

RELATIONSHIP MARKETING AND LOYALTY OF COSTUMERS FROM THE
VIEWPOINT OF GHARB STEEL INDUSTRIAL COMPANY

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ABSTRACT: The aim of companies for making a long-lasting relationship with costumers is getting their loyalty. Following the principles of marketing on the basis of relation can have main share in keeping present customers and as a result getting more benefits for the company and it can be an excellent preference for competition. By studying and surveying the researches that have been done, it has been shown that today companies are using strategies that can keep their present costumers and by using suitable technology they are trying to get some information from their customers and through the can attract more customers and keep their loyalty and satisfaction. Marketing on the basis of relationship and management of relation with customers is one of the strategies that success full companies use to reach their goals, and it can be said that using such strategies is a kind of competitive preference in commercial world of today. Many companies use marketing on the basis of relation program for encouraging costumers to keep their loyalty to their products and try to attract them more and more. This research has been done by paying attention to previous researches and studies and getting information from reliable resources, and surveying factors such as quality of services, suggested prices and also kind of relation (confidence and satisfaction of customers, that in turn increases the costumers of a company). Data were surveyed on the basis of a framework research through distributing questionnaires among customers of different companies such as Saipa, Saipa Yadak, Zamyad, Saze Gostar and aftermarket Zamyad, by linear regression test and h hypothesis of the research. It was found that the company has been successful in some marketing tactics. It has got satisfaction of its customers in a meaningful level to 90% and so it has got confidence of the customers and as a result it has got loyalty of its customers.

KEYWORDS: Tactics of marketing on the basis of relationship, quality relation, loyalty of customers, Gharb Steel industrial company.

INTRODUCTION

Now, in the chain of producing spare parts of automobiles about the thousands of small and large units are working and they have presented about 500.000 occupations. Wealth movement of this part is about 50 trillion rials in a year, and it is said that it will increase to 100 trillion rials during next years ([Abd Alvand and Ghafari, 2009](#)).

For helping automobile industry, making parts should be globalized and we should try to export automobile parts to other countries, otherwise, automobile producers can't present themselves in world markets, and they will face many problems ([Anderson and Weitz, 1989](#)).

Running for something new in automobile industry and quick changes in production line, has caused this companies to renew themselves, especially in recent years and try to answer to inner need, and by paying attention the limitation of importing automobile, these companies have been successful partly. But

these companies by paying attention to the quality of their products have need to main changes, so that the can compete in world markets. Our country in the field of producing automobile hasn't relative preferences and for this reason it has produced automobile in the shade of limitation and monopoly. Competition in world markets is an important point that this industry has reached to its news ([Fornell, 1992](#)). Iranian organizations now more than any other time have need to strategic change. Environmental opportunities and treats of today have affected economy of Iran more than before. Or organizations for getting suitable competitive position have a serious need to change their inner strategy and prepare the need of their customers. Automobile industry is one of the most important industries in the world and it has affected global economy. Following these progresses, environment of actives companies in this industry are agitated and active persons in this industry search for making a competitive

preferences through innovation and getting satisfaction of customer (Bowen and Shoemaker, 2003). With these descriptions marketing on the basis of relationship has an important role in automobile industry and can create relation between consumer and company. In fact when competitive environment of market is agitated the most important problem of a seller isn't selling and presenting qualified products, but he should try to keep his present c (Liu, 2008).

In these conditions marketer must figure out strategies of company further than traditional viewpoint, so that the company can reach to competitive permanent preference. So, in this condition, marketing on the basis of relationship as a replacement can fill the absence of not being any relation with customer. Marketing on the basis of relationship as a part of strategies of marketing is trying to attract and keep customers through giving qualified services to them and as a result it has changed to one of the secrets of being successful in agitated markets. In other words, tactics of marketing are the means for marketing on the basis of relationship and through these tactics marketers are trying to make a relation with consumers, so that the company can keep its customers (Morgan and Hunt, 1994). In the last decade of 20th century marketing on the basis of relationship appeared and during these years it has changed to a main process of merchandise and marketing. On the other hand in direction of world market this agitated market is visible in automobile industry of Iran. In this market, marketers are trying to create loyalty in their customers through activities such as selling with discount, buying electronically, TV and internet advertisements and so on. Because it is seen that when a company can't get satisfaction of its customers, they will search for other companies that are their competitor. Usually traditional organizations of the country haven't considered new methods of getting consumer and as a result they have lost most of their customers. In these researches it has been shown that 2 percent of unsuccessful organs haven't paid attention to loyalty of customers (Andaleeb, 1996; Keller, 1993).

So it is clear that the most problem for marketers is knowing consumers that are aim for them and making (creating) a good relation with them. This research wants to improve a model in this field, a model for marketing on the basis of relationship. Therefore by studying literature and ideas related to this matter and using methods of collecting information, it has been tried to create and survey a marketing relation between tactics of marketing, quality of relation and loyalty of customers. This research

is surveying the effect of tactics of marketing-relationship on loyalty of the customers of Gharb Steel Company (one of the active companies in the field of producing spare parts of automobile industry). It is expected that these tactics have positive influence on loyalty of customers (quality of services, understanding price, brand and suggested price) and on the basis of presented model they can survey loyalty of the customers of Gharb Steel Company.

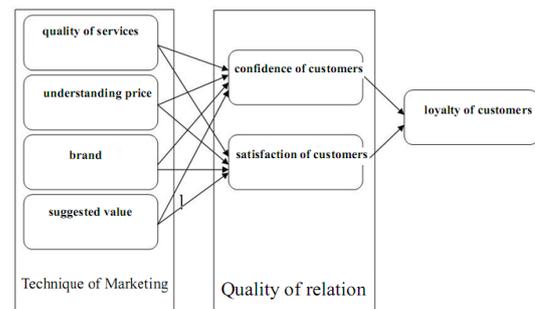


Figure 1: analytic model of research

LITERATURE OF RESEARCH

In the first phase the idea of relationship-marketing and then on the basis of a model, tactics of relationship-marketing, quality of relation and loyalty of customers will be discussed and according to the questions and hypothesis of research they will be considered.

2.1. Relationship-marketing

2.1.1. Origins of relationship-marketing

Naturally it is metaphorical. Metaphoric of "relation" emphasizes on basis Co-operation and confidence. So the results of relationship-marketing are: strategies centered on market, increasing loyalty, decreasing sensation to price and developing opportunities for selling massively and mutually. As a result relation is an important source of competitive preference.

2.1.2. Relationship-Marketing

Relationship-marketing means marketing with conscious goal for developing and conducting long-lasting relations and having confidence to consumers, sellers and other factors that are present in marketing environment. Relationship-marketing as the thinking process of strategic programming of marketing, industrial marketing and consumer marketing has been considered, and so they have defined relationship-marketing as "the behavior of company with the goal of making, keeping and developing relation with the customer in a way that both sides can benefit from it".

Hogard and Bacher have deduced that management of relationship-marketing should

pay attention to these three goals: management of beginning relation with costumer, keeping and increasing present relations and surveying the time of ending to these relations. In comparison with traditional market, in relationship-marketing, making relation with costumers in order to get bias and long-lasting

benefit has more importance. Basically, relationship-marketing in opposite to traditional one tries to consider consumers as partner. Table 1 shows the difference between traditional-marketing an relationship-marketing.

Table 1: Relationship-marketing in comparison with traditional marketing

Relationship-marketing	Traditional marketing
Tend to keep consumer permanent relation with consumer	tend to selling only incident relation with consumer
Focusing on the value of costumer	focusing on specialties of product
Long-lasting view	short-lasting view
Much emphasis on giving services to consumer	little emphasis on giving services to consumer
Much commitment to meeting	little commitment to meeting
Paying attention to the expectations of consumer	Paying less attention to the expectations of consumer
Quality attention from all of the personnel	Quality attention only from production personnel
Also traditional marketing can be considered as interchangeable marketing in which selling each production is considered a separate action	

Source: [Bown and Showmaker, \(2003\)](#)

Benefits of relationship-marketing are gotten from permanent support of consumers as loyalty partners that aren't sensitive to price during the time mutual reliance and mutual commitment between the two sides is necessary. So, all of the relations in this field is considered as a key for competitive preference ([Neisi and Ghanavati, 2011](#)).

2.1.3. Tactics of relationship-marketing

Marketers use various tactics for attracting consumer and making loyalty in them that on the basis of findings of researches, in table 2 some of them have been pointed out.

Table 2: Tactics of marketing affecting on quality of relation

Row	tactics of marketing	researchers
1	quality of service	Singh, (2008)
2	understanding price	Singh, (2008)
3	Suggested price	Singh, (2008)
4	attractive suggestions	Singh, (2008)
5	direct contact	Tseng, (2007)
6	touchable award	Tseng, (2007)
7	Inter personnel relations	Tseng, (2007)
8	preferred behavior	Tseng, (2007)
9	membering	Tseng, (2007)
10	brand	Peng and Wang, (2006)

2.2. Questions of research

1. Does relationship-marketing has any benefit?
2. Is any positive relation between tactics of relationship-marketing (quality of service, understanding price, brand and suggested price) and quality of relation (confidence and satisfaction of consumers)?
3. Is there any positive relation between quality of relation (confidence and satisfaction of consumers) and loyalty of customers?

2.3. Hypothesis of the research

1. There is meaningful and positive between loyalty of customers and technology of information.
2. There is meaningful and positive between value of customer and production.
3. There is meaningful and positive between relation and loyalty of customers.
4. There is meaningful and positive between confidence in marketing and loyalty of customers.
5. There is meaningful and positive between the price and satisfaction of customers.
6. There is meaningful and positive between brand and satisfaction.
7. There is meaningful and positive between suggested price and confidence of customers.

METHOD OF RESEARCH

This research from the view of goal is applied from the view of method of doing research is measurmenting from the view of method of collecting data is descriptive and from the view relation between variables of research is linear regression. Statistical universe of present research are personal and experts of companies such as Gharb Steel, Sazeh Gostar, Saipa and Zamyad that hereafter are called customer. Because of mass of sights and statistical universe, method of available sampling was chosen. This research was done in central offices of Gharb steel Co, Sazeh Gostar and Zamyad and during Mehr to Aban 1390. In this research data needing for the test was collected from likert questionnaire with 33 questions. Questions 1 to 6 measure quality of services, questions 7 to 11 measure understanding price, questions 12 to 14 measure brand, questions 15 to 18 measure suggested price, questions 19 to 23 measure confidence of customers, questions 24 to 27 measure satisfaction of customers and questions

28 to 33 measure loyalty of customers. 127 people from sample society by gender

combination of 82 men (%64.5) and 45 women (%35.5) have taken part in this test.

Table 3: The questions of research

Questions of variables	quality of services	understanding price	brand	suggested value	confidence of customers	satisfaction	loyalty of customers
Number of questions	6	5	3	4	5	4	6
Alfa-Kronbach coefficient	85.2	60.2	68.2	75.3	80.3	81.3	77.7

Reliability of questionnaire has been calculated through Kronbach test that its total value is %92.4. So according to these table (3) variables have suitable currency. So hypothesis has been surveyed through multi proposal linear regression test and by using SPSS19 software.

In the first part of research model that considers relation between tactics of relationship-marketing (quality of services, standing price, brand and suggested value) and quality of relation (confidence and satisfaction of costumers), hypothesis 1 to 7 have been used in a meaningful level up to %95.

Reliable of quality of relation have been considered as dependent variables and variables of marketing tactics have been considered as

independent variables and the results of the tests are shown in table (4). The result of estimate in the first part showed that the amount of R2 in regression model that has been depended to satisfaction is %56.4 and in regression model that has been depended to confidence is %58.3. So, it can be said that about %56.4 of changes of satisfaction of customers (dependent Variable) and about %58.3 of changes of confidence of customers (dependent variable) is definable by independent variables of this research also the level of statistics in these estimates show that about %99 of regression models are suitable.

Table 4: statistical estimation of relation between relationship-marketing tactics and quality of relation

Dependent variables	Independent variables	B	STD. Error	T	sig
Satisfaction Of Customers	quality of services	0.565	0.177	4.48	0.6
	understanding price	100	0.125	2.465	0.40
	brand	0.119	0.118	0.134	0.261
	suggested value	0.88	0.132	0.598	0.182
Confidence Of Customers	quality of services	0.278	0.146	3.668	0.08
	price understanding	0.169	0.150	1.224	0.290
	brand	0.33	0.125	0.266	0.280
	suggested value	0.260	0.142	2.895	0.29

On the basis of table (4), the results of hypothesis test 1 to 8 is as following:

3.1. Hypothesis 1 and 5

Because the level of meaningful relation between quality of services variable and satisfaction is 0.6 and 0.8 both are less than %1, so these relations are meaningful as a result zero hypothesis is ejected and the other one is accepted. In other words hypothesis 1 and 5 are confirmed. It means that there is positive and meaningful relation up to %99, between quality of services and satisfaction of customers.

3.2. Hypothesis 2 and 6

Because meaningful level of relation between price variable and satisfaction is 0.4 that is less than %5, so this relation is meaningful. In other

words hypothesis 2 is confirmed, this means that there is positive and meaningful relation between price and satisfaction of personnel. So, because meaningful level of relation between this variable and confidence is more than %5 hypothesis 6 isn't confirmed, it means that there isn't meaningful relation up to %95 between price and confidence of customers.

3.3. Hypothesis 3 and 7

Because the level of meaningful relation between brand and satisfaction variable is 0.361 and 0.280 that both are bigger than %5, so this relation isn't meaningful. So zero hypothesis can't be ejected. In other words hypothesis 3 and 7aren't confirmed. It means that there isn't meaningful relation between brand and confidence of customers up to %95.

3.4. Hypothesis 4 and 8

Because meaningful level of relation between variables of suggested price and confidence is 0.29 that is less than %5, so this relation is meaningful. In other words hypothesis 8 is confirmed, that is there is meaningful and positive relation between suggested price and confidence of customers up to %95 and also because meaningful level of relation between this variable and satisfaction is more than %5 hypothesis 4 isn't confirmed, that is there isn't meaningful relation between suggested price with satisfaction of customers up to %95.

The second part of research model that considers relation between quality of relation and satisfaction of customers has been used for 9 and 10 hypothesis up to %95. Loyalty of customers variable was considered as dependent variable and quality of relation variable was considered as independent variable. The results of the tests are visible in table (5). So it can be said that about %8.6 of changes of loyalty of customers is explainable by confidence and satisfaction of customers.

Table 5: statistical estimation of relation between quality of relation and loyalty of customers

Dependent variable	independent variables	B	STD. Error	t	sig
Loyalty of Customers	satisfaction of customers	0.545	0.138	4.366	0.005
	confidence of customers	0.142	0.122	1.154	0.087

On the basis of table (5), the results of test hypothesis 9 and 10 is as following:

3.5. Hypothesis 9

Because meaningful level of relation between loyalty and satisfaction is 0.005, that is less than %1, so this relation is meaningful. In other words hypothesis 9 is confirmed that is there is meaningful and positive relation between satisfaction and loyalty of customers up to %99.

3.6. Hypothesis 10

Because meaningful level of relation between confidence and loyalty of customers is 0.82 that is less than %5, so this relation isn't meaningful. As a result zero hypothesis can't be ejected. In other words zero hypothesis isn't confirmed that is there isn't meaningful relation between loyalty and confidence of customers up to %95.

efficiency may be different in different cultures and societies.

The other result is that trying to make close relations with customers may lead to undesirable results. In this research, loyalty customers are permanent ones, not temporary ones. Key factors in success of relationship-marketing are bilateral confidence and commitment, because these 2 factors have direct and positive effect on Co-operation of personnel in the organ. Tactics of relationship-marketing are considered as one of the important tools in creating long-lasting relations that can provide bilateral benefits. However these tactics are conducted widely by them, but customers still tend to competitors. So, in this research the effect of relationship-marketing (quality of services, price, brand and suggested price) on quality of relation has been surveyed by regression test and summary of the results is shown in table (6).

CONCLUSION

However relationship-marketing has been famous during recent years, amount of its

Table 6: results of hypothesis test

Explaining hypothesis	sig	accept or reject
Quality of services presented to customers have direct relation with satisfaction	0.006	accept
Price has positive relation with satisfaction of customers	0.040	accept
Brand has positive relation with satisfaction of customers	0.0261	reject
Suggested value has positive relation with satisfaction of customers	0.0182	reject
Quality of services has positive relation with confidence of customers	0.08	accept
Price has positive relation with confidence of customers	0.290	reject
Brand has positive relation with confidence of customers	0.280	reject
Suggested price has positive relation with confidence of customers	0.29	accept
Satisfaction of customers has positive relation with their loyalty	0.005	accept
Confidence of customers has positive relation with their loyalty	0.087	reject

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