Customers Loyalty Increase as Effective Tool of Sale Promotion

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Abstract- In the global world the competition in the business sector motivates the companies to pursue the goal of increasing the competitive advantage and keeping the constant growth. Marketing professionals state that a modern company has to create and support a long-term relationship with its buyers. This relationship will safeguard the company from losing its market share and the kept loyal buyers will also increase the revenue as keeping the old buyers is a lot cheaper than attracting the new ones. After the literature analysis it is clear that the definition of the loyalty is unambiguous despite the research that lasted over three decades. The academicians state that the definition of loyalty is separated into three groups. The newest one states that the loyal buyer is the one who buys certain goods or services repeatedly and recommends the mentioned to the friends or colleagues. A loyal buyer is also tied to the company through a long-term relationship. Most buyers would like to have a better service quality. Second biggest desire is the price. The third criteria is cash registers without any queues. The fourth group desires a better parking lot. All in all, these criteria suggest that the buyer wants an easier, faster and more comfortable buying experience.

Keywords: loyalty, sale promotion, customer loyalty.

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Abstract - In the global world the competition in the business sector motivates the companies to pursue the goal of increasing the competitive advantage and keeping the constant growth. Marketing professionals state that a modern company has to create and support a long-term relationship with its buyers. This relationship will safeguard the company from losing its market share and the kept loyal buyers will also increase the revenue as keeping the old buyers is a lot cheaper than attracting the new ones. After the literature analysis it is clear that the definition of the loyalty is unambiguous despite the research that lasted over three decades. The academicians state that the definition of loyalty is separated into three groups. The newest one states that the loyal buyer is the one who buys certain goods or services repeatedly and recommends the mentioned to the friends or colleagues. A loyal buyer is also tied to the company through a long-term relationship. Most buyers would like to have a better service quality. Second biggest desire is the price. The third criteria is cash registers without any queues. The fourth group desires a better parking lot. All in all, these criterias suggest that the buyer wants an easier, faster and more comfortable buying experience.

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I. THE CONCEPT OF LOYALTY

Customer loyalty is the concept developed last century eighties, when the law has introduced new technology solutions that help companies keep regular customers, promote sales and profit growth, strengthen competitiveness. Customer loyalty is the creation of a business strategy, not just a marketing program. All companies, organizations should strive to develop loyalty and increase the number of users. There are no precise rules or indications of how to achieve that consumers become loyal.

During three decades of customer loyalty concept definitions it was formed most diverse. But it and there was no single concept. Bakanaukas. Pilelienė1 (2009) all interpretations of the concept of loyalty divides into three main areas: consumer behavior expressed loyalty, consumer loyalty and an expression of the provisions, reflecting the provisions affected behavior. corporate strategies, sees that it is no longer focused solely on existing products /improving services, which increasingly relies on customer loyalty programs Various marketers (Lomsargis, 20002; Vaitiekūnienė, 20063; Žigienė, Maciūtė, 20064; Leenheer, Heerde, and Bijmolt et al., 20075), analyzing customers' loyalty as one of the most significant contemporary allowing businesses to create situations, where economic, emotional and social benefits It receives not only the company itself, but also the consumer. Today's businesses are becoming important to support long-term relations with customers - to strengthen the latter loyalty.

The first behavior by the consumer loyalty in the field of the fall of the concept, which is based on repeated purchase behavior of the same sales dealer or service provider. Such customer loyalty concept is related to consumer behavior in school, which representatives of consumer loyalty equated with repeat buying behavior.

After the repeated purchasing behavior definition based on the concept of user loyalty, they began to criticize. Bakanaukas. Pilelienė6 (2009) notes that "the interpretation of the concept of customer loyalty, which is based on the re-purchase, can not fully explain the development of customer loyalty and the strength of its evolution."

Those users who are constantly buying from the same company are not necessarily loyal, because they can be exposed to inertia, indifference or company raised exit barriers or conditions. Behavior based on loyal consumers behave as loyal, but have no emotional attachment to the brand or company as the provision has loyal customers. According to the provisions of loyalty is much stronger than behavioral loyalty. For the above named and other reasons innominate customer loyalty started to analyze the user's settings through the prism of expression.

References:
2 Lomsargis, A. (2000). Keeping Customers – Key purpose. Effective marketing, 6, second
Loyalty marketing theory has long been perceived as recycling of certain marks, goods or services and the purchase was described as repetitive action by the user. The definition of loyalty evolving now is increasingly being discussed in the attachment to the importance of trademarks loyalty, is significant not only act, but also a psychological reason for this action.

According to the author Zikienë (2010) detailing examination of customer loyalty, reflecting the provisions affected behavior, conception, consumer loyalty is expressed as: 1) behavioral loyalty, which reflects the actual brand-specific product / service procurement number specified period; 2) the attitude of loyalty, which is reflected in preference for a particular brand of product / service, satisfaction with the product / service, commitment, repeat purchase intentions, advocacy (positive feedback, guidance).

In summary it can be said that has not yet been finally led to the single concept of loyalty. These interpretations of the concepts grouped into three group. Bakanauskas, and Pilelienė (2009) separated areas: consumer behavior expressed loyalty, loyalty as an expression of consumer attitudes and loyalty, reflecting the provisions affected by the behavior, and describes the main features of this work it was decided to abide by the loyalty reflecting the provisions affected by the behavior of the concept. This decision is motivated by the fact that customer loyalty can not fully describe the behavior of consumers solely or exclusively based on the provisions of the concept, it is being developed in both of these factors.

So loyal customers, (according to loyalty, reflecting the provisions affected by the behavior of the concept) must be regarded as the person who repeatedly buy the company, which differentiates the company from other potential outlets which has some kind of a level, and competitors' bids, which recommends this company to your friends, acquaintances and others. As state Bakanauskas, Pilelienė (2009) loyalty is the ambiguous, because there is still a debate among scientists.

Hoffman focuses on brand loyalty - six functions necessary and sufficient conditions. It is argued that brand loyalty is based on: the buyer's personal behavior, which is expressed through a certain period of time, according to the relevant decision-making unit, which is attached to one or more brands and is part of the psychological process functions. This historic definition despite its focus on brand loyalty, loyalty to modern definition, however, is not highlighted external influences criterion (Hoffman (2015)).

Hoffman (2015) stated that loyalty is a long-term customer commitment, service, or stores that promote the purchase of those goods or services, maintaining further relationship with customers and maintaining existing customer behavior. According Bakanauskas (2009) examination periods of several decades of loyalty definition is not possible to accurately determine the concept of loyalty by a single criterion. In the scientific literature, the interpretation of this concept is based on a three marketing school of thought.

According to Bakanauskas, Pilelienė (2009) the first category of claims that the concept of loyalty can be defined on the basis of the concept of customer behavior. This marketing school of thought present this concept as a repeated customer behavior. Customer loyalty is determined by the recurring specific goods or services the purchase of a single sales point. Bakanauskas traced marketing schools influence the formation of concepts, has identified and defined several concepts of loyalty to existing customers on the basis of the concept of behavior: Loyalty - the obligation to re-purchase your favorite product or service. Customer loyalty is based on repeated purchase behavior, which is caused by marketing actions. The situation in which the buyer's attitude is positive with respect to the organization, he would like to see again and again to buy from that organization, and not from its competitors. Academicians together with other scientists critical of the first definition option. This interpretation is based on the school's marketing principle of customer behavior, customer loyalty interpretation of the concept, which is based - repeated purchases can not fully explain the development of customer loyalty and the strength of its evolution. Customer loyalty can be established only through a repeated purchase of classification. The Company may have regular customers who buy its products or services in a renewable cycle, but in reality these customers are not loyal. Repeat purchase without the second part does not create an emotional relationship marketing school-based long-term relationship was formed (Goodman

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The said customers can be attributed only to the part of loyal buyers. Seen the first definition shortcomings scientists began based on the concept of relationship marketing through the school developed. From the resulting relationship marketing provisions define the areas of customer loyalty more widely. Academician of relationship marketing school of scientists on the definition, excluding the highest loyalty defining concepts: "The intention to recommend, based on the higher value and good relations with the perception of the organization." Positive emotions experienced by the buyer when purchasing a product or service, regardless of the fact that elsewhere he would be the same thing, only better conditions. "A state of mind, provisions, beliefs and desires set (Bakanauskas, Pilelienė (2009))\(^{15}\). The second division is based on the concept of relationship marketing through the school of thought suggesting a long-term relationship with the buyer. Said buyer evaluates shops, goods or services received value from the company, which must be higher than other competing companies benefits. These benefits can be measured in a variety of characteristics, such as quality, price, prestige. However, the provisions reached relationship should be based not just a commodity, and even emotional part. Because of these special conditions, the buyer will become the company's ambassador and performs the function of marketing - to improve the company's image and encourage other potential buyers to visit it. This type of buyer is very important to the company as being a loyal and attract new customers - the company increases revenue and reduces the potential costs, which are designed to attract new customers (Bakanauskas, Pilelienė (2009)).\(^{16}\)

The third category is based on the breakdown of buyer behavior and relationship marketing schools bred hybrid concepts. Cooperation-based conception combines the first buyers of the behavior recurring services or purchase goods from the store. The second part of the concept of relationship marketing is based on the school provided the provisions of paragraph justifying the long-term relationship function between the buyer and seller. The above provisions are directly linked, for example expressed greater support services for sale or promotion of a product other customer loyalty. Academician traced the terms and behaviors, by reflecting the best loyalty concepts: "Buyer's desire to friends and colleagues. "Buying and willingness to use the product or service in the future, which manifests itself in the same brand repeated purchases, despite situational circumstances and the influence of marketing actions to promote a switch to competitors. "Good faith maintain long-term relationships with the organization, re-buy and use exclusively the latter proposed goods or services and voluntary organizations to recommend to purchaser buys regularly re-buy related products or services that has some kind of a level of immunity to competitors and recommend to others" (Bakanauskas, Pilelienė (2009)).\(^{17}\)

### II. Customer Loyalty Evaluation

Loyal customers help businesses earn higher incomes as retain existing customers is cheaper than attracting new ones. Customer loyalty benefits are being developed on the basis of long-term co-operation - the seller can obtain information to satisfy customer habits and meeting the needs of the buyer to obtain a lower price (Bakanauskas, Pilelienė (2009)).\(^{18}\) Academics customer loyalty offers are various models. It was found that customer loyalty can be traditionally evaluated by 2 methods:

- **Behavior.** Expressed repeated buyers conduct during the relevant period.
- **Approach.** Expressed as relationship marketing provisions of the model school. Buyer feeling resulting value is loyal to the company, or at least wants to buy it (Hoffmann (2007)).

Wood behavior expressed determination method is the simplest and most adaptable outlets method. Loyalty is measured shops, through a special formula:

\[
L = (r/s) \times 100%
\]

L - buyers retention index;

s - buyers beginning of the year;

r - maintain the number of customers at the end of

Hoffmann (2007))\(^{19}\).

### III. Trade Centre Maxima Loyalty Program Analysis in Lithuania

MAXIMA - Lithuanian trade market leader. It is the largest Lithuanian company and the largest employer in the Baltic countries. The largest Baltic retail network history began in 1992, opened the way stores with different names. Today the retail chain Maxima creation story can certainly be viewed as a business success story.

\(^{14}\) Goodman, J. (2015). Strategic Customer Service: Managing the Customer Experience to Increase Positive Word of Mouth, Build Loyalty, and Maximize Profits. http://web.a.ebscohost.com/ehost/detail/detail?sid=7cb7c3c2-8021-45e4-95b5-09bc7686176f%3e%3esessionmgr4003&vid=0&hid=4204&bdata=JnNpdGU9ZWhvc3QtbGlnaHR5IQ%0A&sid=7cb7c3c2-8021-45e4-95b5-09bc7686176f%3e%3esessionmgr4003&vid=0&hid=4204&bdata=JnNpdGU9ZWhvc3QtbGlnaHR5IQ%0A


because after the declaration of independence of the Baltic countries, the company did not receive any of the financial success and reputation in society buyers evaluation.

Every day, a different format stores Maxima Lithuania is visited more than 550 thousand customers. 2013 January MAXIMA in Lithuania had 225 shop.

Maxima is used for complex loyalty program. The main part of it is directed at the "Thank You" card and the ongoing share-based processes. Another part of the program is directed to the customer service standard ensuring payment of the additional services that create value for the customer.

Discount Card "Thank you" works out of the value of money principle. This principle requires the dealer to repay a percentage of the buyer's amount of money spent. Maxima stores is returned 1 percent. "Thank You" card to accumulate money can not be exchanged for cash, are also subject to other payment restrictions: Buyers can cover up to 99% of the purchase amount. It shall be prohibited to purchase tobacco products, MAXIMA gift cards or vouchers, third-party services, such as prepaid cards replenishment, billing, insurance, electronic ticket is purchased or interchangeable containers."Thank you" card is partially open-ended, it can be bought for 1.45 EUR. Despite only a partial opening, this card has a large audience. Designed relationship with the customer is not very strong, but is more focused on relatively broad and well-defined target group of buyers. The buyers of state is unpredictable, because with large amounts of consumer loyalty programs are a lot of inactive members. Maxima in order to maintain a correct database by periodic updates cards - every year there are reversed spare money, but they do cost a relatively high cash resources.

MAXIMA discount program is relevant to the customer. The card allows you to buy certain goods at a discount, such as during the summer sell-off discounts up to 70 per cent., While traditional ~ 20 - 30 percent. "Thank You" card increases the comfort level of customer service by providing many partners or outlets. The Partnership program is the principle of cooperation with the McDonalds, Lukoil, Forum Cinemas, Euro pharmacy. A card holder may use the time valid discount, this discount depends on the partner company. For example Lukoil gas stations can refuel with 0.03 EUR per liter discount and a car wash with a 20 percent discount.

Loyal customers receive offers by email. At Christmas, they are usually sent to the gift - a coupon to buy a box of chocolates for Christmas 1 cent. The most common personal offers are printed on the receipt of additional cash, which together with the purchase receipt is given a personal offer. This offer is activated upon "Thank you" loyalty card, only then you can use it the next time shopping.

Loyalty program developed services. Maxima aims to develop long-term relationships with customers, not only by offering discounts and promotions. Customer loyalty is encouraged through the resulting added value. 2015 installed and updated customer service standard, which requires employees to follow work ethic. Buyers Maxima stores can not only shop, but also to handle daily affairs. Shop at the box office or information sections can be paid for the various financial, telecommunications and utilities, buy mobile account recharge vouchers. It also stores Maxima buyers can buy international bus tickets, an electronic ticket for public transport, public pay the fines and buy fishing permits.

TAX FREE. Available in stores TAX FREE service, which allows non-EU citizens shopped Maxima stores can recover VAT. Foreign buyers before filling TAX FREE form received by the departure of the last EU country to the customs staff. After receiving a customs stamp buyer will turn to their country benefits thereof, and which can recover 21 per cent VAT, which attracts more customers from non-EU countries. This allowance can be recovered in several ways - cash, bank check or wire transfer to a bank card, but in any case it is clear that the MAXIMA shopping for non-EU citizens are economically rational. Most of the program used by buyers from the Caucasus, Russia, China, Belarus and Ukraine.

Amateur fishermen ticket. The shopkeeper tickets can be purchased at all MAXIMA stores at the box office. For two days, a month or a year in force fisherman tickets entitles all non-leased fishing waters in any chosen period, as well as at sea, if there are no other restrictions.

E-ticket. Information Division sold in Vilnius official card. These cards Purchase and supplement allows the customer to save time and encourage the return to the Maxima shop. Gift cards and kits. Maxima stores is wide choice of gift cards. The shopping center stands are more than 60 different content of gift cards and gift sets 6. Gift cards range is very wide: Holiday Spa centers and hotels, entertainment, water parks, rides on karts, jumping with a parachute and plane flights. This is a unique service where the same beneficiary may choose a gift. Each gift set is from fourteen to thirty different proposals, which are grouped according to interests.

Gift Set "Adventures" is designed for intense excitement thirsty people. Buyers can entertain program "Entertainment" and "Exceptional entertainment, relaxation spa or luxury accommodations - pleasant leisure, a break from the daily routine and special relaxation. MAXIMA gift cards. MAXIMA card is the company released a standard document entitling its author and without additional remuneration MAXIMA store to get supplies for the amount specified therein. You can donate 10, 20, 30 or EUR variable
denomination gift cards. Tickets to events. EN TICKETS, TICKETS WORLD, expect TICKET PRO and distributed tickets Lithuanian territory and beyond the ongoing events can be purchased at the supermarket MAXIMA information offices.

Loans: All MAXIMA chain stores at the box office can withdraw money from SEB and DNB bank account. Withdrawals can be carried out with SEB and DNB bank cards. The buyer must inform the employee about the desired cash to cash money.

Take-away coffee. The shop offers 5 types of coffee. Currently standing stores makers produce espresso, mocha, latte, cappuccino and customary black coffee, which can now be different flavor condiments.

<table>
<thead>
<tr>
<th>Means</th>
<th>IKI</th>
<th>NORFA</th>
<th>RIMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>front-end fee</td>
<td>0.87 EUR</td>
<td>2.90 EUR</td>
<td>1 EUR</td>
</tr>
<tr>
<td>Restrictions</td>
<td>-</td>
<td>Tobacco products, sugar and services provided by third parties.</td>
<td>Denying tobacco products, the addition of cards and other third-party services.</td>
</tr>
<tr>
<td>Additional function</td>
<td>Debit card. It may be supplemented in cash.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Type</td>
<td>Favorite, Maestro, Seniors</td>
<td>Classic, Silver, Gold.</td>
<td>usual</td>
</tr>
<tr>
<td>Partners</td>
<td>Very wide network</td>
<td>Neste</td>
<td>Short until 1 month.</td>
</tr>
<tr>
<td>Discount</td>
<td>Tuesday - Seniors to 10%, usually 3%. Up to 40%.</td>
<td>From 1 till 5 proc.</td>
<td>-</td>
</tr>
<tr>
<td>The settlement rate</td>
<td>100</td>
<td>50</td>
<td>99</td>
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Figure 1: Maxima competitors loyalty programs comparison

Down payment. Buyer is convenient to buy the card, and the second is Rimi, the third NORFA card which costs around 3 euro. Comparing all these cards to see that last card is the most expensive, although NORFA focus on practical buyers.

Restrictions. Both Rimi and NORFA provide constraints using its internal cash. There is a ban on the purchase of third party goods or services in order to reduce the possible theft of marketable goods and fraud. TO limitation rules are not provided. All cards openness is partially open, because you need to pay the appropriate fee and to register, but the entrance barrier is easily overcome, but the social group of buyers.

Addition function. Only the card has a chance to settle in cash and internal cash. BY cooperating with SEB Bank and constantly reminds its customers about ongoing promotions. Type. Most loyalty programs running under partial openness to the program, but it is not a big artificial barriers. Acquiring cards is very easy, you just have to pay a few euro and to sign up. The mentioned activities will be applied so as to reduce the invaluable data added to the database damage. RIMI Network as well as MAXIMA have only a single type of card. NORFA have cards that are split into several target groups. NORFA card type changes the amount of money spent during the relevant period. Up offers a simple discount card or loyalty combined with a debit card, it is also proposed card for seniors. A ripe old age people dedicated card provides 10 percent on Tuesday, discount, while a normal day up to 3 percent.

Discount. NORFA card holder is given the stable a few percent discount and is stored inside money. TO cards for seniors on Tuesday gives 10 percent. discount for these goods and a normal day for only 3 percent. Rimi card normally does not give concessions accumulates only 1 percent. of the purchase amount. During the shares Networks discounts ranging from - 15 percent. up to 70 percent.

Partners. NORFA cooperate only with Neste Oil station and offers the added benefit of not particularly high, as a separate NESTE card offers the same discount. Rimi Network provides exceptionally short-range and collaborates with various companies in the field, such as a spa center, dental clinic, hair salon. UNTIL list of partners is very broad: taxi, bank, gas station, pizzeria, building materials store, furniture store, an optician’s shop, car repair, wheel and tire shop. UP uses the segmental partnership approach in order to avoid increased competition in the retail trade of food products. Both before and Rimi have a wider list of partners than Maxima. TO MAXIMA uses as few fixed partners, while NORFA have only one partner, Rimi are limited to short-term collaborations.

Summarizing it can be said that competitors Maxima card is targeted to a more segmented group of customers through special offers. MAXIMA “Thank You” cards are one of the most popular cards, because they target audience is quite broad, but do not have a strong feedback. Rimi network card is relatively unpopular, because a relatively small share of the market.

IV. Conclusions

Loyal customers tend to spread oral advertising and recommendations for their loyalty associated with
friendly approach to product dissemination service provider prejudice oral information to others. Loyal consumers buy most of the company’s convices or products, additional products and services to less marketing efforts over that ship what (Sin et al., 2006) 20. According Khadraoui, Gharbi (2008) 21 loyal customers are also more receptive to new services proposals and more are likely to try something new. This is due to a smaller need to perform a variety of actions which relate to new sales process: understanding, the creation of works definition, creation of comfort, competitive proposals and presentations. Loyal customers tend to make frequent similar orders, resulting in less cost and service. This benefits the company and emphasize Khadraoui, Gharbi (2008) 22, assuming that loyal customers serviced price-discrimination is lower, it is easier to be as loyal customers are well aware of the service provider procedures and requires less staff time.

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