An Empirical Study: Survey of Relationship between Marketing Mix and Customers' Loyalty (Case Study: SMEs in Ghazvin city)

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ARTICLE INFO

ABSTRACT

Objective: This research has done to investigate the Relationship between Marketing Mix and customers' loyalty in SMEs in Ghazvin city in year of 2015. **Methodology:** Statistical population in this study is customers of SMEs in Ghazvin city that number of statistical population is 384 people. Due to the nature of the population studied, available sampling method was used and sample and sampling methods census is used, in other words sample is population. This research in term of purpose this research is applied research and the method is descriptive, this is a description because offers a picture of the current situation and survey because the relevant data gathered through the sampling in a survey done and in terms of the relationship between variables are correlational. The study of the way the questionnaire was used for data collection. Data entered SPSS20 software for data analysis, statistical tests (Pearson correlation, multiple regression, T and F test) were used. **Results:** The findings of main hypothesis in this research shows that there is a significant correlation between marketing mix and customers' loyalty. The results of path analysis by LISREL software showed that marketing mix and corporate loyalty with (factor loading 0.76 and a significant number 6.54) was confirmed. **Conclusion:** In current research all of relationships according to results of testing the Pearson's Correlation coefficient was confirmed. It was seen the marketing mix with (effect Coefficient 0.76 and a significant number 6.54) had a significant impact on the customers' loyalty.

1. Introduction

Many companies are trying to attract the attention of their potential customers. One way to achieve this is to create differentiation. Building and managing strong brands not only a target for many businesses, but also is as a strategy. The traditional approach, the value of an organization in terms of property, and intangible assets such as factories, machinery, equipment and facilities were measured, but now the results of the studies show that the real value of a company, where out of it, that is in the minds of potential buyers. From the perspective of Kaplan and Norton (2009) the brand are an important component of the company's intangible assets. Hence, brand is main asset of many businesses have introduced. Most researchers believe that brand on long-term profitability of equity is effective. Atilgan et al. (2005), the research focused on the issue of brand equity strategic role and its importance in achieving competitive advantage and contribute to the strategic management of their decisions. Strategic importance and the necessity of understanding and evaluating brand equity, especially in the service sector, which constitutes the core of this study. Most studies about the evaluation of brand equity in the production and evaluation of acres model (1991) is concentrated; the majority of the marketing mix variables (such as price, sales promotions and advertising), the concentrated short-term impact on their brand equity. But at the same time managers of these variables can impact long-term on brand equity variables (such as the manufacturer's loyalty and brand personality) take advantages. As a result, this current research will investigate the effect of Marketing Mix on the customers' loyalty (Abratt, 1989).

1.1 Research Problem

When adopting the brand of a product is high enough to target buyers, the product behave positively. For example, if high source continues to pay more

for a product they buy it and called it good. In this regard, a company can enhance its competitive position will enhance the status of masterpiece to strengthen its brand. Birghin and Cova explain that basis brand therefore promoting relations is between the buyer and seller. Webster &Keller also explain that sellers adapted high price improved and survival of their relationships with is more likely. A strong brand helps to strengthen control on switch vendor relationship with the buyer (Bromley, 2011).

In addition to adoption of cost effective to determine buyer-seller relationship is stronger and making this relationship even stronger and, instead, lead to the adoption of higher prices. Among these studies, two studies focused on the relationship between the adoption of brand and marketing relationships with the adoption of the brand and the efforts of the marketing mix (e.g. price and promotion) or implementation of marketing variables (e.g., income and degree of sales), they do not fully account for the key variables that intervene 1. The feature adaptation of brand in context of marketing 2. Commercial marketing efforts and 3. Implementation of marketing. Price value-oriented and brand loyalty have the greatest effect on the profits of all the critical aspects of the brand name is derived. Basic communication model is well established in consumer marketing and the knowledge generated from this model is useful to understand how the adoption of the brand grows and how it affects the market quality in industrial markets and we need to develop a comprehensive model for the markets and consider the distinct aspects. In these respects, three of them are particularly noteworthy:

It has repeatedly acknowledged the role of the corporate loyalty is much more important in industrial marketing from consumer marketing. Research in commercial market shows that the company picture is now more effective and brand loyalty of the product loyalty, decision of select change that depends on the company's reputation. Second, the relationship between buyer and seller is very critical to maintain market power in industrial markets to consumer markets. after-sales services is good to promote a buyer-seller relationship in the commercial market helps a lot of satisfaction and, in turn, strengthens the relationship between the buyer and the seller to the buyer in consumer markets after sales services as product promotion or element is considered in the distribution channel. Therefore, its role has been less emphasized (Reichheld & Teal, 2001).

Third, as noted above, there is relatively little buyer and group decisions occur frequently to purchase products in industrial markets therefore promoting in industrial markets is a very different approach to consumer markets. For example, the sale of individual plays an important role in industrial markets than in consumer markets and a reduction in promotional activities is frequently adopted. With regard to the above three aspects that we intend to develop and test a model that comprehensively consider the efforts of the marketing mix, corporate loyalty , the adoption of the brand and market efficiency. This model has been implemented in the context of a sector software IT. Adapted from the brand an important factor influence the behavior of buyers and marketing activities of the companies in the industrial software market IT. Depending on what Hutton describes the well-known brand names application to buy further less famous names. In some countries, advertising slogans are trademarks (Bendixen et al., 2015).

1.2 Research Purpose:

1.2.1 Main Purpose
To Investigation the Relationship between Marketing Mix and customers' loyalty

1.2.2 Minor Purposes:
To Identify the Relationship between Price and customers' loyalty
To Identify the Relationship between Promotion and customers' loyalty
To Identify the Relationship between Distribution Channel and customers' loyalty

1.3 Research Hypotheses:

1.3.1 Main Hypothesis:
There is significant Relationship between Marketing Mix and customers' loyalty

1.3.2 Minor Hypotheses:
There is significant Relationship between Price and customers' loyalty
There is significant Relationship between Promotion and customers' loyalty
There is significant Relationship between Distribution Channel and customers' loyalty

1.4 Review of literature
Rahmani (2009), in this research entitled evaluation of the product element of the marketing mix on increase sales of automotive companies (Pars Khodro company) this study aimed to evaluate the effect of component product marketing mix on increased sales of automotive companies (Pars Khodro company) to identify the impact of the component elements of the product purchase behavior of consumers and ultimately increase sales, to product based on feedback from customers, increased production and market share in the market. For this purpose, only eight of the ten components of the product is considered and hypotheses based on eight components of a variety of products, product quality, product design; product features, brand (brand) product, service and warranty of the product were developed. Based on the hypothesis that all eight were accepted it was found that the diversity, quality, design, features, brand, size, and warranty services directly related to the increased sales of automotive companies.

Doaee and Hosseini (2008), in a research entitled (the marketing mix strategy in the export performance of firms (with a focus on product mix) conducted and the main solutions attitude in relation to the management of foreign markets tried to analyze the attitude and approach dominant in the supply of the product mix in the area of exports, its consequences and finally recommendations to improve the effectiveness of this strategy by offering the right product mix. Its important export market thanks to the good trend in the last 25 years has been followed. Lin and Hsu has identified a store features the brand loyalty by using the techniques of content analysis, five dimensions of their infrastructure (geographic accessibility, purchase location, price, and selling goods and services) were identified. Dance using the analytical method invocations free and content analysis of the industry key aspects of brand loyalty as "bad" and "good / normal" fast food fast, two-dimensional perspective was apparent.

Sok and O'Cass (2011), the dimensions of brand loyalty for their products and services have been identified. Thus, the dimensions of the product or

service, brand experience, loyalty and the importance of goods and services for the customer as the main dimensions of brand loyalty for both product and services identified. They also aspects such as feelings and homogeneity, its loyalty has been observed only on their products, while word of mouth conversations, behavior and appearance of staff to service the picture was taken, was more important. Some studies also brand equity and brand loyalty (as a source of value creation) the main subject and they have shown a positive effect of various factors such as country of origin Baldaf et al direct impact on brand equity (brand loyalty) showed. Lee et al., (2015) studies also the effect of marketing mix elements on brand awareness and brand invocations (brand loyalty), impression quality, and brand loyalty and ultimately their brand equity.

Also, another group of studies focused on the role of brand loyalty as a moderator variable. Yagsy examine the role of brand loyalty infringe on factors such as comparative advertising, public relations on variables such as motivation, customer and brand loyalty studied. Mudambi (2014), the effect of brand loyalty on brand equity in industrial markets have studied. Bordi in his research with an emphasis on customer-based approach, the effect of brand loyalty on other factors, especially the quality of the loyalty is examined (Chang & Tu, 2014).

2. Materials and methods

Research Conceptual Model:
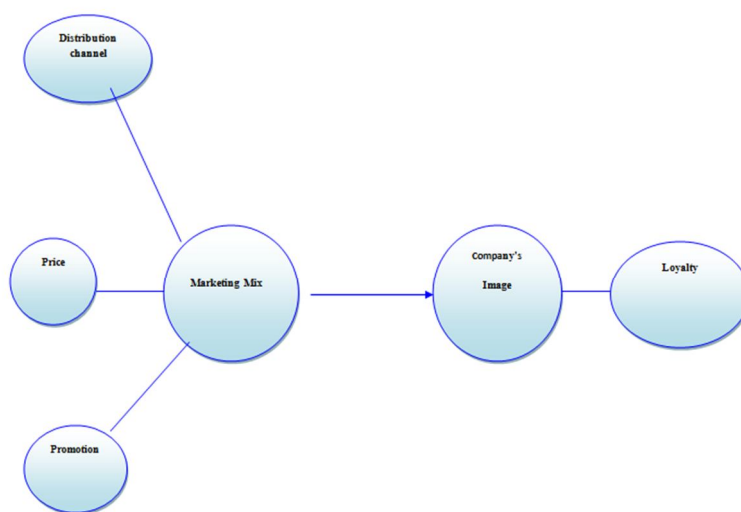
Resource: Aron O'Cass et al Model (2011).

Figure 1. Research Conceptual Model

2.1 Research Methodology:
This research in term of purpose is applied research, and the method of research is descriptive- correlation Research. Also, this study is a description and survey research,
Because of that for gathering data in this research was used through sampling of population and has done within a survey research.

2.2 Statistical Population, Sample size and Sampling Method:
Statistical population in this study is customers of SMEs in Ghazvin city that number of statistical population is 384 people. Due to the nature of the population studied, available sampling method was used and sample and sampling methods census is used, in other words sample size is same and equal to the population.

3. Discussion and results

3.1 Research Findings
3.1.1 Hypotheses Testing:

3.1.1.1 Main Hypothesis:

There is significant Relationship between Marketing Mix and the customers' loyalty

There is no significant Relationship between Marketing Mix and the customers' loyalty

$\rho = 0: H_0$

There is significant Relationship between Marketing Mix and the customers' loyalty

$\rho \neq 0 : H_1$

Table 1. Results of the test of Pearson's correlation coefficient between Marketing Mix and the customers' loyalty

	Marketing Mix	
Company's loyalty	Pearson's correlation	0.854^{**}
	Significance level	**0.000**
	Number	**384**

$0.01 \ p <^{**}$

Considering the above table, since the significance level is less than 0.05 and the conclusion is that the (null hypothesis) H0 is not confirmed and the H1 hypothesis based on existence of significant Relationship between « Marketing Mix and the customers' loyalty » is accepted. As can be seen in level of 95 percent there is significant and direct Relationship between Marketing Mix and customers' loyalty and Correlation coefficient between the two variables is equal to 0.854.

3.1.1.2 Minor Hypotheses:

3.1.1.2.1 First Minor Hypotheses:

There is significant Relationship between Price and customers' loyalty

There is no significant Relationship between Price and customers' loyalty

$\rho = 0: H_0$

There is significant Relationship between Price and customers' loyalty

$\rho \neq 0 : H_1$

Table 2. Results of the test of Pearson's correlation coefficient between Price and customers' loyalty

	Price	
Company's loyalty	Pearson's correlation	0.782^{**}
	Significance level	**0.000**
	Number	**384**

$0.01 \ p <^{**}$

Considering the above table, since the significance level is less than 0.05 and the conclusion is that the (null hypothesis) H0 is not confirmed and the H1 hypothesis based on existence of significant Relationship between « Price and customers' loyalty » is accepted. As can be seen in level of 95 percent there is significant and direct Relationship between Price and customers' loyalty and Correlation coefficient between the two variables is equal to 0.782.

3.1.1.2.2 Second Minor Hypotheses:

There is significant Relationship between Promotion and customers' loyalty

There is no significant Relationship between Promotion and customers' loyalty

$\rho = 0: H_0$

There is significant Relationship between Promotion and customers' loyalty

$\rho \neq 0 : H_1$

Table 3. Results of the test of Pearson's correlation coefficient between Promotion and customers' loyalty

	Promotion	
Company's loyalty	Pearson's correlation	0.758^{**}
	Significance level	**0.000**
	Number	**384**

$0.01 \ p <^{**}$

Considering the above table, since the significance level is less than 0.05 and the conclusion is that the (null hypothesis) H0 is not confirmed and the H1 hypothesis based on existence of significant Relationship between « Promotion and customers' loyalty » is accepted. As can be seen in level of 95 percent there is significant and direct Relationship between Promotion and customers' loyalty and Correlation coefficient between the two variables is equal to 0.758.

3.1.1.2.3 Third Minor Hypotheses:

There is significant Relationship between Distribution Channel and customers' loyalty

There is no significant Relationship between Distribution Channel and customers' loyalty

$\rho = 0: H_0$

There is significant Relationship between Distribution Channel and customers' loyalty

$\rho \neq 0 : H_1$

Table 4. Results of the test of Pearson's correlation coefficient between Distribution Channel and customers' loyalty

	Distribution Channel	
Company's loyalty	Pearson's correlation	**0.799****
	Significance level	**0.000**
	Number	**384**

$^{**}p < 0.01$

Considering the above table, since the significance level is less than 0.05 and the conclusion is that the (null hypothesis) H0 is not confirmed and the H1 hypothesis based on existence of significant Relationship between « Distribution Channel and customers' loyalty » is accepted. As can be seen in level of 95 percent there is significant and direct Relationship between Distribution Channel and customers' loyalty and Correlation coefficient between the two variables is equal to 0.799.

3.1.2 Results of Hypotheses testing related to research Hypotheses:

3.1.2.1 Status of Marketing Mix in SMEs in Ghazvin city
According to Research findings of SMEs in Ghazvin city especially in Marketing Mix variable and its dimensions were almost all in suitable status. SMEs in marketing mix have the Mean equal to 3.244 and Standard Division equal to 0.68 and T test have confirmed the significance of the findings. In terms of situation in Marketing Mix dimensions, after-sale services with (Mean equal to 3.466 and Standard Division equal to 0.713), has the most desirable situation and the first grade, Distribution Channel with (Mean equal to 3.191 and Standard Division equal to 0.786) in second grade, Promotion with (Mean equal to 3.155 and Standard Division equal to 0.753) in third grade and price with (Mean equal to 3.085 and Standard Division equal to 0.811) in fourth grade has been located.

3.1.2.2 Status of customers' loyalty in SMEs in Ghazvin city
According to Research findings of SMEs in Ghazvin city especially in customers' loyalty variable and its dimensions were almost all in suitable status. SMEs in terms of customers' loyalty have the Mean equal to 3.163 and Standard Division equal to 0.757 and T test have confirmed the significance of the findings. In terms of situation in customers' loyalty, Brand Awareness with (Mean equal to 3.247 and Standard Division equal to 0.769), has the most desirable situation and the first grade, Brand Loyalty with (Mean equal to 3.117 and Standard Division equal to 0.887) in second grade, Perceived quality with (Mean equal to 3.095 and Standard Division equal to 0.846) in third grade has been located.

3.1.3 The Conclusions of Hypotheses

3.1.3.1 The Results of the Research Hypotheses

3.1.3.1.1 Main Hypothesis:
There is significant Relationship between Marketing Mix and customers' loyalty s.

The findings of main hypothesis in this research shows that there is a significant correlation between marketing mix and customers' loyalty. The results of path analysis by LISREL software showed that marketing mix and corporate loyalty with (factor loading 0.76 and a significant number 6.54) was confirmed.

The results of this hypothesis is agreed with the findings of Sok and O'Cass (2011).

3.1.3.1.2 First Minor Hypothesis:
There is significant Relationship between Price and customers' loyalty

The findings of First Minor hypothesis in this research show that there is a significant correlation between Price and customers' loyalty. The results of path analysis by LISREL software showed that Price and corporate loyalty with (factor loading 0.74 and a significant number 4.82) was confirmed.

The result of this hypothesis is agreed with the findings of Sok and O'Cass (2011).

3.1.3.1.3 Second Minor Hypothesis:
There is significant Relationship between Promotion and customers' loyalty

The findings of second Minor hypothesis in this research show that there is a significant correlation between Promotion and customers' loyalty. The results of path analysis by LISREL software showed that Promotion and corporate loyalty with (factor loading 0.68 and a significant number 4.06) was confirmed.

The result of this hypothesis is agreed with the findings of Sok and O'Cass (2011).

3.1.3.1.4 Third Minor Hypothesis:

There is significant Relationship between Distribution Channel and customers' loyalty

The findings of third Minor hypothesis in this research show that there is a significant correlation between Distribution Channel and customers' loyalty. The results of path analysis by LISREL software showed that Distribution Channel and corporate loyalty with (factor loading 0.63 and a significant number 3.42) was confirmed.

The result of this hypothesis is agreed with the findings of Sok and O'Cass (2011).

4. Conclusion

In current research all of relationships according to results of testing the Pearson's Correlation coefficient was confirmed. It was seen the marketing mix with (effect Coefficient 0.76 and a significant number 6.54) had a significant impact on the customers' loyalty.

Among of research Hypotheses, price with (effect Coefficient 0.74) on customers' loyalty in first grade, promotion with (effect Coefficient 0.74) on customers' loyalty in second grade, and Distribution Channel with (effect Coefficient 0.63) on customers' loyalty in third and the last grade has been located. The results showed that the impact of each factor in promoting the customers' loyalty are not the same and different marketing mix, but choosing the right strategic marketing mix as a related set can be arrange to create more satisfied customers to purchase increase desired products companies, because according to the marketing mix, independently from other factors in the decision to purchase if it is effective, but the impact point and some buyers will have no effect. For example, low product prices may cause customer satisfaction and quality that cares about the customer, but not satisfaction or if you bought a quality and honest advertising and the distribution cares, prices may not consider it very important. It features a total of tetra marketing that can enhance customer satisfaction and decided to buy him.

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How to Cite this Article:

Khosravani Farahani H., Mahmodi Lafva M., An Empirical Study: Survey of Relationship between Marketing Mix and Customers' Loyalty (Case Study: SMEs in Ghazvin city), Uct Journal of Management and Accounting Studies 4(1) (2016) 16–21.