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EVALUATION OF LOYALTY PROGRAMME SUCCESS OF THE REAL ESTATE AGENCY

To estimate predicting success of suggested loyalty programme we are using the expert evaluation of the main elements of the given programme: targets, target groups, right choice of privileges, financial concept, communications, service centre, management, database and integration into the structure of the real estate company.

While evaluating the expert group of 7 employees of "The Real Estate Academy" was made. Every expert filled in the chart of nomenclature indexes to estimate the programme level and to calculate significance factor. Indexes were put in order according to their significance where the 1st rank was given to the most important index, in expert's opinion, the 2nd one to less important; the highest figure was given to the least important index (table1).

To establish the sequence of experts' opinions the concordation coefficient (W) is calculated according to the formula

$$W = \frac{12\sum_{i=1}^{n}(S_i - S)^2}{m^2 * n * (n^2 - 1)}$$

where S_i – a sum of figures; S – average sum of numbers; M – a number of experts; N – a number of indexes.

Table 1 – Indexes ordering by experts

Indexes	Conv. sign	Ranks put by experts							Sum of ranks
		1	2	3	4	5	6	7	
Targets	P_1	3	3	2	3	4	2	3	20
Target groups	P_2	2	1	1	2	1	1	2	10
Rightness of privileges choice	P_3	1	2	3	1	2	3	1	13
Financial concept	P_4	6	7	6	6	7	7	7	46
Communications	P_5	4	5	5	4	3	5	4	30
Service centre	P_6	7	6	7	7	6	6	6	45
Management	P_7	8	8	8	9	9	8	9	59
Database	P_8	5	4	4	5	5	4	5	32
Integration into the structure of the real estate company	P_9	9	9	9	8	8	9	8	60

For table 1 data the value of concordation coefficient is W = 0.93. This allows to state that there is a close connection among experts' opinions.

In this case all indexes for loyalty programme evaluation were taken into account because its number is not big. For indexes the significance coefficients (m_i) were calculated according to formula

$$m_i = \frac{100}{S_i} \div \sum_{i=1}^{n} \frac{100}{S_i}$$

Now let's calculate the complex index of loyalty programme evaluation (Q) according to formula

$$Q = \sum_{i=1}^{n} P_i * m_i$$

Where p_i – average index evaluation, points; m_i – significance index coefficient; n – a number of indexes.

Calculations for a complex index setting are shown in table 2.

Complex index of the loyalty programme evaluation is 4.423 according to 5-points scale which is rather high for loyalty programme which is made at the company for the first time.

Table 2 – Calculating of complex index of loyalty programme evaluation

Indexes	Experts' evaluation							Significance coefficient (m_i)	Average estimation
	1	2	3	4	5	6	7		
Targets	4	4	5	4	4	4	4	0,135	4,14
Target groups	5	5	5	4	4	5	5	0,271	4,71
Rightness of privileges choice	4	5	5	5	5	4	4	0,208	4,57
Financial concept	4	4	3	4	4	3	4	0,059	3,71
Communications	4	4	4	5	4	4	4	0,090	4,14
Service centre	5	5	4	4	4	5	4	0,060	4,43
Management	4	4	4	3	4	4	4	0,046	3,86
Database	5	5	5	5	4	4	5	0,085	4,71
Integration into the structure of the real estate company	4	5	4	5	4	5	4	0,045	4,43

Now let's calculate the predicting financial efficiency for the company "Real Estate Academy". As the loyalty programme is aimed at a small number of

customers and is an experimental one with further growth, in this case profit increase of the real estate company will be minimum. Though the desired profit increase by 12% will not occur, the company's income increase by 1% is possible.

Let's examine the change of financial indexes which will be influenced by loyalty programme:

1) in case of income increase by 1% given index will grow by UAH 963 thous. and make up UAH 97,263,87 thous.

2) in case of loyalty programme realization overheads will increase by UAH 75 thous., i.e. 0.3 % and make up UAH 25,417,33 thous.

3) gross revenue will make up UAH 28,402,53 thous, i.e. will grow by 3.2%;

4) this will increase the level of profitability by 0.63%.

Appointed above economic indexes illustrate the efficiency of using the given loyalty programme, that is why it's possible to recommend the management of "The Real Estate Academy" for implementation.