INVESTIGATION OF RELATIONSHIP BETWEEN BRAND EQUITY OF SERVICES AND BRAND RELATIONSHIP

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Abstract
The present study is aimed at investigating relationship between brand equity and brand relationships in banking industry. This study has considered some factors such as brand awareness, perceived quality, brand differentiation, brand association, and brand trust as the dimensions of brand equity. In terms of objective, the present study is applied research and based on its data collection method, it is a survey-descriptive study. In terms of data analysis method, applied method in this study would be in kind of correlation method. In order to collect required data for this study, questionnaire would be applied as data collection instrument. Statistical population of the study includes 385 persons of customers in Mellat and Parsian Banks in Gorgan province Iran. Obtained data from the questionnaire would be analyzed using inferential statistical methods and using SPSS software. Presented hypotheses in this study would be examined using Pearson coefficient of correlation and multiple regression method. Obtained results from the study indicate that 4 dimensions of brand equity including brand awareness, brand differentiation, brand association, and brand trust have significantly positive relationship with brand equity. However, obtained results indicate no significance relationship between perceived quality and brand relationships.

Keywords: brand awareness, perceived quality, brand differentiation, brand association, brand trust, brand relationships

Introduction
Today, brand is considered as a strategic requirement for organizations, which helps them to create more value for customers and to provide sustainable competitive advantages. Development of strong brand in the market is main objective of many organizations because of its abundant advantages (Ballester and Aleman, 2005). A strong brand is considered as the most valuable property of a commercial institution, since it can make organization to gain more marginal profit and better cooperation channels (Olson, 2008). In addition, it can enhance customer trust while purchasing products and services and helps them to perceive intangible factors properly (Chen and Cheng, 2008). Brands are vital for service sector, since intangible nature of services make its quality evaluation difficult for customers (Krishnan and Hartline, 2001). Choosing and implementing an adequate and developed strategy of brand is considered as final factor of success in a servicing organization like banks. If a customer believes that there are significant differences among brands and this issue results in an important information part in purchase decision making,
reliance of the said customer on decision making based on brand would be enhanced (Anand et al, 1988). Brand equity is final desire or value added, which is created by a product using brand. Brand equity is like a property for the company, which can enhance cash flow of business (Simon and Sullivan, 1993). Awareness of effect of every mentioned dimension on customer relationship helps banks to optimize marketing plans, especially in field of brand management and effectiveness of advertisements. It can also support cost of resources in order to enhance market share and brand development. Through having an overview on marketing status and relevant issues in Iran banking system, it could be found that the subject is to some extent lost and forgotten service, which needs urgent and serious consideration in micro and macro level. Due to new requirements in modern and competitive banking system that is existed among banks in order to attract and satisfy customers based on new approaches of customer-orientation, academic and applied studies should be conducted in Iran in order to better identification of customers and designation of modern banking services based on their needs. A subject like brand equity has a concept based on customer view; although in addition to company and customers, competitors and other beneficiaries are also considered significant by shareholders. Hence, according to the current competitive advantage, relevant studies in banking domain are required (Baversad et al, 2010).

**Literature review**

According to the first definition of brand equity by Faraquhar, brand equity is a value added, which provides a commercial name (brand) for product (Faraquhar, 1989). Aaker (1991) has defined brand equity as a series of properties and debts related to the brand, which are presented by services or products of a company. Keller (1993) has stated that brand equity refers to different effects, which brand recognition can have on customer response in marketing of the brand.

**Brand awareness**

Brand awareness is a level of recognition and awareness that can identify customers of brand and can also identify relevant services of the brand (Keller, 2008). Brand awareness refers severity of connection of developed characteristics in the mind and enables customers to identify the brand in different conditions and remind it if necessary (Keller, 1999). Aaker (1991) has defined brand awareness as ability of consumer in identifying or reminding a brand in a certain class product. Role of brand awareness in brand equity is depended on awareness level that has been gained. In higher levels of awareness, probability of considering brand and its effect on purchase decision making is also very high (Prasad and Dev, 2000). Brand awareness can affect perceptions of consumers. Individuals are satisfied by those products that are aware of them and have tendency for considering all positive features for their known items (Boo et al, 2009).

**Brand association**

Brand association is everything related to brand in the mind (Aakar, 1991). Associations and adjustments are basic reagents for purchase decisions and brand loyalty and also creator of value for the company and its customers. Brand association is in close relationship with its certain knowledge by the customer. Such knowledge would be formed by every kind of idea, sample, and realities created by the product (Yoo and Donthu, 2000). Brand association may be observed as total forms and features of a product or independent dimensions from the product. According to relevant classifications of brand association in studies of Chen (2001), product associations and organizational associations are two most common groups among brand association classes. He
believes that these associations can find that whether the customer bur the same product again or not. Hence, not only brand association acts in different levels during process of purchasing and consuming the product, but also involvement of consumers can also change associations in such processes. Brand concepts association is considered as the heart of brand equity and also a key element for gaining competitive advantage.

**Perceived quality**
Brand is closely connected with perceived quality by the customer, such perception that indicates total quality and is not necessarily based on customer knowledge about detailed characteristics of the product. Perceived quality may be varied to some extent in different industries. Perceived quality is a competitive requirement and today most companies are applying customer-oriented quality as a strategic weapon (Atilgan et al, 2005). Zeithaml has defined perceived quality as the priority of product quality to competitors, which won’t include technical dimension. He has also stated that perceived quality is a component for brand equity. Hence, high perceived quality can help customer to choose a brand other than competitor brands. Perceived quality of customer is in relationship with brand loyalty and has also significant effect on purchase decision making (Zeithaml, 1988). Aaker (1991) has defined perceived quality as the perception of customers about total quality or better quality of the product or service due to their desired target, comparing to other options.

**Brand differentiation**
Brand differentiation is the ratio that customers of a brand consider for other different competitors (Kimpakorn and Tocquer, 2010). In order to achieve brand differentiation, Dib et al (2012) states that a brand should have distinct boundary from its competitors, which can be cleared through highlighting some aspects like brand power, features, and advantages. Creating differentiation in brand is necessary for development of brand equity (Lu et al, 2008).

**Brand trust**
Fukuyama (1995) has defined trust as expectation of regular, proper, and cooperative behaviors in a society, which can be formed based on common criteria for a part of society members. Fukuyama believes that technological changes have made always highlighted role of trust in perceiving commercial activities like marketing. According to an exact definition, brand trust refers to intention of customers for trusting capabilities of brand in order to conduct predetermined tasks. De Ruyter et al (2001) have stated that trust and perception have key role in providing competitive advantage in services.

**Brand relationships**
Brand relationship is considered as the final goal of brand development process (Aaker, 1991). Brand relationship can be defined as a method, in which customers are related to the brand or identify it (Smit et al, 2007). Keller (2008) has stated that brand profitable relations are mainly depended on brand’s concept in mind of customers; i.e. brand aawareness, brand trust, and brand image. Dimitriadis and Papista (2010) have reported that when customers make strong relations with the brand, they try hardly for maintaining the relationship. As a result, theses customers show desirable behavior like verbal advertising, mutual purchasing, flexibility against negative information, and sustainability of relations. In view of marketers, strong relations between customer and brand facilitates process of attracting new customers; enhances loyalty of
customers; creates strong brand equity; reduces marketing costs; and finally increases profitability (Keller, 2008). At the present study, concept of commercial relations has been considered as the responses of customers for choosing the brand as the first choice (Aaker, 2002); attitudinal attachment (Keller, 2008); and tendency for suggesting the brand to friends and other people.

**Conceptual model of the study**

Conceptual model of the present study has been gained from study of Tocquer and Kimpakorn (2010) and Mackey et al (2013), in which brand equity dimensions and their relationship with brand relations have been considered based on proposed model (brand awareness, perceived quality, brand differentiation, brand association, and brand trust).

![Conceptual model of the study](image)

**Research hypothesis**

- There is a significant and positive relationship between brand awareness and brand relationships.
- There is a significant and positive relationship between perceived quality and brand relationships.
- There is a significant and positive relationship between brand differentiation and brand relationships.
- There is a significant and positive relationship between brand association and brand relationships.
- There is a significant and positive relationship between brand trust and brand relationship.

**Research Methodology**

The present study is an applied study in terms of objective and is in kind of descriptive-survey studies in terms of data collection method. Data analysis in this study has been conducted using correlation method. Statistical population of the study includes all customers referred branches of Mellat and Parsian Banks during study period (winter 2013) in Gorgan Province Iran. For this purpose, 450 questionnaires were distributed among customers. Sampling was conducted using cluster sampling method. Hence, one branch was selected from every bank and sampling was conducted in selected branches using simple random sampling method. Finally, 385 questionnaires were analyzed. Data collection instrument in the present study has been
questionnaire based on 5-point Likert scale from completely agree to completely disagree. Applied questionnaire includes 29 options. Relevant options of brand awareness has been derived from Gil et al (2007) questionnaire; brand association options have been derived from Gil et al (2007) and Tong and Kimpakorn (2010) questionnaire; relevant options of perceived quality, brand differentiation, brand trust, and brand relationships have been also derived from Kimpakorn and Tocquer (2010) questionnaire. Since the mentioned questionnaire has been designed based on existed standard questionnaires, it includes required validity and reliability. In order to evaluate reliability of the questionnaire, Cronbach alpha has been applied. Cronbach alpha value for studies variables in this study has been presented in table 1. Since Cronbach alpha values are more than critical value (0.7), there is adequate validity about applied scales in this study.

Table 1: reliability of studies variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>No of questions</th>
<th>Cronbach alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>brand awareness</td>
<td>3</td>
<td>0.727</td>
</tr>
<tr>
<td>perceived quality</td>
<td>5</td>
<td>0.938</td>
</tr>
<tr>
<td>brand differentiation</td>
<td>2</td>
<td>0.890</td>
</tr>
<tr>
<td>brand association</td>
<td>4</td>
<td>0.906</td>
</tr>
<tr>
<td>brand trust</td>
<td>7</td>
<td>0.718</td>
</tr>
<tr>
<td>brand relationships</td>
<td>8</td>
<td>0.898</td>
</tr>
</tbody>
</table>

Data analysis

According to obtained data, 56.4% of respondents have been male and 43.6% have been female. In addition, 33.5% have been 18-35 years old; 49.9% 36-50 years old; and 16.6% have been above 50 years old. Obtained data indicated also that 5.5% of participants had diploma degree; 25.7% had post-diploma; 46% had BA; and 22.8% had MA and higher degrees. Hypotheses of the study were examined using Pearson Coefficient of Correlation, multiple regression, and SPSS software. In order to investigate correlation among studies variables, Pearson Correlation was applied. Obtained results from the test and correlation among variables in level of 5% and confidence level of 95% have been presented in table 2.

Table 2: Pearson correlation among dependent and independent variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pearson correlation</th>
<th>Sig (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand awareness and brand relationships</td>
<td>0.320</td>
<td>0.000</td>
</tr>
<tr>
<td>Perceived quality and brand relationships</td>
<td>0.038</td>
<td>0.452</td>
</tr>
<tr>
<td>Brand differentiation and brand relationships</td>
<td>0.471</td>
<td>0.000</td>
</tr>
<tr>
<td>Brand association and brand relationships</td>
<td>0.354</td>
<td>0.000</td>
</tr>
<tr>
<td>Brand trust and brand relationships</td>
<td>0.408</td>
<td>0.000</td>
</tr>
</tbody>
</table>

According to table 2, Pearson coefficient of correlation has been significant in confidence level of 0.05 about all hypotheses, except for hypothesis 2. Since significance level for correlation between perceived quality and brand relationship is more than 0.05, significant relationship between the two variables has not been provided.
Through investigating concurrent effect of independent variables on the dependent variable, different results may be obtained. In order to predict effect of these factors concurrently, multiple regression method has been applied. Obtained results from multiple regression method have been illustrated in table 3.

Table 3: multiple regression method

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Standard coefficients (β)</th>
<th>t</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand awareness</td>
<td>0.257</td>
<td>6.120</td>
<td>0.000</td>
</tr>
<tr>
<td>Perceived quality</td>
<td>-0.65</td>
<td>-1.573</td>
<td>0.117</td>
</tr>
<tr>
<td>Brand differentiation</td>
<td>0.377</td>
<td>8.661</td>
<td>0.000</td>
</tr>
<tr>
<td>Brand association</td>
<td>0.107</td>
<td>2.430</td>
<td>0.016</td>
</tr>
<tr>
<td>Brand trust</td>
<td>0.311</td>
<td>7.768</td>
<td>0.000</td>
</tr>
</tbody>
</table>

R= 0.649        R Square= 0.422        Adjusted R Square= 0.414        Durbin-Watson= 2.044
F= 55.298        sig= 0.000

According to table 3, 42.4% of variance for brand relationships has been determined using applied independent variables. When significance level is less than 0.05, significance of relationship can be confirmed. According to obtained results from tests, brand awareness, brand differentiation, brand association, and brand trust can predict brand relationships. Brand differentiation variable with coefficient of 0.377 has the most importance in predicting brand relationships and after that significant variables are brand trust, brand awareness, and brand association respectively. However, perceived quality has no significant relationship with brand relations, since its significance level is more than 0.05.

Discussion and conclusion

In the significantly competitive market, many banks have placed their brand in heart of their strategy. They tend for creating a strong brand for enhancing customer loyalty and profitability. Existed literature indicates that a strong brand with high brand equity can affect relationships of customers with brands. According to obtained results from data analysis, H1, H3, H4, and H5 have been confirmed; meaning that 4 dimensions of brand equity (brand awareness, brand differentiation, brand association, and brand trust) have been in significant relationship with brand relationships. However, H2 has been rejected and hence, perceived quality has no significant relationship with brand relationships. The present study indicates that brand relationships can be improved through focusing on optimization of brand equity dimensions including brand awareness, brand differentiation, brand association, and brand trust. Brand differentiation has the most effect on brand relationships. Hence, it banks are tended to reinforce their relationships with customers; they should reinforce the mentioned dimensions in their organization. Obtained results from the present study are in consistency with results of Kimpakorn and Tooquer (2010). In addition, Mackey et al (2013) have found in their study that brand awareness, brand association, and brand trust can affect brand relationships. Here, some suggestions would be presented in order to improve these dimensions.

In order to improve brand awareness, banks should ensure that customers are aware of their brand, so that they can identify and remind it rapidly. Banks should apply adequate advertisements, in which relevant slogans of bank are considered and brand is introduced properly. In order to achieve brand awareness, marketing communication strategies can be applied.
such as leaflets, billboards, supportive activities for cultural and sport events, and TV ads, etc. as customers may have negative relationships with the brand because of security issues, contrary to suitable services, the study suggests that bank marketers can develop their propagating activities in order to focusing on different character and based on mental images of customers. Moreover, features of this image should be completely indicators for unique characteristics, which can make it different from competitors. Numerous factors can have role in providing desirable image in mind of customers. Type of equipments and physical facilities of branches, behavior of personnel, speed and quality of servicing are effective in this regard. It would be better to have more investment on those programs, which can result in improvement or maintenance of desirability if the organization in view of customers.

It would be better to make brand different from other competitors through clear identity of the brand based on a series of values, brand personality, and other differentiating factors. Providing brand differentiation in class of products or services is hard to do, since there is need to make balance among brand identity, culture of organization, and brand image. The most important effective factor in lack of brand trust in bank customers is the style, by which banks encounter complains and problems of their customers. Solving problems and complains in negative manner can affect experience of customers. Therefore, banks should constantly transfer some factors like skill, honesty, and trust to their customers. As a result, some actions, which can decrease reliability of bank brands, should be avoided. In other words, nothing should be promised customers, which is not in the profession scope of banks or its implementation is impossible.

References
10. Dass, Sh., Jansson, C.,(2012), Customer Based Brand Equity and Intangibles (The case of the Swedish mobile network operators), UPPSALA UNIVERSITY, Master Thesis