HOW TO ATTAIN CUSTOMER LOYALTY? A FRAMEWORK WITH THE HELP OF VIABLE SYSTEM MODEL OF CYBERNATICS

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Abstract
This study reveals the importance of customer loyalty and also mentions the factors and elements which lead to customer loyalty. Study gives the conclusion of this problem through viable system model (VSM) which gives us idea how to achieve customer loyalty.

Practical Implication.
This study is helpful for organizations and marketing managers to achieve the customer loyalty and over all organization goals.

Purpose
Purpose of the this study to reveal the importance of customer loyalty and give the solution through VSM

Key words: customer loyalty, viable system model, VSM, cybernetics

Introduction
In this modern era of technology and competition organization need to develop a good relationship with their customer. According to hurt A, Murphy “communication is a life blood of an organization” with out of effective communication we can’t be able to develop a good relation with their customer. Communication is interaction takes place with the customer for the purpose of gaining and retaining the customers and value creation for customers.

Members of organizations, at all levels, communicate with business colleagues, customers, shareholders, the media and members of the public on a daily basis. No organization can function properly or reach its goals without a good system of communication. Van Staden et al., (2002) cite the following advantages of communicating effectively with customers:

• Better customer relationships
• Saving time and money
• More effective decision-making
• Successful problem-solving

During last two decades of the 20th century both academicians and marketers have revealed that company’s most precious property are relationships with customers and other stakeholder groups. As it costs up to nine times more to gain a new customer than to retain the current one (Peppers and Rogers 1993), it is clear that it pays to value interaction. Also profits per customer increase by the time of relationship – the more the customers stay with the company, the more willing they are to pay best prices, make referrals, demand less and spend more. So retaining customers by building relationships makes marketing efforts more cost-effective. The concept of relationship marketing has been proposed as a new marketing paradigm (Grönroos1990), but it has remained rather a concept because of lacking characteristics of a paradigm.
Literature Review

Relationship Marketing Factors

In marketing literature, the relationship marketing has curved in to a theory according to key characteristics called trust, commitment, conflict handling and communication (Morgan & Hont, 1994, 20-38). This four factors as the bases for the relationship marketing directly affect the customer’s loyalty and can easily forecast it (Ndubisi, 2007, 99).

Trust

It is the concentration to depend on a business associate (Moorman et al., 1993). In fact, trust means that what the partner claims or commits is consistent and does his odd jobs in the communication. The other writers define the word as common standards (Morgan & Hont, 1994, 20-38), bilateral goals (Wilson, 1995, 335-345), making and keeping commitments (Bitner, 1995, 246-251).

Commitment

An important aspect for the relationship marketing and a proper structure to measure the probability of the customer’s loyalty and the prediction of future recurring shopping (Gundlach et al., 1995, 78-93). Studies show that commitment is the commonest dependent variable used to study buyer- seller communication (Wilson, 1995, 335-345). Commitment is the forever interest in keeping a valuable communication (Moorman et al., 1992, 314-328).

This phenomenon points to a higher level than responsibility to make a successful communication and a two-sided satisfaction (Morgan & Hont, 1994, 20-38). That’s why; commitment among those who believe they can achieve more values through communication is more.

Communication

In this paper, communication refers to the ability to prepare the proper and trustable information. Today, communication is an interactional conversation between the company and customers taking place in presale, sell, consumption and post-consumption (Anderson & Narus, 1990, 42-58). Communication in relationship marketing means keeping in touch with valuable customers, providing the needed and trustable information about services, and changing the services and informing the customers if there is a problem in delivering process. In early stages, we should inform the customers, expend the customer’s preferences, and convince and persuade the buyers to by more.

Communication tells the disappointed customer that what an organization can do to put everything back right to satisfy the customer. Whenever there is an effective communication between and organization and its customers, we can expect better results and more loyal customers.

We can achieve the customer’s satisfaction which enhances the loyalty of customers and the reliability of the whole system (Taleghani, 2012, 19). Customer satisfaction is achieved only when we recognize the need and demand of the customer and the then communicate about the product to customers.

Communication is the inimitable activity that create associations (Duncan and Moriarty 1998).
Duncan and Moriarty (Ibid.) show the elements of traffic circle between communication and marketing theory and come to a communication-based marketing model for supervision relationships. They bring out the similarity of the basic marketing model and the basic communication model (figure 1).

![Figure 1. The similarity of basic marketing model and basic communication model (Duncan and Moriarty 1998)](image1)

They also gave a simple model of communication for brand value and customer relationship which shows in figure 2.

![Figure 2. A simplified version of the communication-based marketing model for managing relationships by Duncan and Moriarty (1998)](image2)
Conceptual model to attain loyalty.
According to literature review and with the best of my knowledge the customer loyalty is an dependent variables and communication, commitment and trust are the independent variables which may influence the customer loyalty. Shows in figure 3.

![Conceptual model](image)

Figure 3. shows the impact of variables on customer loyalty.

How they work better with the help of viable system model (VSM)

Viable system model approach introduce by Stafford beer in 1985 which a arrangement of systems to enhance the performance. With the help of above discuss literature we can able to say that customer relationship management we can achieve the customer loyalty but question is this how this department work to achieve goal with the best of my knowledge I choose VSM model to answer this Question model shows in figure 4.
Viable System Model for achieving customer loyalty.

Figure 4.
**Explanation of model.**
According to Stafford beer, (1985) every system work effectively with the arrangement of five subsystems to achieve over all goals and objectives which shows in above mention figure 4. These five systems working mention bellow to attain customer loyalty

**System 5.**
To decide long terms goals and objectives of the organization with scanning future enviornment

**System 4.**
Marketing management & marketing Research
Recognition of needs and wants of customers and developing the strategies with scanning future

**System 3.**
Customer relationship Management (CRM)
Manage and supervise the system 1 according to the

**System 2.**
Any marketing manager or personnel
Control the flow of communication with system 1 and 3 and report the working

**System 1.**
Operations (advertising, services, selling)
This system create communication, offering and commitment with customers in present environment to retain the customers

**Conclusion and practical implication:**
In this modern age of competition and globalization organization needs to gain and retain the customers and also satisfying the customers with the help of communication and commitment to develop the trust of customer if organization achieves these elements then this is very fruitful for organization to achieve customer loyalty. This study helps to attain customer loyalty with the help of workings of viable system model.

**Limitation:**
This study is only limited to the operations of the marketing management and customer relationship management to achieve customer loyalty with the help of VSM. In further studies we can take the other departments in consideration for example production, quality control etc.

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