterprises of various types and sizes.

Keywords: customer loyalty; cyber security; cyber risks; cyber security management; loyalty system.

Number of sources – 22; number of drawings – 2.

References:

1. Amatus, A., & Gisip, I.A. (2022). Effects of Website Appearance, Security and Electronic Word-of-Mouth (EWOM) on Online Customer Loyalty: Trust as Mediating Factor. *International Journal of Academic Research in Business and Social Sciences*, no. 12(12), pp. 818–840.
2. Klyachenko, I.O., Zozulyov, O.V. (2012). Consumer brand loyalty programs. Actual problems of economics and management: a collection of scientific works of young scientists, № 5. URL: <https://ela.kpi.ua/handle/123456789/12367> (Accessed 01.12.2023) (in Ukr.).
3. Ferguson, R., Hlavinka, K. (2007). Loyalty trends 2006: Three evolutionary trends to transform your loyalty strategy. *Journal of Consumer Marketing*, no. 23 (5), pp. 292-299.
4. Kirk, G. & Noguera, J. (2019). Strategic marketing and cybersecurity: the case of data breaches. *Issues in Information Systems*, no. 20(3), pp. 165–174.
5. DiStaso, M.W. (2018). Communication challenges in cybersecurity. *Journal of Communication Technology*, no. 1(1), pp. 43-60.
6. Muliki, M. (2021). A importância da lealdade do cliente [The importance of customer loyalty]. URL: <https://after.sale/importancia-da-lealdade-do-cliente/> (Accessed 01.12.2023).
7. Ghali, Z. (2021). Motives of customers' e-loyalty towards e-banking services: a study in Saudi Arabia. *Journal of Decision Systems*, pp. 172-193.
8. Pereira, H.G., Cardoso, M. and Dionísio, P. (2017). The determinants of website purchases: The role of e-customer loyalty and word-of-mouth. *International Journal of Electronic Marketing and Retailing*, pp. 135-156.
9. Vdovichen, A.A., Vdovichena, O.G. (2020). The triple vector of stabilization of the economy of Ukraine in the conditions of uncontrollable global challenges. *Visnyk Chernivetskoho torhovelno-ekonomichnoho instytutu [Bulletin of the Chernivtsi Trade and Economic Institute]*, Iss. I (77), pp. 12–30 (in Ukr.).
10. Loshenyuk, I.R., Kireeva, K.O., Milashovska, O.I. (2023). Dilemma issues of digital marketing development in the realities of large-scale military aggression. *Akademichni vizii. [Academic Visions]*, no. 21 (in Ukr.).
11. Palamarek, K.V., Kyfyak, V.F. (2021). Development of hotel business in Chernivtsi in the conditions of crisis phenomena. *Visnyk Chernivetskoho torhovelno-ekonomichnoho instytutu [Bulletin of the Chernivtsi Trade and Economic Institute]*, no. 1 (81), pp. 25-39 (in Ukr.).
12. Khitrova O.A. (2019). Branding technologies as a way to popularize goods. *Ekonomika ta upravlinnia pidpriemstvamy [Economics and business management]*, Iss. II (74), pp. 116–125 (in Ukr.).
13. Oxford Living Dictionary (n.d.). URL: <https://en.oxforddictionaries.com/> (Accessed 01.12.2023).
14. Stavridis, J., & Weinstein, D. (2016, November 3). The Internet of Things is a cyberwar nightmare. Foreign Policy (FP). URL: <http://foreignpolicy.com/2016/11/03/the-internet-of-things-is-a-cyber-war-nightmare/> (Accessed 01.12.2023).
15. Lucas, J., Minsky, L., & DiSanti, B. (2016). Good cybersecurity can be good marketing. *Harvard Business Review Digital Articles*, no. 9(23), pp. 2-4.

16. Janakiraman, Ramkumar, Lim, Joon Ho, Rishika, Rishika (2018). The effect of a data breach announcement on customer behavior: evidence from a multichannel retailer. *Journal of Marketing*, no. 82(2), pp. 85-105.
17. Muncaster, P. (2016, May 13). Brits shun brands following breaches. *InfoSecurity*. URL: <https://www.infosecurity-magazine.com/news/brits-shun-brands-following/> (Accessed 01.12.2023).
18. Mossburg, E., Fancher, D., Gelinne, J., & Calzada, H. (2016). Beneath the surface of a cyberattack. URL: <https://www2.deloitte.com/us/en/pages/risk/articles/hidden-business-impact-of-cyberattack.html> (Accessed 01.12.2023).
19. Duffy, Dennis L. (1998). Customer loyalty strategies. *Journal of Consumer Marketing*, vol. 15, Iss. 5, pp. 435-448.
20. Alharbi A. H., Alhider I. H. (2018). The impact of customer satisfaction and loyalty on e-marketing: Moderating effect of perceived value. *Journal of Marketing and Consumer Research*, no. 46, pp. 70-77.
21. Reichheld, Fred, Markey, Rob (2011). The Ultimate Question 2.0: How Net Promoter Companies Thrive in a Customer-Driven World. Boston, Mass.: *Harvard Business Review Press*. 52 p.
22. Wang, P. & Johnson, Ch. (2018). Cybersecurity incident handling: A case study of the Equifax data breach. *Issues in Information Systems*, no. 19(3), pp. 150-159.