A REVIEW TO UNDERSTAND RELATIONSHIP MARKETING AND CUSTOMER LOYALTY: EFFECT FACTORS

*Youba Minta and Youssouf Traore

College of Business Administration, Capital University of Economics and Business, Fengtai District, Beijing, China
School of Economics and Management, Beihang University, China

INTRODUCTION

Marketing is unquestionably considered the most major function of all kinds of professional companies. In the last twenty years, the magnitude of relationship marketing and customer loyalty in all areas of consumer and business has grown steadily, and wealth of research has shown the significant benefits associated with these two concepts. They have become an essential strategy in the business of any context related to the production, distribution, and consumption of goods and services. Since the early 1980s, plenty companies have established long-term relationships with suppliers and other beneficiaries, and in early 1983 the term "relationship marketing" was first introduced by Berry (Wang, 2007). According to (Berry, 1983), relationship marketing is the establishment, development, maintenance, or improvement of the relationship between a seller and a buyer. Today with hard competition, customers are at the foundation of business vision and their satisfaction is the main factor to gain a competitive advantage. It appears clear today that companies are moving more and more towards relational strategies to retain their customers and maintain and develop lasting and profitable relationships. Grönroos (1994) noted that relationship marketing effort should be considered as an investment in clients. The basic idea of implementing relationship marketing in a business is to capitalize on customer loyalty (Raza, 2012). To cultivate customer loyalty, companies must maintain good relations with their customers so that companies can intelligently capture customers' needs, wants, and expectations and satisfy them better than their competitors (Abtin and Pouramiri, 2016; Sachro, 2013). The purpose of this paper is to review relationship marketing and customer loyalty in general and particularly the relationship marketing factors most influencing customer loyalty. To meet our goal, this research paper is divided into four main sections after an introduction, namely literature review relationship marketing and customer loyalty in the first section, the second section is the methodology adopted, is followed by results and discussion in the third section and, finally, conclusion and implications.

Literature review

Relationship Marketing

Relationship concept: The relationship is the foundation of marketing and the company's success is strongly influenced by its ability to keep up long-term relationships with its employees and customers. The notion of relation, we can say that it is a "relationship of dependence or reciprocal influence between people or companies"; also the notion of relation is often reckoned in the literature as a "state of association." Customer relationship has become one of the most major elements of companies' strategies (Khalifa, 2014). Currently, the notion of customer relationship is most concerned that recent research, especially in the realm of services. Today, the relational goal that all companies adopt is to make exchanges and transactions in a climate that encourages customers to buy more, to trust companies, and to remit more money while receiving a counterpart (product and/or service) but in a platform focused on the relational (Damperat, 2005). Loyalty is a desire to maintain a valuable or important relationship, according to (Mooman et al., 1992), in this way the establishment of fidelity is predetermined by the importance of the relevant relationship.
However, loyalty is the result of a good long-term and profitable relationship, which has been fought through the trust and satisfaction of the partners.

**Relationship marketing:** By noting the limitations of the marketing management tools typically used in transactional marketing, Berry, (1983) is the first to use the term "relationship marketing" in the scientific literature (Wang, 2007). It is defined as "the establishment, development, maintenance or improvement of the relationship between a seller and a buyer". Relationship marketing is the result of a slow change in the mindset of companies through transactional marketing, often preferring to improve their products rather than worry about the needs of their customers. Other researchers have defined relationship marketing as all marketing activities geared toward establishment, development, retention (Morgan and Hunt, 1994), is to provide higher value to the customer by focusing on satisfaction long-term client (Kotler et al., 2008).

Relationship marketing has been considered for many years as the marketing paradigm (Hunt et al., 2006) given its importance for approaches developed in marketing in general and particularly services. Relational marketing, therefore, aims to improve the company's profitability by changing the company's commercial marketing vision and focusing on persuading new customers by applying effective customer relationship management (Abtin and Pouranmiri, 2016). According to these definitions, it can be said that relationship marketing is the set of activities intended to establish and develop individualized and interactive relationships with customers to create and maintain with the positive and lasting attitudes towards the company. However, the relationship marketing approach has two essential objectives according to previous studies that are persuading new customers and, thus, to retain existing customers. Therefore, we will identify the relational variables that underlie the success of the relationship marketing approach in Table 1, while focusing on previous studies.

**Table 1. Relationship marketing factors identified**

<table>
<thead>
<tr>
<th>Researcher</th>
<th>Relationship marketing factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simpson and Magee (1997)</td>
<td>Trust, commitment, satisfaction</td>
</tr>
<tr>
<td>Garbarino and Johnson (1999)</td>
<td>Trust, communication, commitment</td>
</tr>
<tr>
<td>Abdulk-Muhmin (2002)</td>
<td>Commitment, satisfaction</td>
</tr>
<tr>
<td>Verhoeven et al. (2002)</td>
<td>Communication, trust, satisfaction, common values</td>
</tr>
<tr>
<td>Adamson et al. (2003)</td>
<td>Trust, communication, commitment</td>
</tr>
<tr>
<td>Ivens and Mayhofer (2003)</td>
<td>Communication, long-term perspective</td>
</tr>
<tr>
<td>Sin et al. (2005)</td>
<td>Trust, communication, commitment, satisfaction, common values</td>
</tr>
<tr>
<td>Ndbuisi (2007)</td>
<td>Trust, communication, management, perception</td>
</tr>
<tr>
<td>Heffernan et al. (2008)</td>
<td>Trust</td>
</tr>
<tr>
<td>Gaurav (2008)</td>
<td>Trust, communication, customer focus</td>
</tr>
<tr>
<td>Theron and Terblanche (2010)</td>
<td>Trust, communication, commitment, satisfaction, common values</td>
</tr>
<tr>
<td>Alraube and Al-Nazer (2010)</td>
<td>Trust, communication, commitment, satisfaction, bonding, physical evidence, switching costs</td>
</tr>
<tr>
<td>Akhter et al. (2011)</td>
<td>Trustworthiness, relationship, satisfaction, image</td>
</tr>
<tr>
<td>Coelho and Henders (2012)</td>
<td>Trust, personalization, satisfaction, service quality</td>
</tr>
<tr>
<td>Alok and Srivastava (2013)</td>
<td>Trust, communication, commitment, satisfaction, service quality</td>
</tr>
<tr>
<td>Ageyi et al. (2014)</td>
<td>Competence, service quality, image, physical evidence, switching costs</td>
</tr>
<tr>
<td>Meziane and Lukidja (2015)</td>
<td>Trust, commitment, personalization, satisfaction, service quality, value perceived</td>
</tr>
<tr>
<td>Abtin and Pouranmiri (2016)</td>
<td>Trust, satisfaction, management, communication, competence</td>
</tr>
<tr>
<td>Mbango (2017)</td>
<td>Trust, cooperation, commitment, satisfaction, competence</td>
</tr>
</tbody>
</table>

According to Table 1, here is an overview of the relationship marketing factors identified in the literature in recent years. The intention is not to list all relational variables but to have a broad idea about relational factors and are presented in Table 1. They can help managers maintain and develop long-term relationships with customers by focusing on these relational variables. It tells us about many types of relational variables according to our literature and as we can see, there are certain variables such as trust, satisfaction, commitment, and communication that are more frequent in these studies. Further on, we will discuss these relational factors of their implications on customer loyalty.

**Customer loyalty**

**Why retain customers:** Nowadays, customers have become more demanding, more informed about the offer and above all volatile because they are looking for novelty, quality of service, safety, pride and so on. The cost of losing a customer is becoming heavier and prospecting to recruiting new customer’s stumbles on increased competition, and a market often saturated. Keeping them is a priority for companies; hence, the importance of the relationship, the idea being that loyal customers buy more, demonstrate a greater willingness to spend and protect the company (Butcher et al., 2001). Customer loyalty is paramount to survival in competitive global markets (Demirci and Kara, 2014). Consequently, companies to obtain a high market share associated with global competition are forced to build a long-term relationship with customers. Some researchers, however, believe that loyalty can lead to higher sales and lower cost customers, positive word of mouth (Dick and Basu, 1994; Oliver, 1999), increasing the relative bargaining power of firms (Anderson et al., 2004), increasing the return on investment (Jensen and Hansen, 2006) and, thus, improving the profitability of the firm (Anderson et al., 1994; Reinhart and Kumar, 2000). According to Grönroos(2000), loyal customers are willing to pay a high price, which improves the profitability of the company. The 20% of customers are likely to generate 80% of profits for a company (Kotler and Keller, 2016), hence, the importance of customer loyalty. Therefore, it must be recognized that it is easier to serve a customer loyal and familiar with the environment and the staff of the company, especially as this type of customer allows greater profitability for the company.

**Customer loyalty:** Although the term brand loyalty and customer loyalty has been assimilated consciously or unconsciously in various studies (Srinivasan et al., 2002; Yang and Peterson, 2004), but are two different concepts, research in both areas share same dimensions (Ishak and Ghanii, 2010). Brand loyalty and customer loyalty in past literature have been conceptualized as typologies and two major typologies clash, the behavioral and attitudinal typologies. The concept of customer loyalty until the 1970s, was considered only as repeated buying behavior, mainly due to the recognition of a series of repeated purchases of a random nature (Evenschitzky and Wunderlich, 2006). Customer retention means that customers will buy the same brand of product or services consistently in the future without being affected by a situation that can lead to switching behavior (Oliver, 1999; Rodger et al., 2015). Therefore, believing that repetitive buying behavior is the only way or the best way to measure loyalty is a myopia marketing strategy of this approach to measuring loyalty. This thought idea is insufficient to obtain customer loyalty. This view was supported by (East et al., 2005) by suggesting in their study that loyal customers were influenced by opportunities and routine rather than preference. To compensate for the incompleteness of behavioral measurement, some researchers have introduced the attitudinal typology to define customer loyalty (Jacoby and Kyner, 1973). This attitudinal typology includes measures of commitment and trust. From, an attitudinal point of view, (McMullan and Gilmore, 2008) saw customer loyalty as a definite desire to maintain the relationship with a long-term service business. According to www.mshmgi.com cited by John (2013), noted that customer retention is the feelings or attitudes that drive a customer to return to a business, store, or point of sale to buy again, or to repurchase a particular product, service, or brand. Day (1976) proposed that fidelity viewed as a compositional and repeated purchase based on brand attitude (Oliver, 1997). Consequently, fidelity should include both the attitudinal and behavioral components (Rundell-Thiele, 2005). In this respect, to qualify a customer as a faithful person requires the combination of the first typology, namely behavioral typology and cognitive typology (Hosseini et al., 2015).

**RESEARCH METHODOLOGY**

This paper is a quantitative and it uses the secondary data approach to come up with the results. Our objective is to understand the relationship marketing variables that influence more customer loyalty through past literature.
The studies were collected using various journals and research papers. This phase was achieved through the intermediation of search engines such as Google Scholar and research gate. We collected a total of 20 articles in this study. A frequency analysis will be conducted on these articles and then, we are extracting the relationship marketing variables that influence customer loyalty.

### Results and Discussion

The research began to study the relationship variables that are at the foundation of the consumer-brand relationship (Chaudhuri and Holbrook, 2001), which leads to customer loyalty.
Loyalty is the result of a thorough reflection on the elements of differentiation that the company could highlight to appear in the eyes of its consumers as being truly different from its competitors. The approach that will achieve this goal is to adopt a customer orientation with relationship variables such as trust, satisfaction, communication, commitment, etc. According to Hennig-Thurau et al. (2002), all relationship marketing activities are ultimately evaluated on the basis of profit, customer loyalty and word of mouth. A number of variables, from the recent literature, have favored the success of a good relationship between relationship marketing and customer loyalty. Table 2 shows a summary of the articles reviewed that examined the influencing factors.

It gives us the following information about the researchers, the years, the independent variables, the dependent variables and the summary of the result. In addition, in Table 2, an overview of the research on relational factors that leads to the success of a lasting and beneficial relationship with clients is presented. Thus, there are variables such as satisfaction, trust, commitment, communication, service quality, etc. According to (Heffernan et al., 2008; Nicholson et al., 2001) trust is widely recognized as the most major elements for the smooth functioning of relationship. However, as can be seen in Table 2, trust and satisfaction are the key predictors of customer loyalty training that have been studied most frequently in previous studies. Therefore, once the customer is satisfied, there will be trust and this ultimately leads to loyalty.

5. Conclusion and implications
To conclude the study examined previous academic studies on relationship marketing and customer loyalty in general and in particular the relationship marketing factors most influencing customer loyalty. The first point is to recognize that marketing has become a business of relationship and those who will succeed in the future are those who can weave a good relationship more and more personal with their customers. Then, among relational variables, trust, and satisfaction are the most major elements in the training of loyalty.

Our research is interesting in more ways than one and there is a managerial contribution. On the managerial level, when companies are preparing for a lasting relationship by loyal customers they should focus on customer satisfaction and trust. In addition, create an atmosphere that inspires customer trust and take into consideration the future are those who can weave a good relationship more and more personal with their customers. Then, among relational variables, trust, and satisfaction are the most major elements in the training of loyalty.

Measuring customer loyalty in a relationship environment is very important for managers and researchers. Finally, it is trusted that this paper could provide some insights that will be useful for academics and practitioners to study existing research and to consider future research. However, for future research, we suggest making a difference in the impact of traditional and modern relationship marketing factors on customer loyalty.

REFERENCES


*******