



A STUDY ON IMPACT OF MARKETING INTELLIGENCE ON CUSTOMER BRAND LOYALTY

A. Suman Kalyan

Research Scholar, Sri Krishnadevaraya Institute of Management,
Sri Krishnadevaraya University, Ananthapur, Andhra Pradesh, India;
Assistant Professor, Dr. K. V. Subba Reddy Institute of Management,
Kurnool, Andhra Pradesh, India

ABSTRACT

Customer is the strategic and pivotal factor in an organization, and directing the goals of the strategies and sources is around the customer-attracting and keeping pivot. One of the important tools, apparatus and methods for identifying and raising the customer's needs and increasing loyalty is marketing intelligence. Marketing intelligence includes a series of people, processes and equipment that play a key role in analyzing the environment around the organization and helps the senior managers adopt effective decisions and strategies by presenting this information to them. In this research, the effect of marketing intelligence on customer's loyalty in producing and servicing has been studied. In designed model, it has been paid for identifying the effective variances on customer's loyalty and marketing intelligence factors, and then the effects of these factors on customer's loyalty and marketing intelligence have been discussed. Using the structural model and Lisrel software version 8.5, the results of the analysis of the field data of the producing and servicing (managers and experts who study Industrial management) have shown the significant effect of the marketing intelligence on customer's loyalty. The results indicate that the organizational factors from marketing intelligence and shopping continuity and commitment from customer's loyalty factors have the most influenced effect.

Key words: Marketing Intelligence, Customer Brand Loyalty, Organizational factors, Strategy, Decision Making.

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1. INTRODUCTION

The concept of intelligence is the part of business strategy, which is attended as an effort for increasing the competitive abilities and strategic programming processes (Juhari and Stephens, 2006). It has been called as a background for strategic programming through the existing literature about intelligence (Dishman and Calof, 2008), which causes to improve the competitive power of the company and processing its strategic plans (Juhari and Stephens, 2006). The marketing intelligence is to prevent the astonishments and the employees' inability against to the environmental changes and to reduce and minimize the company's exposed to danger (Johns and Van Doren (2010). The concept of intelligence and marketing intelligence is improving in the scientific space of college and business world because the marketing intelligence is one of the important strategic agents of an organization and is the key to success in market (Lackman, 2006). Today the concept of the intelligence is considered as a process that improve the competitiveness and the strategic programming (Sammon and et al., 2004). Huster (2005) expresses that, today the third wave of the changes in the business world has been started, which no doubt the marketing intelligence is its base. Organizations are faced with different environmental changes. Changes are happened so fast that, if organizations don't prepare themselves, their survival will be in danger. A new apparatus which helps the organizations to reach a suitable place in today's environment is the use of marketing intelligence.

The agents affecting marketing intelligence: In this section, we will study the agents affecting marketing intelligence from three views.

1.1. Personal factors: Considering the organizational potential and real customers are the strategic and effective factors on marketing intelligence. According to the marketing intelligence's experts' view, personal factors are such as age, income, job situation, willingness to risk, past experiences and technical knowledge. Businesses have found that retail affects the customer's behavior and contains beyond the promotion, pricing and packaging the problems (Burek, 2005). Producers and retailers have found that it is beneficial to both sides to design the purchase environments which contribute to consumers and help to change the request to purchase. The new focus on purchase process has led to two new processes in the marketing researches. The first process is about the more use of observational researches and cognitive ethnicity (Underhill, 1999). Merchants have found that by observing the customers' buying method, it is possible to identify the chances for improving the customers' convenience and creating an enjoyable shopping. The studies often are done by installing the video cameras in shops and stores. The second process, through the marketing researches, is to use the computer apparatus to look for the customer's behavior in traditional environments and e-buying places. Unlike the traditional researches which can be time consuming and subjective, the computer studies provide reliable tool and performance for gathering and analyzing the data through the customer's shopping process (Calof, 2003; Kotler and Keller, 2006).

1.2. Organizational Factors: The inner part of the organization is related to the organization's culture (Miree and Prescott, 2000). The organization's culture is the employees' behaviour and their accountability through the organization's problems and it includes (the organization's stories and fictions, normal flow of the organization, symbols, force's constructions, organizational constructions, and control systems). This set of behaviors and the organization's culture determine the inner environment of the organization which the marketing intelligence experts should attend them more (Calof and Wright, 2008). Sutton (2003) believes that an organization is the strong and efficient organization, in creating a marketing intelligence and promotion, where has the needed flexibility for reacting through its environmental changes and evolution.

1.3. Meta-organizational factors: Useful point for starting the function of the experts of the marketing intelligence is demographic discussions, size, construction and the population growth-flow which has an important effect on the demand. The most important reasons of this effect are the strong relationship between population and economic growth and the boundary between potential and de facto demands. In this issue the marketing intelligence experts should attend to these factors; population explosion, declining the rate of birth, age of population, changes in family structures; for example, delaying marriage, less children, increasing the divorce rate and increasing the employed women, increasing the level of education and increasing the urban population to rural population (Gilligan, 2003, Jalali Koldeh, 2011). Technological environment is one of the important forces, which shapes the people's lives. Technological developments can effect on products, services, markets, the organizations which supply raw materials, rival companies' distrusters, customers, producing process and the method of marketing which marketing intelligence experts should attend to this factor. Organizations don't spend much cost, they usually wait until that the financial and marketing conditions create those chances for them to spend the needed costs. Today changes in technology are being continued rapidly. The life cycle of the products has been shorter and the new technology is being formed. So a marketing intelligence expert should consider these factors (Kuler, 2003; Gilligan, 2003; Jalali Koldeh, 2011). The computational environment of an organization is the other factors which creates meta-organizational environment.

An organization should know which its rival companies are, and how much its capacity is. Thus the experts should know they must not focus on its hard ware factors (like the size of organization, economic sources, the capacity of factory), but they should focus on software factors, too (like the managing styles, the priority of organization, the rate of commitment to the special markets, goals). According to Jalali Koldeh (2011) and Gilligan (2003), by getting this information we can get these factors: the real and correct concept of the organization about the rivals' merits and faults, getting the comprehensive view about the rivals' last, present and future strategies, presenting the important information about improving the marketing and the organization's strategy in front of the rivals.

1.4. Customer's loyalty: Since the cost decreasing methods and increasing the profitability has been attended by companies, keeping the customers is one of the important strategic goals of the organizations. Loyalty is one of the titles that the companies' senior managers have different adverse interpretations. But the loyalty is a vital long-term nature. Indeed, covering the customers' all requirements, and going beyond it and continuing this level of coverage can be a provide interpretation from prerequisites of the customers' loyalty (Chris and et al., 2012; Lee and et al., 2008). Keeping and maintaining the customer causes to increase the profitability of the company since the cost of keeping customer is less than the attracting customer. Customer's consent is affected more by the value of the customer's known services which is created by consent, loyalty and effective staff and the customer's consent is a prerequisite for loyalty (Chen and et al., 2009). The marketing experts have numbered many merits which some of them are: decreasing the costs of attracting customers, decreasing the customers' sensitivity for changes and costs, the profits produced from the customers' lifelong values, the positive function by increasing the foreseeing power, increasing the barriers for entering new rivals (Roman, 2003). Marketing through its completion is in a level that tries to lead the customer in loyalty ladder to the organizations with better understanding of the marketing in different environments' frame and the goal marketing until the customer reaches to puberty. Responsibility to the customers' existent and potential requisites must be done according to the buying processes and effective factors, customers' characteristics and loyalty to the products (Hamidi zadeh, 2009).

1.5. Shopping continuity: The important concepts which are necessary in loyalty ground are satisfaction, trust and responsibility factors. Marketing experts believe that loyalty is necessary part of job and work. (Priporas, 2005). Satisfaction is a prerequisite for loyalty. On the other side, the number of the customers who emphasize on their satisfaction still tend to use the rivals' services, and dissatisfaction customers often continue to use the services; by the way, the customers who are satisfied, tend less to use the other products (Rich, 2002). Saderland (1998) showed in his researches that the increasing rate of the customers' satisfaction was not same as the increasing rate of the loyalty; that is, the relation between customer's satisfaction and loyalty was not linear one; satisfaction just explained 37% of the loyalty. Pelsmacker and et al., (2005) showed that, the customers' satisfaction was not enough, and if a customer does not come back for shopping, what losses the organization will be faced.

1.6. Trust: The trust is the customer's confident belief, which is reliable by seller. The trust is one of the important bases of the marketing. Dwyer and et al., (1987) have defined the trust as a one-side-belief relation for being other side's reliable statements and guarantees. When the organizations, staffs and customers prioritize themselves, staffs and customers trust to the organization, be faithful and the profitability will be increased and their success will be resumed (Bartlett and Ghoshal, 2002). Metawa and Al-Mossawi, (1998) have defined the trust as the customer's strong and stable belief to seller, which indicates the seller acts so that the customer ensures about getting his long-term products.

1.7. Commitment: One of the explained bases for marketing is commitment. Dwyer and et al., (1987) have defined the commitment as an implied and expressed liability for continuing the relationship between the parties of the exchange. Morgan and Hunt (1994) have explained that the commitment to the relationship is the commercial partners' tendency for keeping the valuable relations, and also they believe that the commitment will be formed when one party believes in the relation's importance and tries for keeping the relation. Katler (2003) has described the loyalty term as a stable commitment to family, country and or friends, and he believes that this term at first has been entered to the marketing literature by emphasizing on the loyalty in the name of commercial. But Oliver (1999) knows the customer's loyalty as a deep commitment to the renewed shopping, and a further and constant customer of a product or a preferred service.

2. LITERATURE REVIEW

Abbasnejad et al. (2022), by using questionnaire and through the 267 samples, studied the relation between ethical selling behaviours with customers' loyalty in an insurance company. The conceptual model of the research included four variables, which are; ethical selling behaviour, customer's trust to seller, customer's trust to the company and customer's loyalty, which they have studied and analysed each ones' effect two by two and by using the Regression Correlation Test. The results show that there is a significant relationship between the ethical selling behaviours and customer's loyalty.

Faryabi and et al., (2021) through their research paid to the effect of personal characteristics on marketing intelligence in an organization, scientific centres and producing and servicing companies in Tehran. For gathering data from questionnaire and interview and for analysing the data the quantitative and qualitative statistical techniques have been used. The results show that the personal characteristics, personality factors, creativity, motivation, intelligence and organizational posts are effective factors in creating the marketing intelligence in an organization.

Dishman and Calof (2020) in their study as "a multi-phased method for marketing strategy" have looked for an approach for formulating and constructing the marketing intelligence through the organizations by using questionnaire in Canadian companies. The results show that

these companies are culture acceptor and interest to create a constructing intelligence in their organizations, but real exercises for getting it is little. Also in this study the researcher proves that although the intelligence is strong in gathering level, but it is weak in processing and analysing level. The most mark has been obtained in consciousness and culture parts.

Fleisher (2018) have paid to the influence of the effective factors on customer's loyalty by using the internet banking in Malaysia. They studied the five important and basic factors in creating the customer's loyalty. The five factors are: services quality, consciousness value, trust, repetition and continuity, fame and bank validity. Their research shows that the trust and buying continuity have stronger effect than the other two variables.

Grooms and Fletcher (2017), by using questionnaire among the 352 companies' managers, has paid to the factors, which affect the managers' perception. He divided these factors to three classes: personal, environmental and organizational factors. His research's results show that these factors have direct effect on the managers' value, and this value affects the organization's function.

Dick and Basu (2016) has studied the relationship between marketing and customer's loyalty through the Malaysian banks. He had used four variables, for example trust, relations, commitment and conflict management. He found that these variables have important and significant effect on loyalty.

3. RESEARCH METHODOLOGY

This research by presenting a model for creating marketing intelligence and its effect on customer's loyalty helps the organizations to find a correct perception with regard to the market-place. Also for first time in India, the concept of the marketing intelligence enters to the marketing discussions. This research is a descriptive research, and since the research data is gotten by sampling from society for studying the characteristics of the statistical community, this research is from the measurement branch which is done by improvised method. The statistical communities of the research are the managers and experts (who study in an industrial management organization) of the producing and industrial unites of Southern States of India. By attending to this matter, 180 managers studied. According to the CRONBACH formula the sample's numbers were specified as 118 managers. For gathering the information, the questionnaire was used. The first part includes the questions about public characteristics like, age, sex, experience and the level of education. The second part of the questionnaire has different parts which attend for evaluating the research variables. In first part, 21 elementary questions evaluate the marketing intelligence and the other 11 questions evaluate the customer's loyalty variables. The answers have been classified from **so low** to **so much** according to the Likert criteria. In this research, after recognizing the goals of each factor and studying the similar questionnaires, papers, books and journals; for increasing the concept, the professors' and experts' ideas have been used. For final computing, the Cronbach α was used, which is showed in Table 1.

Table-1: The Reliability Coefficients of the Questionnaire

Research Variables	Cronbach α	Question number of any variable
Personal factors	0.760	6
Organizational Factors	0.799	7
Meta Organizational Factors	0.789	8
Shopping Continuity	0.897	3
Trust	0.855	4
Commitment	0.870	4
Total	0.89	32

The present research tries to study the relationship between the marketing intelligence and the competition benefit in the producing and servicing units of southern states of India. After studying the review of literature and observing the available factors through the marketing intelligence, customer's loyalty, the last studies and according to the research hypotheses, the below model is suggested.

According to the research model, these hypotheses are suggested:

1. The marketing intelligence has positive effect on customer's loyalty.
2. The personal factors are effective in creating the marketing intelligence.
3. The organizational factors are effective in creating the marketing intelligence.
4. The meta-organizational factors are effective in creating the marketing intelligence.
5. The customer's buying continuity affects the customer's loyalty.
6. The customer's trust to the products of the organization affects the customer's loyalty.
7. The customer's commitment affects the customer's loyalty.

4. ANALYSIS AND RESULTS

At first the descriptive statistic was used to study the characteristics of the statistical community, and then the presented model and hypotheses have been tested by using Lisrel software. The table 2 shows the summary of the characteristics of the subjects, who answered the questions; these characteristics were gathered by questionnaire.

Experience	Above 15 Years	11-15 Years	6-10 Years	1-5 Years
	24	31	27	36
Age	Above 50 Years	40-49 Years	30-39 Years	19-29 Years
	5	44	15	8
Designation	Expert	Assistant	Manager	-
	45	13	60	-
Education	Ph.D.	PG	UG	-
	2	19	97	-

Table-2: General Characteristics of Respondents

Analysing the model

In this research the Lisrel software was used for testing the hypotheses.

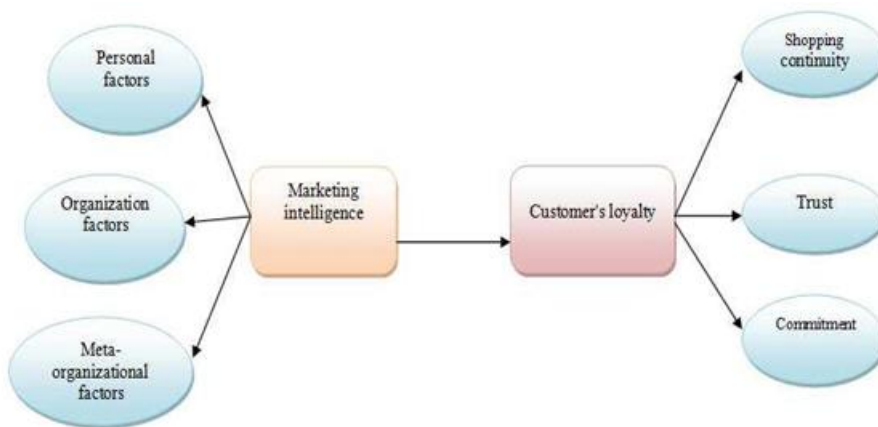


Figure-3: Conceptual Model of the Study

Leasering or Structural Equations Modeling (SEM) is the strong and comprehensive multi-variables analyzing technique from multi-variables Regression family and the "complete linear model", which makes it possible for the researchers to test the collection of the Regression equations contemporarily. The Lesearl technique is formed from the emphasized factor (measuring model) and analyzing the direction (structural model) analyses. The measurement model is to evaluate the relations between observed variables (the questionnaire's buoys) and hide variables (marketing intelligence, customer's loyalty) which can be done by identifying the constructions related to the hide variables (extracted factors). In other words, the structural model clears the relations between the hide variables. This model's goal is to discover the extrovert hide variables' direct and indirect effects on introvert hide variables.

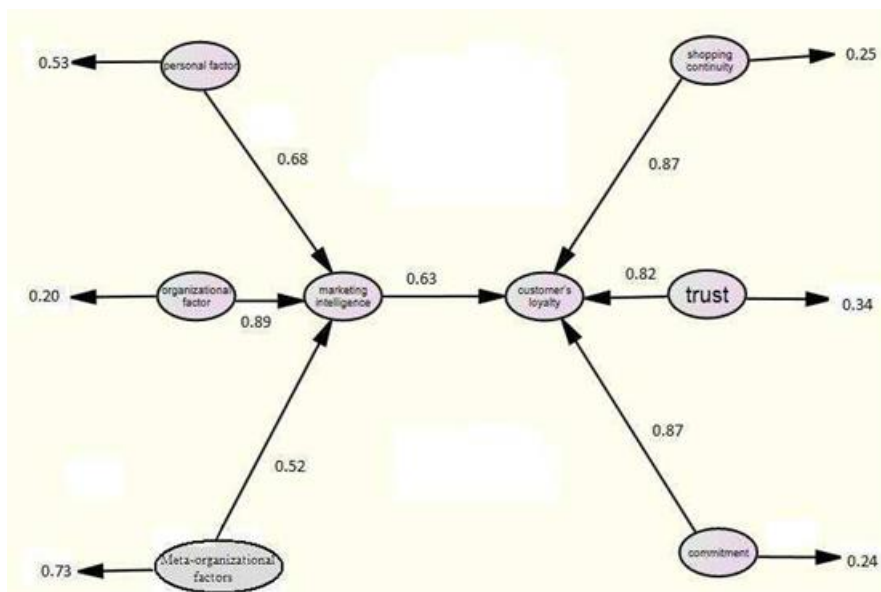


Figure-4: The Structural Model of the Study

Table-3: The Goodness of Fit Indexes of the Model

Result	Values	Acceptable value for Fit of model	Range	Index's name
Accepted	Chi-square=9.13 P=0.33	Significance level is more than 0.05	---	Chi-Square
437/07= value of independence model	35.15	less than value of independence model	No	AIC ¹
Accepted value of independence model =461.70	84.15	less than value of independence model	No	CAIC
Accepted	Standardized RMR = 0.036	less than 0.05	Between one and Zero	RMR ² Standardized
Accepted	0.97	More than 0.9	Between one and Zero	GFI ³
Accepted	0.99	More than 0.9	Between one and Zero	TLI ⁴ NNFI
Accepted	0.97	More than 0.9	Between zero and one	CFI ⁵

1 Akaike Information Criterion

2 Root Mean Square Residual

3 Goodness of Fit Index

4 Non-Normed Fit Index
5 Comparative Fit Index

Table-4: Results of Hypothesis

Hypothesis	Course Direction*	Course Coefficient	T	Results
H1	Impact of MI on CL	0.63	5.48	Accepted
H2	Impact of PF on MI Creation	0.68	6.00	Accepted
H3	Impact of OF on MI Creation	0.89	6.23	Accepted
H4	Impact of MOF on MI Creation	0.87	5.01	Accepted
H5	Impact of CSC on CL	0.82	10.00	Accepted

* MI- Marketing Intelligence, CL- Customer Loyalty, PF- Personal Factors, OF- Organizational Factors, MOF- Meta Organizational Factors, CSC- Customer Shopping Continuity.

The Goodness of Fit tests of model

After specifying the model, there are different methods for estimating the complete Goodness of Fit of the model with observed data. Completely, several indexes can be used for estimating the Fit of model, but usually for emphasizing the model, using the three to five indexes is enough. Completely, in this research different variables were used for evaluating the whole models graceful. The related number of the indexes, CFI, NNFI, NFI, RMSEA, AGFI, GFI, and RMR has been shown in table 3.

5. CONCLUSION

A summary of the hypotheses' result has been mentioned in table 4. By using to these numbers in the mentioned table, it can be inferred that all hypotheses were verified by 95% level of reliability. It was specified that the marketing intelligence has a significant and strong effect on increasing the customers' loyalty ($\beta=0.63$ and $T=5.44$), so that attention to create the marketing intelligence is one of the important needs of a society for increasing and attracting the customer's loyalty. The result of this study is corresponded by the studies of Grooms and Fletcher (2001), Karayanni (2006) and Fleisher (2008). By attending to the results of the study, the most coefficients are specified for organizational factors ($\beta=0.89$) for creating the marketing intelligence. Personal factors with ($\beta=0.68$) and meta-organizational factors ($\beta=0.52$) are in the next grades. The present studies results are corresponded by the research of Grooms and Fletcher (2001), Karayanni (2006), Fleisher (2008), Song and Thieme (2009), Jalali Koldeh (2010), Faryabi (2012). These researches point that personal factors have significant and positive effect on creating the marketing intelligence in an organization. From the customer's loyalty view, both continuity and buying commitment have most effect on customer's loyalty with ($\beta=0.87$) coefficient and the trust factor with ($\beta=0.83$) is in the next grade. The results of this study are corresponded by the research of Ho, Hung-Hsin (2012), Chris and et al., (2012), Dwyer (1987), Hamidi zadeh (2009), Abbasnejjad and et al., (2012). The results show that the personal, organizational and meta-organizational factors are important in creating the marketing intelligence, and they should use the marketing intelligence for editing the organization's strategic programs. Attending to the marketing intelligence is as an important approach for marketing management and identifying the customers' needs and market's chances before the rivals can be possible by doing the effective marketing researches and executing the marketing intelligence.

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