

A COMPARATIVE STUDY OF BRAND EQUITY FROM CUSTOMERS PERSPECTIVE IN PRIVATE BANKING INDUSTRY (MELLAT BANK AND TOURISM BANK OF IRAN)

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ABSTRACT

The brand equity is an popular and important research subject in marketing and brand management. The main purpose of this study was to a comparative study of brand equity from customers perspective. Statistical sample of this study include 384 customers of Mellat bank and Tourism bank of Iran, which were selected by applying random and proportional stratified sampling method. (192 customers of Mellat bank and 192 customers of Tourism bank). One limitations were identified only two banks participated. The obtained data were analyzed with the use of independent t- test. The result of the research indicated that there is a significant difference between brand equity from customers prespective and dimensions of it (brand awareness, perceived quality, brand loyalty and brand association) in between the customers of Mellat and Tourism banks.

KEYWORDS: Brand Equity, Brand Awareness, Perceived Quality, Brand Loyalty, Brand Association

INTRODUCTION

For more than a decade, the concept of brand equity has interested academics and researchers due to the importance in today's marketplace of building, maintaining and using brands to obtain strategic advantages (Lin and Kao, 2004). This concept refers to the main idea that a sevice or product's value to customers, the trade and the firm is somehow increased when it is associated or identified over time with a set of unique elements that define the brand concept. Clearly, such equity endowments come from current or potential customers learning which influences how the services or products is encoded and acted upon by consumers. Farquhar (1989) noted that brand equity is often referred to as the added value to the firm, the trade, or the customers with which a brand endows a service or product. similarly, McQueen (1991) proposed that brand equity referred to as the difference between the value of the branded service or product to the customers and the value of the service or product without that branding. Measuring the equity of a brand and determining its value are a must for predicting the loyalty of one's present customers and also acquiring new ones (Zaichkowsky, Parlee and Hill, 2010). It is clear that brand equity accrues over time via customers learning and decision- making processes. Therefore, there is a need to know how customers learning and choice processes shape and drive brand equity formation. This paper attempts to compare multi dimensional of brand equity from customers prespective of Mellat and Tourism bank (as two Iranian private banks).

Brand Equity

Marketing researchers regard brand equity as an important concept (Keller an Lehmann, 2006) and it is viewed from different perspectives (Aaker, 1996; Keller, 2003; Lassar, Mittal, & Sharma, 1995; Motameni & Shahrokhi, 1998; Park & Srinivasan, 1994; Yoo & Donthu, 2001). Aaker (1991) defined brand equity as a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm

and/or to that firm's customers. Keller (1993) defines brand equity as the differential effect of brand knowledge (consisting of awareness and image) on consumers response to the marketing of the brand. finally, Rust et al., (2000) defines brand equity to be the customer's subjective and intangible assessment of the brand, above and beyond its objectively-perceived value. In summary, brand equity is a perception that extends beyond mere familiarity to an extent of superiority that is not necessarily tied to specific actions. Therefore, Keller (2007) suggests to increase positive contributions and manage brands properly, companies need to develop strategies which encourage the growth of brand equity. Aaker (1991) proposed that brand equity is a multi dimensional concept whose first four core brand equity dimensions are brand awareness, perceived quality, brand association and brand loyalty. Brand equity researchers omits the fifth of Aaker's dimensions, other proprietary brand assets, since this component is not pertinent to customers.

Brand Awareness

The first dimension, brand awareness, deals with the ability of customers to recognize and recall that a brand offers a certain product or service category (Aaker, 1991; Keller, 1993). Aaker (1996) proposed that Brand awareness represents the strength of the brand's presence in the mind of the target audience along a continuum. Brand awareness refers to whether customers can recall or recognize a brand, or simply whether or not they know about a brand (Keller, 2008). Therefore, Brand awareness affects customers decision-making. Brands that customers know are more likely to be included in the customers' consideration set (Hoyer and Brown, 1990; MacDonald and Sharp, 2000). Consumers may use brand awareness as a purchase decision heuristic (MacDonald and Sharp, 2000).

Perceived Quality

The second dimension, Aaker (1996) found that perceived quality is considered a core facet across customers-based brand equity construct because it has been associated with the willingness to pay a price premium, brand purchase intent, and brand choice. Perceived quality is at a higher level of abstraction than any specific attribute and differs from objective quality as Perceived quality is more akin to an attitudinal assessment of a brand (Aaker, 1996b; Keller, 1993; Zeithaml, 1988). A definition that has gained some level of acceptance views perceived quality as the customer's judgment of the overall excellence, esteem, or superiority of a brand (with respect to its intended purposes) relative to alternative brands.

Brand Loyalty

Many marketing researchers believe that brand loyalty arises from positive brand perceptions and affection (Chaudhuri and Holbrook, 2002; Jacoby and Chestnut, 1978; Yoo et al., 2000). Aaker (1991) defined Brand loyalty as the attachment a customer has to a brand. Dick and Basu (1994) noted that brand loyalty, implies a long term commitment to repurchase involving both repeated patronage and favorable attitudes. Lassar et al., (1995) proposed that brand equity stems from the greater confidence that customers place in a brand than they do in its competitors. This confidence translates into customers' loyalty and their tendency to pay a premium price for the brand. Keller (2003) operationalized brand loyalty as the basic source of customer-based brand equity.

Brand Association

Some researchers (i.e., Aaker, 1991; Keller, 2003; Netemeyer et al., 2004) noted that brand associations are usually grouped in the form of product and service related like brand performances and non product related attributes. Aaker (1991) defines brand association as anything related in memory to a brand. Research on brand association has mainly focused on brand image. Aaker and Keller both consider brand image as a set of brand associations. Brand

association is an important brand equity dimension along with perceived quality when a company considers extension and positioning of its brand. Brand associations are always related to a product or service category. They are criteria used by customers to assess a product or service.

RESEARCH METHODOLOGY

The current research from the goal point of view is an applied paper; from methodology point of view is descriptive and from the point of view of conduct is a survey research.

Research Population and Sample

This study is a descriptive correlational research. The Statistical population of this study consists customers of Mellat and Tourism banks. Since the statistical population is large (the statistical population is greater than 50,000 customers) and all of bank’s customers are not available, We used the infinite population the Cochran formula. Using a random sampling for study consisted of 384 customers were selected the Cochran formula. (192 customers of Mellat bank and 192 customers of Tourism bank).

$$n = \frac{z^2pq}{e^2} = \frac{(1.96)(1.96)(0.5)(0.5)}{(0.05)(0.05)} \cong 384$$

Data Collection Instrument

In this study, standardized questionnaires to collect information Yoo et al.(2006) for brand equity was used. This questionnaire has been prepared in the 5- point Likert’s scale of “completely disagree to completely agree”. The content validity of the questionnaire has been approved by experts and professors of this field and the reliability level of it has been obtained to be 0.891 by cronbach’s alpha test, which indicates a proper reliability of the questionnaire.

Research Findings

This section of the paper is related to statistical analysis and report of the research data. After collecting the questionnaires, their data have been entered to the SPSS software ver.19 and were analyzed with independent t-tests and the findings are as per the following.

Research Hypothesis 1

There is a significant difference between brand equity from customers perspective in between customers of Mellat and Tourism banks.

Table 1: Statics Related to Brand Equity

Variable	Group	Mean	Deviation	T	df	Sig
Brand equity	Customers of Mellat bank	4.2184	1.1182	-2.986	382	0.000
	Customers of Tourism bank	3.9108	1.3454			

The value of t- statistic is observed to be -2.986 is placed in the rejection area of h₀ which indicates the existence of significant difference between the mean of the two groups. The 95% level of certainty indicates that there is a significant relationship between the brand equity from customers perspective in between customers of Mellat and Tourism banks. With referring to the mean value of the two group, we see that the mean customers of Mellat bank (4.2184) is more than customers of Tourism bank (3.9108).

Research Hypothesis 2

There is a significant difference between the brand awareness from customers perspective in between customers of Mellat and Tourism banks.

Table 2: Statics Related to Brand Awareness

Variable	Group	Mean	Deviation	T	df	Sig
Brand awareness	Customers of Mellat bank	4.4283	1.0825	-3.147	382	0.000
	Customers of Tourism bank	3.9876	1.2816			

The value of t- statistic is observed to be -3.147 is placed in the rejection area of h_0 which indicates the existence of significant difference between the mean of the two groups. The 95% level of certainty indicates that there is a significant relationship between the brand awareness from customers perspective in between customers of Mellat and Tourism banks. With referring to the mean value of the two group, we see that the mean customers of Mellat bank (4.4283) is more than customers of Tourism bank (3.9876).

Research Hypothesis 3

There is a significant difference between the perceived quality from customers perspective in between customers of Mellat and Tourism banks.

Table 3: Statics Related to Perceived Quality

Variable	Group	Mean	Deviation	T	df	Sig
Perceived Quality	Customers of Mellat Bank	4.3607	1.1429	-3.328	382	0.000
	Customers of Tourism Bank	3.9714	1.4052			

The value of t- statistic is observed to be -3.328 is placed in the rejection area of h_0 which indicates the existence of significant difference between the mean of the two groups. The 95% level of certainty indicates that there is a significant relationship between the perceived quality from customers perspective in between customers of Mellat and Tourism banks. With referring to the mean value of the two group, we see that the mean customers of Mellat bank (4.3607) is more than customers of Tourism bank (3.9714).

Research Hypothesis 4

There is a significant difference between the brand loyalty from customers perspective in between customers of Mellat and Tourism banks.

Table 4: Statics Related to Brand Loyalty

Variable	Group	Mean	Deviation	T	df	Sig
Brand Loyalty	Customers of Mellat Bank	4.4381	1.0584	-2.969	382	0.000
	Customers of Tourism Bank	3.9249	1.3957			

The value of t- statistic is observed to be -2.969 is placed in the rejection area of h_0 which indicates the existence of significant difference between the mean of the two groups. The 95% level of certainty indicates that there is a significant relationship between the brand loyalty from customers perspective in between customers of Mellat and Tourism banks. With referring to the mean value of the two group, we see that the mean customers of Mellat bank (4.4381) is more than customers of Tourism bank (3.9249).

Research Hypothesis 5

There is a significant difference between the brand association from customers perspective in between customers of Mellat and Tourism banks.

Table 5: Statics Related to Brand Association

Variable	Group	Mean	Deviation	t	df	Sig
Brand Association	Customers of Mellat bank	4.0639	1.0138	-3.027	382	0.000
	Customers of Tourism bank	3.8243	1.2584			

The value of t- statistic is observed to be -3.027 is placed in the rejection area of h_0 which indicates the existence of significant difference between the mean of the two groups. The 95% level of certainty indicates that there is a significant relationship between the brand association from customers perspective in between customers of Mellat and Tourism banks. With referring to the mean value of the two group, we see that the mean customers of Mellat bank (4.0639) is more than customers of Tourism bank (3.8243).

CONCLUSIONS

This study aimed a comparative study of brand equity from customers prespective in Mellat and Tourism bank (as two Iranian private banks). The results of the research indicated that there is a significant difference between brand equity and dimensions of it (brand awareness, perceived quality, brand loyalty and brand association) in between the customers of Mellat and Tourism bank. The results of the study may reflect the implementation of a customers-based strategy, which managers use to satisfy customers’ interests, specially in Tourism bank. Also, to the establishment brand image, they should be seen as a reinforcement for marketing programmes launched to stimulate awareness, loyalty and association among their customers to these brands. with regard to the results of study, dimensions of brand equity should be noticed more in Tourism bank. The empirical study reported here is limited by a relativity small sample and statistical techniques.

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