Identifying factors affecting customer loyalty with the **AHP** approach
The subject of study (Chain stores of Izeh city)

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abstract

In today's competitive markets, customer loyalty is one of the key factors for the survival of companies. Accurate evaluation of customer loyalty can lead to improved marketing strategies and increased customer satisfaction. Today, customer retention is very important, so that the cost of attracting a new customer is five or six times the cost of implementing existing customer retention strategies. This article investigates the use of Analytical Hierarchy Method (AHP) to evaluate customer loyalty in chain stores. This article includes the investigation of customer behaviors and the way stores use to gain customers' trust and loyalty by using data collection methods based on the facts of chain stores in Izeh city and taken from the opinions of customers and managers and experts active in these stores. The examined criteria include service quality, price, customer experience and staff quality, each of which has three sub-criteria.

The results show that the service quality criterion has the greatest impact on customer loyalty.

Keywords:

AHP, customer loyalty, chain store, customer satisfaction

Introduction

In today's competitive markets, customer loyalty is one of the key factors for the survival of companies Accurate evaluation of customer loyalty can lead to improved marketing strategies and increased customer satisfaction. Today, customer retention is very important, so that the cost of attracting a new customer is on average five or six times the cost of implementing existing customer retention strategies. (Ndubisi, 2003) therefore, in the intense competitive arena, orientation towards customers, increasing their satisfaction and achieving loyal customers is a winning card that leads to sustainable competitive advantage for companies. In fact, the importance of customer loyalty is because it increases the number of permanent customers of companies and organizations, and through repeat purchases and word-of-mouth advertising about the organization, it leads to an increase in sales, market share, and ultimately profitability.therefore, it is very important and valuable for marketing and sales managers to understand the concepts and patterns of loyalty.(Jones and Taylor, 2007). during the last decade, due to the intensity of competition in various industries, during the last decade, due to the intensity of competition in various industries, experts and the scientific community have shown increasing attention to customer loyalty due to its effect on long-term performance and profitability (Tajadini et al., 2018). Loyal customers buy more. They are willing to pay higher prices and positively recommending other people and referring them to your brand (Donnelly, 2009), Therefore, achieving loyal customers paves the way to achieve sustainable competitive advantage (Chen, 2015). For this reason, understanding how to create and strengthen customer loyalty has become very important for a wide variety of industries (Kanakaratne et al, 2019).

Due to many reasons, in recent years, the purchasing power of people around the world has decreased and consumers have become aware of the need to save money and are looking for better offers, which leads to a possible decrease in satisfaction and trust, as well as the temptation to break the relationship with the current stores (Filipe et al, 2017) Therefore,

these types of retail stores are looking for new ways to attract buyers to stores, increase their purchase amount and maintain their loyalty to the store (Grosso et al, 2018) and as a result, they have to direct their strategic marketing activities towards a common goal, which is to develop, maintain and deepen relationships with reliable and loyal customers (Maggioni, 2016). despite the various researches that have been done in this field, it seems that the dispersion of the findings makes it difficult to use them for retailers who want to benefit from the results of these studies. and it seems that an integrated model that examines how customers evaluate a chain store and follow that loyalty is a research gap. In such a way that with the investigations carried out through internet search and using key words such as: loyalty, customer retention, customer support and such in reliable publications in domestic databases such as Iran Doc, SID, university publications Normagz between 1390 and 1399, and foreign publications such as Emerald Insight, Proquist, Science Direct, Springer, Sage, etc., did not find such a model between 2000 and 2020. In this research, we are looking for factors affecting customer loyalty that chain stores can focus on.the purpose of this research is to investigate the pattern of customer loyalty for chain stores.by understanding the relationships between the factors affecting customer loyalty, planned and more effective moves should be made in the direction of realizing customer orientation and creating changes in the culture of shopping and consumption in chain stores.

Literature review

When Copeland (1923) raised the issue of loyalty, the understanding of this phenomenon was focused on the behavioral aspect of loyalty and focusing on the specific behavioral actions of customers (Benner,2010& Bendz and Hinnelstrup, 2015). For example, Koningam (1956) defines loyalty to a brand as the total number of purchases made in the largest brand used. In the sense that store loyalty is not measured according to the number of stores that a family buys from; Rather, it is measured according to the percentage of total expenses in a particular store. (Benner, 2010 & Bendz and Hinnelstrup, 2015 & Velinder and Jina, 2010) Later, Newman (1996) challenged this behavioral approach to loyalty (Bandyopadhyay and Martell, 2007).and the issue of

fake loyalty and real loyalty was raised, in which the measurement of loyalty is recommended with both behavioral and attitude approaches (Dick and Basu,1994). Further, Oliver (1999) defined loyalty as follows: customer loyalty is defined as a concept of repurchasing or patronizing a particular product or service continuously.even when situational factors and competitors' marketing efforts potentially lead to changes in customer behavior. Dennis Sa and Kumar (2004) investigated the dimensions of increasing revenue, reducing marketing costs, word-of-mouth advertising, and constructive feedback on the value of loyal customers. Sun and Lin (2010) have emphasized the importance of personal characteristics and trust in employees in evaluating the factors affecting loyalty in stores. In a quantitative study, Johns and Kim (2011) concluded that brand community positively affects loyalty. Nilsson and Sundberg (2010) propose service restoration as a way to achieve emotional loyalty. The results of this research indicate that not all dissatisfied customers complain In fact, they tend to complain about specific defects and not general discouragement. Instead, dissatisfaction may cause them to switch stores and spread negative publicity. Wall and Hejden (2016) in identifying the objective behaviors of employees that can make customers loyal, eight behavioral factors of service quality provided by employees, employees' ability to provide high quality, employees' empathy with customers' needs, employees' understanding of customers' needs, employees' response to needs The customers listed the employees' humility towards the customers, the way the employees served and the customers' trust in the employees. Service availability, employees, responsiveness, personalization, employee proactiveness and loyalty programs are other factors that Grewal et al. presented (2008). Customer loyalty has advantages for companies, such as reducing the sensitivity of customers to changes and prices, selling diverse and ancillary products to one customer, selling upgraded and new products to a customer's market, etc. (Haji Karimi, 2014).

State the problem:

Today, the customer is considered the most important asset of organizations; So that attention to customers is one of the main concerns of organizations and they try to attract and retain

customers and turn them into permanent and loyal customers(. Mudimigh et al, 2009) In fact, organizations have realized that the loss of a customer means the loss of the entire flow of purchases that the customer could make during her lifetime or the period when she was a buyer of the organization's products. (Keegan, translated by Ebrahimi, 2010). According to researchers, a 5% increase in customer retention rate can increase profitability by 95%. In addition, an unsatisfied customer harms the business competition with negative advertisements against the organization (Da'ai and Dabbagh, 2009). Also, the cost of attracting a new customer is about 7 to 10 times the cost of maintaining an old and current customer (Gebert et al,2003). Therefore, keeping customers and making them loyal is a matter of attention, it is a guarantee of the survival, development and growth of organizations and it is considered a great competitive advantage (Sadeghi Sedkiani, Akhwan and Bab al-Hawaij, 2014). It is necessary to achieve this goal and successfully maintain customers, predicting and providing appropriate and desirable services that fully satisfy their needs. .(Turk and Soilen, 2007)

Due to the growth and attention of chain stores in recent years, large and small stores have been created that can find a good place in the minds of customers. (Like hyperstar store) and therefore, they are a serious threat to two large and old chain stores, Citizen and Refah. as a result, these stores have to establish long-term relationships with customers, maintain and create loyalty in them, in order to gain proper profitability, reduce costs and stay in today's competitive scene. for this reason, stores try to meet the demands and needs of customers and try to provide more than their expectations. In fact, the aforementioned stores try to gain the trust and satisfaction of customers by providing quality services and turn them into loyal customers.

Quality of service: Service quality is an important factor in customizing and increasing service productivity and influencing satisfaction and loyalty.

Price: Price is one of the famous 4p's in marketing (product, price, place and promotion) and can be used as a tool to attract and satisfy customers and increase sales.

Customer expeience :Customer experience includes the entire experience; Among them are the stages of search, purchase, consumption and post-sale stages.

Quality of staff: The quality of employee interaction characteristics relative to expectations or competing organizations

The purpose of this study is to evaluate and compare the aforementioned criteria, which are categorized in Table 2. For this purpose, the hierarchical analysis process introduced by Thomas L. Saati in 1970 was used. Analysis Hierarchy Method (AHP) analyzes problems like what is done in the human brain. AHP enables decision makers to determine the mutual and simultaneous effects of many complex and uncertain situations. This process helps decision makers to set priorities based on their knowledge and experience goals; in such a way that they consider their feelings and judgments. To solve decision-making problems through AHP, the problem must be carefully and with all the details, explained and drawn in a hierarchical structure. AHP is based on the following three principles:

a) The principle of drawing a hierarchical tree,

b) the principle of setting priorities,

c) The principle of logical compatibility of judgments

In this research, in the first step, a total of 26 variables were identified by examining the background of loyalty (based on the electronic search of articles related to the determinants of loyalty), some of which we will name.(table 1)

Table 1: Determinants of loyalty

Loyalty determinant	definition	Resources
Brand awareness	The potential buyer's ability to recognize or remember that a brand is a member of a particular category of goods	(Kim et al., 2018)
Employee loyalty	The desire to continue cooperation with the organization, to do more work, to feel belonging to the organization, to accept more responsibilities of employees	(Gareche and Daboyian, 2018)
Customer involvement	The customer's personal relationship with the brand, which is in cognitive, emotional and behavioral responses It is revealed outside the purchase process; Including passion, attention, attraction, interaction and identification	(So, King & Sparks & Ndubisi2014)
Handling complaints	The process and method of solving problems due to which customers have complained to the company.	Akamavi, Mohamed, Pellmann &) (2015 Xu, (2018 Cai & Chi,)
Classification of products	Product classification shows the variety of products that a company (store) offers.	(Yun, Pysarchik & Dabas,2012)
trust	Trust indicates the degree of confidence that the other party will act as expected.	(Sanaei et al., 2014); Castaldo, Grosso, Mallarini & Rindone, 2016)

The current research has been done by collecting field data from several chain stores, and with the AHP method and pairwise comparisons between the criteria, their respective weights have been checked. The result is as follows:

rank	Criterion	Relative weight
1	Quality of service	0.375
2	price	0.251
3	Customer experience	0.213
4	Quality of staff	0.161

The obtained results show that the service quality criterion with a weight of 0.375 is the most important influencing factor. Also, the price with a weight of 0.251 in the second place, customer experience with a weight of 0.213 in the third place, and the quality of employees with a weight of 0.161 in the last place are the factors influencing customer loyalty. Therefore, measuring the quality of services from the customers' point of view is considered as one of the internal measures, which shows the orientation of organizations towards quality. Today, any organization, whether public or private, cannot be successful in its business without paying attention to improving the quality of its services and is actually doomed to destruction. Therefore, chain store managers should pay more attention to service quality. Because better and more quality will automatically lead to more customer satisfaction with the products. Providing products and services until it leads to the satisfaction and delight of customers will be a futile task, because only by identifying the needs and demands of customers and fulfilling these needs, in a way that exceeds the expectations and demands of customers, can the process be done. Turn production or service into a pleasant and unforgettable process for the customer.

Undoubtedly, with this approach, customers not only want to repeat their previous pleasant experience, but also want to share this pleasant experience with others. Improving service quality is also very important, because it has a significant impact on reducing costs, increasing satisfaction levels, customer retention, increasing profitability, and word-of-mouth advertising. According to most experts, the surest way to achieve success is to remain in the minds of customers, and this can only be achieved through quality products and services. A significant point that is clear in the above ranking is that the quality of employees as an influencing factor on customer behavior does not have much effect.

Conclusion:

In general, customer loyalty is something that has important effects for organizations, especially in terms of profitability. Customer loyalty not only helps to increase income and reduce costs, but also has a positive effect on the image of the brand and its ability in the market. Therefore, investing in creating and maintaining customer loyalty is one of the key strategies for the success of any business. In this research, factors affecting customer loyalty were examined from different aspects and based on field data from several chain stores, four criteria of service quality, price, customer experience and staff quality were

ranked by AHP method and pairwise comparisons. According to the results, service quality was recognized as the most important factor in customer loyalty. It is necessary to pay attention to the service quality criterion in order to increase the loyalty rate of customers and reduce the rate of customer avoidance. Therefore, it is necessary to promote a responsive sales culture in order to create a critical and customer-oriented spirit in this organization. Based on the price factor, store managers and officials are suggested to pay attention to the degree of importance of this factor in pricing policies, considering the effect of the price factor on customer retention with the organization and their sensitivity to this factor regarding various items in pricing policies. Put themselves at least on par with other chain stores in a competitive way.

Resources

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