

The role of loyalty in Business development

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Abstract— nowadays we can see many businesses going to bankruptcy or losing their reputation. Here, the main reason can be loyalty in diverse aspects. This paper examines diverse kinds of loyalty and their role in business development and persistency. Now many businesses are losing their reputation in front of the public and government and they do not know the exact reason for their failure. Incorporating my experience in business for 14 years and surveys that I have taken; it is clear that only customer loyalty is concentrated for the development of businesses. However, there is also business loyalty towards the public, government, workers and customers. If businesses keep these kinds of loyalty, they can reach customer loyalty easily and make more sales than ever before. It is a fact that loyalty is between two parts, so it is very crucial not to look at loyalty of one side.

I. INTRODUCTION

II. IT IS MANIFEST THAT BUSINESS IS A CRUCIAL PART OF ECONOMIES. THE EXISTENCE OF BUSINESSES CAN REDUCE THE SERIOUSNESS OF MANY SOCIAL AND ECONOMIC PROBLEMS SUCH AS POVERTY, UNEMPLOYMENT AND CRIMES. HOWEVER, NOT ALL BUSINESSES CAN SUCCEED AND SOME OF THEM GO TO BANKRUPTCY. WHEN IT COMES TO THE CAUSES OF FAILURE, MANY PEOPLE BLAME BUSINESS WORKERS, OWNERS OR THE ECONOMIC SITUATION. SOME PEOPLE SAY THAT IT IS COMMON FOR BUSINESSES TO MAKE PROFIT OR LOSS. IT IS MY VIEW THAT BUSINESS DEVELOPMENT IS CONNECTED WITH A SENSE OF LOYALTY. IT IS NOT ONLY CUSTOMER LOYALTY, BUT ALSO MANY TYPES OF LOYALTY CONNECTED WITH A BUSINESS. PROVIDING THAT ALL TYPES OF LOYALTY ARE ESTABLISHED IN AND AROUND THE BUSINESS, IT IS HIGHLY POSSIBLE TO SEE BUSINESS PROSPERITY. THIS RESEARCH PAPER HIGHLIGHTS THE SIGNIFICANCE OF LOYALTY IN BUSINESS DEVELOPMENT WITH MANY EXAMPLES

Key words: customer loyalty, employee loyalty, government loyalty and business loyalty

II. Literature Review

There are few researches that researched loyalty between businesses and other agents in economy.

According to research carried out by Jigjiddorj et al. (2019), the employee satisfaction leads to increase in loyalty of employees to the business and has positive effect on organizational performance. As an example, if worker gets desired salary, it will lead them to work more.

The other aspect of loyalty is between customers and business. Reichheld, Frederick F. (2001) mentioned

that customer loyalty is not a tangible thing to measure. However, if customers come and buy a product several times, it means that there is a customer loyalty

III. METHODOLOGY

The research is carried out to find relationship between loyalty of businesses, employees, customer and government. The study will show importance of loyalty and its effect on companies performance and longevity of businesses

This study will use secondary data from online sources and primary data from surveys carried out.

Having had 14-year business experience, I have noticed diverse kinds of loyalty available in and around the business. I have been able to see and learn some businesses in my country and other countries. My observations have been collected over the years and have a big importance now. Besides that, online sources are main sources of the research at the moment. I have visited several websites and found interesting facts about the connections of business development with different aspects of loyalty.

IV. RESULTS

Customer loyalty is one of the main factors that determine the future of businesses. According to the research conducted recently, only 13% of customers in the world stay loyal to one brand while 87% of customers may choose different brands at the same time. According to American Express, 60% of American customers are expected to change companies following two to three cases of poor

service. There are diverse contributors to loss of customer loyalty. These reasons can be poor service, decreasing quality, lack of responses to customer needs and ignorance on high price. In general, these reasons are linked to business loyalty towards customers. As customers need to be loyal to the business, the business also needs to maintain loyalty towards customers. American EXPRESS states that 65% of business comes from existing customers. This means that business loyalty is as important as customer loyalty. Moving to employee loyalty, 64% of employees show loyalty to the business when the administration has trust towards them. Employee loyalty is damaged when there is no reward or recognition inside the business. Besides that, better working environment and facilities are not provided and this also decreases the loyalty of employees towards the business. This means that employee loyalty can be attained by the provision of business loyalty towards employees. Moreover, there is loyalty between the government and business. The government protects competition and agreements between businesses and regulates the production process. At the same time businesses need to keep loyalty towards by complying with rules and laws of the government

V. CONCLUSION

Loyalty should not be looked from one side because it is set up between two people or parties. If businesses keep loyalty towards customers, customers try to be loyal to business as well. If one side breaks up loyalty, the relationship is broken. Likewise, businesses should be loyal to employees so that loyalty will be strong. If businesses continue appreciate employees, employees also feel a close relationship as well. Besides that, businesses should comply with the rules and laws so that they can achieve the loyalty of the government. If the parties mentioned above maintain loyalty between each other, business development is achieved and the survival of businesses can be provided.

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