

## METHODS OF EVALUATION OF CUSTOMERS' LOYALTY

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**Introduction.** Evaluation of customers' loyalty (CL) to brand (trademark) is an important component of the pharmaceutical company activity. Due to the correct formation of relationship between the end user and enterprise, products of this company may compete at a decent level of medicines-analogues. The image of the company and the high level of customer loyalty guarantee a competitive advantage on the market. Therefore, pharmaceutical companies use and attach great importance to various loyalty programs.

The **aim** of the study is to analyze the methods for evaluating customer loyalty.

**Materials and methods.** Content-analysis, logical analysis, grouping.

**Results.** There are two approaches to determining customer loyalty in marketing theory. The first one is based on loyalty as a certain type of customer behavior, resulting in long-term cooperation with the company and repeated purchases. Long-term relationship of customers and enterprise is formed during repeatedly interaction of parties. If both sides have an obligation to each other, trust each other and are aimed to long-term cooperation, which has a direct impact on the formation of CL, which depends on their degree of satisfaction with the quality of trade services. Another approach considers loyalty as customers' preference, formed as a result of synthesis of feelings, emotions, and thoughts about the company, product or service.

Usually there are three types of loyalty: transactional (considering changes in the bp Perceptual (emphasizing subjective opinion of the consumer and evaluation of products, this type of loyalty is measured by consumer surveys) and complex (this type of loyalty includes 4 subtypes). The first subtype "true loyalty" occurs when a buyer buys the medicine and really satisfied with it. The second subtype "false loyalty" occurs when a consumer buys the medicine but not satisfied with it. The third subtype "latent loyalty" occurs when a consumer appreciates brand but is unable to buy it, and when there is opportunity, always buy this brand. A fourth subtype "lack of loyalty" when the consumer is not satisfied with the brand and does not buy it. Types loyalty are allocated on the base of the following conditions: consumer emotional attachment to the brand, insensitivity to the actions of competitors, the regularity of purchases, and the time factor.

The most preferred type of CL for pharmacies is just a complex (mixed) type, i.e. commitment and loyalty. This type of CL is based on long-term and mutually beneficial relationship based on trust between the consumer and pharmacy and brings

long-term benefits for both sides. CL is one of the main indicators of the competitive advantages of the pharmaceutical company.

Methods of assessment of customers' loyalty are selected depending on investigated kind of loyalty. Most authors include to methods for assessing the loyalty: the method of "separation of needs" (the essence of the method is that the loyalty of the consumer is defined in numerical terms), the traditional approach (the basis of this method is the definition of "intent to purchase" of the certain brand just before making a purchase) and conversion model (using 4 major indicators: satisfaction with brand, alternatives, the importance of brand choice, the level of uncertainty or ambiguous attitude). Also method of F. Rayheld «Net promoter score» is very popular. It is based on two questions: "How would you recommend the company to your friends on a scale from 0 to 10?" And "Why did you put this mark? Comment please."

According to the results of all answers, respondents are divided into "promoters" (those who put the mark 9 - 10), "neutral" (mark 7 - 8) and "critics" (mark 1 - 6). Therefore, "promoters" are a loyal customers and they would recommend the brand; "neutral" are passive customers, they generally satisfied with the company, but would not recommend and "critics" are not satisfied and they will not recommend the product. Actively used such methods as: RFM-analysis (segmentation enterprise's customer according to frequency of purchases, the number of purchases and money spent for the purchase by the customer), Brand Keys Customer Loyalty Engagement Index (combination psychological assessment that helps identify the relationship between brand of the pharmaceutical company and a consumer), Preference - Behavior Model (gives an idea of number of customers who have purchased a brand they prefer in the past) and model RAPID (allows to assess the prospects for growth of the company evaluating indicators such as willingness to buy again, willingness to recommend, intention to buy more and more); AC Nielsen I - Can Loyalty & Repeat product (compare one brand to another within the same category during the specified time), Secure Customer Index (SCI) (respondents are classified as "faithful" if their level of satisfaction with the brand is high and they are ready to continue cooperation and "not right" these consumers are not value for the company).

**Conclusions.** Each method has own indicators for assessing the level of customers' loyalty. Consideration of these indicators together gives an opportunity to get a more accurate idea of customers' loyalty from different perspectives, and to reduce the disadvantages existing in the methods for making the correct decision. It is important to consider a customers' loyalty comprehensive and to conduct research in order to regulate the process. After all, it will enable to increase the number of clients and sales for pharmaceutical companies.