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A MODEL OF RELATIONSHIP MARKETING AND CUSTOMER LOYALITY IN THE USERS OF PRIVATE SWIMMING POOLS IN TEHRAN

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ABSTRACT

Market and customer are two interrelated concepts. Customer loyalty is an important advantage in today's competitive environment. The purpose of the present research was to model the link between relationship marketing and customer loyalty. The population of this descriptive-correlational research consisted of all the users of private swimming pools in Tehran. 375 users were selected as the sample using two-stage cluster sampling. Data were collected using the questionnaires of Kim *et al.,* (2008) with 7 dimensions (trust, commitment, intimacy, identification, reciprocity, satisfaction, and conflict handling) and Allen and Meyer (1990) with 2 dimensions (attitudinal and behavioral loyalty). Content validity of the instrument was confirmed by experts in the field and a Cronbach's alpha of 0.89 was obtained. Descriptive statistics and confirmatory factor analysis were used to analyze the data. The results showed that there was a strong positive correlation between relationship marketing and customer loyalty in the swimming pool users. The proposed model adequately fit the data. Swimming pool managers can employ relationship marketing strategies to increase customer loyalty, thus survive and prosper in today's competitive world.

Keywords: Relationship Marketing, Customer Loyalty, Swimming Pools

INTRODUCTION

Market and customers are interconnected concepts that are of great importance in today's competitive environment. Winners in this situation are those markets with the most satisfied and loyal customers (Rabbani, 2012). Neal (1999) defines customer loyalty as the proportion of times a purchaser chooses the same product or service in a category compared with his or her total number of purchases in the category. Investment in increasing customer loyalty can increase revenues and reduce costs. A loyal customer chooses to purchase the same product or service even though they may have other alternatives. Therefore, today loyal customers are a key factor in the success and prosperity of organizations. Customer loyalty not only increases the value of the business, but also reduces costs compared with finding new customers (Oliver, 1999).

Relationship marketing is one of the various factors that affect customer loyalty. Relationship marketing involves creating, maintaining, and enhancing strong relationships with customers and other stakeholders (Kotler and Armstrong, 1999). According to Parvatiyar and Sheth (1999), relationship marking is "the ongoing process of engaging in cooperative and collaborative activities with immediate and end user customers to create or enhance mutual economic value at reduced cost."Relationship marketing is oriented to the long term. The goal is to deliver long-term values to the customers, and the measure of success is customer satisfaction.

Different studies have investigated the link between relationship marketing and customer loyalty. Bojei and Alwie (2010) examined the effect of relationship quality on loyalty in the service sector. They found that all the dimensions of relationship quality—i.e. closeness, communication, communication quality, special care, commitment, trust, and satisfaction—influenced loyalty in customers, with commitment having the strongest influence and communication quality having the weakest effect.

Auruskeviciene *et al.,* (2010) aimed to identify the dimensions of relationship quality that enable professional services companies to establish long-term relations with their clients. They found that

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functional quality, trust, and commitment had a significant effect on IT services customer loyalty. Functional quality construct was the most important dimension of relationship quality.

Shirsavar and Movahed (2013) examined the effect of relationship marketing strategies on customer loyalty. They found that these strategies have a significant effect on the quality of relationships between firms and customers and can be a significant factor in customer loyalty.

Despite the extensive literature on relationship marketing and customer loyalty, there is still the need to investigate this relationship with more variables and in different settings. Thus, this research aims to examine the link between relationship marketing and customer loyalty in private swimming pools of Tehran. The results can be useful to all the managers and sporting clubs and sport organizations as well as sport fans and investors.

MATERIALS AND METHODS

The present research was descriptive-correlational carried out as a field study. The population consisted of all the private swimming pools in Tehran (N = 77). As there was no accurate list of the number of customers and the population was unlimited, 375 customers were selected based on Cochran's formula and two-stage cluster sampling. Data were collected using the questionnaires of Kim *et al.,* (2008) with 27 items and 7 dimensions (i.e. trust, commitment, intimacy, identification, reciprocity, satisfaction, and conflict handling) and Allen and Meyer (1990) with 12 dimensions and 2 components (i.e. attitudinal and behavioral loyalty). Content validity of the instrument was confirmed by experts in the field and a Cronbach's alpha of 0.89 was obtained in a pilot study on 50 participants. Descriptive statistics and confirmatory factor analysis were used in SPSS and LISREL to analyze the data.

RESULTS AND DISCUSSION

The demographics data showed that 27.33% of the participants were employees, 17.33% were students, 52% were self-employed, and 3.34% had other occupations. Also the data showed that 12.7% of the participants visited the swimming pools once a week, 34.7% visited twice a week, 38% visited three times a week, 9.3% visited four times a week, and 5.3% visited five times a week.
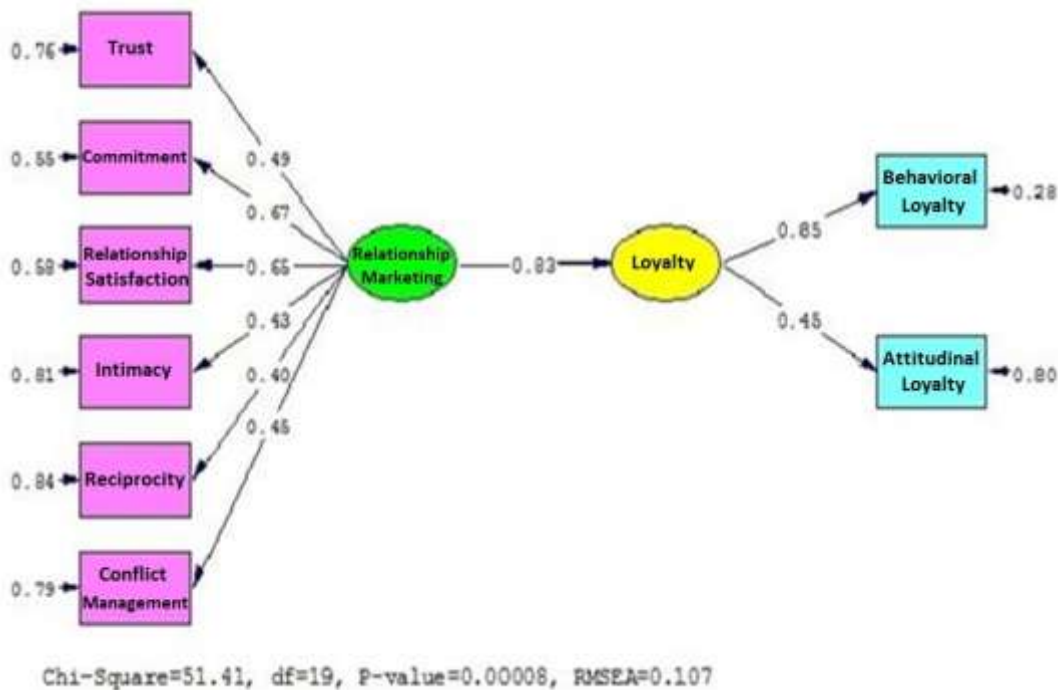

Chi-Square=51.41, df=19, P-value=0.00008, RMSEA=0.107

Figure 1

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Table1: Evaluation of model total fit

Conceptual model's fit indices	Chi-Square	df	RMSEA	AGFI	GFI	RMR
Indices value	51.41	19	0.107	0.88	0.92	0.03

Table 1 shows the goodness of fit indices of the proposed model. The results indicate that all the indices are acceptable (GFI > 0.9; AGFI > 0.9), and thus the model adequately fits the data.

Table 2: The results of structural equations modeling for the relationship between relationship marketing and customer loyalty

Relationship	Standardized Coefficient (β)	t-value	Result
Relationship Marketing → Loyalty	0.83	8.60	Significant

The results in table 2 show that the t-value (t = 8.60) in not within the 1.96 to -1.96 range. Therefore, the main hypothesis is accepted and relationship marketing has a significant effect on customer loyalty. Given the effect size (β = 0.83), the effect is positive and strong. In other words, a unit changes in relationship marketing leads to 0.83 increases in customer loyalty.

Conclusion

The results indicated the significant positive effect of relationship marketing on customer loyalty in the private swimming pools of Tehran. This is consistent with the results of Bojei and Alwie (2010), Auruskeviciene *et al.,* (2010), and Shirsavar and Movahed (2013).

One of the main challenges facing organizations is having loyal customers. A loyal customer chooses to repurchase the same product or service even though they may have other alternatives. Because of their positive attitude toward the product or service, they may recommend it to others. Loyal customers have many benefits for the firm, including reduced cost of attracting new customers, increased income, growth in revenue per user, and word-of-mouth advertising (Khaksar, 2001). These advantages can contribute to the survival and success of firms in today's complex and competitive business environment. It is thus imperative to identify the factors and procedures that affect customer loyalty.

Relationship marketing is an important aspect of sport marketing. Developing relationship marketing in the sports industry can increase revenues, reduce costs, and solve many of the problems of professional sports. Relationship commitment and trust are central to successful relationship marketing as they lead directly to cooperative behaviors that are conducive to relationship marketing success (Bovinet and Bovinet, 2004).

Relationship marketing aims to improve relations with sport customers, which in turn improves the performance of teams as well as ticket sales, media sales, and team brand. Therefore, application of relationship marketing in sport organizations and especially swimming pools can increase profitability, retain customers, attract new customers, and reduce costs, among others. This in turn guarantees the survival and success of sport organizations in the face of growing competition, as this form of marketing does not merely seek to satisfy customers, but to encourage them to repurchase the sport products and services in the future and recommend them to others.

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