Relationship Marketing System and Its Impact on Customer Buying Behavior

Shahram Gilaninia[1]; Behzad Gholami Ghashlagh[2]

[1]Associate professor, Department of Industrial Management, Rasht Branch, Islamic Azad University, Rasht, Iran
[2]M.A. Student of Business Management, Rasht Branch, Islamic Azad University, Rasht, Iran

ABSTRACT

The purpose of this study is impact relationship marketing on customer buying behavior. Statistical society of this study was included all customers of Audio and Video Stop in the city of Ardabil in 1390 that was selected 378 to accessible sampling. For data analysis in the study have used from Lisrel software and statistical techniques of structural equations modeling (SEM). The results show that there is significant relationship between relationship Marketing system and Retention Orientation of the Retailer from audio and video Shops. There is significant relationship between relationship Satisfaction, personalization of shop, Rewarding of shop, shop Communications with Retention Orientation of the Retailer but there isn't significant relationship between preferential treatments of shop and Retention Orientation of the Retailer. Also there is significant relationship between trusts to shop with relationship Satisfaction and Relationship Commitment.

KEYWORDS: Buying Behavior, Relationship Marketing, Loyalty, Customer.

1- INTRODUCTION

The art of classic theory was focused on attract new customers and more emphasis on transactions instead of create relationships with others, in today's competitive world with intensified competition between companies in finding customers for their products and service and increased customer power, companies should not only be looking to attract new customers, but also should be considered conservation and maintaining of previous customers and strong establishing relations with them. Today's, to develop and survival in economic competition, companies and organizations should be given special importance to customer orientation and build strong relationship with the buyer of goods (Abbasi, Torkamani, 2010, Gilaninia& et al, 2012). Today's world is full of change and transformation. is include changes in technology, changes in information, a change in people's demands, changes in consumer and changes in world markets. But the most important changes in the business have been changes in values supplied to buyers that are known as a major factor in the success in current organization and leader organizations in every industry know owe their success in ability to supply and provide more value to customers in comparison with their competitors. "Warren keegan" scholars of marketing science believe that in case only focus resources on the opportunities and create value for customers that can to achieve sustainable competitive advantage and a strong support was found for life continuing in organization and acquisition leadership in its field of competition. The concept of relationship marketing receives increasing attention from academics and practitioners (Ndubisi, 2007, Gilaninia & et al, 2011). The concept of relationship marketing comes from services marketing and industrial marketing. Relationship marketing literature discusses the theory of relationship marketing dimensions, such as trust, commitment, conflict handling, and communication (Ndubisi, 2007). Relationship marketing is looking to relationship with target customers that again to buy them (the company) in the future and encourage others to buy. The best approach to maintaining customer is noted to create much Satisfaction in customer and things valuable for them because as a result his loyalty increase towards company strongly. Customer relationship management (CRM) is also seeking to provide more value for customers and to achieve tangible and non-tangible benefits from this relationship. In current world attention and act to principles of relationship marketing and CRM is considered as a competitive advantage (Haghgouei, 2010).

2- Theoretical framework

Nowadays, many companies are trying to implement of true programs to create customer loyalty. However, many programs are designed so that increase repeat purchases instead of focusing on creating customer loyalty. The company's efforts to maintaining customer is expressed as Customer Retention Orientation of the Retailer (Erabi & Izadi, 2005). Customer satisfaction and dissatisfaction is function of difference between primary expectations and actual performance (Bolton Ruth et al, 1991, 375,Gilaninia,2011).In Marketing must accept the fact that customers are not same and according to cost for each customer, we need to separate them in terms of profitability (Deragi, 2007). Consumers have various alternatives to express their dissatisfactions (Gilaninia& et

al,2011).Relationship marketing is a new approach in the banking industry to build close and long-term relationships with its customers in order to provide an understanding of the customer and their satisfaction considering the increasing competition. The variety of goods and products causes that our customers are faced with many choices (Tahmasbi, Ashtiani, Noroozi, 2007, Gilaninia& et al, 2011). Scholars of this realm commonly believed that letting customers maintain a pleasant mood throughout the shopping period is also a very important link. Its main effect was about being able to continue the effective public rating and satisfaction level (*e.g.*, Armstrong and Kotler, 2009; Kotler and Lane, 2009; Naeem and Saif, 2010, Cheng & et al, 2011). The final value of relationship marketing usually is to effectively strengthen or increase the long term customer satisfaction and customer loyalty, as well as continuing to supply high satisfaction level to customers (Adjei et al., 2009; Armstrong and Kotler, 2009 Cheng & et al, 2011).Customer loyalty is a significant factor in the success of the company's business. Loyal customers are accompanied many benefits. Including these benefits can note to improve profitability in organization, reduce marketing costs, and increase company sales, customers with lower price-sensitive and others (Kandampully et al, 2000). Based on conducted research with 5% increase in customer retention will increase the current 25 to 125% profits in company (Beeril, 2004). Also, Organizations should understand gradually necessity attention to customer in Iran and help to recognize and provide satisfactory customer needs and wants and more and more is looking for customers loyal. Using this approach, while creating long term relationships with customers can be identified, strengthened and improved activities of Important and valuable from the perspective of the customer and attract more customers and their loyalty to the organization. Thus organizations also take advantage of the benefits of customer loyalty can improve its position in this competitive market (Ranjbarian, Barari, 2009). In today's business environment is characterized by increasing competition, more forward fighting is going to win every day.(Gilaninia &et al,2011)With passing of the traditional economy and intensity competition in all aspects of modern, the customer have become the main elements and base of all company's activities; So that from a competitive perspective, survival and continuity of life depends on organizations to identify and attract new customers and maintain existing customers. One of the main concerns for any company using marketing tactics to increase sales and long-term relationships with customers is examination of the effect for these tactics on consumer behavior. On the other hand relationships maintain with all customers is not necessarily valuable. Some customers aren't correlation with approaches of corporate, because has changed customer needs and behavior. So analysis may show many of the company's relationship with some customer is not beneficial because cost for maintaining of these relations is more than gained income. Therefore it is necessary that companies assess regularly the investment of their customers and shall consider terminating unsuccessful relationships (Samadi, Norani, Farsizadeh, 2009). Johnson research has been topics consistent (compatibility) in the relationship between satisfaction and loyalty. They stated this topic such that when information is used price and quality similarly and the same in the evaluation of satisfaction and loyalty, relationship between the two construction is stronger (Auh.Johnson, 2005, 39).According to research Auh, if the weight given to information, assessment of satisfaction and loyalty, the same relationship between satisfaction and loyalty is stronger. Consistent theory is effective in explaining the difference between satisfaction and loyalty and it is dependent how to weight the data in the assessment of satisfaction and loyalty, also will change according the strength of relationship between satisfaction and loyalty.(Auh,Jonson,2005,52) The survey was conducted by the Institute of Strategic Planning in Washington DC showed that return 20% of the investment banks that have been important to their customers requires almost has been double than banks that don't have to pay attention to this subject(Gilaninia,Alipour,Zia Khosoosi,Mousavian,2011)

In this study collection of audio and video shops in Ardebil city is selected as the study statistical society and we determine role of Relationship marketing and buying behavior of customers. Thus in study main question is:

Is there significant relationship between relationship Marketing and Buying behavior in customer from audio and video Shops?

Conceptual model is derived from research conducted by Samadi et al (2009) and Ranjbaran and Barari (2009) and Schro¨der et al (2003).
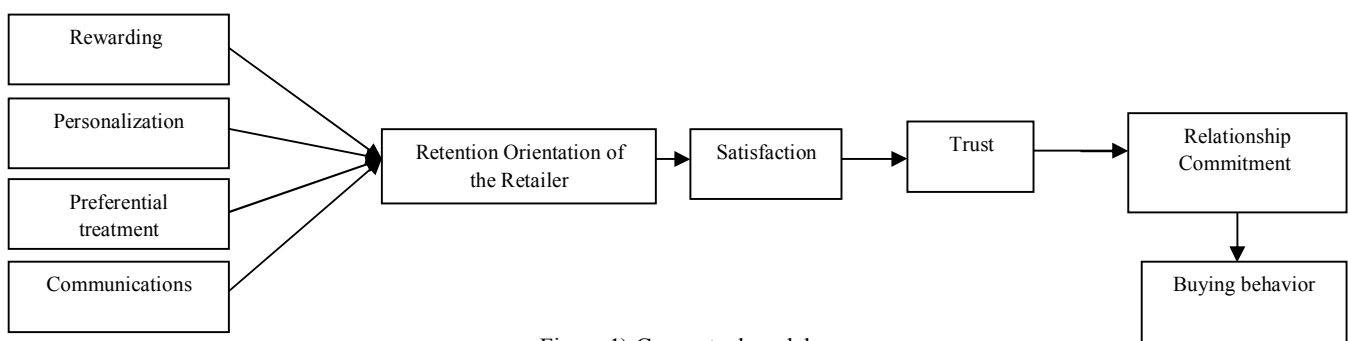

Figure 1) Conceptual model

- *Rewarding*
  The rewards have been defined: it is the tool that creates extremely valuable or incentive for the seller products, distributors or Final consumer that its primary goal is immediate sale (Belch & et al, 2001).
- *Relationship Satisfaction*
  Accordance with the principles of relationship marketing, customer satisfaction is the beginning of the relationship between buyer and seller. Communication satisfaction is a prerequisite for quality communications (Sanchez & Iniesta, 2004).
- *Trust*
  Trust is a multidimensional concept with dimensions of behavior, sensation and perception. Trust is an important element in organizations and business transactions that is facilitate of risk and it is significantly facilitate economic transactions. Trust to Supplier is created through continuous product quality, competence and compassion. Prerequisite for trust is satisfaction and customer trust won't attract without the customer satisfaction. In this study, trust is defined as: a consumer's confident belief in a retailer's honesty towards the consumer (Samadi & eta al, 2009).
- *Relationship Commitment*
  Commitment is the desire to continue the relationship and ensure to relationship will continue (Abdul-Muhmin, 2002).
- *Personalization*
  Personalize marketing is refers to customize of goods or services from the data obtained from the customer identification (Vesanen, 2007).
- *Preferential treatment*
  Preferential treatment in this study is defined as: a consumer's perception of the extent to which a shop serves its loyal customers better than its non-loyal customers (Smith and Taylor, 2004).
- *Communications*
  Communication is a process consciously or unconsciously, wanted or unwanted through which feelings and ideas express as the message and then it are send, receive and perceived (Erabi & Izadi,2007).
- *Retention Orientation of the Retailer*
  Relationship Marketing is formed based on understanding individual needs of customers. Todays, many companies do great deal of effort in order to correctly implement the programs in creating customer loyalty. However, many programs are designed so that increase repeat purchase rate Rather than focusing on creating customer loyalty. That company's efforts to preserve the customer can be expressed as Retention Orientation of the Retailer (Samadi & et al, 2009).
- *Buying behavior*
  Purchasing behavior in this study is stated as follows, customer's buying frequency and amount sent a retailer relative to other retailers (Odekerken, 2003)

3- Research Hypotheses

According determined aims in this study can be describes research hypotheses as follows:
3-1- The main hypotheses:
There is significant relationship between relationship Marketing system and Retention Orientation of the Retailer from audio and video Shops.
3-2- The sub-hypothesis
1- There is significant relationship between shop Communications with customer and Retention Orientation of the Retailer.
2- There is significant relationship between preferential treatments of shop with Retention Orientation of the Retailer.
3- There is significant relationship between personalization of shop with Retention Orientation of the Retailer.
4- There is significant relationship between Rewarding of shop with Retention Orientation of the Retailer.
5- There is significant relationship between Retention Orientation of the Retailer with relationship Satisfaction.
6- There is significant relationship between relationship Satisfaction of customer with trust.
7- There is significant relationship between customer trust to shop with Relationship Commitment.
8- There is significant relationship between customer Relationship Commitment with Buying behavior of customer.

4- RESEARCH METHOD

This study is the type of field research, according to content about the theoretical information research, the literature review and background is collected based on the information available in books, journals, theses and Internet, so this study is the type of library. Because present study is survey and Location domain was done in audio and video shops in Ardabil. For data collection is used questionnaire. Present questionnaire was standard

questionnaire that its Questions was taken in international research (questionnaire in study of Schroeder et al, 2003) based on society conditions, necessary adjustments are performed and localization. In this study, after consultation with those who are expert in the field of Audio and Video and with the assistance of technical experts and help professors and advisors in this study, we attempted to confirm the validity of data collection tools. In this study, to ensure construct validity have used confirmatory factor analysis. Present questionnaire was reliability because The Cronbach's alpha was calculated over 99 percent.

Statistical society of this study was included all customers of Audio and Video Stop in the city of Ardabil in 1390. According to the society size is infinite and precise statistics are not available from the Audio and Video Customers. First to determine sample size 40 questionnaires were distributed and collected and calculating the mean and standard deviation of sample and with placing in determination form of sample size in society infinite, sample size was determined as follows.

$$n = \frac{(z_{\alpha/2})^2 * \partial^2}{e^2} = \frac{(1/96)^2 * (/496)^2}{(/05)^2} = 378$$

For data analysis in the study have used from Lisrel software and statistical techniques of structural equations modeling (SEM), in this way causal relationship between the standards of model specified and develop correct and appropriate strategies.

5- Data analysis

5-1-Main hypothesis: There is significant relationship between relationship Marketing system and Retention Orientation of the Retailer from audio and video Shops.

Table 1) Correlation coefficient between relationship Marketing system and Retention Orientation of the Retailer

Variable	Number	correlation coefficient	Sig	Result
relationship Marketing system and Retention Orientation of the Retailer	378	0/76	0/000	Confirmed

According to table can be seen that sig=0/000<0.05.thus research hypothesis is confirmed and their relationship is significant. Also based on the table can be said that intensity of correlation between relationship Marketing system and Retention Orientation of the Retailer is 0/76.

5-2- Test sub-hypotheses:

Criteria for confirmed or rejected of each hypothesis is that if the t-statistic interval [1/96 &-1/96] acts and otherwise refuted hypothesis is confirmed.

Table 2) Results of sub- Hypothesis test through the structural model

| The sub-hypothesis	Standard coefficient	t-value	(Results (level 95%
1- There is significant relationship between shop Communications with customer and Retention Orientation of the Retailer.	0/27	4/84	Confirmed
2- There is significant relationship between preferential treatments of shop with Retention Orientation of the Retailer.	0/30	1/67	Rejected
3- There is significant relationship between personalization of shop with Retention Orientation of the Retailer.	0/22	2/04	Confirmed
4- There is significant relationship between Rewarding of shop with Retention Orientation of the Retailer.	0/52	3/51	Confirmed
5- There is significant relationship between Retention Orientation of the Retailer with relationship Satisfaction.	0/79	9/52	Confirmed
6- There is significant relationship between relationship Satisfaction of customer with trust.	0/56	8/63	Confirmed
7- There is significant relationship between customer trust to shop with Relationship Commitment.	0/82	12/33	Confirmed
8- There is significant relationship between customer Relationship Commitment with Buying behavior of customer.	0/32	5/89	Confirmed

Table 3) Symbol of research variables in output model Lisrel

Variable	Symbol
Communications	CONECTIO
preferential treatments	PERFER.B
personalization	PERSONAL
Rewarding	REWARD
Retention Orientation of the Retailer	PURCH.IN
Satisfaction	SATISFAC
trust	TRUST
Relationship Commitment	COMM.CON
Buying behavior	PURCH.BE
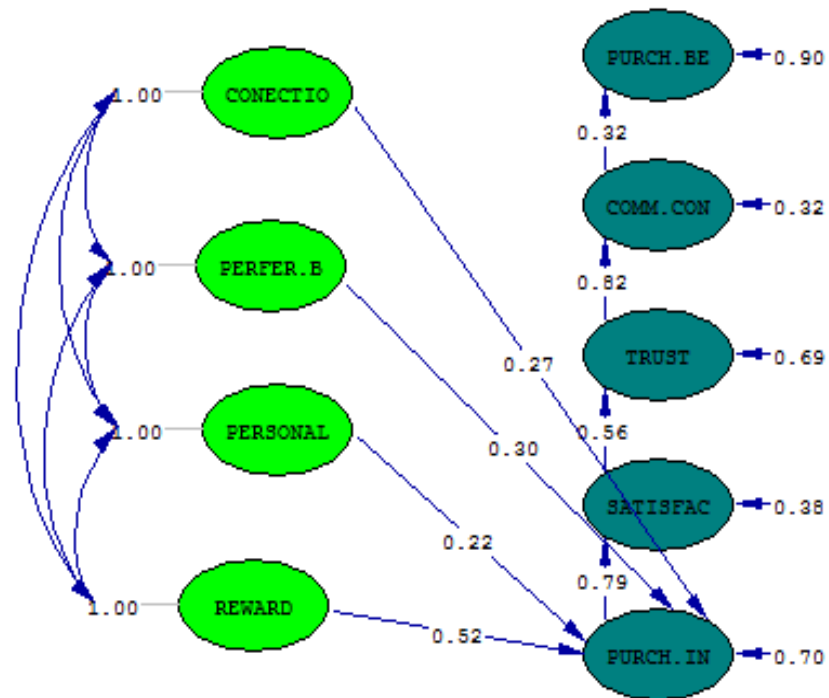
Chi-Square=1311.16, df=310, P-value=0.00000, RMSEA=0.067

Diagram 1) Structural model in standard state
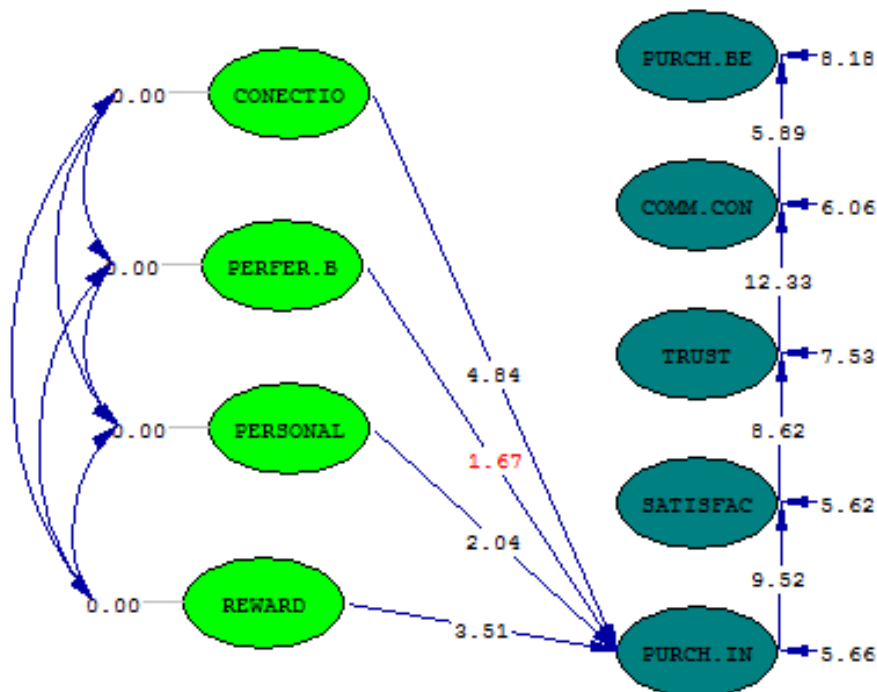
Chi-Square=1311.16, df=310, P-value=0.00000, RMSEA=0.067

Diagram 2) the structural model of research in state of significant numbers

6- Conclusions and suggestions

Today, in addition to company's strategy for attracting new customers and do trading with them because they want to maintain their current customers and create constant relationship with them. Better words, they found that the loss of a customer is more than losing a sale items and it is means the loss of the entire process of buying that customer can buy in during of their life or the period that was the buyer of the company's products. Words, companies are looking to gain their customers' lifetime value. Customer lifetime value is the present value of benefits achieved a company cannot losing its customers. Therefore, efforts maintaining customer is cost-effective and economical and corporate interest. To improve the performance of audio and video stores and also improve productivity and increase efficiency and effectiveness of the product manufacturers and related products, in marketing communications systems and customer buying behavior research should be conducted to analyze the current situation.

Following suggest are proposed according to the hypotheses results:

1 - For the convenience of customers using store products, whether presence and internet in design and layout of the decor was perfect accuracy and sensitivity (For example, the use of bright colors and relaxing, as well as the use of natural flowers in stores will caused relax and vitality in customers) It is suggested, the comments of experts in architecture, design, decoration and color psychology should be used.

2- Customers' expectations of store are including their access to information updated and accurate. It is recommended that the store as accurate and up to date via the public media or even through e-mail and text messaging give information according to access and the degree of important customer information.

3- Qualified and educated staff that knows customer problems as their problems will be effective in induction of modest character, simplicity, honesty. Holding training courses to enhance public relations and customer-oriented of store staff and also listening to customers problems is important. It is recommended that in order to congratulations important the days to customer like birthday can raise image of store.

3- According to store appearance, clean and ordered and also its employee's appearance and providing an attractive and relaxing environment for relieve tensions arising from customer's financial transactions in time presence in store environment is important.

1 - In architecture is suggested In addition to the precision in its modern, it is also used Iranian architecture and also about promotions and its activities is recommended they attend to sports advertising and sponsors of the team to a sports team, especially in popular sports such as soccer, volleyball and ....

Suggestions for future studies

1 - Review and compare this study with stores of audio and video in other places.

2- Do research on other organizations and companies

REFERENCES

Abbasi, Mohammadreza and Torkamani, Mohammas.(2010). Theoretical model of customer relationship management. Iranian Journal of Business. Volume 41, pp.19.

Adjei MT, Griffith DA, Noble SM (2009). When do relationships pay off for small retailers? Exploring targets and contexts to understand the value of relationship marketing. J. Retail., 85: 493-501.

Armstrong G, Kotler P (2009). Marketing: An Introduction 5th ed. Prentice-Hall. N.J.

Auh.seigyoung., Johnson.michael.d.(2005).compatibility effects in evaluations of satisfaction and loyalty، journal of economic psychology, vol.26, issue1,pp.35-57.

Belch, G. E. & Belch, M. A (2001); Advertising and Promotion: an Integrated Marketing Communications Perspective, Irwin/McGraw-Hill, Boston, 5th ed.

Bolton Ruthn & James H. (1991);" A Multistage Model of Customers Assess of Service Quality and Value", Journal of consumer Research, vol. 17, march, page: 375- 376.(www.emeraldinsight.com).

Cheng, Cheng-Feng and Lee, Ai-Hsuan .(2011).The influences of relationship marketing strategy and transaction cost on customer satisfaction, perceived risk, and customer loyalty, African Journal of Business Management Vol. 5(13), pp. 5199-5209.

Deragy, P. (2007), sales management and sales and presence market with the attitude of Iran market , Tehran, Rasa Press.

Erabi, Mohammad; Izadi ,davood.(2005). Management Communication, Tehran's Cultural Research Bureau.

Gilaninia, Sh; Taleghani ,M; Mousavian ,S.J; Jalilvand, S ; Khanjani,S; M Sajedi Rad, M;Shadmani , E; Shiri, Zh ; Seighalani, F. Z.(2012). Impact Of Supply Chain Dimensions On Customer Satisfaction, Kuwait Chapter of Arabian Journal of Business and Management Review, *Vol. 1, No.5;pp 130-137.*

Gilaninia,Sh;Mousavian,S.J;Mohammadi Moaf,Naser Amini Jelodarloo,S;Pournemat,M;Tajalli,M;Gholizadeh Damirchi,F,Zadbagher Seighalani,F.(2011) , Comparative Study of Relationship Marketing In Public and Private Banks, interdisciplinary journal of contemporary research in business, ijcrb.webs.com ,VOL 3, NO 8,pp508-514.

Gilaninia,Sh;Seyed Danesh,S.Y;Amiri,M;Mousavian,S.J.(2011). Effective Factors on Adoption of E-Commerce in SME Cooperative, interdisciplinary journal of contemporary research in business, ijcrb.webs.com,VOL 3, NO 6,pp13-21.

Gilaninia,sh;taleghani,m;bashiri,n; Mousavian,S.J.(2011). Assessing the Impact of Destination Features on Behavioral Intentions of Tourists in Tourism Industry (Case Study: The Historic City of Iran (Masouleh)), interdisciplinary journal of contemporary research in business, ijcrb.webs.com,VOL 3, NO 6,pp569-576.

Gilaninia.Sh& Alipour.H,Zia Khosoosi.M& Mousavian.J.(2011) . CRM Application Impact on Customer Satisfaction in Financial and Credit Institutions (Case study: Financial and Credit Institutions in Guilan, Iran). journal of basic and applied scientific research. 1(8),pp.956-963.

Kandampully, J., Duddy, R., (1999); "Relationship marketing: a concept beyond the primary relationship", *Marketing Intelligence & Planning*, 17/7, 315-323.

Kotler P, Lane K (2009). Marketing Management 13th ed. Pearson Prentice Hall.

Mansoor ,Samadi; Norani, Mohammed, farsizadeh,Hossein, (2009), "Effects of relationship marketing tactics on the buying behavior of clothing stores, using a structural equation model", Journal of Commerce, No. 53, pp 223 - 203.

Naeem H, Saif MI (2010). Employee empowerment and customer satisfaction: Empirical evidence from the banking sector of Pakistan.Afr. J. Bus. Manage., 4(10): 2028-2031.

Ndubisi, N. O and Wah, C. K. (2005) «Factorial and discriminant analyses of the underpinning of relationship marketing and customer satisfaction», International Journal of bank marketing، Vol. 23, No. 7, pp. 542.

Ndubisi, O. N. (2007), "Relationship marketing and customer loyalty" Marketing intelligence & planning, Vol. 25, No. 1, pp: 98-106.

Odekerken-Schroder, G., De Wulf, K & Schumacher, P (2003); "Strengthening Outcomes of Retailer– Consumer Relationships: The Dual Impact of Relationship Marketing Tactics and Consumer Personality", *Journal of Business Research*, 56(3), pp.177-190.

Ranjbariyan ,Bahram; Mojtaba, Barari, (2009), "Relationship marketing, an approach for improving customer satisfaction", Iranian Journal of Management Executive, No. 2 (36).

Schroder G., Wulf K., Schumacher P.(2003), Strengthening Outcomes of Retailer–consumer Relationships The dual Impact of Relationship Marketing Tactics and Consumer Personality. Journal of Business Research; 56: 177– 190.

Smith, J. B and Barclay, D. W. (1997) «The Effects of Organizational Differences and Trust on the Effectiveness of Selling Partner Relationships», Journal of Marketing, Vol. 61، pp. 3-21.

Tahmasbi, A. M. & Noroozi, A. (2007). "Relationship marketing". Journal of devise, 184: 42.

Taleghani,M; Biabani, Sh; Rahbarinia,S.A;Gilaninia, Sh; Mousavian ,S. J.(2011). Arabian Journal of Business and Management Review, Vol. 1, No.3.

Taleghani,m; Samadi Largani,m; Gilaninia, Sh; Mousavian.J.(2011). The Role of Customer Complaints Management in Consumers Satisfaction for New Industrial Enterprises of Iran, International Journal of Business Administration, Vol. 2, No. 3;pp140-147.

Vasudevan, H and Gaur, S. S and Shinde, R. K. (2006)»Relational switching costs, satisfaction and commitment A study in the Indian manufacturing context», Asia Pacific Journal of Marketing and Logistics, Vol. 18, No. 4, pp. 342-353.

Vesanen, Jari (2007); "What is Personalization? A Conceptual Framework", *European Journal of Marketing*, 41(5/6), pp. 409-418.

Zins, A. H. (2001), "Relative attitudes and commitment in customer, loyalty models", International Journal of Service Industry Management، Vol. 12, No. 3, pp: 269-294.