Study of Effective Relationship Marketing on Service Quality Provided and Loyalty Customers (Case Study: Tehran Shahrvand Chain Stores)

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ABSTRACT

Relationship marketing is the art of business today. To maintain key customers (profitable) existing skills to create the proper relationship with the customer is essential. Research has shown that the cost of attracting new customers 5 times the cost of retaining existing customers. In this study, the effect on quality of services provided relationship marketing and loyalty customers are addressed. The populations of the study are consumers of Tehran Shahrvand chain stores. In this study, data analysis, structural equation modeling was used to describe the research. Based on the conceptual model, the relationship between relationship marketing dimensions (trust, commitment, communication, conflict handling) on the quality of services provided and loyalty customers investigated research shows that all hypothesis of research ways and have been approved.

Keywords: Relationship Marketing, Service Quality, Loyalty Customers
JEL Classifications: C32, O13, O47

1. INTRODUCTION

In each organization, whether manufacturing or service, customers are the most important factor for survival. If the organization can be successful with customers' satisfaction to loyalty they can provide long-term growth and survival that it is possible to study and management planning and the introduction of full understanding of customer demands. Today, each customer has its own value and companies to obtain more market share stable or declining to fight, so the cost of attracting new customers has been increasing. Research has shown that the cost of attracting new customers is five times the cost of retaining existing customers.

Primitive or classic marketing theory, was mainly due to transaction and did not care to retain customers. But with the expansion of competition and saturation in many markets and continuous changes in the environment and demographics, companies were faced with the fact that the companies are not facing with a growing economy and growing markets anymore. Companies have found that losing a customer something more,

losing a sale item, it means losing the entire stream of purchases that customer lifetime or time period that the customer is able to do (Kotler, 2003). Unlike the classic marketing theory that art is more emphasis on attracting new customers and focused on transactions, with the intensification of competition between companies in the customer access to products and services as well as increased customer power in today's competitive world, companies not only need to attract new customers, but also to maintain and build strong relations with their previous customers. Relationship marketing is seeking to establish such relationships with target customers who buy from him in the future and encourage others to do so. Since the solutions to reduce costs and increase profitability, many companies were concerned, retain customers was converted to one of the most important strategic goals of the organizations. Formation of relationship marketing thinking in the organization will cause a different perspective of traditional marketing between the seller and the customer. Today, attentions to the client have been considered as the basis for success in the marketing. Relationship marketing thinking, it means the development of beneficial and long-term bonds in order to create mutually beneficial for both parties. This active and strong combination has many advantages

for the organization and the customer. In terms of organization, we can refer to loyalty customers. Richard Oliver defines the concept of loyalty to this form: A deep commitment to repurchase or re-election of a product or service consistently in the future. Despite the marketing efforts to influence the position and potentially cause changes in customer behavior. Another advantage for the organization, positive word of mouth communication to customers that takes place in informal communication for goods and services. This type of connection has the power to influence the purchasing decisions of customers. Approach to relationship marketing, will create a positive association to buy this product and new signings for the organization that will reduce marketing costs. In addition to the mentioned advantages, from a client perspective mechanism to reduce the risk of unsatisfactory purchases, create, maintain and develop relationships with customers and other stakeholders. In this relationship a series of norms to be respected. Commitment, trust and mutual benefit of the basic elements of communication. Also on collaboration, trust and bilateral ties have been emphasized. Marketing should be moved by putting hanger the customers into a real relationship and share information with him. This study investigated the relationship marketing in Shahrvand chain stores. And we'll look into the issue of whether in this store relationship marketing factors affect loyalty customers and quality of services provided or not?

2. REVIEW OF THE LITERATURE

Research entitled to "examine the role of relationship marketing factors on customer satisfaction by Arabs was conducted in 2005, this study sought to identify the factors affecting on relationship marketing in customer satisfaction of customers of Mellat Bank in Tehran. These factors are classified into 4 categories:

A. Social activities
B. Sales activity
C. The exchange of information
D. Monitoring the relationship.

In this study, the researchers concluded that factors in relationship marketing, social activities, activities, exchanges of information and monitoring the relationship, in terms satisfactory to the Mellat Bank's key customers plays a fundamental role.

Another research performed in 2003 by De Wulf and Gaby as "identified obstacles and constraints in implementation, relationship marketing, public insurance companies in Iran" was. The 12 factors were identified as the most important: Lack of information and communication, lack of expertise or capability of employees, inadequate system of supervision relationship, inability to manage staff, untrustworthy Services, lack of motivation, focus on decision-making, inadequate social activities, organizational formalization, organizational complexity, barriers related to customers and competitors, inability to representatives of management. In 1987, research by Rascho as union of the order Industrial: Determinants industry vendors drew buyer that shows the close cooperation between the two parties is the most important factor. The conclusion of this study is hypothesis in response to the need to protect the investments closely match the conditions of the transaction and uncertainty emerge.

Price in 1999 research fellow as "relationship marketing strategies: When the buyer and seller are pursuing different strategies for better performance" carried out the most important components of a long-term relationship of trust, transaction specific investments and behaviors participatory cooperation and flexibility divided, were introduced. Information obtained from the commercial network, a particularly positive effect on investments and trading flexibility buyer and seller and has an indirect effect on joint cooperation and has a positive impact on confidence from the perspective of the seller and the buyer's perspective a negative effect. In the buyer and seller communication, confidence, positive impact on the resilience and the indirect effect is to work together. And from the perspective of the buyer flexibility has a positive effect on joint cooperation, but from the perspective of the seller, this hypothesis is rejected. From the perspective of the buyer, cooperation has a positive effect on performance. But from the perspective of the seller, cooperation has a negative effect on performance and in the flexibility; the seller has a positive impact on performance.

2.1. Service Quality
The services independent process is based on a series of more or less subtle, naturally, but not necessarily always, the interaction between customers and staff or physical resources or goods or service provider system, the data to find solutions to problems of customers. Today, people live in an environment increasingly towards a service-based economy forward. In the Netherlands, more than 70% of jobs are in the service skills and almost two-thirds of gross domestic product (GDP) are generated by services, which since 1980 has tripled. Services not only limited to banking services, postage, insurance, health and education, but most of the products we buy are also included. In fact, the whole ranges of goods for a competitive advantage rely on activity-based service.

The quality of an important aspect for any organization is to maintain competitiveness. Over the past half century, quality and management, which now is called total quality management services, have evolved. In recent years with the development of service industries and their contribution to GDP growth, efforts to improve service quality and customer satisfaction and consequently obtain better compete in the market share has increased. If you go to customers and ask them what the quality they want, they will give different answers. They often say the best, but the best in the eyes of anyone are different things, if the behavior of people in shopping is considerate; it becomes clear that they are the best choice. Usually prices can be a determining factor. Generally the price, performance, economy, much beauty, reliability and suitability, involved in the choosing the service. All of the above can draw a picture of the quality. When the term quality is used, usually consider a service that meets our expectations. For example, if customers of a normal postal service expect to deliver a letter for a week and the post can send it in 2 days, acted beyond customer expectations and this is where quality is created.

Quality can be formulated in the following way. Quality is equal to performance, divided by expectations. If quality is greater than

one, the customer will feel good when you use the service. Quality of services is a model designed to measure customer perceptions of service quality. The only way to maintain customer satisfaction a company, an efficient performance at a high level. Now there are many companies that each year loses some of their customers. But they often do not know why, where and when they lose their customers. Studies about the reasons to cut of the customers' relations with some service companies, shows:

- 3% of the customers cut their relationship with the company without any reason
- 5% of them, communicating with other companies
- 9% of them leave the service company for competitive reasons
- 14% of them because of dissatisfaction with the product refer to other companies
- 68% of them fell, a state of indifference from the owner, managers or some of the company's employees.

2.2. Loyalty Customers

In recent decades, brand investigated a special place in the academic and business market. Despite the existence of numerous definitions for brand value is no consensus about the meaning of brand value and how to measure it by now there (Mortazavi, 2001) have been identified, although various aspects of brand value, but relations interrelationships between different aspects of the brand are not well-known (Guyner, 1998). Alhassan (2003) defines brand value as follows: "A collection of assets and liabilities linked to a brand, name and symbol of the values provided by a product or service to a company or its customers the added or subtracted."

Bary (2004) recognizes the importance of brand value business from the customer's perspective as follows:

"Value of Customer-oriented positive brand can lead to a higher income, lower costs and higher profits lead and apply directly on the company's ability to offer higher prices, understanding the customer's desire to find new distribution channels, and marketing communication effectiveness successful brand extension is authorized and opportunities." Following the two-dimensional acres and chlorine and studies Belech (2003) and Mortazavi research in 2001 showed that consumers against products that have different brands show mixed reactions. It depends on understanding consumer responses can be from the original brands. They suggest that as far as possible attractive is used. The proposal is in most cases an increase in sales.

Today, the brand has become a valuable asset. A few comments on the performance of consumer branded goods there that realize the value of the brand. They include a plan branded, branded features, like Marc, Marc relationship with the product or product brand and the brand is attractive. We believe that the marking of the place, region or country that brands owned by its consumers.

Arabs and Izadi in 2001 during their research came to the conclusion that Consumers' assessment of the logo images consistent or not consistent or family as a result of the success or failure of all compounds that product. They are faced with a large variety of products under different brands can achieve a great deal about these products. This diversity can lead to

increased competition between manufacturers and also causes confusion and abnormal behavior among consumers. Brand as a summary of information about a subset of its product offer will play an important role. The role of information and its impact on brand image is very important. In fact, the image of the brand characteristics of all products by the brand, expand the product line or product innovation is determined by the factory.

Fisher Research in 2005 shows that companies in the financial sector is assumed that the consumer focus on features like price, quality, durability and reuse of goods while research shows that consumers will choose brands. What is related to consumer satisfaction and behavior parody skeptic, is the area of brand loyalty. Brand loyalty or brand can be as much as incising positive attitudes towards a brand, the brand's commitment to the future purchase and intend to continue to be defined. Brand loyalty is directly affected by the satisfaction or dissatisfaction with the brands that have been collected over time and is influenced by the quality of the product (Odekerken-Schröder et al., 2003). Behavioral approaches to brand loyalty, consumer purchase of the product's actual behavior measures. Purchases using the proportional method are the most widely used measures of brand loyalty. In this approach all brands purchased a particular item for any consumer determined and compared with purchases of any brand are identified. The brand loyalty in an arbitrary proportion of purchases of a certain brand is measured. For example, if more than 50% of all purchases over a period of time spent on a particular brand, the customer is loyal to the brand they are. Behavioral approaches clear that loyalty to the brand, the all-or-nothing phenomenon. Instead, loyalty should be considered a continuum of complete indifference to their full loyalty is widespread. There are several types of undivided loyalty than loyalty. In some cases, consumers have loyalty is divided between the two brands. In other cases consumers are loyal to a brand, but also sometimes refer to other brands. Perhaps this is because of their diversity and enhancing arousal level. However, in other cases, customers are completely indifferent to the distinction between brands (Odekerken-Schröder et al., 2003).

3. THEORETICAL FRAMEWORK OF THE STUDY

The model is derived from a base model provided by model the variables have been added to the quality of services, the framework of the study has been created (Figure 1). This model consists of four independent variables of trust, commitment, communication, conflict handling and the dependent variable loyalty customers and the quality of services provided. These variables will be measured by self-designed questionnaire of 30 questions.

4. RESEARCH HYPOTHESES

1. Trust, of relationship marketing has an impact on loyalty customers
2. Commitment, of relationship marketing has an impact on loyalty customers
3. Communications, of relationship marketing have an impact on loyalty customers

4. Conflict handling, of relationship marketing has an impact on loyalty customers
5. Trust, of relationship marketing has an impact on the service quality provided
6. Commitment, of relationship marketing has an impact on the service quality provided
7. Communications, of relationship marketing have an impact on the service quality provided
8. Conflict handling, of relationship marketing has an impact on the service quality provided
9. The service quality provided has an impact on loyalty customers.

5. RESEARCH METHOD

This research method is based on practical purpose. In this study, the relationship between variables and the impact of the causal descriptive approach has been investigated by taking all possible interactions among variables using structural equation modeling (SEM) to investigate the relationship between different variables are discussed. In this study, descriptive and inferential statistical data and test the research hypotheses, SEM were used (Figure 2).

A multivariate SEM techniques and strong family multivariate regression and general linear model are rather extended to a set of regression equations that allow researchers to examine the same way.

SEM a comprehensive statistical approach to test hypotheses about the relationship between observed and latent as analysis of covariance.

But the so-called is SEM.

In order to analyze the statistical data, the data extracted from the questionnaire and all the information in the parent table settings and then using the computer and analyzed by using SPSS and LISREL (Figure 3).

6. THE POPULATION, SAMPLE SIZE, DATA COLLECTION TOOLS

The populations of the study are consumers of Tehran Shahrvand chain stores. The formula used to determine the sample according to the structural equation $5q \leq n \leq q15$ that q is the number of items in the questionnaire. De Wulf's and Gaby (2003) of the 30 question arises in this study, 150 samples at least are required. In this study, data collection and to reach the targets use anonymous questionnaire, which is completed by clients' chain stores Tehran Shahrvand chain stores. Research questions in a questionnaire items included. The main objective of each item questionnaire and answer any questions intended and therefore each answer to question causes realization and fulfillment of the purpose of this study. Data analyses of multi-step process in which data are collected through the use of instruments of (population) are provided. In short, coded, classified and finally processed to establish context and analysis of the relationships between data to be provided in order to test the hypotheses.

7. ANALYSIS OF DATA

Testing the hypotheses of the present study was done using SEM. SEM, including statistical models for linear relationships between latent variables (unobserved) and manifest variables (observed) is. The fitness indexes as well as an index of RMSEA and CFI
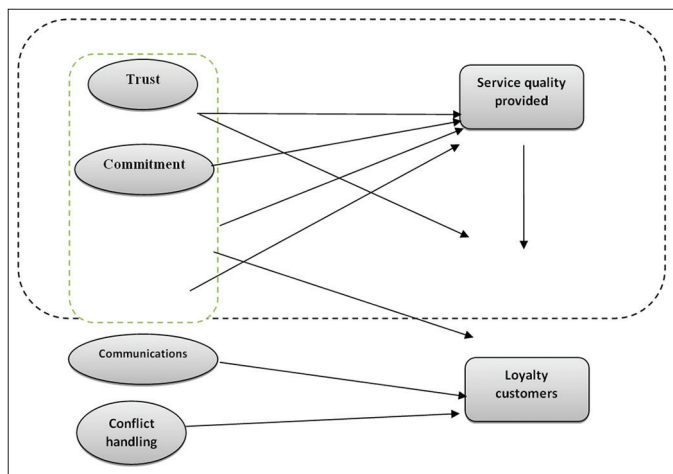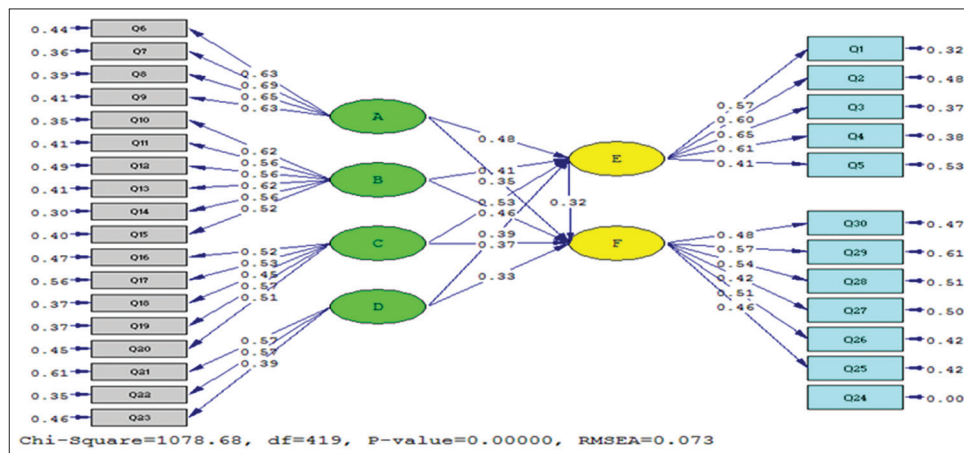
Figure 1: Theoretical framework

Figure 2: Standardized equations of the structural model and measurement

considered as the best indicator. In general, fitness indexes are placed in the range between 0 and 1. 0/90 coefficients that are higher than is considered acceptable, although the surface, P = 0/05, is optional. The amount calculated for the RMSEA index of indices 0/073and CFI = 0/91, which is indicative of the acceptability of the research model (Table 1).

8. THE RESULTS OF HYPOTHESES TESTING

To determine the significance of values obtained in the pay model, in conjunction with significant numbers, it must be said, since in this study, a confidence level of 0/95 or 0/05 following error hypothesis testing, in order to test significant numbers will be t larger than- 1/96 and +1/96 are. This means that if the t-tests number between −1/96 and +1/96 are, it would be senseless. In the following model (3) numbers are significant and can be obtained for t-test to determine the causal relationships (latent variable parameters) and effect (latent variables together) with respect to

the items listed in the charts below, the model in terms of indicators of proportionality in good standing (Table 2).

9. LIMITATIONS AND RECOMMENDATIONS OF THE STUDY

- Lack of cooperation from a lot of customers in completing the questionnaire
- The data used in this study only samples have been collected from a source within the company. (i.e., customers)
- It is possible if desired and actual respondents have not responded
- A sample(n = 150) is considered small and therefore recommended In the future, subject to a larger sample to reinforce the variables discussed in this study. Larger sample can be generalized results obtained from the appropriate export strategies and models of performance possible
- Most variables measured in this study due to the lack of reliable data quality, comparable sales, profitability and other economic factors
- Training employees and managers and to provide updated information can have a positive impact on the success of its marketing and quality.
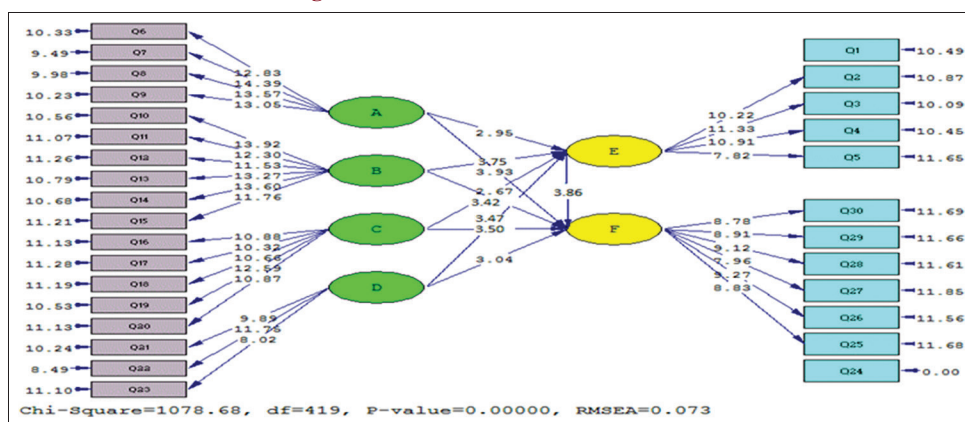
10. CONCLUSION

Some of its most successful business practitioners think the reality may not; in fact, most of them do not use the full capacity available and have not been a favorable business success. They have needs

Table 1: Dispersion indices of the research model

Acceptable fit	Value	Dispersion indices
Value between 1 and 3	2/558	Chi-square
RMR<5%	0/034	RMR
GFI>90%	0/921	GFI
AGFI>90%	0/915	AGFI
RMSEA<10%	0/073	RMSEA
CFI>90%	0/91	CFI
IFI>90%	0/901	IFI
NFI>90%	0/919	NFI

Table 2: Summary of the results of the hypotheses

Hypotheses	Calculated standard coefficient	t-statistic	Result
Trust, of relationship marketing has an impact on loyalty customers	0/48	2/97	+
Commitment, of relationship marketing has an impact on loyalty customers	0/41	3/75	+
Communications, of relationship marketing has an impact on loyalty customers	0/53	2/67	+
Conflict handling, of relationship marketing has an impact on loyalty customers	0/39	3/47	+
Trust, of relationship marketing has an impact on the service quality provided	0/35	3/93	+
Commitment, of relationship marketing has an impact on the service quality provided	0/46	3/42	+
Communications, of relationship marketing has an impact on the service quality provided	0/37	3/50	+
Conflict handling, of relationship marketing has an impact on the service quality provided	0/33	3/04	+
The service quality provided has an impact on loyalty customers	0/32	3/86	+

Figure 3: t-statistic for model coefficients

and demands of our customers achieve greater success well know marketing programs tailored to meet the needs they provide. The institutions should have sufficient organizational readiness and flexibility to continually review marketing strategy and based on the results of the organization's goals to achieve better market change. In this context, it is important that the marketing plan should be set up and changes regularly based on customer wants and needs. Because what should not be forgotten that a permanent change desires and needs of customers. Hence, it is necessary that the demands of customers continuously checked and change the marketing program.

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