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THE MEASUREMENT OF THE EFFECTIVENESS OF THE RELATIONSHIP MARKETING ON THE LOYALTY OF CUSTOMERS IN KESHAVARZI BANK

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ABSTRACT

Marketing in its evolutionary path stands in a phase where vendors are not just in search of new customers. Nowadays, the purpose of marketing is management of demand through persuading the customers in their perfect loyalty to the organizations. Today customers' satisfaction is not sufficient; companies, organizations and banks should not be satisfied to their customers' satisfaction. They should be certain that their satisfied customers are loyal, too. Regarding the importance of this approach for organizations of today, the objective of the research is to study the effects of foundations of the relationship marketing, involving commitment, trust, conflict management, on the loyalty of customers. The present research is a descriptive survey. The statistical population studied here is the customers of 18 branches of Keshavarzi Bank in Kermanshah city. The sample size calculated by using the Morgan's table is 310 for the bank. For gathering data, the researcher made questionnaires involving 30 questions were distributed and they were analyzed through AMOS. The derived results confirmed the positive and significant effects of the four bases of relationship marketing on the customers' loyalty in Keshavarzi bank. Regarding the results of research the bank managers are recommended to employ the experts for training the relationship marketing to the employees and to engender continuous and effective relationships with customers and also to design more appropriate strategies and programs to the development of their loyal customers.

Keywords: *Relationship Marketing, Trust, Commitment, Communications, Conflict Management, Loyalty, Keshavarzi Bank*

INTRODUCTION
Introduction and Statement of Problem
In the modern world of today, for decision making in the process of purchase, the buyers are encountered with various questions and many ifs and uncertainties. The variety of different goods has provided miscellaneous choices for the customers. Raising the customers' expectations and the transmission of decision making power from the service providers to the customers have made the competition more challenging and caused the survival of small and big companies to be difficult. Dealing with customers, their demands and more importantly, finding ways to respond them are the subjects occupying the mind of managers and theorists. Most of the organizations know that their survival and existence depends on having loyal customers, which is a key to continue their activities. In this way, the banking industry is not an exception. Nowadays, the bank managers, regarding the activation of the private banks and for prevention from the customers' orientation to the competitors, must try to provide the customers with their requirements. Today the banks should try to move towards a modern era in the banking industry, an era when the customers are the most valuable treasures who have the potential profitability for the banks, so identifying and encouraging them for making long term and faithful relations with banks is one of the first and most important priorities of banks (Hanifin, 2003).

Regarding what was mentioned in the research, it is tried to study the dimensions of relationship marketing that may identify, reinforce and improve the value adding activities from the perspective of customers while making long term relations with customers and engendering loyalty in them. Proving the different advantages created by the relationship marketing for the organizations has caused an

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unprecedented orientation to this approach. The organizations have found out that the expense of attracting new customers is five times as the cost of keeping the present customers and losing a customer is not only losing one item of sale, but it broadens beyond that and it can lead to losing all the purchasing processes that the customer could have done during his life time (Kotler, 2003). The customers' loyalty now is a key to succeed in commerce. Increasing the customer's loyalty can raise the market shares and levels of profitability in the business. Therefore, the companies should always be careful of their interactions with customers, and knowing the customers' requirements and values, they should try to provide valuable goods and services for them to attract their satisfaction which can lead to loyalty within them, and in this way they can prevent from their shifting to other companies, hence the relationship marketing is one of the most successful approaches in this way (Chiu, 2005). The relationship marketing has made the managers be in search of more creative methods in engendering a mutual profitable communication with customers to obtain their loyalty. Regarding the importance of the subject, the primary objective of the research is to evaluate the extent of effectiveness of relationship marketing on the loyalty of the customers of Keshavarzi Bank.

Backgrounds of Research

Various studies have dealt with studying the relationship between the relationship marketing and the customers' loyalty, some of which with their results will be briefly pointed out here.

Samadi (2009), in his research dealt with "studying the effects of the relationship marketing tactics on the shopping behavior in clothing stores using the structural equations model". The results of testing the hypotheses of that research shows that in the confidence level of 95% the relationship marketing tactics (communications, personalization and preferential treatment) have significant relationships with the customers' attitude to the continual purchase and there are no significant relationships between the bonuses tactic and the desire to continue purchase. The results also showed that the tactics of relationship marketing may have positive effects on the relationship satisfaction, trust, relationship commitment and purchase treatment. Yeganeh (2007) in his research dealt with "studying and evaluating the influential factors on the customers' loyalty in the area of banking services based on an efficient model (case study: Eghtesade Novin Bank)".

The results of the study suggest a relationship between the customers' perception of the quality of services, the customers' perception of the value of services, the customers' satisfaction of the service providers, the customers' trust on the service provider and the loyalty. Ranjbaran and Barari (2009) in a study dealt with "the effects of the foundations of relationship marketing on the customers' loyalty, a comparative study of the state and private banks".

In that study which the independent variable involved trust, commitment, communications, conflict management and the dependent variable of loyalty, they concluded that the independent variable had a positive and significant effect on the dependent variable in the state bank, while in the private bank with the exception of the variable of communications, other variables had a positive and significant effect on the dependent variable.

Chiu *et al.,* (2005), in their research dealt with "studying the relationship marketing and the changes in customers' treatment"; the results suggest that the financial interests would improve the social factors and the structural links of the consumers' values and could lead to the raise of customers' loyalty.

Adamson (2003) in his study dealt with "evaluating the relationship marketing: the customers' commitment and trust as a strategy for Hong Kong's banking sector"; in that study, he concluded that the successful banks in comparison with unsuccessful ones did more efforts to apply the marketing strategy of long term relationships with customers. Ndubisi (2007) in his study dealt with "the effects of relationship marketing on the customers' loyalty", the results of which show the positive effect of four variables of relationship marketing (trust, commitment, communications, conflict management) on the customers' loyalty.

For many researchers and executives, the most important result of applying the relationship marketing in banks, just like other service sectors, is to make the customers loyal and this is an outcome which has attracted the attention of marketing experts of banks.

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The Objectives of Research

The Main Objectives

Studying the extent of effectiveness of the marketing activities on the customers' loyalty.

The Specific Objectives of Research

Identifying the influential structures of the relationship marketing on the loyalty of the bank's customers.

Measuring the influential structures of the activities of relationship marketing activities on the loyalty of the bank's customers.

Ranking the influential structures of relationship marketing activities on the loyalty of the bank's customers.

Designing an optimal and influential model for the relationship marketing activities on the loyalty of the bank's customers.

Research Hypotheses

The Main Hypothesis

The relationship marketing has a positive and significant effect on the loyalty of the bank customers.

The Sub- hypotheses

Trust has a positive and significant effect on the customers' loyalty.

Commitment has a positive and significant effect on the customers' loyalty.

Communications have a positive and significant effect on the customers' loyalty.

Conflict management has a positive and significant effect on the customers' loyalty.

MATERIALS AND METHODS

Research Methodology

The research, regarding the objectives and its nature, has an applied method, and regarding the data collection in testing the hypotheses, it is a descriptive survey; the information and the theoretical foundations were collected through library studies, and the questionnaires were used for collecting the field data.

The Statistical Population, the Sample and the Sampling Method

The statistical population of the research involves the customers of various branches of Keshavarzi Bank throughout the city of Kermanshah. For obtaining the sample size Morgan table was used. The statistical population of the research involves 310 customers of 18 branches of Keshavarzi Bank throughout Kermanshah city. The samples were gathered through the stratified random sampling.

The methods and Tools of Data Collection for Research

For colleting the required data of the research, the researcher made pack of questionnaire was used. This questionnaire involves 30 questions. The measurement scale of the options is the Five-point Likert scale. In order to evaluate the validity of questionnaires, the viewpoints of professors and experts of the Banking field and the statistical experts are searched. The reliability of questionnaires is more than 0.70 considering the Cronbach's alpha, and it asserts the reliability.

Table 1: The coefficients of Cronbach's alpha of the research variables

Row	Variables	Cronbach's alpha	Result
1	trust	0.781	appropriate
2	commitment	0.749	appropriate
3	communications	0.776	appropriate
4	conflict management	0.761	appropriate
5	total	0.766	----

Data Analysis

Using the descriptive statistics, we dealt with studying the features of a statistical population. The resultants from the responders' gender would suggest that 37.41 percent of the individuals studied were female and 62.58 percent were male. The resultants of the age showed that 0.64 percent of them were

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under 20 years old, 17.09 percent were 20-30 years old, 59.03 per cent were 30-40 years old and 23.22 percent were over 40 years old. The results of the educational status showed that 44.51 percent of the responders had high school diploma or lower degrees, 28.70 percent had associate degree, 25.80 percent had bachelor degree, 0.69 percent had master and/or higher degrees.

For using the path analysis and regression methods, the hypotheses should be normally distributed. In order to study that matter, Kolmogorov-Smirnov test was used.

Table 2: Kolmogorov-Smirnov test in Keshavarzi Bank

Variable		Trust	Commitment	Communications	Conflict
Sample size		310	310	310	310
Parameters average		3.08	2.29	5.18	1.33
of normal Standard		1.75	1.51	2.27	1.05
distribution deviation					
Kolmogorov statistic		1.58	1.36	2.95	4.36
Significance level of		0.078	0.053	0.066	0.071
test					
Test results		normal	normal	normal	normal

In order to study the effects of dependent and independent variables, AMOS software and path analysis method was used. The following output of the AMOS shows the above path analysis, the unidirectional arrows of which state the linear relations amongst the variables. The numbers wrote on these lines show the evaluated regression coefficients which were derived from the AMOS software.
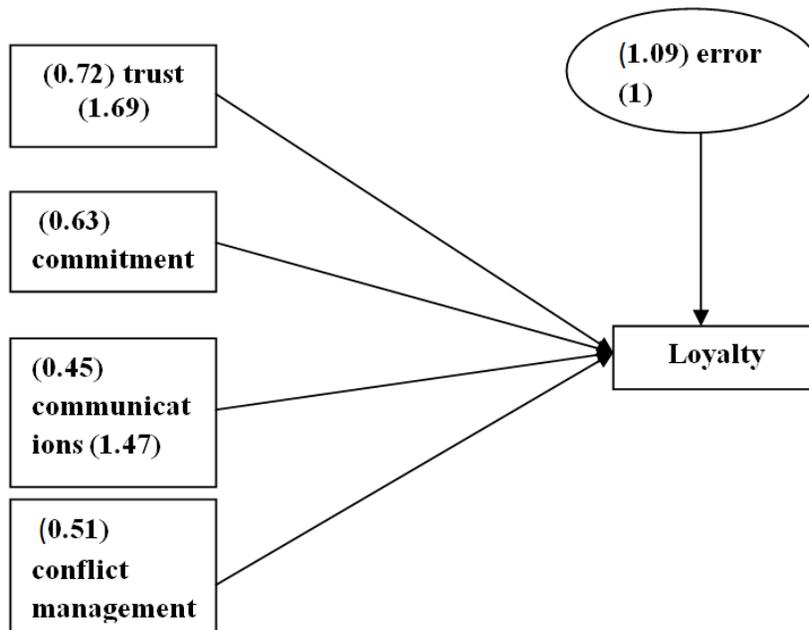

Diagram 1: The regression coefficient of variables in Keshavarzi Bank

Then the regression coefficients and p-values were used for confirming the hypotheses. The above table shows the estimated regression coefficients of the independent variable. According to that table, it is clear that the regression coefficients of the variable of trust equals 0.72, the estimated regression coefficient of the variable of commitment equals 0.63, the estimated regression coefficient of the variable of communications equals 0.45 and the estimated regression coefficient of the conflict management equals 0.45. Considering the last column of the table which shows the p-values relating to the significance

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hypothesis of the independent variables, trust 0.041, commitment 0.025, communications 0.019, conflict management 0.022, and since all of these values are less than 0.05, you can conclude that the coefficients are significant.

Table 3: The regression coefficients of the independent variables in Keshavarzi Bank

P	C.R.	S.E.	Estimate	Independent variable	Direct effect	Dependent variable
0.041	0.365	1/3	0.72	trust	→	loyalty
0.025	0.492	1.144	0.63	commitment	→	loyalty
0.019	0.185	1.212	0.45	communications	→	loyalty
0.022	0.448	1.236	0.51	conflict management	→	loyalty

Then, in order to determine the independent variable most influential on the dependent variable, the standardized coefficients of independent variables will be calculated, the variable with the highest standard coefficient has the most effects on the dependent variable.
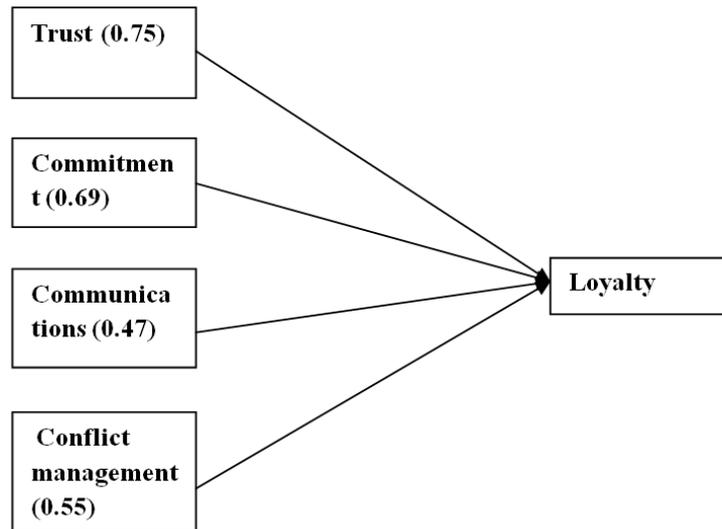

Diagram 2: The standardized coefficients of variables in Keshavarzi Bank

As you can see in the above diagram, the variable of trust has the most effects and the variable of communications has the least effects on the variable of loyalty.
In order to confirm the appropriateness of the model, the chi-square test is used and the independent and proposed models will be compared with each other. To evaluate the appropriateness of the model, the following models are used. The closer the values to one, the more appropriate the models will be.

Table 4: The comparison between the proposed model and the independent model in Keshavarzi Bank

	NFI	RFI	IFI	CFI	GFI	AGFI	RMSEA
Proposed model	0.895	0.943	0.966	0.773	0.863	0.719	0.045
Independent model	0.000	0.000	0.000	0.000	0.000	0.000	0.000

As you can see, the obtained values would affirm the appropriateness of the model.

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RESULTS AND DISCUSSION

Data Analysis and Findings

The main hypothesis: the relationship marketing has a positive and significant effect on the customers' loyalty.

Emphasizing on the results of research, the components of relationship marketing on the loyalty in Keshavarzi Bank are at the significance level of 0.041 for trust, 0.025 for commitment, 0.019 for communications and 0.022 for conflict management, and the regression coefficients are 0.72 for trust, 0.63 for commitment, 045 for communications and 0.51 for conflict management which show a positive and significant relationship between the dependent and independent variables. Therefore it can be acknowledged that there is a strong relationship between the relationship marketing and loyalty and the regression coefficients between the two aforementioned variables are direct (positive); as a result, one can say that the relationship marketing will influence the loyalty and from the perspective of customers, as the relationship marketing promotes, the loyalty will be inclined towards positivity. So the hypothesis is supported.

The first sub-hypothesis: trust has a positive and significant effect on the loyalty of customers.

Emphasizing on the results of the research, the first sub-hypothesis, trust has a significant effect on the loyalty at the significance level of 0.41 (Keshavarzi Bank) with the regression coefficient 0.72 (Keshavarzi Bank). Therefore it can be acknowledged that the relationship between the trust and loyalty is serious, and the regression coefficients between the two aforementioned variables are direct (positive); as a result, one can say that trust would influence the loyalty, and from the perspective of customers, with promotion of the trust, loyalty would be inclined to positivity. Therefore the hypothesis will be supported.

The second sub-hypothesis: trust has a positive and significant effect on the loyalty of customers.

Emphasizing on the research results, the second sub-hypothesis, commitment has a positive and significant effect on the loyalty at the significance level of 0.25 (Keshavarzi Bank) with the regression coefficient of 0.63 (Keshavarzi bank). Therefore it can be acknowledged that the relationship between the commitment and loyalty is serious, and the regression coefficients between the two aforementioned variables are direct (positive); as a result, one can say that commitment would influence the loyalty, and from the perspective of customers, with promotion of the commitment, loyalty would be inclined to positivity.

The third sub-hypothesis: communications have a positive and significant effect on the loyalty of customers.

Emphasizing on the research results, the third sub-hypothesis, communications have a positive and significant effect on the loyalty at the significance level of 0.019 (Keshavarzi Bank) with the regression coefficient of 0.45 (Keshavarzi Bank). Therefore it can be acknowledged that the relationship between communications and loyalty is serious, and the regression coefficients between the two aforementioned variables are direct (positive); as a result, one can say that communications would influence the loyalty, and from the perspective of customers, with promotion of the communications, loyalty would be inclined to positivity.

The fourth sub-hypothesis: the conflict management has a positive and significant effect on the loyalty of customers.

Emphasizing on the research results, the fourth sub-hypothesis, conflict has a positive and significant effect on the loyalty at the significance level of 0.022 (Keshavarzi Bank) with the regression coefficient of 0.51 (Keshavarzi Bank). Therefore it can be acknowledged that the relationship between conflict and the loyalty is serious, and the regression coefficients between the two aforementioned variables are direct (positive); as a result, one can say that conflict would influence the loyalty, and from the perspective of customers, with promotion of the conflicts, loyalty would be inclined to positivity.

Findings and Discussions

Keshavarzi Bank is one of those banks that are at the beginning of their growth curve in creating the influential relationships with their customers (CRM); nevertheless it could have attracted the customers' trust and commitment through providing the present services. The customers of this bank who were

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responders of our questionnaires are in the age groups of 30-40 years old and regarding the educational status, they have either high school diploma or lower degrees. This bank tries hard to prevent from creating any conflicts between customers and the bank. A problem facing the bank is the low level of customers' educational status as a result of which it has to provide services that not only respond to the customer needs, but allow the customers to use them easily too, in this way, with the employment of professionals, the bank can deal with designing the banking tools in a simple language (ease of use). With consideration of the results, the research has regulated a few applied suggestions for managers.

The main hypothesis (relationship marketing): the regulation of programs for employing the professionals in order to train the bank staff in the field of marketing and engendering an influential and continual relationship with customers through the electronic tools can lead to the loyalty within customers in short terms.

The first sub-hypothesis (trust): with creating the services and with ease of services and the continual improvement of the electronic systems and providing security the attraction of customers' trust would be possible.

The second sub-hypothesis (commitment): with providing proper, on time and update services the customers' commitment can be obtained.

The third sub-hypothesis (communications): with establishing a system of communication with customers which can be respondent to all their requirements, the continual and applied relationships would be possible.

The fourth sub-hypothesis (confliction management): with the proper accountability and addressing the customers' complaints and engendering working teams in the bank for evaluating the problems and presenting the applied solutions, the conflicts between the organization and the customers can be controlled.

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