

The impact of brand credibility on customer satisfaction in the banking industry in the North West of Iran

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Abstract: Today the importance of brand has been grow, especially business places try to understand the complex and intangible messages to communicate with customers. Hence, brand image and credibility of a brand is an important asset of company. While researchers for decades have come to understand that a good credibility, increase people' tendency to buy products. Today, marketing from its primary mode that is formed to customer satisfaction has become as a means to achieve the goal of competitive advantage that is considered. In this research, the impact of brand evidence, brand communications, attitudes to brand, re-purchase intent, brand reliability, brand credibility and customer satisfaction and loyalty has been tested. To test this hypothesis, the population of the North West Banks is used. Data were collected by questionnaires and paired comparison test was used to test the hypotheses. In this study, all calculations were performed using SPSS software. The results obtained are as follows: reliability of the brand, brand validity, evidence of the brand and brand communications has a positive impact on customer satisfaction. Customer satisfaction has positive effect on attitudes toward the brand, loyalty and re purchase intention.

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1- Introduction:

Today's business world has become competitive and dynamic environment, and organizations encounter with challenge of expanding their market share and find new ways to attract, acquire, support and retain customers for increase revenues. In addition, organizations are looking to increase productivity, reduce overhead costs and increase the value of their shares. Creating and maintaining customer loyalty is a key element in achieving sustainable competitive advantage for organizations considering the fact that customer loyalty shows their satisfaction. Organizations have achieved this point that keep current customers is cheaper than attracting new customers and the best way to retain customers is to obtain their satisfaction. Researches also show that customer satisfaction leads to a prestigious brand and then profitability of the firm. In difficult situations of competition, the organized and on time relationship with customer, the best way to increase customer satisfaction is increasing sales while reducing costs. Satisfaction has been used as a typical marketing model in performance of an organization. A research Institute in a report from America' big market concluded that customer satisfaction is a key factor to success, and emphasizes that a satisfied customer is a constant customer. The aim of marketing is customer satisfaction, and customer satisfaction requirements are: identify needs, desires, tastes, attitudes, intentions and capabilities and their limitations. One way to compete in unstable markets and growing equity of products is taking firm brand strategy.

Company name represents an opportunity for organizations to promote and enhance their differentiation through features links to the Company's products and services, thus allowing spread the unit synergies. Satisfied consumers are likely to show more loyalty to a particular brand. Brand or marketing name' value has become an important concept in marketing since 1980. In fact, it is a value that is created by the brand name for the organization.

2- Describe the issue:

Satisfaction is a positive feeling, which are produced after receiving the goods or services. This sense created by conflict of customer expectations and supplier performance (Oliver, 1999). Build a strong brand in the market, is the goal of many organizations. Financial experts believe that the brand can create worth more than the conventional value. Today brand is not only an efficient tool in the hands of managers, but also branding is a strategic imperative that help organizations in order to create more value for customers, and also helps create a sustainable competitive advantage (Keller, Lane Kevin., 1993). Successful brands increase products' reliability and intangible services, and customers are able to better visualize and identify their services and also increase the high level of brand equity, customer satisfaction, loyalty and increase re-purchase intention (Kim, Kyung HoonKim, Kang Sik, 2008).

3- Customer satisfaction:

Studies show that increased customer satisfaction leads to increased brand loyalty, customer vision (Bennett, R. & et al, 2005). Cardoso (1965), quoting Kim and Cha 2002, have suggested the concept of customer satisfaction in the marketing literature for the first time. Customer satisfaction has been defined in many ways. According to the abstract and ambiguous concept of customer satisfaction, there are several definitions of the various industries and service sectors. Here, one of the most widely used definitions is expressed. Satisfaction is a judgment before deciding on a particular transaction, which can directly described as directly felt, generally defined and the perceived quality performance (Kim, W. & Cha, Y. 2002). Many empirical studies show that the satisfaction is an introduction to willingness for brand. Satisfaction is a level of performance that meets customer expectations. If the service provider does not act according to customer expectations, a relationship does not continue (Spring mismatch expectations model, Mechanize and Valshavesky,1996). Crosby and others have stated that satisfaction includes the evaluation of all previous interactions with the service provider (Oliver, R. L., 1999).

4-Credibility and commercial credibility (brand):

Credibility or business credit (brand), is a name, word, symbol or design or a combination of them, and its' aims is to identify the products or services that the seller or group of sellers provide for customers and also distinguish their products from customers and competitors. A brand adds dimensions to the product or service to distinct that product or service from the others. The logical or functional distinction can be tangible or intangible (Kotler, p. & Keller, KL, 2007).

4-1) Trust to brands:

Fukuyama (1995) defines trust as expecting regular, correct and collaborating behaviors, in a community which shaped based on common criteria for community members. Fukuyama believes that technological developments always make the role of trust more permanent in understanding the commercial behaviors such as marketing. Based on a precise definition, trust to the brand is consumers' tendency to trust the abilities of that brand in perform the duties (Fukuyama, F., 1995, Chaudhuri & et al., 2001). Singh and Sirdeshmukh (2000) proposed a model that suggests that Trust is one of the factors that affect customer satisfaction (which in turn is a function of loyalty). This model has been confirmed by research of Chaudhuri, A. and Holbrook, M.B (2001); in their model, they demonstrate loyalty (Singh and Sirdeshmukh, 2000). De Ruyter (2001)

argues that trust and attitudes, play an important role in creating competitive advantage in services (De Ruyter, 2001).

4-2) Brand equity:

Aaker (1991) defines brand equity as a set of brand assets and liabilities related to the commercial name which added or deducted from value of the company product or services (Aaker, DA, 1991). Keller (1998) states that brand equity are the different effect that brand knowledge has on consumer response to the brand's marketing. He believes that when a brand has positive brand equity from the perspective of the customer that customers react to a well known brand. Also, when the customers react adversely to the marketing activities associated with one brand, brand equity have negative value from consumer perspective (Keller, KL, 1998).

4-3) Brand Image: Brand image is the customer perception of brand. Brand image is important in two ways:

First, brand image take part in the process of customer's decision to select or deselect a brand. Second, brand image has impact on consumer later purchasing behavior. Product features, benefits and outcomes of brand image are the three key elements of a brand and brand personality. Product features, benefits and outcomes of brand and brand personality are three key elements of a brand image. These elements and their related assumptions are described below.

*Brand personality

Brand personality Factor enables consumer to describe his or her specific dimensions. This factor has a symbolic function and helps the customers to separate themselves from others or become near with others. Also, brand personality planned brand values, and makes an image of a typical consumer, that may be the same as customers' mental image.

• Product Features

There are several ways to classify the features of the product. The product features in Keller (1993) point of view are descriptive aspects that describe one product. In Stockman (1991) point of view, a product can be considered as a set of interior and exterior features or a set of received features. Interior features of a product are information signs that are directly associated with the product and exterior features are information signs that are indirectly associated with the product.

• Benefits of a Brand

Benefits received are what customers think of a product can do for them. It depends on the customer's view of product features and the brand personality. Benefit is that when a customer buys a product or a brand, is looking for it. These benefits

are directed toward the condition or value that customers wish to obtain them (XuemeiBian and LuizMoutinho, 2009).

4-4) Communication performance, Brand credibility, Satisfaction:

Satisfaction will have a positive effect on performance.

Performance quality will have a positive impact in brand credibility.

Satisfaction will cause brand credibility.

Satisfaction and brand credibility will have a positive impact on causing loyalty (Selena, fred, 1993).

5- Research literature and history

One study has been done in 2009 by Dr. Park, M. and Dr. Lennon, Sh. that examines the brand promotion in terms of online shopping. Purpose of this study was to investigate the effect of brand name and brand promotion on the value received by the customer, store image, and willing to buy. This study shows that the brand name has positive effect on store image in customer's mind and also promoting has positive effect on customer' received value. Positive relationship existed between the received value, store image and behavioral tendencies. Retailers in order to create a positive image in the minds of customers should increase the familiarity with their brands. Effective sales promotion can be used as a gift for loyal customers and also to attract new customers (Dr. Minjung Park, Dr. Sharron J. Lennon, 2009). For many year marketers to create an advantage for the organization has been focused on customer satisfaction. But today, after a decade of focusing on customer satisfaction, many researchers have found that a large percentage of satisfied customers, never returned to the firm. Previous studies indicate that maintaining 5% of customers which were studied in fourteen industries have created 25 to 95 percent profit. So today, strategies for maintaining loyalty customers have been recognized as a key factor for profitability (Chen, PJ, 2004).

6- Conceptual model

In this model, the brand included agency controlled advertising of brand' desirable image which includes the business name, motto, website, cover the employees unit and facilities.. Name is directly affects on awareness of brand name. Awareness of the brand name is the customer's ability to recognize and remember a brand name.. Trade name displayed has secondary effect on the brand. The concept of the brand name is the customers'

dominant understanding of a brand's. Brand external communications (uncontrolled communication) mainly consists of face to face or public relations advertising. External communications have secondary effects on brand awareness and brand concept, that this effect is not strong. The consumer experience of servicing company is the result of his dealings with accumulated experience of the service. Customer experience has a direct effect on external relations and the brand (Berry, 2000). Behavioral intentions are the customers' perception of service providers' performance in terms of customer service and whether customers are willing to buy more of a particular organization or reduce their purchase (Keller, 1998). Behavioral intentions and intention in behavior is due to the process of customer satisfaction (Anderson and Mittal, 2000). Behavioral intentions can be divided into two groups: Economical behavior and social behavior. Those customers behavior that has an impact on financial factors, such as repeat purchase intentions is part of economic behavioral intention. Those customers behavior that affects the behavior of existing customers, including complaints, is called social behavioral intentions (Anderson and Mittal,2000). Since behavioral intentions predict actual behavior, determining behavioral intentions is important for market researchers. The following model is used as a conceptual model. The main components of the model for brand names (Brand) derived from the consumer behavior literature, trade name (brand) and services. The dimensions are: intention to re purchase the brand name (brand), attitude toward the brand (brand). Satisfaction, evidence of trade name (brand) brand communications (brand) loyalty, brand credibility and brand prestige. The model is shown in Figure 1.

Hypothesis 1 - the reliability of the brand has a positive impact on customer satisfaction.

Hypothesis 2 - Brand credibility in the industry has a direct impact on customer satisfaction.

Hypothesis 3 - Evidence of the brand (brand) has a positive impact on customer satisfaction.

Hypothesis 4 - Trade name (brand) communication has a positive impact on customer satisfaction.

Hypothesis 5 - Customer satisfaction has a positive impact on consumer attitudes toward the brand.

Hypothesis 6 - Customer satisfaction has a positive impact on repurchase intention of the brand.

Hypothesis 7 - Customer satisfaction of brand name (brand) has a positive impact on customer loyalty.

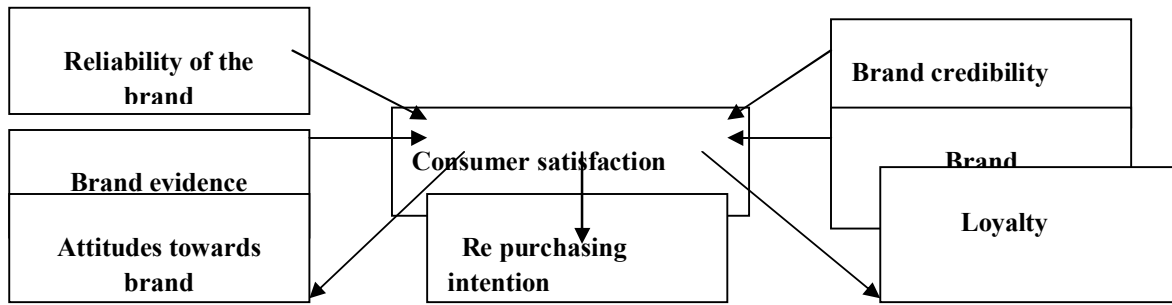


Figure 1: Conceptual model of research

7- Methodology

This research, based on how obtain the desired data, can be considered as descriptive research, because the data are conducted to examine the distribution of population characteristics through community sampling. This study is a survey study that takes place in cross-sectional way.

7-1) Data collection tool

The study was conducted using a questionnaire. This questionnaire contains 62 questions to measure eight variables discussed in this paper.

7-2) Questionnaire validity

Validity or reliability answers to this question that the measuring instruments to what extent measure the desired properties. One of the methods for determining the validity is content validity. For

content validity, the questionnaire sample was university professors who were experts in the marketing management science, they commented about integrity and transparency of questionnaire, and eventually confirmed validity of the questionnaire.

7-3) Reliability of the questionnaire

One of the methods to calculate reliability is using Cronbach alpha. This method is used for calculating the internal consistency of the measuring tool such as questionnaire. In order to assess the reliability of the questionnaire first, the questionnaire was distributed between 100 customers and then after collecting was analyzed. The calculated alpha related to each variable and total alpha have shown in table 1.

Table 1: Results of alpha coefficients

Number of samples	Cronbach alpha	Variable name	Row
100	0/89	Brand evidence	1
100	0/92	Brand communications	2
100	0/84	Customer satisfaction	3
100	0/88	Attitudes to brand	4
100	0/81	Intent to re-purchase	5
100	0/86	Reliability of the brand	6
100	0/94	Validity of the brand	7
100	0/91	Loyalty	8
100	0/94	Total variables	9

7-4) Population and sample

Sample of this study is clients in the banking industry in the North West of the country. Because the population is unlimited, hence, the following equation was used to obtain a sample size:

$$n = \frac{Z_{\alpha}^2 \cdot p(1 - p)}{\epsilon^2}$$

Success rate was considered (P)5/0 and error coefficient (ε) 06/0, sample size was 267. But the possibility was some of the questionnaires were not returned. 340 questionnaires were distributed and

finally, 275 questionnaires were collected and analyzed.

7-5) Sampling Method

The sampling method used in this study is cluster sampling. For this, among 12 branches in Northern West Bank, four branches were selected randomly. Using information obtained from bank officials, an estimate of the population size was obtained. Divided obtained estimates on sample size, the obtained number is the basis on the sample which randomly being systematic. to some of people entering the bank a questionnaire was handed out.

Totally 340 questionnaires were distributed among clients, which 81% of them or 305 questionnaires were obtained. Because some questionnaires were incomplete, 275 questionnaires were considered suitable for data analysis.

First, descriptive statistics (some of the results are given in Table 2) were used to investigate the characteristics of the population. Then, the proposed model and hypotheses were tested using SPSS software.

7- 6) Data analysis.

Table 2: Results of descriptive statistics

percentage	Number	Features	
%30	82	Male	Gender
%70	193	Female	
%6	15	Below diploma	Education
%48	122	Diploma	
%17	47	Associate degree	
%23	64	Bachelor	
%6	16	Master and above	
%57	189	Lower than 300000	Income(toman)
%32	55	Between 300000 - 500000	
%11	31	Higher than 500000	

7-7) Hypothesis Testing

Given the normal distribution of data, to test the research hypothesis paired comparisons test has been used to evaluate the impact of brand credibility on customer satisfaction.

The first hypothesis test

First hypothesis has stated that the reliability of the brand have positive impact on customer' satisfaction.

H0: reliability of the brand have no positive effect on the customer' satisfaction.

H1: Brand trust has a positive impact on customer satisfaction.

The first hypothesis test results

Significance level	T amount	Degree of freedom	Standard deviation	Mean	Significance level	Correlation coefficient
0/000	-33/613	117	0/2808	-0/86917	0/000	0/828

Given the above data, test results show that the value of t is equal -33/613. Significance level (sig) test is less than 5% and also shows the average difference. The customer satisfaction scores have increased after the implementation of reliability. Thus H0 is rejected. In other words, we can say that the 95% confidence level, customer satisfaction has an impact on the reliability of the brand. Pair Correlation coefficient is equal to 0/828. According to a sig it can

be argued that the reliability and customer satisfaction scores are significantly correlated.

The second hypothesis test

The second hypothesis states that brand credibility in related industry has a direct impact on customer satisfaction.

H0: brand credibility in related industry does not have a direct effect on customer satisfaction.

H1: Brand credibility in related industry has a direct impact on customer satisfaction.

The second hypothesis test result

Significance level	T amount	Degree of freedom	Standard deviation	Mean	Significance level	Correlation coefficient
0/000	-9/734	117	0/624	-0/559	0/000	0/832

Given the above data, test results show that the value of t amount is equal to -9/734 and test significance level (sig) is less than 5%. The mean

difference also shows that customer satisfaction scores have increased after brand credibility implementation. Thus H0 is rejected. In other words,

we can say that the 95% confidence level, brand credibility has an impact on customer satisfaction and also pair correlation coefficient is equal to 0/832. According to a sig it can be argued that there is a significant correlation between scores of customer satisfaction and brand credibility. The third hypothesis test

The third hypothesis states that evidence of the brand has a positive impact on customer satisfaction.
H0: Brand evidence has no positive impact on customer satisfaction.
H1: Brand evidence has a positive impact on customer satisfaction.

Results of third hypothesis testing

Significance level	T amount	Degree of freedom	Standard deviation	Mean	Significance level	Correlation coefficient
0/000	-20/103	117	0/7555	-1/3983	0/040	0/737

Given the above data, test results show that the value of t amount is equal -20/103 the test significance level (sig) is less than 5%. The mean difference also shows that customer satisfaction scores has increased after using the evidence of the brand. Thus H0 is rejected. In other words, we can say that in 95% confidence level, the evidence for the brand has an impact on customer satisfaction also pair Correlation coefficient is equal to 0/737. According to sig amount it can be claimed that there

is a significant correlation between customer satisfaction score and evidence of the brand.
The fourth hypothesis testing
The fourth hypothesis states that trade name (brand) communication has a positive impact on customer satisfaction.
H0: Trade name (brand) communication doesn't have a positive impact on customer satisfaction.
H1: Trade name (brand) communication has a positive impact on customer satisfaction.

Results of fourth hypothesis testing

Significance level (sig)	T amount	Degree of freedom	Standard deviation	Mean	Significance level	Correlation coefficient
0/000	-15/930	117	0/6125	0/8983	0/000	0/601

Given the above data, test results show that the value of t amount is equal -15/930 and the test significance level (sig) is less than 5%. The mean difference also shows that customer satisfaction scores has increased after using the brand communications. Thus H0 is rejected. In other words, we can say that in 95% confidence level, brand communication has an impact on customer's satisfaction, also pair correlation coefficient is equal to 0/601. According to a sig amount, it can be argued that there is a significant correlation between

customer satisfaction score and brand communication.
The fifth hypothesis testing
The fifth hypothesis states that customer satisfaction has a positive influence on the attitude of the customer towards the brand.
H0: Customer satisfaction doesn't have positive influence on the attitude of the customer towards the brand.
H1: Customer satisfaction has a positive influence on the attitude of the customer towards the brand.

Results of fifth hypothesis testing

Significance level (sig)	T amount	Degree of freedom	Standard deviation	Mean	Significance level	Correlation coefficient
0/000	-14/489	117	0/4654	-0/6207	0/000	0/586

Given the above data, test results show that the value of t amount is equal -14/489 and test significance level (sig) is less than 5%. The difference between means show that customer attitude towards the brand score, after using customer satisfaction has increased. Thus H0 is rejected. In other words, we can say that in confidence level of

95%, customer satisfaction has influence on consumer attitudes towards the brand; and also pair correlation coefficient is equal to 0/586. According to Sig amount, it can be argued that amounts of the customer's attitude toward the brand and customer satisfaction are significantly correlated.
The sixth hypothesis testing

The sixth hypothesis stated that customer satisfaction has a positive impact on the intention to re-purchase.
H0: Customer satisfaction doesn't have positive impact on the intention to re-purchase.

H1: Customer satisfaction has a positive impact on the intention to re-purchase.

Results of sixth hypothesis testing

Significance level (sig)	T amount	Degree of freedom	Standard deviation	Mean	Significance level	Correlation coefficient
0/000	-28/341	117	0/312	-0/73629	0/000	0/683

Given the above data, test results show that the value of t amount is equal -28/341 and the test significance level (sig) is less than 5%. Difference of means shows that re-purchase intention score after using customer satisfaction has increased. Thus H0 is rejected. In other words, we can say that in 95% confidence level, customer satisfaction has influence on re-purchase intention; also pair correlation coefficient is equal to 0/683. According to a sig amount it can be argued that the re-purchase intention

score and customer satisfaction are correlated significantly.

The seventh hypothesis testing

The seventh hypothesis states that customer satisfaction of the brand has a positive impact on customer loyalty.

H0: Customer satisfaction of brand doesn't have positive impact on customer loyalty.

H1: Customer satisfaction of brand has a positive impact on customer loyalty.

Results of seventh hypothesis testing

Significance level	T amount	Degree of freedom	Standard deviation	Mean	Significance level	Correlation coefficient
0/000	-18/217	117	0/7312	-2/3721	0/000	0/716

Given the above data, test results show that the value of t amount is equal -18/217 and test significance level (sig) is less than 5%. Difference of means shows that customer loyalty score has increased after application of customer satisfaction. Thus H0 is rejected. In other words, we can say that in 95% confidence level, it can be said that customer satisfaction has impact on customer loyalty; the paired correlation coefficient is equal to 0/716. According to sig amount, it can be claimed that customer loyalty score and customer satisfaction are significantly correlated.

8-Conclusion

Aim of marketing is customer satisfaction, and customer satisfaction requirements are identify needs, desires, tastes, attitudes, intentions and capabilities and limitations. One way to compete in the volatile markets and products' growing equity is to have a brand name for the company. Company name represents an opportunity for organizations to promote and strengthen differences using ties between the company's character and products and services, as a result synergies of the company will have spread. Satisfied consumers are likely to show more loyalty to a particular brand. This study examines the impact of brand credibility on customer satisfaction. Results of model analysis using SPSS software show that all the assumptions have been confirmed and the results obtained from the analysis are: Reliability of the brand, brand reputation, brand

evidence and brand communications has positive effect on customer satisfaction; and customer satisfaction has positive effects on attitude toward the brand, loyalty and re purchase intention.

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