# Management Of Consumer Loyalty In Nigeria

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Abstract

*The dynamic world places many demands on managers and employees in worth-while business organizations. The need for effective consumer loyalty cannot be over-emphasized. The desire for a change in customer loyalty was as a result of pressure from globalization, the revolution in information technology. The ever changing demographics, the dynamic consumer preference and tastes, increasing product and service obsolescence, the rate at which labour forces change and the changes that the technological transformations apply in products and services are all accountable for the desire for a change in consumer loyalty in any business firm or organization. These desires for change are global in nature. Consequently, the top management and policy makers in the organizations have taken steps both human and material in a manner to bring about full values to ensure consumer satisfaction. The old-fashioned style of depending solely on the goodwill of the organizations or firms must give way to the modern way of not only attracting new customers but also retaining them while at the same time making an improvement on the existing services or products on offer.*

## Introduction

The term "consumer" is used because it is he, who, as the third party that the marketing process is directed to. The terms Customer and Consumer tend to be confusing at times because of the reason that they are used interchangeably. This is common in the Nigerian markets where both the buyer and the seller address each other simply as customer. Technically, a customer is the individual or organization that actually makes a purchase decision. It is the customer who after generating the product ideas, passes his ideas through product planning and development, product manufacture, pricing, promotion and distribution or placement e.t.c and ends only if there is an assurance that a consumer has been found to be satisfied with his or her end products. This is a commercial process that starts before production; influences and continues in the form of after-sales services long after the products had been sold and transferred to the consumer (1).

Consumer loyalty has to do with his willingness to continue patronizing your product or service. The concern here is how to maintain and manage that loyalty so that the consumer keeps coming back for a repeat performance. In order to maintain consumer loyalty, there is need as managers, to understand the marketing concept (2).

**The marketing concept**

The major problem of the business concerns before the 20th century was that of producing goods and services to meet the prime needs of the people and much later, the increasing complex needs and wants of the people which came with change in technology and tastes. The great quantity of goods produced were not commensurately bought (irrespective of the aggressive selling, advertisement and promotion) because of the inability of the goods to meet the complex needs and tastes of the people soon after the world war and hence the introduction of the marketing concept, which first sought to investigate the needs and wants of the consumers before producing to satisfy them.

This marketing concept demands that the organization must strive to keep pace with time by keeping trend (i.e by adapting. innovating and developing new products and services) of the ...sumers' change in tastes and preferences. In principle, the marketing concept places great emphasis and importance on the consumers such that marketing activities start and stop with them (3)

In applying the marketing concept, the business organization must not lose sight of the fact that not only must the consumer or buyer be satisfied with the price he pays, it (the organization) must also do so at a profit. It therefore becomes necessary that the business organization must find a good mix to satisfy both the consumer and its financial interest. Anything to the contrary (where the consumers are not satisfied) could bring about a long-term result of enormous loss of sales and loss or closure of the whole business thus lending credence to the marketing philosophy (4). In attempting to satisfy customers, businesses must consider not only short-run, immediate needs but also broad, long-term desires. Trying to satisfy customers' current needs by sacrificing their long-term desires will only create strong dissatisfaction in the future.

To meet these short-and long-run needs and desires, a firm must coordinate all its activities. Production, finance, accounting, personnel and marketing departments must work together to ensure customer satisfaction.

All these go to show that marketing is not just a function of business like production, purchasing or finance; rather it is a philosophy of business, and a fundamental one at that. It is a guiding principle, a way of thinking about business, which demands that to survive, grow and make profit, a business must be managed from the point of view of the consumer, and from the perspective of the market. Marketing is therefore, the identification, anticipation and efficient satisfaction of the wants and requirements of the consumer, at a profit to the firm (5).

To satisfy the consumer as per the marketing concept, it is important then to be at home with the consumer behaviour.

## Consumer behaviour

Satisfying the consumer is the ultimate goal of marketing and in order to satisfy the consumers, i.e. the real and potential buyers of products and services; the understanding of consumer behaviour becomes a pre-condition.

Consumer behaviour is described as individuals' activities in obtaining and deriving satisfaction from goods and services, through the exchange process.

It is essentially the buying behaviour of consumers, including their motive, learning, experiences, perception, decision-making and the sequence of their buying process (6).

## Nature and scope of consumer behaviour

The study of consumer behaviour has to do with the knowledge and prediction of the activities of human beings as it affects the business of buying products and services.

As a discipline, it highlights not only the consumers/buyers, who purchase and consume goods as individuals or groups, but also organizational buyers such as those who purchase goods and services for resale, business firms, industrial users, non-profit organizations and governmental agencies (7).

Looking at consumer behavior from the body of knowledge angle, it tries to find out why, what, when and how the consumers buy as well as the very many reasons that inform their buying decisions.

In the course of analyzing buyer behaviour, there is the need to look at buyers as decision makers. Consumers normally have the general desire to create and maintain collections of goods and services to guarantee present and future satisfaction. Consumers (buyers) put into use several purchasing decisions to achieve the above objective. A good example is easily cited where a family head makes many decisions in respect of his daily needs such as food, shelter, clothing, education, medical care, holidays, recreation and transportation. In making these decisions, the consumers apply different decision-making behaviorus (8).

Three broad categories of consumer buyer situations will suffice notwithstanding that they vary considerably in types.

The three broad categories are routinized response behaviour, limited problem solving situation and the extended problem solving situation.

(a) **Routinized response behaviour.** This has to do with buying out of habit as the consumer avoids some of the stages in the decision process. This is applicable where the consumer is confronted with (i) frequently bought/used products, (ii) the cost of the products are low, (iii) the class of the product is common knowledge, (iv) the brand of the product is well known and (v) when the order of preference among other brands is very well defined.

The purchase of newspapers, detergents, soft (minerals) drinks and other lowly priced routine products usually follows this kind of decision-making.

(b) **Limited problem solving situation:** This situation occurs where the buyer (i) is very much aware of a product brand but sees some unfamiliar brands in the open market, (ii) he needs to be enlightened about the new brands as well as their features, (iii) he knows the criteria to be used when evaluating the brand during his decision making.

In this instance, the consumer will as usual go through all the decision process but certainly not spend much time in any. A typical example is where a buyer wants to buy his third plasma television set for his visitors' rooms and on getting to the shop he finds some newer models that he is not familiar with. He simply goes for the one he is familiar with without any delay.

(c) **Extended problem solving situation :** This situation manifests when (i) the price of the product is on the high side, (ii) the product is unfamiliar to the buyer, (iii) the evaluation of the products is needed, (iv) when the buyer requires fresh details of the features of the product, (v) the buyer has not yet made up his mind to buy. Here the buyer spends a lot of time going through all the decision process to avoid making a regrettable decision. This is usually the case where the buyer is buying, say a motor car, for the very first time.

**Stages in the buying decision process**

In making purchases, the decision process makes up the greater portion of the buying behaviour. Stimulus, problem recognition, information search, evaluation of alternatives, purchase, and post purchase evolution comprise the six prominent stages of the consumer buying decision process.

(a) **Stimulus.** *A stimulus can be a cue or a drive meant to drive, arouse, motivate* or stimulate people to act. These are social, commercial and non-commercial cues. Social cues are the purchase-related motivation one receives as a result of communication with friends, family members, mates and others.

Commercial cues (otherwise known as marketer-dominated stimuli) are messages sponsored by manufacturers and marketers in the form of advertisements, personal selling and sales promotion in order to influence customers.

Non-commercial cues are those messages received from impartial sources such as the mass media and public agencies (9).

(b) **Problem recognition** – This occurs when the consumer/buyer realizes that there is a difference between a desired state and an actual condition as in an example where one may desire a plasma television set he thinks is functional and reliable. When the Plasma television set failed to show clear pictures, having been switched on for the 4th time within the ensuing 6 days, the consumer then realized that there was a difference between the desired state (a functional plasma television set) and the actual condition (a plasma television set that failed to show pictures).

(c) **Information search** – Having seen the problem wi television set, the consumer goes in search of f information in the form of other available brands, operating guidelines/instructions, warrantees, guara product or service features and attaching prices. consumer may also collect information apart from hi own experience from friends, marketers like sales ag advertisements e.t.c.

(d) **Evaluation of alternatives** – The information so gathe triggers off the evaluation of alternative products wh sets a stage for comparison of the products or their serv characteristics.

(e) **Purchase** – As soon as a decision has been reached on best alternative product to buy, the consumer's next acti is the proper purchase. The alternative sales shops and t conditions for sale will be considered in making t purchase. The chosen sales outlet is as a result of t evaluation of the alternative outlets by virtue of proximit good stock of the product, friendly disposition of the sale staff to consumers, sound shopping environment, and term of purchases or consumer services like credit facility transportation, installation, after-sales services an warranties e.t.c.

(f) **Post purchase evaluation** - As the product or service is experienced, the consumer evaluates it to determine if its actual performance meets expected levels.

The three prominent categories of factors that are acclaimed to influence the consumer in his/her buying decision process are namely: - Person – specific, psychological and social factors.