

The study of the effects of customer loyalty strategies on sale improvement of Company (Case study: Kayla's Company)

Ph.D. Rasoul Aghadavood

Assistant professor, Management Department, Islamic Azad University, Branch of Dehaghan, Iran.
rasool_ghadavood@yahoo.com

Zahra Askari

M.S.C., Business management, Islamic Azad University, Science and Research Branch-khozestan, Iran
z_askari2010@yahoo.com

DOI Link: <http://dx.doi.org/10.6007/IJARBSS/v4-i1/517>

Published Date: 08 January 2014

Abstract

Present study, with the title of examining the influence of strategies of creating loyal customers on increasing sales of Kayla company products, is examining key role of strategies of creating loyalty in customers on value of system productivity, value of system satisfaction and decreasing complaints in Kaila firm. In this study, with respect to research model, one main hypothesis and nine alternative hypotheses are designed. This study from the point of view of purpose is applicable and from the aspect of performance type is survey with correlation approach. Statistical sample of present study includes 384 people from costumers of Kaila firm. Information was collected through a questionnaire made by researcher with 40 questions that its fluent was accepted by opinion of professors, counselor and management specialists and its reliability was estimated through Cronbach's alpha coefficient that was equivalent with 94%. This questionnaire includes identification characteristics, main and specialized questions specific for examining research hypotheses. 428 questionnaires were distributed and 384 questionnaires were returned (with return rate of 89%). Collected information was analyzed by Spss and Lisrel softwares through statistical tests in 2 levels of descriptive (frequency, percentage, mean, standard deviation, variance, skewness and kurtosis) and inference (Kolmogorov–Smirnov, test of Pearson ξ coefficient of correlation and technic of structural modeling). Fit of models, with respect to output of structural equations DF and GFI, was suitable. Also in the discussion of total quality, process quality with factor loading of 0.86 is in first preference and in the discussion of customer loyalty, value of system productivity and value of system satisfaction with factor loading of 0.73 are in first preference

which these results show the strength of kayla firm in creating loyal customers .Based on the results, all research hypotheses have been accepted. Therefore, strategies of creating loyal customers have significant influence on increasing sales of Kayla company products.

Key words:

Customer relationship management, customer satisfaction, relationship marketing, customer loyalty

1. Introduction

Nowadays, recognition and prediction of the customer need is a very important function for every business. The customer plays a key role in every business's success. On the other hand, maintaining and improving the customers' loyalty is considered as a strategic concern for companies that attempt to maintain and develop their competitive position in the market (Hamidizadeh et al., 2008: 82). On the other hand, recognition and prediction of customers' needs is important for promoting businesses' goals. The reason is that customers' loyalty is a reliable determinant of their success or failure. The loyal customers have two main benefits for organization. The first is their reliability. The second benefit of loyal customers is that the costs of maintaining them are very less than attaining new customers.

On the other hand, it is should be remembered that organizing distribution system is one of the most important economic and commercial issues in every country. Several points have been highlighted in the second economic development plan in Iran. These include modification of distribution channels for minimizing distribution costs, supporting consumers' rights in terms of consuming safe and health products and services and having their necessary information. Achieving such an important goal will be possible through attending customers. Considering customers as a unique factor in supplying businesses' necessary resources, promoting quality of products, and developing services based on the customers' needs should be considered as the main goal of every company and business that attempt to meet its customers' needs and wants. In other words, all of the software and hardware activities should be indicator of the customers' needs and wants. This is why that customer loyalty is considered as the main key success factor in every business. Indeed, loyal customers not only have more profitability for organization, but also purchase products repeatedly and increase business's market share and also advertise the business and its brand for their relatives and friends.

With regard to the positive effects of customer loyalty for originations and the role of companies in capillary distribution system, it is necessary that the organizational managers and officers attend this issue. They also have to identify the positive and negative effective factors on the customers' loyalty for eliminating negative factors and reinforcing positive ones. The organizational managers and officers have to concentrates on the customer loyalty in their marketing strategies and policies. They also have to attempt to maintain and improve customers' loyalty. The reason is that shortage in this can results in dissatisfaction among customers.

As indicated in every marketing book, a dissatisfied customer can destroy company's image among potential customers and other people. As a result, this will results in less market share for that company. With regard to this fact that the cost of attaining new customer for organization is more than maintaining existing ones, increase in customer loss phenomenon results in more costs

for company. As a result, this leads to less profit for company and this is the factor that threatens its survive.

2. Literature review

2-1. Customer loyalty

Richard Oliver defines loyalty as a commitment for repurchasing products or advertising the brand among relatives and other potential customers regardless of any situational effects continuously (Hamidizadeh et al., 2008: 66). Loyalty of the customers that benefit from products and services will be increased. Loyalty also increases customers' awareness from that brand. Although there are several situational factors that can influence the customers' behaviors, but the loyal customers have commitment toward repurchase in the future times and also advertisement of that brand among relatives and potential customers. The purpose of a commercial strategy that is used for selecting and managing the effective communications is achieving more printability (Aghadavood and Radaei, 2012: 132).

The relationship marketing refers to identification, creation, maintenance, and promotion of the effective relations with customers and stakeholders. This can be done through creating trust in the result of satisfying customers' needs and wants (Gamson, 1994). The concept of competitive advantage has a direct relationship with customer values so much that the congruence between customers perceived value and their expected value results in more competitive advantage for that organization in comparison to its competitors (Mehri and Hosseini, 2004). Kotler refers to customer satisfaction as a degree in which the actual performance of company satisfies the customer's needs. According to Kotler, if the company's actual performance can satisfy the customers' needs and wants, the customer will be satisfied and vice versa (Divandari and Delkhah, 2005: 188).

2-2. The relationship between customer satisfaction and profitability

Several authors and researchers offered different definitions for customer satisfaction in marketing field. Kotler refers to customer satisfaction as a degree in which the company's actual performance satisfies customers' needs. According to Kotler, if the company's actual performance can satisfy customers' needs, the customer will be satisfied and vice versa. Customer satisfaction is the main result of marketer's effort that acts as the relationship between different steps of consumer purchase behavior. For example, satisfaction of customers' needs and wants in terms of an especial service leads to repeat their repurchase intention. Also the satisfied customers speak with others about their successful and desirable experiences. This results in positive word of mouth communications about company's product.

On the other hand, there are dissatisfied customers that not only interrupt their relation with the company, but also they are involved in the negative word of mouth communications about that product. On the other hand, it is should be remembered that the repurchase and word of mouth communications influence survive and profitability of the company positively. The exchange concept of customer satisfaction focuses on the customer's evaluation of every purchase.

The overall concept of customer satisfaction refers to the customer's overall evaluation and feeling about his/her purchases. Indeed, it can be said that total customer satisfaction depends on the all of the customers' satisfaction or dissatisfaction in the past exchanges.

Customer relationship management is an overall and detailed perception of customers and selling process that paves the ground for communicating every customer so exactly that do not lose any opportunity in more selling and satisfying customers' needs and wants. Considering customer as the most important factor of supplying critical source, promoting quality of products and developing suitable services based on the customers' needs and wants is a very important policy. This is should be done continuously by organizational managers and officers. In other words, all of the software and hardware efforts of the companies should be indicator of the customers' needs and wants.

Customer loyalty is a key success factor. It is should be remembered that the loyal customers have more profit for organization. The reason is that they purchase more products and services from organization, make high market share for organization, and also advertise the organization.

Total commutative customer satisfaction refers to the customer's overall evaluation from his/her purchase and consumption experiences in a long-term period. On the other hand, exchange satisfaction results in more information about individuals' experience from a product or service. The total satisfaction is a suitable criterion about past, present, and future performance. This importance derives from this fact that the customers make purchase decision based on entire experiences they have with that brand not an especial purchase of that brand in an especial place and time (Homburg, 1998: 125).

2-3. Value process

Reinforcement of the relationship between customer relationship and the organization is one of the main characteristics of customer relationship management. The customer satisfaction will be improved through this process and also value of two sides will be increased. This is the function that directs customer toward more loyalty.

If the company attempt to satisfy the customers' needs and offer the services in a good manner that there are demands for them, then it is expected that a two-way value will be created. As a result, the final goal that is strategic customer relationship management can be achievable.

In the successful organizations, all of the organizational departments are customer-oriented and have obligation in front of the customers. It is should be remembered that only marketing department is not sufficient for customer satisfaction and it is necessary to educate all of the organizational members for this purpose. Also it is necessary that the organization satisfies its employees' satisfaction so exactly that the employees have motivation and commitment for achieving customer satisfaction and loyalty (Heydarzade, 2008: 5-12).

2-4. Profitable loyalty management

since the strategies of drop in costs and increase in profitability have been attended by many companies, customer focus was considered as one of the most important strategic goals in every organization. Although need for creating customer loyalty is perceived by organizations, but it is

should be remembered that these customers are profitable for organizations' long-term success. Understanding the complex relationship between customer loyalty and profitability is somewhat a difficult function. The results of different past studies revealed that customer loyalty results in more profitability for organization.

Richheld (2000) pointed out achieving customer loyalty and thereby acquiring profitability depends on each other like to repetition of day and night. Garland (2005) believed that

customer loyalty is a necessary prerequisite of profitability. It is necessary to concentrate on the strategic goals of customer relationship management in order to transform the temporary loyalty to

long-term and continuous one. In today's complex world, there are several roles and requisites in different conditions.

The customer may have different relations through different communicational channels based on their role. Such conditions lead that the organization faces different difficulties and problems in creating a general comprehensive customer perspective. It is necessary to provide customer relationship management systems in order to satisfy this need and increase different systems' reliability. Therefore, the use of customer relationship management systems can be helpful in achieving its purposes.

2-5. Profitability of loyal customers

the loyal customers have several benefits that result in more profitability for organizations. Some of these have been indicated in the following section.

1. Decreasing costs of attracting new customers
2. Loyal customers' desire for paying more prices for products
3. The benefits of customer life cycle value
4. Positive performance through increase in the predictability
5. Increasing the obstacles of entering new competitors
6. The loyal customer act as an advertisement agent for organization

On the other hand, it is should be considered that the benefits and advantages that are achieved as a result of customer's maturity in the organizations in long-term time period have following components.

1: attraction costs: these costs include the costs that the company undertakes for attracting every customer in the first time. These include direct advertisement, price commission, sale forces, and promotion costs that are undertaken for attracting new customers.

2: basic profit: this refers to the difference between incomes of final sale and company's costs.

3: income growth: when the customers purchase more quantities of products continuously and show the values of their loyalty, the actual profit will be increased.

4: saving: increase in the customers and companies' experience lead that they learn to have more effective performance and economic savings.

5: returned goods: increase in the companies' prediction power through loyal customers and decrease in the customers' perceived risks for returning products result in better return on investment (ROI) for organization and more operational profit for it.

6: high price: the loyal customers desire to pay more prices for products and following different promotional instruments. Indeed, they have not any sensitivity toward price (Jey, 2008: 365).

So, the following hypotheses can be developed based on the literature review.

Alternative Hypothesis

1. There is a significant relationship between product technical quality and customer loyalty.
2. There is a significant relationship between product process quality and customer loyalty.

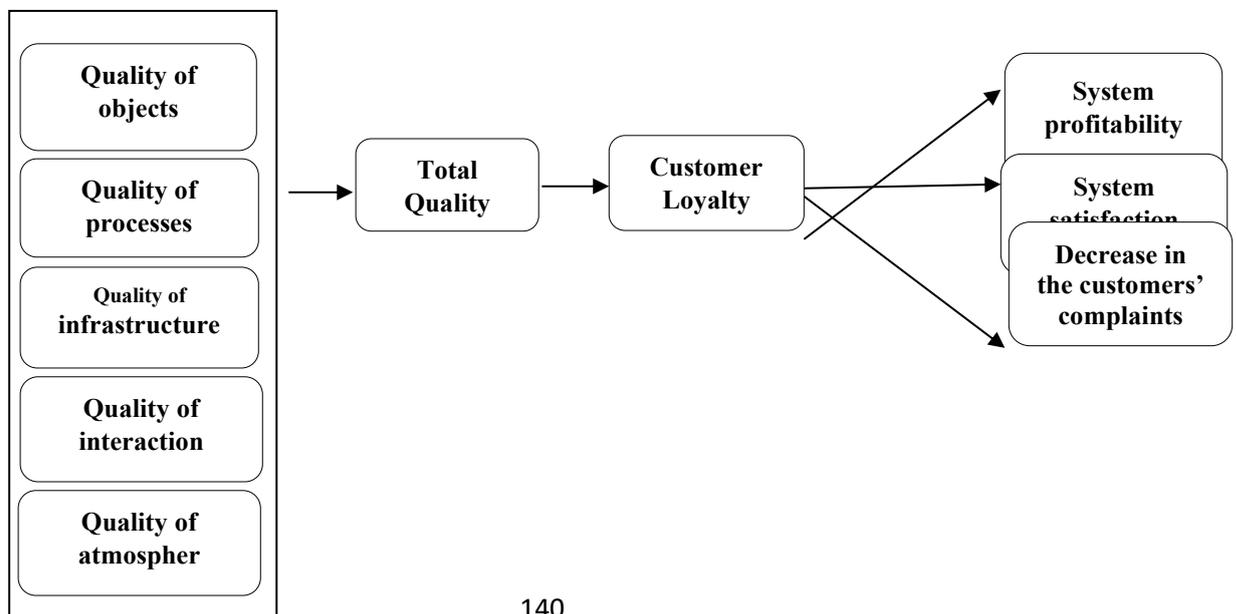
3. There is a significant relationship between product infrastructure quality and customer loyalty.
4. There is a significant relationship between interaction quality and customer loyalty.
5. There is a significant relationship between environment quality and customer loyalty.
6. There is a significant relationship between total quality and customer loyalty.
7. There is a significant relationship between customer loyalty and profitability.
8. There is a significant relationship between customer loyalty and system satisfaction.
9. There is a significant relationship between customer loyalty and decrease in complaints.

Main hypothesis

There is a significant relationship between customer loyalty strategies and increase in sale of Kayla capillary distribution company.

3. The conceptual model of study

The conceptual model of study has been presented in figure 1. The relationships between variables of this model refer to the research hypotheses.



4. Research methodology

This study is a descriptive research from research methodology perspective and is a practical research from purpose view and is correlational research. The relationship between researches variables are examined in such studies based on the research purposes. Also the correlation between research dependent and independent variables and their type and severity are examined and analyzed in this study. With regard to this fact that the library and field studies are used in this study and also its purpose is to recognize the characteristics, preferences, traits, and behaviors of statistical population, this research is a field study. Therefore, this study is a descriptive-survey research.

5. Statistical population and sample

The statistical population of this study is the company of Kayla capillary distribution company.

6. Data-collection methods and instrument

The data of this study has been entered to Excel and its primary calculations have been done in this software. In order to summarize the research findings and testing the research hypotheses, descriptive statistics (average and standard deviation) and inferential statistics (regression analysis and correlation coefficient) have been used. In order to test the main hypothesis of this study, structural equation modeling method has been used in Lisrel. Also confirmatory factor

analysis and Pearson correlation coefficient have been used for testing research hypotheses in the Spss.

7. Reliability and validity of the questionnaire

Validity refers to this fact the data-collection instrument can measure the research variables. The importance of validity is that the insufficient and inappropriate instrument can make the research and its finding unusable and invalid. Validity of every data-collection instrument can be measured and determined by any expert in that field. In order to this, the academic experts and professors were asked to review the questionnaire and indicate their modifications and corrections. In order to examine reliability of this questionnaire, Cronbachs' Alpha Coefficient has been used in this study. In order to this, 30 questions of 30 primary questionnaires have been entreated to the SPSS and then its coefficient was calculated that is 0.94. These findings have been indicated in table 1.

Table 1: the results of examining reliability of questionnaire through Cronbachs' Alpha Coefficient

variable	Dimensions	Number OF Questions	Cronbachs' Coefficient	Alpha
Total Quality	Quality Of Objects	1-8		0.881
	Quality Of Processes	9-16		0.926
	Quality Of Infrastructure	17-24		0.889
	Quality Of Interaction	25-32		0.911
	Quality Of Atmospher	33-40		0.905
Cronbachs' Alpha Coefficient Of Total Quality variables				0.949

Loyalty	system profitability	1-5	0.919
	system satisfaction	6-10	0.916
	decrease in the customers' complaints	11-16	0.943
Cronbachs' Alpha Coefficient Of Total Quality variables			0.948

8. Data analysis

8-1. The respondents' demographic characteristics

The descriptive findings of this study revealed that 84% of the respondents were male and 16% of them were female. On the other hand, 70% of the respondent had 30-39 years old and only 2% of them had more than 50 years old. Also it can be said that 19% of the respondents had less than 30 years old. 48% of the respondents had M.Sc. and higher degrees.

Table 2: the respondents' demographic characteristics

Variable	Levels	%				
Educational level	Elementary school	3	Gender	Levels	%	
	Elementary school diploma	17				
	High school diploma	31		Male	84	
	Graduate and post graduate	48		Female	16	
			Age	Variable	Levels	%
					>30	19
					30-39	70
					40-49	9
				<50	2	

9. Inferential findings

In order to test the first six hypotheses, Pearson correlation coefficient has been used.

Hypothesis 1

There is a significant relationship between product technical quality and customer loyalty.

Table 2: the summary of Pearson correlation coefficient between product technical quality and customer loyalty

Variables	Number of samples	Coefficient Of Correlation	(sig) duplex	Result
technical quality and customer loyalty	384	0.539	0.000	Is confirmed

As indicated in this table, significance of this test is 0.000 and shows that H0 cannot be supported. Based on the results of this table, it can be said that there is a significant relationship between product technical quality and customer loyalty. Therefore, this hypothesis is supported. On the other hand, the results revealed that there is a significant relationship (r: 0.539) between product technical quality and customer loyalty.

Hypothesis 2

There is a significant relationship between product process quality and customer loyalty.

Table 3: the summary of Pearson correlation coefficient between product process quality and customer loyalty

Variables	Number of samples	Coefficient Of Correlation	(sig) duplex	Result
process quality and customer loyalty	384	0.619	0.000	Is confirmed

As indicated in this table, significance of this test is 0.000 and shows that H₀ cannot be supported. Based on the results of this table, it can be said that there is a significant relationship between product process quality and customer loyalty. Therefore, this hypothesis is supported. On the other hand, the results revealed that there is a significant relationship (r: 0.619) between product process quality and customer loyalty.

Hypothesis 3

There is a significant relationship between product infrastructure quality and customer loyalty.

Table 4: the summary of Pearson correlation coefficient between product infrastructure quality and customer loyalty

Variables	Number of samples	Coefficient Of Correlation	(sig) duplex	Result
Infrastructure quality and customer loyalty	384	0.468	0.000	Is confirmed

As indicated in this table, significance of this test is 0.000 and shows that H₀ cannot be supported. Based on the results of this table, it can be said that there is a significant relationship between product infrastructure quality and customer loyalty. Therefore, this hypothesis is supported. On the other hand, the results revealed that there is a significant relationship (r: 0.468) between product infrastructure quality and customer loyalty.

Hypothesis 4

There is a significant relationship between interaction quality and customer loyalty.

Table 5: the summary of Pearson correlation coefficient between interaction quality and customer loyalty

Variables	Number of samples	Coefficient Of Correlation	(sig) duplex	Result
-----------	-------------------	----------------------------	--------------	--------

interaction quality and customer loyalty	384	0.374	0.000	Is confirmed
--	-----	-------	-------	--------------

As indicated in this table, significance of this test is 0.000 and shows that H0 cannot be supported. Based on the results of this table, it can be said that there is a significant relationship between interaction quality and customer loyalty. Therefore, this hypothesis is supported. On the other hand, the results revealed that there is a significant relationship ($r: 0.379$) between interaction quality and customer loyalty.

Hypothesis 5

There is a significant relationship between environment quality and customer loyalty.

Table 5: the summary of Pearson correlation coefficient between environment quality and customer loyalty

Variables	Number of samples	Coefficient Of Correlation	(sig) duplex	Result
environment quality and customer loyalty	384	0.432	0.000	Is confirmed

As indicated in this table, significance of this test is 0.000 and shows that H0 cannot be supported. Based on the results of this table, it can be said that there is a significant relationship between environment quality and customer loyalty. Therefore, this hypothesis is supported.

On the other hand, the results revealed that there is a significant relationship ($r: 0.432$) between environment quality and customer loyalty.

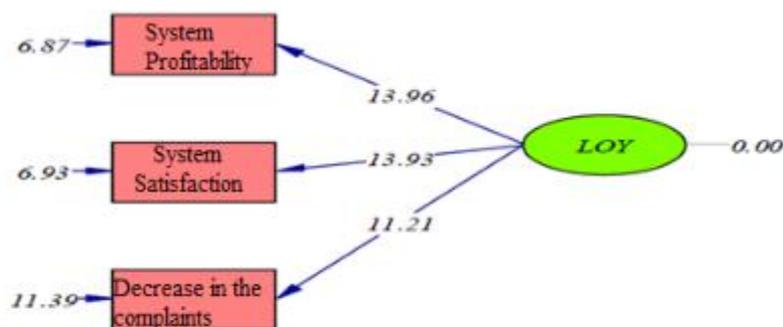
Hypothesis 6

There is a significant relationship between total quality and customer loyalty.

Table 5: the summary of Pearson correlation coefficient between total quality and customer loyalty

Variables	Number of samples	Coefficient Of Correlation	(sig) duplex	Result
total quality and customer loyalty	384	0.661	0.000	Is confirmed

As indicated in this table, significance of this test is 0.000 and shows that H0 cannot be supported. Based on the results of this table, it can be said that there is a significant relationship between total quality and customer loyalty. Therefore, this hypothesis is supported. On the other hand, the results revealed that there is a significant relationship ($r: 0.661$) between total quality and customer loyalty. In order to test the hypotheses 7, 8, and 9, factor analysis method has been used.



Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000

Diagram 1: the results of significant factors in factor analysis of customer loyalty

Hypothesis 7

There is a significant relationship between customer loyalty and profitability.

With regard to diagram 1, the significant number between customer loyalty and profitability is 13.96. This value is more than 1.96. Therefore, there is a significant relationship between customer loyalty and profitability. This is why that the seventh hypothesis of this study is supported.

Hypothesis 8

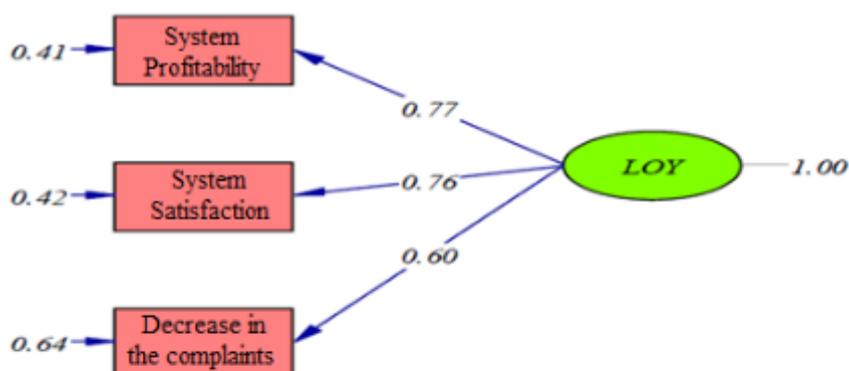
There is a significant relationship between customer loyalty and system satisfaction.

With regard to diagram 1, the significant number between customer loyalty and system satisfaction is 13.93. This value is more than 1.96. Therefore, there is a significant relationship between customer loyalty and system satisfaction. This is why that the eighth hypothesis of this study is supported.

Hypothesis 9

There is a significant relationship between customer loyalty and decrease in complaints.

With regard to diagram 1, the significant number between loyalty and profitability is 11.21. This value is more than 1.96. Therefore, there is a significant relationship between loyalty and decrease in complaints. This is why that the seventh hypothesis of this study is supported. The coefficient of standard prediction of factor analysis of customer loyalty has been presented in diagram 2.

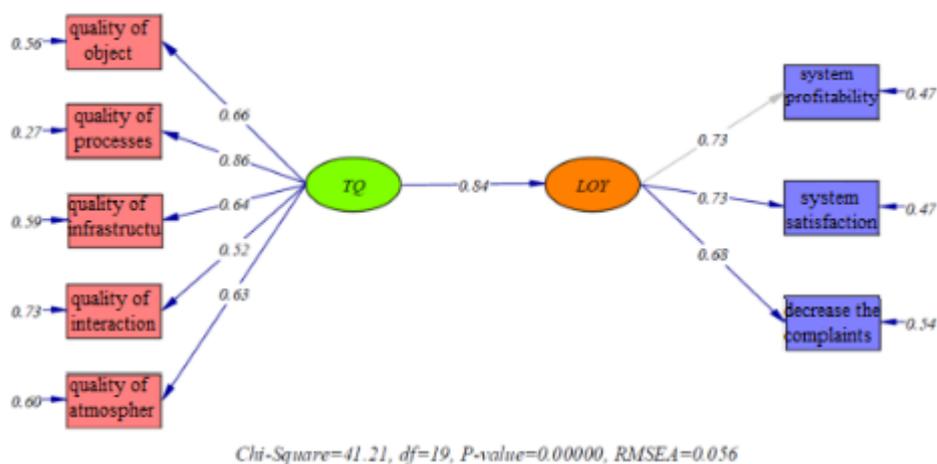
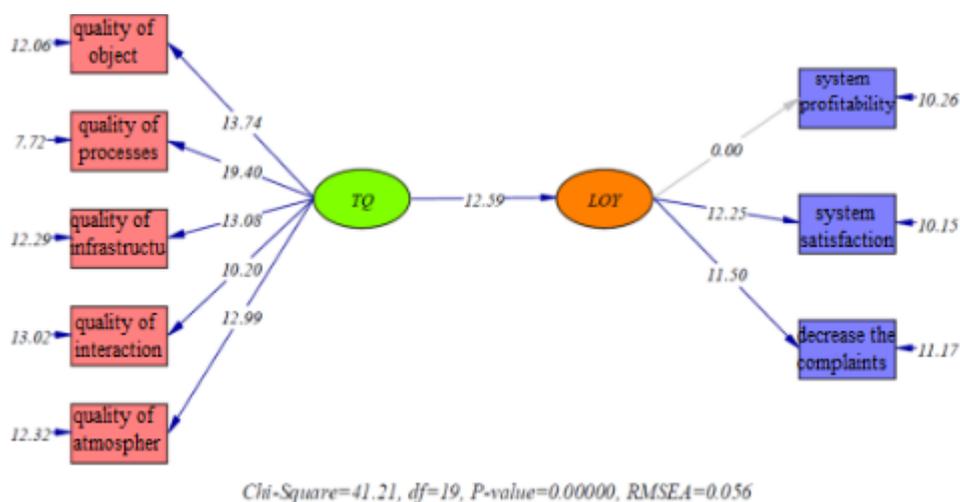


Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000

Diagram 2: The results of standard prediction coefficient of factor analysis of customer loyalty

In order to test the main hypothesis and examining model fitness, structural equation modeling method has been used.

The significance of model and standard prediction coefficient of structural equation modeling have been presented in diagrams 3 and 4.



Main hypothesis

There is a significant relationship between customer loyalty strategies and increase in sale of Kayla capillary distribution company.

With regard to the results of above diagram, the significance of the relationship between total quality and customer loyalty strategies is 12.59. This value that is more than 1.96 refers that there is a significant relationship between total quality and customer loyalty strategies.

On the other hand, path coefficient of this relationship is 0.84 and this refers to the weight and importance of the relationship between total quality and customer loyalty strategies. Therefore it can be said that total quality and its components are the main effective factors in customer loyalty strategies.

On the other hand, it should be remembered that increasing the loyal customers results in less costs of new customer attraction. This influences the company's sale and leads to increase its sale. It can be said that customer loyalty strategies influences company's sale amount. Therefore, the main hypothesis of study is supported.

9-2. Measurement model

Generally, two main models are tested in the structural equation models. The first is measurement model for latent variables. This model refers to the factor loadings of observed variables for latent variables. The goodness of fit measures has been indicated in the following table for all of the latent variables. As indicated in table 3, all of the goodness of fit indexes is in acceptable and in desirable range.

Table 3: the goodness of fit indexes for structural equation modeling

	fit indexes	Optimum	Result
χ^2/df		<3.00	2.17
GFI(goodness of fit index)		>0.90	0.96
RMSEA(Root Mean Square Error of Approximation)		<0.08	0.056
RMR(root mean square residual)		<0.05	0.02
NFI (Normed Fit Index)		>0.90	0.98
NNFI (Non-Normed Fit Index)		>0.90	0.98
CFI (Comparative Fit Index)		>0.90	0.96

10. Conclusion

The results of Pearson correlation coefficient for first to six hypotheses revealed that significance level of these hypotheses is 0.00 that it is less than 0.05. Therefore, it can be said that these six hypotheses are supported and it can be said that there is a significant relationship between components of total loyalty and customer loyalty.

With regard to the results of diagram 2, it can be said that system profitability (with path coefficient 0.77) is the most important component of total quality in creating customer loyalty. On the other hand, system satisfaction (with path coefficient 0.76), and decrease in the customers' complaints (with path coefficient 0.60) are the second, third, and fourth effective factors on creating loyalty.

With regard to the results of factor analysis for seventh, eighth, and ninth hypotheses, the results of hypotheses status have been indicated in the following section: Significance of the relationship between customer loyalty with system profitability, and system satisfaction with decrease in the customers' complaints is more than 1.96. Therefore it can be said that there is a significant relationship between customer loyalty with system profitability, and system satisfaction with decrease in the customers' complaints.

Therefore, the seventh, eighth, and ninth are supported. Also with regard to the results of diagram 2, system satisfaction with path coefficient (0.77) is the most important component that creates customer loyalty. On the other hand, system profitability with path coefficient (0.76), and decrease in the customers' complaints with path coefficient (0.60) are the most important effective factors on creating customer loyalty.

In order to examine the main hypothesis, structural equation modeling has been used. The significance level of the relationship between total quality and customer loyalty was 12.59. This value that is more than 1.96 refers that there is a significant relationship between total quality and customer loyalty. On the other hand, path coefficient of the relationship between total quality and customer loyalty is 0.84 and refers that total quality influences customer loyalty creation significantly.

Therefore it can be said that total quality and its components are considered as the main components of customer loyalty creation. On the other hand, it should be remembered that increasing loyal customer means decreasing costs of attracting new customers. This results in more sales for company. Therefore, it is concluded that there is a significant relationship between customer loyalty creation strategies and increasing companies' sale.

11. Limitations of study and suggestion for future studies

Generally, there are several limitations in every study that the authors identify them in the primary steps of study. The authors face different limitations and every step of their study and limitations are the obstacles that limit generalization ability of study and its findings. Recognition of these limitations paves the ground for better interpretation of research results and promoting quality level of the future studies and researches.

The authors of this study faced different limitations in different steps of study that some of them have been presented in the following section. The main limitations of our study are use of questionnaire and difficulty in accessing sample members in data-collection step. Undoubtedly, the main limitation of every study is its inability in generalizing the results and findings of study to more general population. Such a limitation exists in this study and the results and findings of this study cannot be generalized to other populations.

It is suggested that the service criteria should be considered for increasing rate of customer loyalty and decreasing rate of customer loss. It is necessary to promote a suitable organizational culture in order to create criticism and customer-orientation spirit among employees. Because customer plays an important role as a key and critical factor in every organization, it is necessary to consider the goal, strategies, and resources based on the customer attraction and maintenance.

This is why that maintenance and reinforcement of customer loyalty creates a good position for organizations in comparison to other competitors in the competitive environment. Because loyal customers have several positive benefits for organization, it is suggested that organizational managers and officers consider their customers as an important factor in the marketing strategies and policies.

They also have to attempt to maintain and reinforce the customers' loyalty toward their organization. Increase in the customer loyalty means decrease the costs of attracting new customers. This increases companies' sale. Therefore, it is suggested that the companies attempt to maintain the present customers through increasing their customers' loyalty and relationship with their customers.

If the customers have more and more loyalty toward the organization, the organization will be more success in its marketing efforts. The reason is that the loyal customers are the potential sources of marketing for organization.

References

1. Aghadavood, R. Radaie, M. (2011). Knowledge Management., ghazal Publications, Esfahan, 7th edition.
2. Divandari, A. Delkhah, J. (2005). Drafting and design model for measuring customer satisfaction in the banking industry and bank customer satisfaction measurements are based on it, Journal of Business, No. 37, pp. 22-185.
3. Gee, Robert, Coates Graham, (2008), Understanding and Profitably Managing customer Loyalty, Marketing Intelligence & Planning, vol, 26no, 359, 363, 364, 365.
4. Gummesson E. "Lip service—a neglected area in service marketing" Journal of Service Marketing, 1987;1(1):19– 24.
5. Hamidzadeh, M. Ghamkhar, M. (2008). Determine the level of customer loyalty using the model of rapid response teams. Research and Management, No. 2, pp. 61-82.
6. Heydarzade, K. Seyfali. (2008). Assess the impact of selected marketing mix elements on brand equity ", Journal of Marketing Management No. 57, pp.57-21.
7. Homburg, C.; Werner, H (1998): Kundenorientierung mit System – Mit Customer Orientation Management zu profitablen Wachstum, Campus Verlag, Frankfurt/ New York.
8. Mehri, A. Khodadad Hosseini, H. (2005). Tive model of competitive advantage, Journal of Human Sciences Lecturer, No. 39, page 189.
9. MosadZineldin, (2006),"The royalty of loyalty: CRM, quality and retention", Journal of Consumer Marketing, Vol. 23 Iss: 7 pp. 430 – 437