

## PalArch's Journal of Archaeology of Egypt / Egyptology

### INVESTIGATING THE ROLE OF THE CUSTOMER LOYALTY IN CUSTOMER SATISFACTION

*Abolfazl Zolghadr<sup>1</sup>*

<sup>1</sup> Department of Business Management “Strategic”, Faculty of Management, Central Tehran Branch, Islamic Azad University, Tehran, Iran. Zolghadr.1375 @ icloud.com

**Abolfazl Zolghadr: Investigating the Role of the Customer Loyalty in Customer Satisfaction -- PalArch's Journal Of Archaeology Of Egypt/Egyptology 18(15), ISSN 1567-214x**

**Keywords: loyalty, customers' loyalty, customer satisfaction**

#### **ABSTRACT**

Nowadays, customers' loyalty is amongst the most important topics proposed amidst the business entities. Businesses are always seeking to increase their profits as well as their customers but they often do not know that the customer retention is accompanied by a lot lower costs for them and it can supply them with their needed profits. From the perspective of Gundi, customer is the most important person in a transaction. Customers are not dependent on the business entities; conversely, the latter depends on the former. Customers do not get involved in the business entities' tasks rather they are the goals of their activities. A customer's selection of a business entity is actually a graceful action and the business entities returning the favor are actually performing their tasks. Customers are not non-friendly elements in the business entities' transactions; the customers are not needed to comply with the business entities rather the latter should adapt to the former. Customers tell their needs and the business entities should satisfy them; customers deserve the highest amounts of attentions and greatest services. In the absence of the customers, the business entities would have difficulties in paying the salaries to their employees (Ranjbarian and Barabari, 2014).

The present study tries investigating the role of customer loyalty in customer satisfaction. It is through more recognition and perception of the loyal customers' value and customers' loyalty that it is hoped that the customer retention culture can be rendered more prevalent and this would per se be followed by customers' more satisfaction.

Customer retention is not one of the other options for the businesses rather it is to be envisioned as a must and the failure in paying attention to such cases would be followed by nothing other than losing of the customers as well as customers' dissatisfaction hence the downfall of the business.

#### **INTRODUCTION**

Nowadays, customer's loyalty is considered as one of the most important topics posited amidst the businesses. The business entities are always seeking to increase their profits as well as the number of their customers but they often do not know that the customer retention is followed by a lot lower costs and simultaneously guarantees their profitability.

The transformation of haphazard customers to loyal ones is the most important thing with which the businesses are engaged and the more and the better such a customer transformation, the more blooming would be followed for the business entity. Loyal customers advertise for the business entities; introduce them to their friends and have a large deal of very important effects on the prosperity of the businesses. Due to the same reason, this article helps you understand the importance of loyalty and make efforts for retaining your customers in the best possible way and transform them into loyal customers of your business. Remember that loyal customers are amongst the most valuable assets of the businesses.

Literally, loyalty has been defined as steadfastness, honesty, faithful and true-hearted. In the book “the little princess”, it has been simply stated that loyalty means “if there is another flower in your planet, you should be in love with your own flower”.

But, how can the customers be made loyal indeed in the today’s intensively competitive market?

What are the things that can be done for making customers loyal?

By studying this article, the above questions’ answers will be elucidated and efforts will be simultaneously made to heighten the readers’ recognition of the loyal customers and the business entities’ officials will be made ready for having loyal customers.

## **THEORETICAL LITERATURE:**

### **Definition of Customer:**

From the perspective of Gundi, customer is the most important person in a transaction. Customer does not depend on the business entities but the reverse is true. Customers do not get involved in the businesses’ performance of their tasks; customers are the targets of the business entities’ activities. Customers’ selection of a business entity stems from their graciousness towards it but the business entities returning the favor are actually doing their duties; in the transactions, customers are not non-friendly elements; the customers do not need to adapt themselves to the business entities rather the latter should comply with the former; the customers tell their needs to the business entities and they try meeting them. Customers deserve the highest attentions and the greatest services; in the absence of the customers, the business entities would be incapable of paying the employees’ salaries (Ranjbarian and Barabarai, 2014).

### **Kinds of Customers:**

From the perspective of many organizations, good customers are those who account for a large quotient of an organization’s profitability but, in the present era, the profitability and the income-generation cannot be realized as the only scale for offering a definition of the customers.

Customers can be classified according to the following ways:

A) The geographical method that uses analysis to investigate and identify the customers (by considering the point that 20% of the customers supply 80% of the companies’ incomes).

B) The psychological method wherein the identification of the customers’ mindset and behavior and their mutual effects are taken into account. In this method, four kinds of customers are identified:

- Loyal customers
- Relatively loyal customers
- Disloyal customers
- Rivals' loyal customers

In the marketing-related concepts, the followings are the types of the customers:

1) Potential customers: the individuals who are not yet customers but are targeted by the market.

2) The customers who exhibit reactions: the potential or contingent customers that show interest and reaction to a product or a service.

3) Actual customers: the individuals who are currently applying a product or service.

4) Former customers: these individuals are not good customers because long time has elapsed since they had been the target of the purchases and/or they have possibly taken their purchases to the rivals' products (Ranjbarian and Barabari, 2014).

Kinds of Customers in Terms of Satisfaction:

1) Satisfied customer: the satisfied customer is the one that is presently satisfied but s/he is yet to become one of the valuable, loyal and permanent customers. This customer is in a good level but s/he is capricious and the rival can change his or her mind and make him or her indifferent towards the organization.

2) Happy customer: this customer is more loyal to a business entity because s/he believes therein and, accordingly, says good things about it when talking with his or her friends and s/he brings new customers for it. But, this customer also has expectations that the business entity should seminally get ready for meeting his or her occasionally improper needs otherwise the absence of a logical and well-codified plan for meeting his or her expectations would change him or her into a dissatisfied customer. To keep him or her satisfied, s/he should be provided with specific and well-determined discounts.

3) Dissatisfied customer: instead of being satisfied, s/he is unfortunately in the group of the opposing and dissatisfied customers of a business entity because his or her needs might have been left unsatisfied and the rivals may have better served him or her; therefore, efforts should be made in line with offering fundamental services to firstly prevent his or her dissatisfaction because such customers perform the following interventions:

A) Dissatisfied customer speaks about his or her problems at least with several persons and persuades them to go to the rival.

B) The dissatisfied customer transfers his or her information to 20 other persons.

C) 98% of the dissatisfied customers leave the business entity without prior information or complaint and go to the rival.

D) Delighted customers: these customers are fanatic and big fans of a business entity and drag the others to it through insistence. They even spend time and money to make an organization famous. These are the most valuable customers and they should be absorbed to the organization through the use of the influential leadership methods and via winning their hearts

and influencing them in mind and heart because they would later on become the organization's loyal customers.

4) Angry customers: the performance of a manager and his or her organization would not only make these customers dissatisfied but also makes them upset and even angry. This kind of customers seeks revenge and makes efforts for the destruction of the organization and their least want is the elimination of the manager and his or her organization from the scene of competition. The existence of a few numbers of such customers is extraordinarily dangerous for the destruction of a manager and his or her organization for a few of them suffices the destruction of the organization and its manager; thus, the organization and its manager should not let this type of customers get angry to this extent (Ranjbarian et al, 2015).

### **How to Gain Customers' Loyalty:**

Let us provide you with some statistics. More than 50% of the customers are ready to pay 20-25 percent higher prices so as to obtain their interested trademark before going to another trademark.

In some commodity groups, an increase in the loyal customers for 5% can be accompanied by a 95-percent increase in the profit for the businesses.

In the group of the luxurious goods, 10% of the loyal customers create sales' increases by 50%.

Scot M. S. Davis and Michael Don mention six reasons for encouraging the loyal customers in the book "making brand for advancing businesses"; as they say, when the customers are loyal:

- 1) They do not use the other trademarks
- 2) They want your trademark
- 3) They recommend your trademark to the others
- 4) They take long trips or spend more time for your trademark
- 5) They accept the trademark development with better preparation
- 6) They are always willing to pay higher prices for your trademark

(Elahi and Haidari, 2018).

Now, let us have a glance at some other statistics: in the crowded and messy market of the today, 80% of the customers are sensitive to the rivals' suggestions and less than 20% recommend your trademark to the others. Considering the above descriptions, it is not surprising to say that there are a lot of programs for enticing more loyalty in the customers but are they effective? Most of them are not for six reasons:

- 1) The loyalty-enticing programs are usually based on discount and this teaches the customers that they should be always looking for lower prices;
- 2) The loyal customers that are ready to pay higher prices will be dragged to this habit;
- 3) The new customers will be disappointed for they would feel that they are punished and not included by such discounts;
- 4) The rivals will be encouraged towards imitated programs
- 5) The profits will be lowered;
- 6) The company's ability for offering high-level services will be diminished subsequently (Elahi and Haidari, 2018).

The truth is that loyalty cannot be planned. As soon as the customers become proud, they choose to fight or escape. They understand how to play in this system and/or become inclined towards another trademark.

You might have had such an experience. Several months ago, I went to one of Safe Way Stores on my way back home from work to buy somethings. Naturally, I buy from another supermarket but, upon witnessing their prices, I was surprised and, when I reached the counter, the cashier asked me if I had a safe way card? She said “you should fill a form if you want lower prices”. I put all the goods on the counter and I did not return to safe way store ever since. You may show another reaction; for example, you may ask for the card and put it along with the other cards inside your wallet and surf the various stores.

But, where is the loyalty? Has it been destroyed? The real loyalty cannot be bought but it can be just gained. The loyalty is established firstly from the company towards the customers and not conversely and it is bilateral only when the customers feel that they have obtained a subtle loyalty.

In order to more comprehend the subject of loyalty, let us consider Beibley’s coffee shop. For instance, one of the processes for how to make coffee is establishing a database that provides personal information of the customers who have tasted a sort of coffee.

Customers can refer to this history on the website and tell others about their feelings about every coffee they have tested and they can also find out what other flavors have been suggested.

As they are experiencing diverse coffee kinds, a system automatically enhances them to higher levels of the knowledge of coffee.

In the beginners’ level, the suggestion of tasting a type of coffee for free along with a free flight to a resort might be deemed improbable; and, in the higher and more professional levels, a good discount is given for a sort of coffee and a person may become able to share it with his or her friends and introduce Beibley’s website.

Therefore, every visit of Beibley’s website can be an investment in communication; there is no relationship between customers and Beibley, on the one hand, and between the customers that have been invited by Beibley, on the other hand, and none of them feels that s/he has been punished and/or that the program does not include them.

In order for the trademark’s loyalty to be developed, the loyalty should be seminally acquired and, more importantly, the loyalty should be bilateral. As vividly observed by David Aguiloy: every name can become a field of business but only the intelligent persons, committed ones and resistant individuals can create trademark” (Elahi and Haidari, 2018).

### **Customer Satisfaction:**

Customer satisfaction is considered as one of the primary factors enabling the determination of repurchase and customers’ behaviors. The researchers have concentrated on the role of customer satisfaction in expectations, perceptual performance and satisfaction as the dominant pattern in most of the studies. Customer satisfaction includes a person’s pleasant or unpleasant feeling that stems from his or her mental appraisal or

comparison of his or her expectations (Cutler, 2018). In fact, it is a judgment a person makes regarding the properties of a product or service and/or the product or service itself after consumption or use.

Satisfaction is a function of the mental performance and expectations; if the goods' performance is found lower than what is expected, the customers will become dissatisfied; if the performance of the goods is found exceeding what is expected, the customer will become happy (Cutler, 2018).

**Methods of Measuring Customer Satisfaction:**

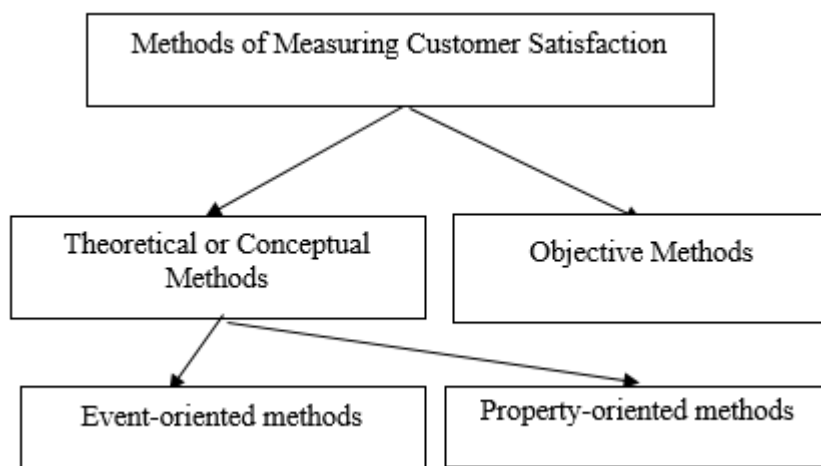
In order for an organization to be able to measure customer satisfaction, it has to have a well-planned model and method for doing so in such a way that this method or model should enjoy a solid and well-constructed subjective foundation and regulate indices for doing so; it is by the use of such indices that the customer satisfaction can be evaluated and measured. The various models and patterns offered by the researchers in the area of quality management sciences and scientists in the area of the economy and marketing for measuring customer satisfaction can be divided into two sets:

✓ **Objective Methods:**

These methods indirectly measure the indices that are strongly associated with customer satisfaction but they are less widely applied due to the doubts in their credibility and accuracy (Kavusi, 2015).

✓ **Subjective or Conceptual Methods:**

In these methods, the customers' ideas are directly applied in measuring the rates of the customers' satisfaction hence they are more accurate and valid (Kavusi, 2015).



**Figure 1:** methods of measuring customer satisfaction

**Advantages of Loyalty for Customers:**

The advantages of the customers' loyalty have been extensively recognized in business. These advantages are lower costs of the existing customers' retention in respect to the absorption of the new customers, especially in the perfectly competitive markets. This important issue has been well-perceived that the long-term customers are more likely to develop their relations within the product range and the profits gained from

this group of customers would become accumulated and long-term. The other advantage of customers' loyalty is that the loyal customers act as information channels and create potential customers for the organization through an informal network of communication with friends (Makhdumi Javan and Kaffashi, 2017).

The resources increased through loyalty originate from the reduction in marketing costs, increase in sales and reduction in the operating costs. It is more likely that the loyal customers change their behaviors in comparison to the non-loyal customers due to price increases and they tend to make more purchases. Moreover, the loyal customers contribute to the progress and enhancement of their organization. They make strong mouth-to-mouth positive advertisements and create business referrals and offer counseling services. Raman (1999) asserted that loyal customers are the "fantastic marketing force" through offering recommendations and spreading positive oral advertisements. Loyal customers augment the rate of sales via purchasing diverse products of the company and making more purchases.

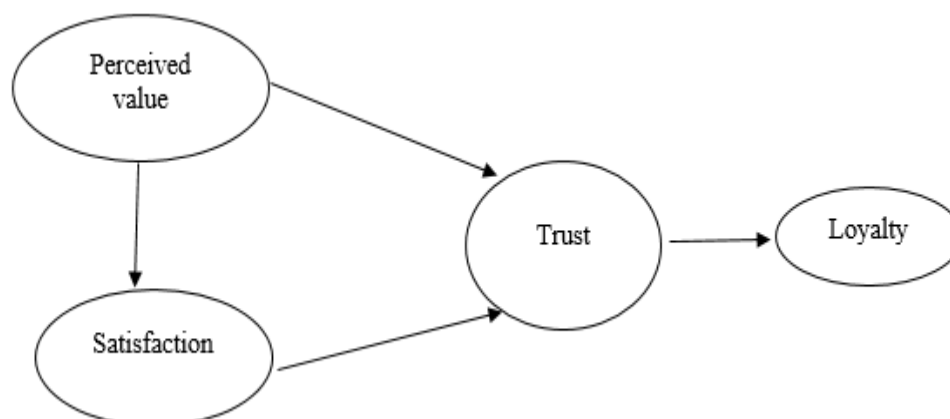
Furthermore, the costs of loyal customers are lower because they know the organization's products and need less information (T. Bowen and Chen, 2001). Richheld and Sasser (1990) demonstrated that the interests are increased relatively when reductions are brought about in losing the customers. This happens for several reasons some of which are related to higher income and some others to costs' reduction. A loyal customer creates more income in comparison to the other customer that has no room in such relations. In the meanwhile, the evaluation of the users' needs and expectations becomes simpler; in other words, more knowledge and awareness of the customer can more simplify the employees' tasks and enables them to be more productive. In addition, the customers who are happy about their relations with the organization become the best sale force of the company. These customers are not only less costly but they also create trust due to their referrals meaning that the customers who refer to the company for its being considered as a reference by them are usually more loyal than the customers who refer to the company for other reasons though it has to be noted that not all the customers are similar and identical. Therefore, the concentration should be on the creation of value for the real customers (Roig et al, 2009, p.776). Amongst the other most distinct features of customers' loyalty, the followings can be pointed out:

- 1) Reduction in the costs of absorbing new customers
- 2) Reduction in the customers' satisfaction to the changes and prices
- 3) Interests obtained from the customers' longer useful life
- 4) Positive performance obtained via increasing the power of prediction
- 5) Increase in the barriers for the entry of the new rivals (Makhdumi Javan and Kaffashi, 2017).

### **The Framework of Perceived Value, Satisfaction, Trust and Loyalty:**

Amongst the very important concepts of a great significance in the area of loyalty to brand are the customer satisfaction, trust and perceived value that have drawn the attentions of a large number of researchers, Jong

et al (2008) offered the following framework in their studies on the interrelationship between these concepts (Pakdel et al, 2011).



**Figure 2:** the framework of perceived value, satisfaction, trust and loyalty (Pakdel et al, 2011)

### **Indices for Assessing the Customers' Loyalty:**

These indices can be divided into two groups as explained below:

#### **The Relationship between Satisfaction and Loyalty:**

Considering the fact that there is a positive and strong relationship between customers' loyalty and their satisfaction with the latter being enumerated amongst the prerequisites of the former and, on the other hand, there are some customers emphasizing on their satisfaction but still willing to use the services from the rivals and the dissatisfied customers try using the services every now and then, the very satisfied customers are less willing to make use of the other products in the market. Customers' satisfaction is not enough and if a customer happens not to come back for a repurchase, what are the losses with which the organization would be incurred. The customers who are satisfied or very satisfied have not referred for repurchasing the products for a reason or another and 40% of these individuals have been simultaneously using the products from the other suppliers (Haghighi, 2017).

#### **The Acid Test:**

The Acid Test of Loyalty includes a set of researches that correctly assesses the loyalty of the customers, staff and suppliers and other interested parties and supplements the other methods. This test of loyalty proposes one fundamental question: "is the organization worthy of my loyalty?"

The answer to this question reveals the difference between the various organizations. In a research, the results have been as explained in the following words:

In the companies signaling utmost loyalty, 70-75 percent of the employees have provided positive responses but, in a vast spectrum of the other American companies, 45 and 23 percent of the answers have been respectively positive and negative. The major reason for such a difference is the leaders who are themselves strictly bound to the principle of loyalty. Amongst the 1057 individuals who have been tested, 63% of those who



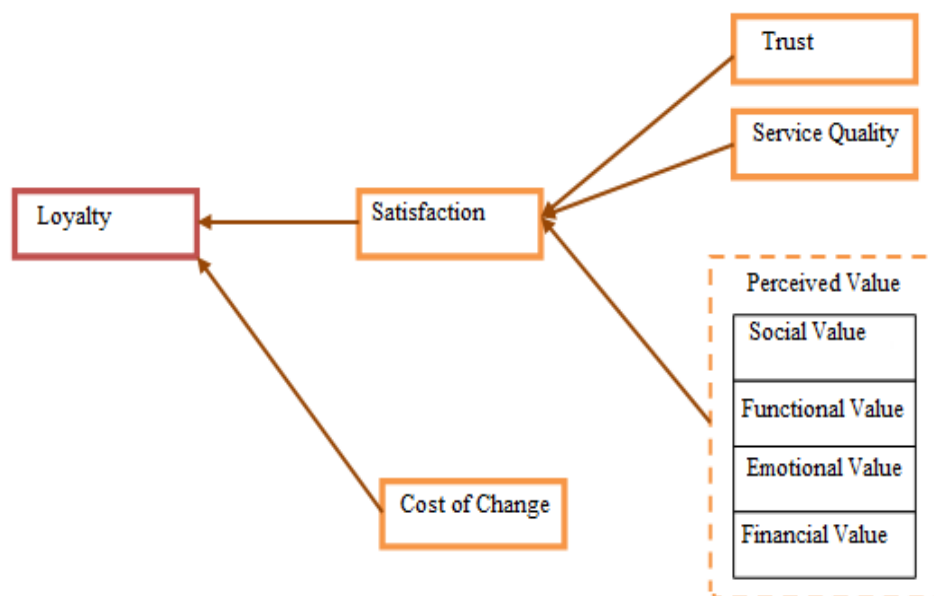
have provided positive answers have been working in the companies signaling utmost loyalty and considered their leaders as perfect human beings. Out of 444 individuals who did not consider their managers and leaders as perfect human beings, only 19% had realized the organization as deserving loyalty (Hamidizadeh and Ghamkhari, 2016).

**Factors Influencing Customers’ Loyalty and Loyalty Models:**

In order to win the satisfaction of the loyal customers, companies are required to go beyond the expectations otherwise the customers may become inclined towards other suppliers and they may bring about changes in the notions of the other customers probably based on the quality of the services and products they have received from the other rivals. However, going beyond the customers’ expectations does not indicate all aspects of loyalty. Therefore, the factors influencing the customers’ loyalty have been offered in various models by reviewing the literature on the studies related to loyalty

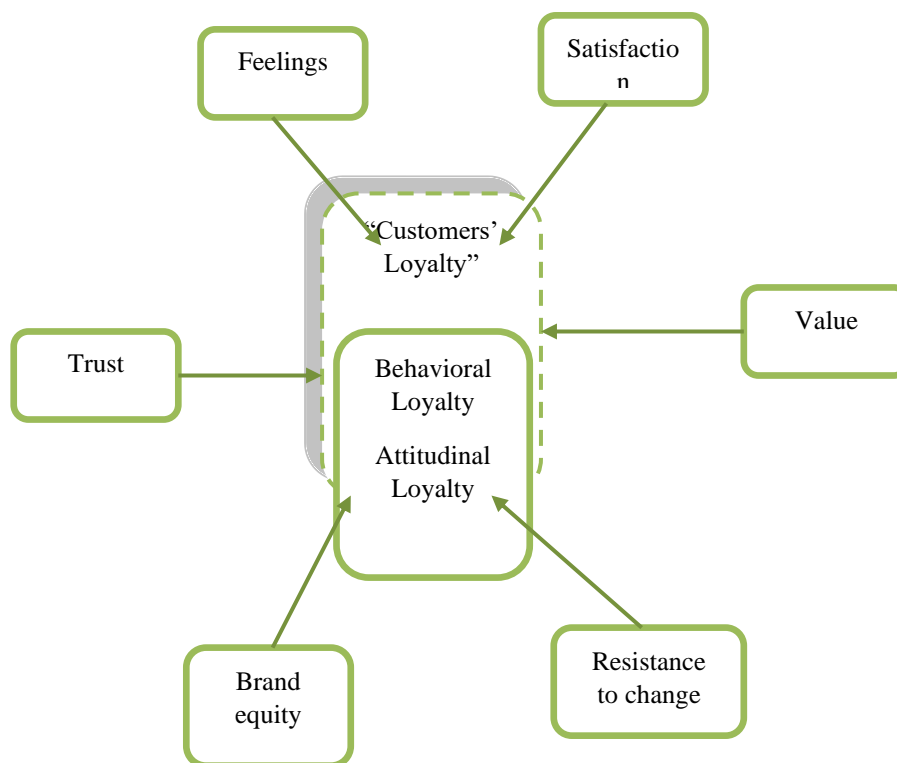
**Zhaohua Model:**

So far, various models have been proposed for studying the customers’ loyalty in the discussions on marketing. As an example Zhaohua et al (2010) offer a model in an article titled “perceiving the customers’ loyalty and satisfaction” that introduces trust, quality, service quality, perceived value (functional, emotional, social and financial) and costs of change as factors influencing the customers’ loyalty and satisfaction.



**Figure 3:** The model of factors influencing the customers’ loyalty (source: Ranjbarian and Barabari, 2015)

**Sayed Javadin’s Model:**



**Figure 4:** model of customers’ loyalty (source: Sayed Javadin, 2017)

**The followings are the constructs of this model:**

**Satisfaction:** this variable differs from concepts like quality, loyalty and attitude and it has been hypothesized in the literature that it has direct effects on customers’ loyalty, behaviors and repurchase intention.

**Value:** the term “value” is a complex concept for the marketers. There is little consensus in the marketing literature about the perceived value such as in phrases like the value of service quality and sacrifice value. Some of the perceptions imply the ratio of what is received in the marketing transactions as compared to what is paid.

**Resistance to change:** in many of the researches, resistance to change has been realized as an introduction to loyalty.

**Brand equity:** it includes the set of assets and belongings related to a brand such as name and symbol that increases or decreases the value created for a product or service for a business entity and/or the customers thereof. Customers give more favorable answers to a product with trademark in contrast to the product without trademark and this increases the customers’ loyalty.

**Trust:** it includes the expectations that are created inside a society with properties like lawfulness, honesty and collaboration-based behaviors according to the common norms prevalent between the members thereof. In other words, trust is defined as tendency towards relying on a sure business partner in the marketing literature. Thus, trust is the prelude to commitment.

**Emotion:** researches show that the customers’ appraisals of services is highly correlated with their exhibited emotions in the course of their interactions. Additionally, emotions can influence the consumers’ attitudes even in the absence of belief in the products. In general, the emotions are

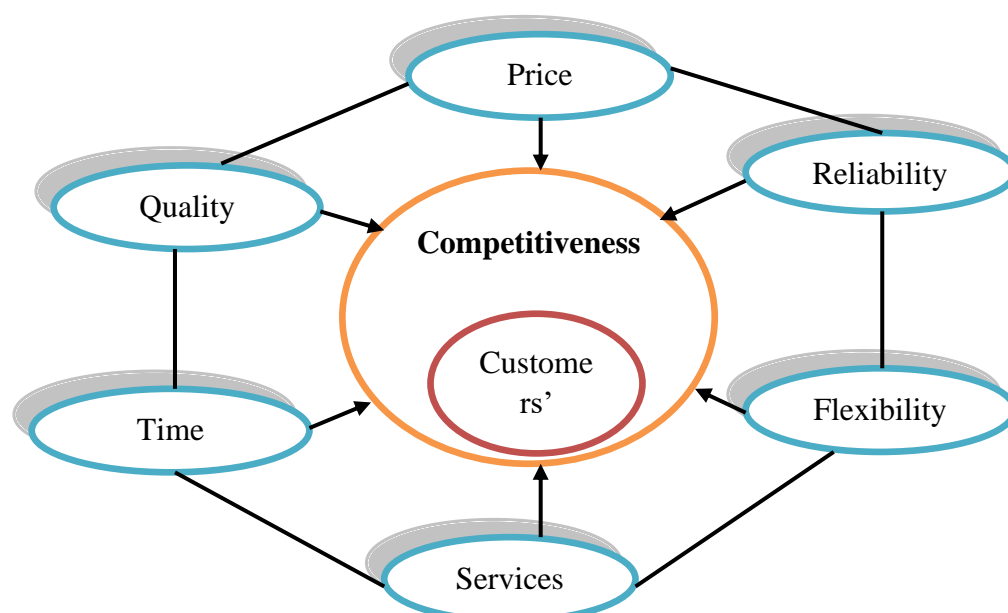
present in all of the marketing issues and they are identifiable through indirect reactions to the encouraging-invoking demands, measurement of the effects of the marketing stimuli, emergence of the goal-oriented behaviors and evaluation of the consumers' welfare. However, the role of the emotions has been neglected in the marketing interactions and relations by the marketers (Shahrokh, 2013).

**The Model of the Fast-Response Organizations (FRO):**

In this model, the fast-response organizations feature effective reactions to changes and they possess the ability of making optimal use of opportunities as well as transformation of the threats to opportunities. This feature causes the acquisition of the competitive advantage and winning of the customers' loyalty. The followings are the constructs of this model:

- Price: the amount of money paid by the consumers for the procuring of the required goods and services
- Quality: customers' consideration of the properties of the product itself
- Services: all of the facilities and commitments offered for the customers' achievement and optimal use of the product that causes the satisfaction of and creation of value for the customers.
- Time: the interval between taking a measure for purchasing the goods and the actual receiving of them
- Reliability: the extent to which the organization is bound to the legal and ethical obligations
- Flexibility: the ability of responding to the customers' needs and adaptation to the conditions (Sadeghi et al, 2014)

This model has been displayed in the following figure:



**Figure 5:** FRO model (source: Hamidizadeh and Ghamkhari, 2016)

**European Model of Customers' Satisfaction and Loyalty Indices:**

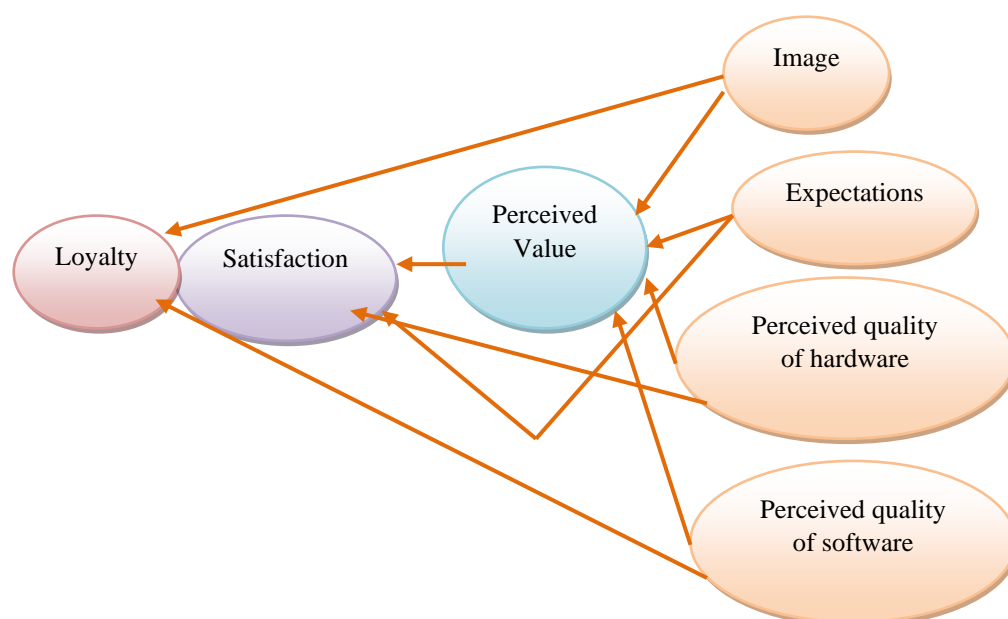
In this model,

Expectations include the match between the prices of the products and services, diversity of products and services as well as the adherence to the global standards.

Perceived quality of the hardware includes the quality of the product, beauty and packaging type of the product, observance of the sanitary points in the production of goods and observance of the sanitary points in packaging.

Image includes the credibility of the trademark, fame of the company’s managers and advertisement as well as promotive and encouraging interventions.

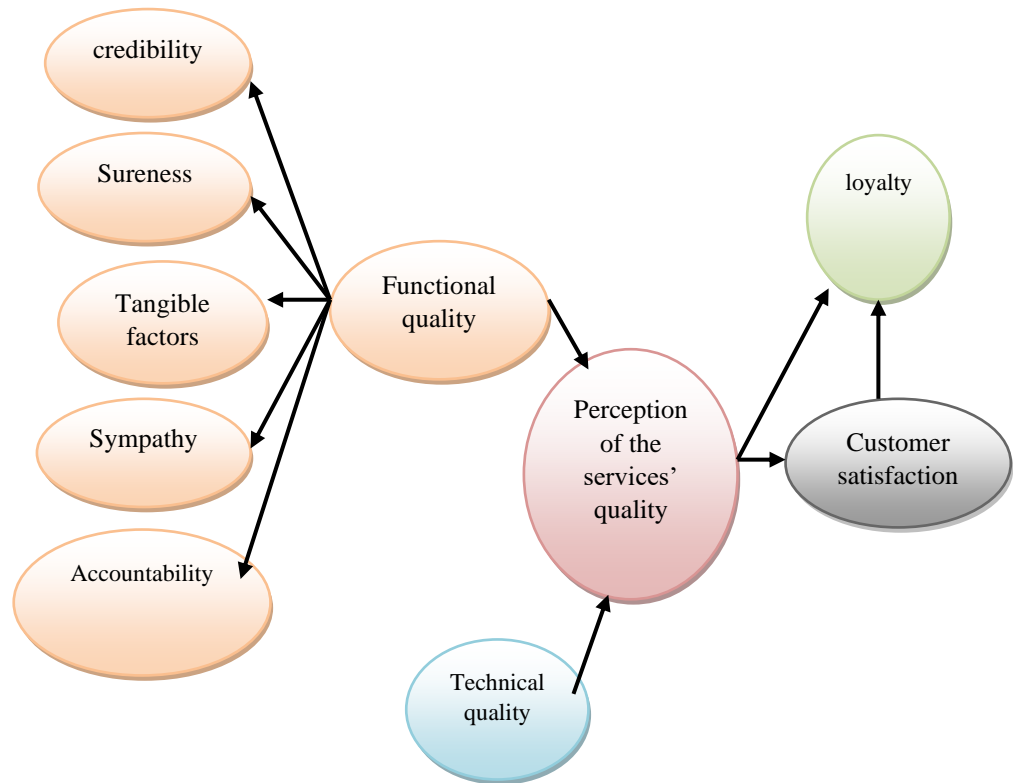
Perceived quality of the software includes the investigation of the customers’ complaints and proper treating of the customers by the company’s sellers (Zahedi, 2014).



**Figure 6:** the European model of customers’ loyalty and satisfaction indices (Zahedi, 2014)

**The Model of the Service Quality’s Effect on Customers’ Loyalty:**

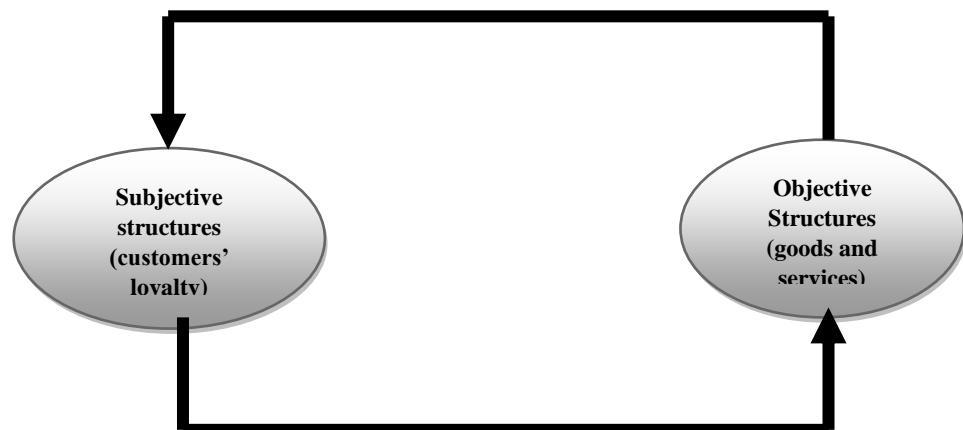
As it is clearly understood from the name of this model, the goal is the elaboration and creation of a more appropriate perception of the relations between the service quality, customer satisfaction and customers’ loyalty. In the aspect “functional quality”, this model is comprised of five factors that have been drawn on Servqual’s model. The functional quality along with the technical quality forms the perception of the service quality. The next component of this model is customer satisfaction that directly or indirectly influences the customers’ loyalty (Ameli, 2015).



**Figure 7:** the model of the relationship between the service quality, satisfaction and customer loyalty (Ameli, 2015)

**Pear Bordive’s Model:**

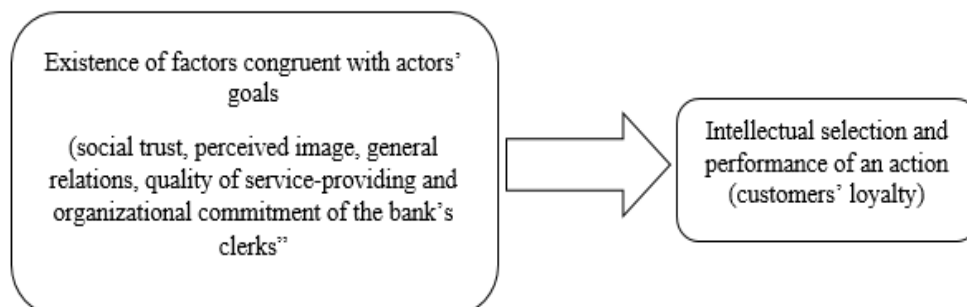
Bordive emphasizes on the dialectical relationship between the objective structures and mental phenomena in the creation of customers’ loyalty. In his mind, the objective structures fall on the one side and form the foundation of the mental forms and determine the structure requirements imposed on the mutual actions and reactions; however, on the other hand, if a person wants to investigate the daily individual and collective efforts for changing or preserving these structures, s/he has to consider these mental forms. In order to avoid these objectivist and subjectivist conflicts, Bordive emphasizes on function that, as he opines, is the outcome of the dialectical relationship between the structure and functionality (Makhdumi Javan and Kaffashi, 2017).



**Figure 8:** summary of Bordive’s theory (source: Makhdumi Javan and Kaffashi, 2017)

### The Model of John Alester's Theory:

Based on this theory, the actors consider numerous options and factors during the selection of a product but they inter alia rely the factors that are more congruent to their goals. Put differently, these factors' closeness to the actors' goals causes the individuals to make intellectual choices and reach the stage of loyalty.



**Figure 9:** the loyalty model of John Alester (source: Makhdumi Javan and Kaffashi, 2017)

### Model of Electronic Loyalty:

The primary indices of this model are:

#### 1) Offering of value:

Customization of the products and interaction-ability are the two primary value-related indices that can contribute to the enhancement of the electronic loyalty. The recent studies signify that most of the individuals who make purchases through the internet prefer the websites that provide them with personal information and customized products (Kaffash and Akbari, 2017).

#### 2) Trademark:

Activities needed in the area of the trademark can be divided into two primary sets:

1. Interventions required for the creation of a favorable mental image
2. Programs required for the repurchase

#### 3) Trust and Security (Kaffash and Akbari, 2017):

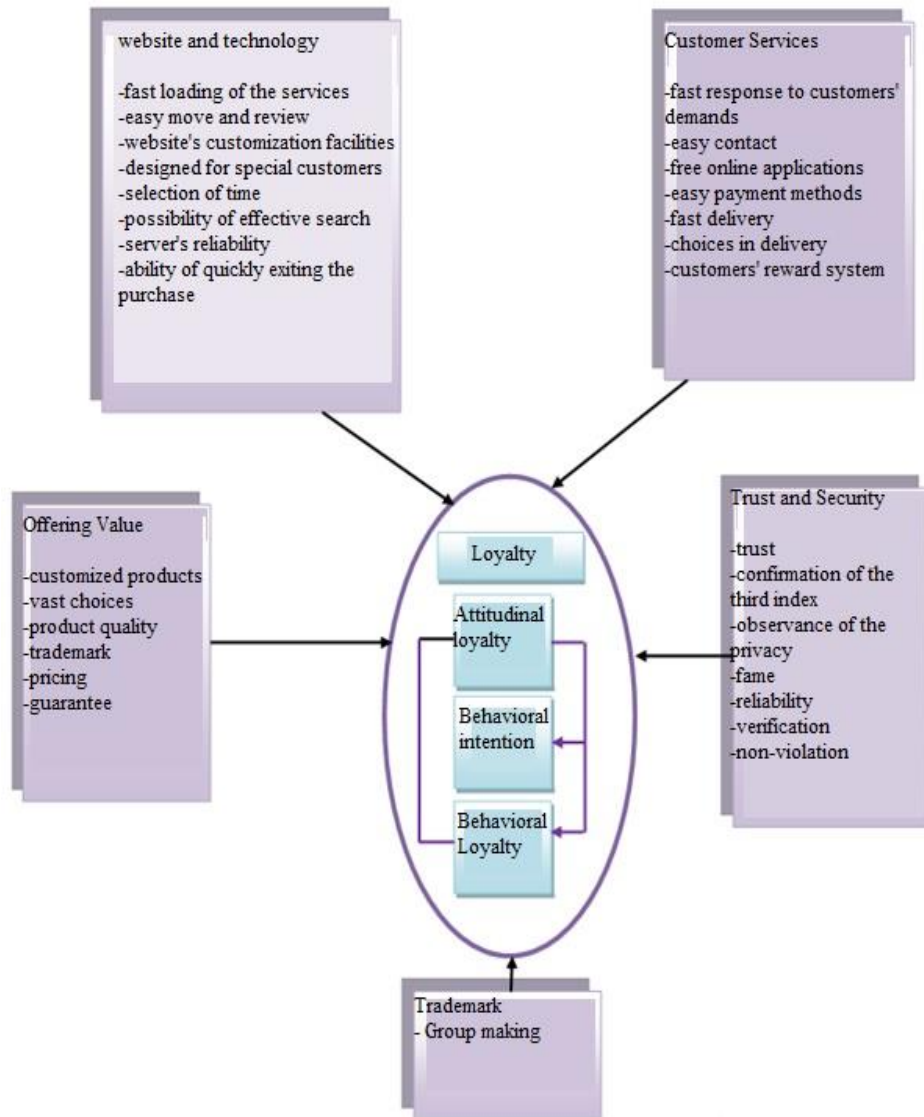
Trust and security play the main and key role in the increasing of the attitudinal loyalty and behavioral loyalty and this is per se accompanied by the preservation and/or increase in the market share for a large amount. Nowadays, the protection of the individuals' privacy as one of the most important indices of reliability has become a determinant of the creation of electronic loyalty (Kaffash and Akbari, 2017).

#### 4) Website and Technology:

The effect of website on the customer and the ease of its use are important factors giving rise to electronic loyalty. Amongst the factors that lead to such an effect and ease, easy routing, fast loading of the pages, sureness of the server, possibility of making fast purchase and so forth can be pointed out (Kaffash and Akbari, 2017).

#### 5) Offering Services to the Customers:

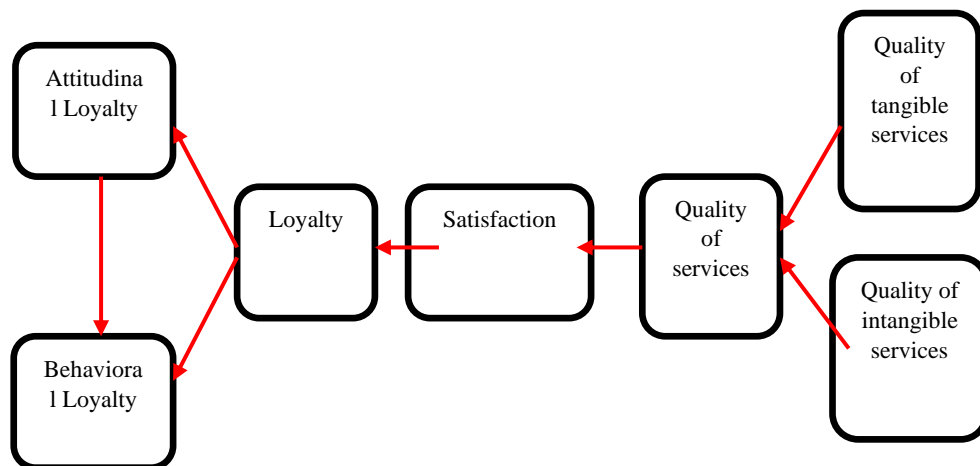
Finishing the orders offered by the customers and consideration of systems for the fast delivery of the ordered goods are as effective as the other factors in enticing loyalty in the customers.



**Figure 10:** model of electronic loyalty (source: Haghighi, 2017)

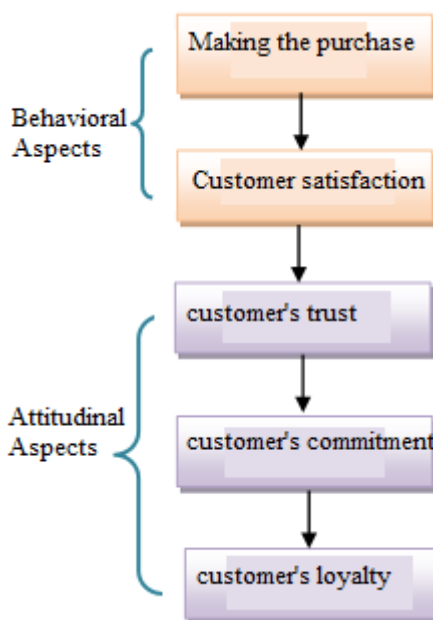
**Model of the Loyalty Based on Service Quality:**

The customers’ appraisal of the services they receive is based on numerous aspects that can be categorized into two general sets of the tangible and intangible dimensions: the tangible dimensions include the tangible properties and the appearance of the physical facilities, instruments, equipment, staff and communicational tools. The intangible dimensions or the intangible properties include reliability, responsiveness, customers and ensuring them and sympathy.



**Figure 11:** the model of loyalty based on service quality (source: Moradi et al, 2015)

**Model of Customers’ Loyalty:**



**Figure 12:** a dynamic model of the customers’ satisfaction and loyalty (Makhdumi Javan and Kaffashi, 2017)

**Sweeny and Swait’s Model of Loyalty:**

In this model, the tendency towards the change and verbal recommendations stems from the theory of social exchange and it is a basis for these two motivations:

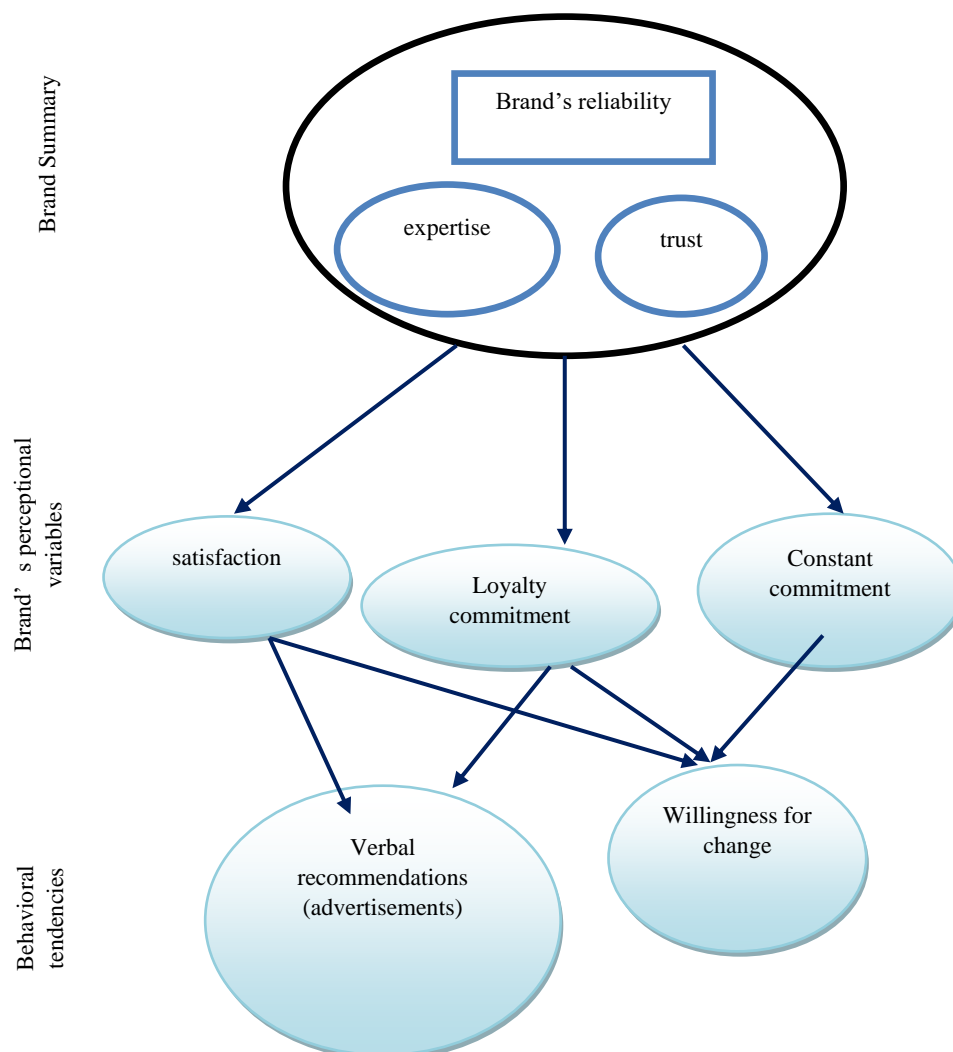
- 1) Motivations based on the prior experiences meet interests perceived by customers based on their relations.
- 2) Prospective motivations that take other interests into account for the keeping of the relationship.

Besides, two dimensions, i.e. loyalty commitment and constant commitment have been concentrated in this model.

Affective commitment: this commitment is a positive emotional commitment like loyalty commitment and it is indicative of a psychological dependency on a relationship partner (Shahrokh et al, 2013).



Constant Commitment: the cognitive evaluation of the costs of leaving the organization and identification of the needs that result in the protection of the relationship and investigate the costs of transferring.



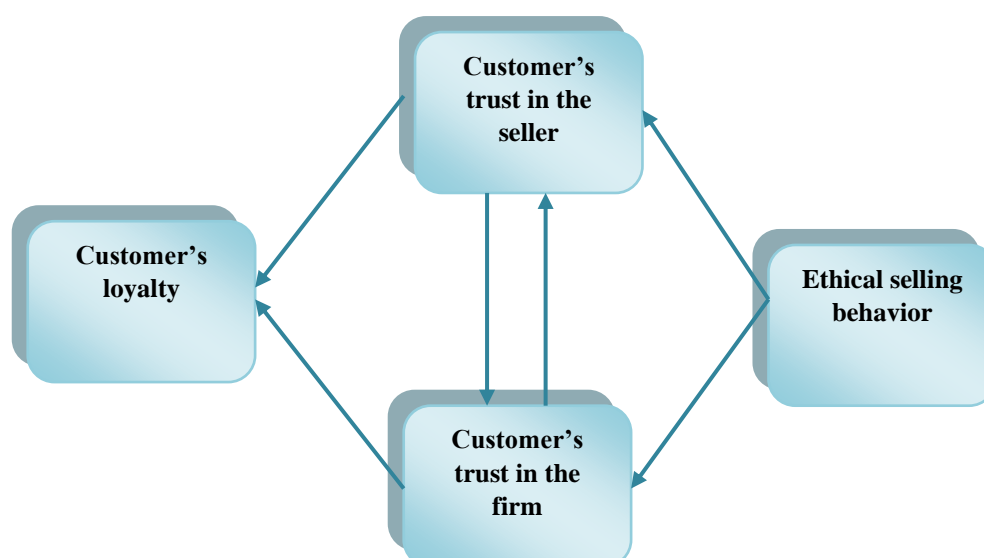
**Figure 13:** model of customers' loyalty (source: Shahrokh et al, 2013)

**Chen and Mao's Model of Loyalty:**

The followings are the indices used for measuring the ethical/unethical sales:

The sellers' telling of lies about the availability of services, about the market, about the sales of services to which the customer does not need and offering of response by the seller in case of his or her lack of correct knowledge about the questions.

As for the customers' trust in the sales, such a relationship can be defined as stated in the following words: "robust or solid belief by the customer in the seller is reflective of the idea that the seller acts in such a way that s/he gets ensured of the obtainment of long-term interests for him or herself" (Abbasnejad et al, 2018).



**Figure 14:** model of customers' loyalty (Abbasnejad et al, 2018)

### Digital Loyalty Programs:

Nowadays, different kinds of customers' loyalty and retention programs have been created in the world and they help the businesses perform the process of customers' retention and making of them loyal in a better and easier way.

These programs exert a large deal of effect on the process of making customers loyal and simultaneously provide the businesses with various capabilities.

These programs have created a revolution in the process of making the customers loyal. Possibilities like the exact recording of the customers' information and direct communication between the business and the customer through email or SMS, reporting of the customers' behaviors as well as the score programs for the customers based on their presence or purchase and the other various largely help the businesses and influence the customers.

In Iran, as well, the digital and countrywide BELFY loyalty program (Be Loyal For Years) has brought about this important evolution in the area of the customer retention for the various businesses since 2016.

In the past, the highly important point about the loyalty programs was that only the large businesses having a lot of capitals could provide themselves with such facilities (due to the large costs, need for specialized force, hardware facilities, constant support and so forth); but, it was with the emergence of the digital loyalty programs like BELFY that these facilities were also made available to all of the small and intermediate enterprises and they became capable of retaining their customers and transforming them into loyal customers by spending little costs and in a simple way.

Of course, the existence of the loyalty programs and systems is not alone a reason for the enticing loyalty from customers and important factors like personnel's behavior with customers, quality of the products and services being offered, business environment and so forth play a very significant and ground-setting role in the rendering of customers loyal to the businesses.

## CONCLUSION:

Considering the fact that the market has been maximally competitive in various businesses and there are competitions for taking the market shares, the most primary difference between the businesses is in their way of retaining the customers and proper implementation of the customer retention system.

It is via the greater recognition and perception of the value of the loyal customer and customers' loyalty that it is hoped that the culture of customer retention is rendered more prevalent than before so that the customers' more satisfaction can be followed.

Customer retention is no longer a choice for the businesses rather it is a must and the failure in paying attention to such cases would have no result other than losing the customers and their dissatisfaction and, eventually, the loss of the businesses.

The author hereby hopes that a day shall come on which all the business entities are prosperous and the customers, as well, happily enter them and leave them full of satisfaction.

## REFERENCES

- Aghadavud, Sayed Rasul and Rada'ei, Majid, (2016), "practicing how to behave with the customers", Isfahan, Ghazal
- Elahi, Sha'aban and Haidari, Bahman, (2018), "managing the relationship with customers", Bazargani Printing and Publication Company
- Amini, Muhammad Taghi and Sohrabi, Shahab, (2015), "investigating the effect of gender on the amount of customers' loyalty using the relation-oriented marketing approach", journal of development and evolution management, (4): 73-83
- Bagheri, Muhammad, (2017), "investigating the effect of relation-oriented marketing and product properties on the perceptions of and intention for the acceptance of the new products in the industry of electronic products", research journal of executive management, 3(5): 22-59
- Pakdel, Muhammad Reza; Nayebzadeh, Shahnaz and Dehnavi, Hasan, (2011), "evaluating the effect of market orientation, innovation and customer loyalty on the businesses' performance (case study: Opel Clothing Group)", marketing management, 10(1-26)
- Pirkouhi, Saeed, (2016), "the importance of trust in relational marketing and creation of a scale for its assessment", journal of the faculty of administrative and economic sciences", 18(3): 81-103
- Tajzadeh Namin, Abolfazl; Tajzadeh Namin, Aydin and Ramezani, Mortaza, (2011), "factors related to the Iranian customers' loyalty in Tehran's five star hotels", seasonal scientific-research journal of business management explorations, 3(5): 118-135
- Tajzadeh Namin, Abolfazl; Tajzadeh Namin, Aydin and Ramezani, Mortaza, (2013), "investigating the customers' loyalty (case study: Tejarat Bank of Tehran)", researcher (management), 7(19): 1-17
- Javanmard, Habibollah and Soltanzadeh, Ali Akbar, (2016), "investigating the properties of internet brands and websites and their effects on customers' trust and loyalty", seasonal research journal of commerce, (53): 225-256

- Haj Karimi, Abbas Ali; Malekizadeh, Vahid and Bastami, Behtash, (2016), "investigating the relationship between quality of service confrontation and customers' loyalty in the business service organizations", *management panorama*, (32): 29-47
- Hosseini, Muhammad; Gholamian, Muhammad Reza and Maleki, Anahita, (2016), "designing a methodology based on RFM for assessing customers' loyalty using the data mining techniques", *international engineering journal of production industries and management*, (2): 172-179
- Haghighi, Muhammad and Noorzadeh, Hasan, (2014), "natural tars and their application in road construction", *the second conference on Iran's tars and asphalts*, pp.582-592
- Haghighi, Muhammad, (2017), "offering a model for customers' loyalty in electronic markets", *knowledge of management*, 20(79): 15-32
- Hamidizadeh, Muhammad Reza and Ghamkhari, Ma'asumeh, (2016), "identifying the factors influencing the customers' loyalty based on the model of fast-response organizations", *seasonal research journal of commerce*, (52): 187-210
- Haidarzadeh, Kambiz and Ghomi, Muhammad Reza, (2014), "evaluating the relationship between the customers' loyalty and relational sales in industrial markets", *journal of management studies*, (82): 21-36
- Haidarzadeh, Kambiz, (2015), "investigating the effect of brand's credibility on the customers' loyalty in Iran's banking industry", *management studies*, (88):69-88
- Khorshidi, Gholam Hussein and Kardgar, Muhammad Javad, (2016), "identifying and rating the most important factors influencing the customers' loyalty using the multiscale decision-making methods", *management panorama*, (33): 177-191
- Ranjbarian, Bahram and Barari, Mojtaba, (2015), "relation-driven marketing, an approach for improving customer satisfaction", *executive management research journal*, 9(2): 63-82
- Ranjbarian, Bahram and Barari, Mojtaba, (2015), "the effect of relation-driven marketing foundations on customers' loyalty: comparison of the state and private banks", *journal of business management*, 1(2): 83-100
- Ranjbarian, Bahram; Rashid Kaboli, Majid; Haghshenas, Asghar and Yavari, Zahra, (2015), "investigating the customers' satisfaction of after-sale services in Isfahan Xerox Company", *seasonal journal of business research*
- Zahedi, Muhammad Reza, (2014), "application of natural tar in ancient Iran", *the second conference on Iran's tar and asphalt*, pp.499-505
- Sayed Javadin, Reza, (2017), "a model for evaluating the effect of service quality on the loyalty of the customers of sport services", *seasonal journal of Olympics*, 18(2):41-54
- Sayed Javadin, Reza, (2017), "evaluating the effect of brand on the loyalty of industrial customers", *business management panorama*, (3): 57-73
- Shahrokh, Zohreh, (2013), "a model for assessing the effect of the reliability of the banks' brands on the customers' loyalty

- commitment”, seasonal journal of Iran’s management sciences, 5(20): 69-88
- Shekastehband, Gholam Reza, (2016), “quality of services and customers’ satisfaction”, special issuance on banking, no.101
- Sadeghi, Touraj; Zendehtdel, Ahmad and Karani, Fatemeh, (2014), “evaluating the role and effect of relation-driven marketing strategy in and on customers’ loyalty in Ansar Finance and Credit Institute’s divisions”, the first international conference on banking services’ marketing, pp.1-20
- Samadi, Mansour, (2015), “investigating the effect of the relational marketing tactics on the individuals’ behaviors in the clothing stores using the structural equation modeling”, seasonal research journal of commerce, (53): 203-223
- Tabataba’inasab, Muhammad, (2012), “designing and elaborating a process-like model of customers’ loyalty (case study: private banks)”, journal of business explorations, 1(2): 133-170
- Ameli, Muhammad, (2015), “introducing ECRM and investigating its role and importance in the relation-driven marketing and management of relationship with customers in insurance industry”, the first specialized conference on electronic insurance
- Abbasnejad, Saeed and Haghghi Kaffash, Mahdi and Sehat, Saeed, (2018), “the relationship between the ethical sales and the customers’ loyalty in life insurance”, the research journal of insurance, 26(4): 131-154
- Cutler, Phillipe, (2018), “marketing management, analyzing and programming and implementation and control”, tr. Bahman Foruzandeh, Amoukhteh Publication Institute
- Kavusi, Muhammad Reza and Saqqa’ei, Abbas, (2015), “methods of measuring customer satisfaction”, monthly journal of engineering the vehicles’ dependent industries, no.5
- Kaffash, Mahdi and Akbari, Mas’oud, (2017), “prioritization of the factors influencing the customers’ loyalty using ECSI model”, management studies, (10):95-118
- Makhdumi Javan, Reza and Kaffashi, Majid, (2017), “the effect of the social and organizational factors on the rate of the loyalty of Tejarat Bank’s clients to the establishment and preservation of banking relationships in Tehran”, seasonal journal of social research, 4(14): 137-153
- Moradi, Mohsen, (2015), “designing and elucidating a model of customers’ satisfaction in insurance industry”, seasonal journal of industrial management, 5(14): 121-130
- Moradi, Mohsen; Musavi, Muhammad and Alimardani, Behnaz, (2011), “model of customers’ loyalty in insurance industry”, research journal of insurance, 26(1): 31-51
- Maleki, Anahita and Darabi, Mahan, (2018), “various methods of measuring customer satisfaction”, monthly journal of engineering the vehicles’ dependent industries, no.3
- Mo’tameni, Ali Reza; Moradi, Hadi and Hemmati, Amin, (2017), “the effect of the trademark’s personality on the customers’ loyalty”, business management panorama, (4): 89-105

Ne'ematipour, Shabnam, (2015), "investigating the role of the relation-driven marketing in the improvement of the banking services", the first international conference on the marketing of the banking services, pp.1-10.