

# The role of relationship marketing activities and Quality of Relationship on maintain long-term relationship with customers and Word of mouth advertisement

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**ABSTRACT:** The purpose of this study is investigating the effect of relationship marketing activities and communication Quality on maintains long-term relationship with customers and customer's Word of mouth advertising. This study is Descriptive And in terms of target is Practical. Also Based on data collection, is a field experiment. Data collection tools in this study are Al-Allaq questionnaire (2013) which includes 38 questions to measure the research variables. Also In order to measure variables, 5 point Likert Scale was used. Questionnaire Validity was confirmed by Professor s and Experts And its stability, was reviewed by using Cronbach alpha. The statistical population of investigation is all Ayande bank customers in north area of country. With Using Cochran formula and in the available no probability form, 384 peoples, were examined as the ultimate example. In order to test assumptions Multivariate regression was used. The results showed that Customer Orientation, relationship orientation, bilateral Disclosure and service provider Features have a meaningful effect on services quality. also The quality of the relationship have a significant effects on relationships continuity and Word of mouth advertising.

**Keywords:** relationship marketing, quality of relationship, relationships continuity, word of mouth advertising, Ayande Bank

## INTRODUCTION

In today's business environment, which Characterized by the growing competition, every day War go forward to more and more customer winning. Business, including manufacturing, service and etc.... Cannot be successful and stable without "happy customers". More importantly, consumers Demands, and expectations Increases day to day, (keramati & Nikzad, 2008). In the meantime, without a doubt we can say, Customers are the most important asset of most organizations. Customers for direct connection to the actions of an organization are considered as a Source of value for the opportunities, threats and operational questions related to the industry. Today, for growth and survival In the economic competition area, Companies and organizations should focus most attention to customer orientation And further increase their relationship with the buyers of goods. In The new business processes, Acquire customers satisfaction, has a Critical position, in the Corporate' s goals And senior managers know that Their success depends on customers satisfaction (Abbasi & Turkmani, 2010).

In recent years, in the service section, types of Changes were made that has been unprecedented in previous years. These changes had an impact on industry structure and competition nature. Not surprisingly, that In this turbulent environment with Quick changes , Institutions have been forced to change their reactions to the market, to focus less on products and more on customer relations and Instead of short-term view, has a long-term vision (Harrison, 2001).

The competition intensity and its complexity, have been forced Many organizations especially banks to adopt new marketing concept namely the "relationship marketing" and, Instead of aggressive marketing strategies, lead them to the defense marketing strategies. Relationship marketing, including activities in order to develop long-term and affordable relationships between organizations and their customers to create mutual benefit for both sides (Tajzadeh Namin, 2003).

### **Literature Review**

Today, in an environment with intense competition, Banks are looking for ways to maximize their profits by creating long-term relationships with customers. The value of a relationship in the banking sector is measured by long customer Term relationship with banks. Relationship Continuation not only reflects customer satisfaction, but also reflects the fact that the customer wishes to continue this relationship. This tendency enables the bank, to maximize the value of customer life (vard & dager, 2007). Another bank long-term relationship benefit with customers is customer's Word of mouth advertising. Word of mouth advertising is one of the promotional tools that banks, much use of it, to increase profits. Word of mouth advertising is one of the main factors in the purchase decision. Word of mouth advertising has a great impact on the perception of goods and services and creates changes in judgment, values and buying possibility.

Martyla (1971) stated that Word of mouth advertising in the last stage of the buying process has a most important and reduces the risk of purchase. In the early stages, the consumer, for the decision making more relies on impersonal communication (Sweeney et al, 2007).

Intense competition among commercial banks Means that Even the most innovative products and services will be imitated by competitors therefore The banks do not have the opportunity to maintain a sustainable competitive advantage (Gordon et al, 2008). Commercial banking environment in Iran is not different. Some Efforts have been made by some of these banks, until with focus on relationship marketing, Works beyond the Bank's products and services. However, with the increasing spread of use the Internet and computer, Iranian banks, focus on the electronic banking services to clients. However this trend is consistent with the knowledge economy, but this belief existed that, Iranian banks Obsession about electronic banking, Undermines the traditional customer-oriented banking, because electronic banking, increased the gap between service providers and customers and As a result, marketing relationship becomes weaker than before (Alank & Alnvaz, 2010). With The more Standardization of electronic banking services, Banks should Unlike Trading banking activities, with using innovative activity of relationship marketing, use new Methods and tools to strengthen their relations with customers. Since Barry (1983) proposed the concept of relationship marketing, many researchers (e.g. Gordon et al., 2008; Palmatier et al., 2009) theorized about basic principles of relationship marketing theory and tested it from empirically perspective. Creating long-term profitable and sustainable relationship with customers (De Wolf et al., 2001), Increase customer retention, Develop and maintain trust and commitment between suppliers and customers (Gar and Sue, 2009), Achieving to the customer high satisfaction and loyalty (Garav, 2008), Reducing costs due to the better understand of customer needs (Debussey, 2004) And spread , use of marketing programs For creating long-term profitable relationships with customers Which leads to growth (frangson & Lavynka, 2007), are important in relationship marketing theory.

Relationship marketing (RM) is a Creating long-term relationships and interactions with individuals and organizations and interested groups and its essence, is establishing Appropriate and effective communication In order to maintain them. Among interested groups, customer is The most important from others And RM, sees the customer as an asset, Which is not amortized and however, has no place in corporate balance sheet, But in fact, is more important from all those items. RM seeks to retain more customers and lose fewer customers (Salari, 2004). Also, mature sense experienced by the banking sector is associated with the inability of commercial banks to differentiating offers that causes Banks looking for relationship marketing strategies rather than traditional trading strategies. This paradigm change from trading strategies to communication strategies, forced Banks to invest in relationship marketing strategies. (Klayk & Balta, 2006). Thus, this study main goal, is Check the (reference) Marketing actions Affecting the quality of the relationship between Ayande bank employees in the north region of the country with their customers , And actions (consequences) which influenced by the quality of the relationship. Communication quality (RQ), stated the relationship between the customer and the institution, And this relationship depends on the levels of customer satisfaction. Garbarino and Johnson (1999) found that Customers, who have a stronger relationship with an institution, have a Positive attitude to the customer relationship management, and communication quality factors, such as the degree of trust, satisfaction and commitment. Since that Trust, satisfaction and commitment are the basis of communication quality, Will be caused that a positive sense from servers formed in the mind of customer (Wu and Lee, 2011).

Expected that with the increasing the banks relationship marketing efforts, such as Customer-oriented, relationship-oriented, mutual disclosure, the quality of the relationship between financial service providers and customers is increased. It is likely that Increase the quality of the relationship, have a significant impact on customer behavior which showed by increasing the relationship continuity, and word of mouth advertising. There 'behavioral loyalty "Or so-called "artificial loyalty, Need to pay more attention (al-Allaq, 2013). Therefore, in this study, we will examine effects of some variables such as relationship marketing and relationship Quality on the

Ayande bank client's relationship Term, and word of mouth advertising in the north area of country. On this basis, the main research question is as follows: What the impact of Relationship marketing activities, and quality of communication on the continuity of the customer relationship with the bank and word of mouth advertising? To answer the research question, Theoretical model based on al-Allaq study (2013) formed in the figure (1-1). In the above model Relationship marketing activities, are the research independent variables. These variables include: 1- Customer Orientation (Consisting of two customers needs understand and conflict resolution indices); 2- Relationship Orientation (Consisting of two cooperate and call intention indices); 3- Mutual disclosure; 4- Features of service provider (Consisting of three criteria: expertise, experience, and appearance). Also in this model, the quality of the relationship variable is considered as a mediator variable. In the above model, Continuity of relationship and word of mouth advertising variables are dependent variables.

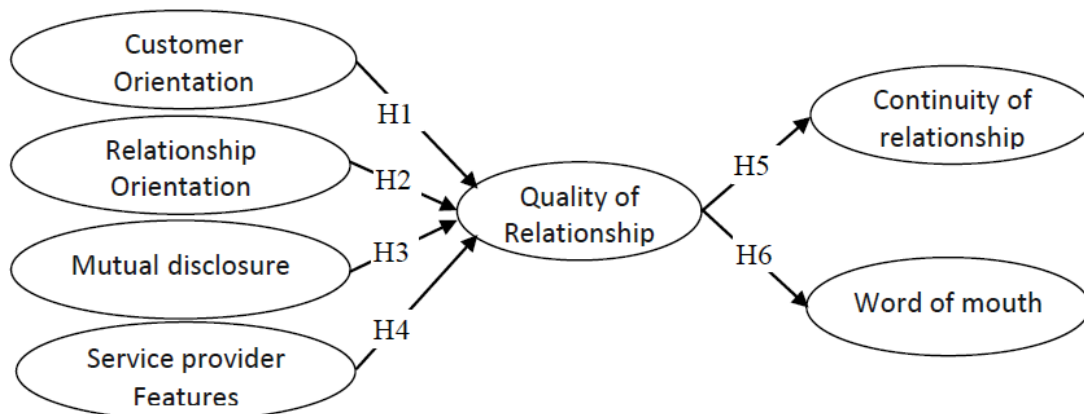


Figure 1. The study theoretical model (Al-Alak, 2013)

**Research hypotheses were formulated as follows**

- The customer orientation has a significant effect on the quality of relationship.
- Relationship orientation has a significant effect on the quality of relationship.
- Mutual disclosure has a significant effect on the quality of relationship.
- Service provider Features has a significant effect on the quality of relationship.
- Quality of relationship has a significant effect on the continuity of relationship.
- Quality of relationship has a significant effect on word of mouth advertising.

**RESEARCH METHODOLOGY**

The study on the basis of goal, is a practical research, And in terms of data collection method, is a descriptive, correlational study. The statistical population of investigation is All Ayande bank customers in north area of country. With Using Cochran formula and in the available no probability form, 384 peoples, were examined as the ultimate example. Data collection tools in this study are Al-Allaq questionnaire (2013) which includes 38 questions to measure the research variables. The reliability of variables is shown in Table 1

Variable	Component	Alpha
Relationship marketing activities	Customer Orientation	0.812
	relationship Orientation	0.679
	Mutual disclosure	0.792
	provider Features	0.701
Quality of Relationship	-	0.755
Continuity of relationship	-	0.681
Word of mouth advertising	-	0.750

**The main findings of research**

**Descriptive findings**

The results showed that from 384 customers who participated in the study, 43% Equal to 165 people were male and 57% Equal to 219 people were female. The majority of responding customers (33.1%) aged "between 28 and 35 years' old. Also, 28% of them were aged "between 36 and 45" year as well as 93 people were, diploma, and lower than the diploma, 96 people had Associate Degree, 169 people had bachelor degree, And 26 people had master's degree or higher.

**Test of Hypothesis**

To evaluate the hypothesis of this study, Regression analysis was used. With using this test, we were able, with using a linear regression analysis, measures the effect of the independent variables, on the dependent variable.

Table 2. Results of regression analysis

Model	Non-standard coefficients		standard coefficients (β)	T	Sig.
	B	Standard error			
(Fixed)	1.136	0.178	0.620	15.464	0.000
Customer Orientation	0.724	0.047			0.000
Dependent Variable: Quality of Relationship					
(Fixed)	2.422	0.222		6.662	0.000
Relationship Orientation	0.390	0.059	0.323		0.000
Dependent Variable: Quality of Relationship					
(Fixed)	0.824	0.204	0.606	4.046	0.000
Mutual Disclosure	0.799	0.054		14.893	0.000
Dependent Variable: Quality of Relationship					
(Fixed)	2.621	0.196		13.342	0.000
Service Provider Features	0.328	0.050	0.317	6.533	0.000
Dependent Variable: Quality of Relationship					
(Fixed)	2.836	0.174		16.277	0.000
Quality of Relationship	0.275	0.045	0.300	6.137	0.000
Dependent Variable: continuity of relationship					
(Fixed)	2.763	0.190		14.546	0.000
Quality of Relationship	0.291	0.048	0.294	6.004	0.000
Dependent Variable: Word of Mouth					

**CONCLUSION AND RECOMMENDATION**

The results showed that Relationship marketing requires an organizational approach, in all levels of business which become customer oriented .it must include All functions of the organization that requires Direct or indirect contact with customers . The transition from the traditional economy And elimination of geographical borders For Business and Intense competition Causes that Customer be a fundamental pillar for Banks activities. On the other hand , Marketing, is set in the stage that , Find new customers is not the only purpose of marketing and Their main focus, is demand management through the growth , And customers loyalty. In this connection the goal is establishing mutual and long-term relationships with interest groups, banks and customers in order to more customers are maintained which increase market share and profitability. According to this, some suggestions are provided based on the results of the research hypotheses.

Understanding the main customers needs Through a continuous learning process , Provide prompt service to customers, exact Understanding from customer information To close relationship with them , services Quick correction when customers requested , Different and appropriate behaviors with main customers According to their needs , Defined process to identify key customers; exact plans and strategies To provide services to key customers , Flexible management and employees To provide new services; evaluation of Bank employee satisfaction by customers; exist exact feedback System from customers, bilateral communication with customers; Exact sharing new information about customer needs among employees , Create a comprehensive database about customers , Expert peoples in sales and marketing sectors , Expert peoples In the relationship with customer sector ; effort to attract customer loyalty from Different ways , Bank's commitment to provide timely service; Different services for each customer In order to increase satisfaction; using main customers perspective in service design , create Competitive Advantage through maintain customers for the long term; Funding for the communication with each customer Based on the customer value;

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