

An Investigation on Organization Brand, Case Study of Iran Khodro Co (IKCO)

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ABSTRACT

This research is an attempt to investigate Iran Khodro brand image using image and identity model of Kapferer among holders of Iran Khodro products across Iran. Statistical society of this research includes all individuals between 15 to 64 of age, among households residing in top ten great cities of Iran.

Size of the given sample was determined to be 6144 on the basis of maximum society variance and multi stage cluster sampling. Investigation of brand image was performed by the questionnaire designed on the basis of image and identity model of Kapferer and also on the basis of demographic and ecological characteristics. For validating the questionnaires, face-content validity was used and for determining the reliability of the questionnaires Cronbach's alpha method was used. Data analysis was performed using descriptive and inferential statistics including: correlation using causal pattern and factor analysis using SPSS software. The findings reveal that there's a positive relationship between brand identity, mimicry and idealism over transmitted signals. But no effect of opportunism over transmitted signals was observed, also there's no positive relationship between transmitted signals and brand identity.

KEY WORDS: Brand identity, mimicry, opportunism, idealism, brand image.

INTRODUCTION

Along ever-increasing spread and evolution of marketing, modern techniques came to existence in this discipline. One of these techniques which have turned into an important and contentious topic among marketing theoreticians in recent decades is the investigation of brand image (Ghorbanloo, 2006).

Almost all car makers struggle for remaining profitable in merciless global competition market through increasing customers and production capacity. In near future, survivors of these competition would be companies which are either able to introduce themselves with this superior brand or are able to supply their products with less price and better quality. If companies have no decisions to follow one of these strategies (superior brand or low price and high quality), they would be doomed to failure. Hyundai and Kia motors usually use low price and high quality strategy. Today, the main capital of many businesses is their brands. For decades, the value of the company was measured on the basis of properties and then on the basis of its tangible assets: plants and equipment. However, recently they have arrived at the conclusion that the real value of the company lies somewhere out of the company, that is, at the mind of its actual and potential customers. The sole assets on the company balance sheet included fixed and tangible assets, like machinery and stocks (Aaker, 1992).

A brand is the essence of identity, originality, characteristics and difference. A brand evokes all information concentrated in a word or sign. That's why brands are vital to business exchanges. This research aiming at investigating Iran Khodro brand using Kapferer identity and image model, endeavors at supplying a solution for improvement of influential parameters over Iran Khodro brand value. The investigations reveal that dissatisfaction of the customers in long term results in decrease of market share, decrease in loyalty toward the brand and negation of the customer's mentality towards it. Since Iran Khodro is leading car maker in Iran, this research aims at determining influential factors over this company brand image using Kapferer model in the frame of investigating Iran Khodro brand and with a new approach.

Necessity of Research

Considering the competitive environment of car making industries in Iran in recent years and increase of customers choice rights in selecting their desirable car, investigating of brand image of Iran Khodro Industrial Group as the only Iranian car making company which has claims over globalization and it has started its first steps in exporting its brands to target countries and also for determining long term policies of the company and also determining the place of this company image in the mind of the customers inside the county were among other aims of the research.

What made the researcher to take actions toward performing investigation in the area of Iran Khodro brand image is due to benefits that the company would avail of. This research aims at multiple goals that are justifiable within the framework of investigating brand image and on the basis of research model. That is the main object is determining the place of Iran Khodro Company brand image in domestic market using Kapferer identity and image model. Identifying important constituents of market of Iran Khodro sedan cars consumers is among other important goals of this research. It's obvious that all car purchasers are not applicants of similar vehicles, but they demand for cars with different designs, performance, quality, price, color, and ..., because their interests, attitudes, income, and as result, their needs are different from each other (Clifton and Simmons, 2004).

A REVIEW ON LITERATURE REVIEW

Kapferer identity and image model tries to investigate brand image from the point of view of the customer. In this model, the image is concentrated on the method which certain people imagine a product, a brand and the like. This model deals with the investigation of relationships between brand identity, mimicry, opportunism, idealism and transmitted signals as independent variables and brand image as dependent variable.

Introducing Iran Khodro Company

Iran Khodro Company was founded in 1962 under Iran National name. Today, this company has achieved international standards of car making industry thanks to technological development of its production line which are equipped with equipped press saloon, body making saloon, color saloon and enjoying robots and equipment.

Iran Khodro is the first company among top 100 Iranian leading industrial companies. Iran Khodro is the only car maker in the Middle East that has joined to the 17 leading car makers in the world due to having exclusive brand of Samand, diversity and maximum production volume. On the basis of evaluation of Dinar Standard and Business Ranking, Iran Khodro Company has occupied the 24th position in ranking top companies of Islamic world and also it has achieved the 6th rank among 100 non-oil companies in Islamic World.

Operational Definitions

Business Identity: The way the company establishes relationship with its environment like the staff, customers and shareholders.

Brand Image: The perception of the company from the point of view of the individuals outside the company.

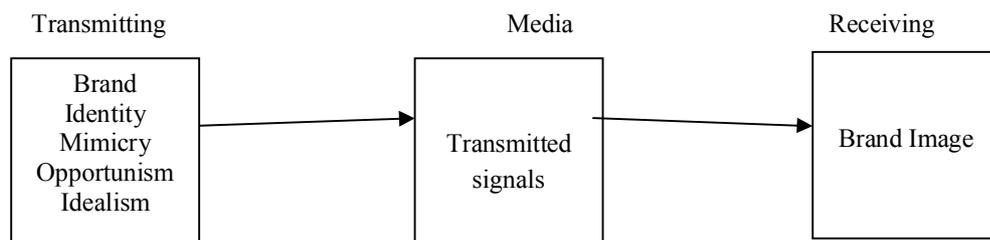


Figure 1: Model Adapted of Kapferer Model

Mimicry: Copying the marketing and advertising policies of the competitors by the company

Opportunism: Exploitation of opportunities and creating attractiveness in advertisements for persuading the customers to purchase.

Idealism: Imagining an ideal image of the brand and meeting the expectations of all customers ideally

Transmitted Signals: Transmitted signals of the company to target market like: Advertisements of authorized agents and media.

Goals of Research:

Investigating the brand image of Iran Khodro Company using model adapted of Kapferer identity and image model.

Research Hypotheses

1. There's a significant relationship between brand identity and transmitted signals out of media.
2. There's a significant relationship between mimicry and transmitted signals out of media.
3. There's a significant relationship between opportunism and transmitted signals out of media.
4. There's a significant relationship between idealism and transmitted signals out of media.
5. There's a significant relationship between transmitted signals out of media and brand image.
6. The audience's awareness towards Iran Khodro brand and products exceeds that of other car makers.
7. Audience's mental image of Iran Khodro Company is positive.
- 8.

RESEARCH METHODOLOGY

Present research falls within category of correlation research using causal model. The necessity of employing this method from the view point of researchers is due to restrictions of statistical methods of regression analysis and correlations in investigating interactive effects of the variables and determining the causal paths among them and also the emphases of the researchers of this area on using causal methods (Path analysis and structural equations analysis). Techniques of structural equation analysis which were developed for the purpose of complementing path analysis method in determining causal path among variables, identifying and controlling measurement errors, at first stage measure the interrelationships among a set of observed variables with more limited number of latent variables with performing confirmatory factor analysis and with confirming reliability of latent variables measurement patterns, they estimate the presumed causal relationship between these variables in the framework of structural function pattern. (Ghazi Tabatabaei, 1995).

For gathering necessary data of the research and for measuring the mentioned variables, questionnaire method is used. For designing questionnaire, the questionnaire developed by Kapferer for a study in 2003 was used. The questionnaire of this research consisted of 3 main parts. The first part is related to variables of brand identity, mimicry, opportunism and idealism. The second part includes transmitted signals and third part shows brand image. The questionnaire is developed on the basis of Likert 7 scales that the sequence of ranking includes (1 very low and 5 very high).

The second part includes general questions of the questionnaire which evaluates the gender, age, marital status, education and the job of the respondents.

At the end, the respondents of the questionnaire are requested to present their suggestions and guidance (if any) for better and better service rendering of Iran Khodro. Since the plan was so extensive, the questionnaires were distributed among respondents in person. For this purpose, the researcher has chosen sample individuals with organizing the researcher teams in 10 cities of the statistical society and with random two stages stratified clustering sampling method (Using Blocking plan of Iran Statistics Center for Urban areas) and the questionnaires were filled in person and with face to face interview.

On the whole, collecting filled questionnaires from among all individuals between 15 up to 64 of age of households residing at 10 cities of Tehran, Isfahan, Mashhad, Shiraz, Kerman, Hamedan, Tabriz, Sari, Ahwaz and Rasht took almost 45 days.

In this research, the statistical unit is a household residing at any of the above motioned cities. The sampling was performed through two stage random stratified clustering. This method is another type of cluster sampling and it happens when research area is chosen randomly and it is possible to perform sampling within this areas. The main advantage of cluster sampling is preventing waste of time and saving financial resources. Considering research conditions, for determining the number of samples, Cochran proportion formula was used.

$$n = \frac{Nt^2s^2}{Nd^2 + t^2s^2}$$

In which:

N= size of the society and on the basis of the definition of society in this research it amounts to 13,933,866

P=Estimation of proportion of under study trait at community level (0.05)

1-p= Estimation of proportion of non observance of trait proportion at community level (0.05)

In this research, the permissible error is considered at 0.01 and confidence level at 0.95 and the calculation is made at highest level of probability P=0.05. Considering these values, the sample size would be n=6144, therefore, we have used 6144 questionnaires in this research.

During the research process, the researcher at first:

1. Has regarded all individuals among 15 up to 64 of age of households residing at urban areas of Iran as the whole statistical society.
2. Has investigated 10 great cities of Tehran, Isfahan, Mashhad, Shiraz, Kerman, Hamedan, Tabriz, Sari, Ahwaz and Rasht as sample for collecting data.
3. Has randomly selected sample individuals in each city on the basis of blocking plan of Iran statistics center for urban areas.

The following table shows sample distribution in 10 mentioned cities.(collected questionnaires)

City	Absolute Frequency	Relative Frequency
Tehran	2037	34
Mashhad	756	12
Isfahan	512	8
Tabriz	504	8
Shiraz	452	7
Ahvaz	394	6
Hamedan	367	6
Kerman	361	6
Sari	354	6
Rasht	336	6
Total	6073	100

Findings of studying research hypotheses

Considering the findings of administered tests of hypothesis 1, path coefficient of variables of brand identity and transmitted signals in Iran Khodro Company with value of $T = 3.45$ at level of $P < 0.05$ is positive and significant and as a result, the above hypothesis is accepted.

The findings of administered tests of hypothesis 2 reveal that path coefficient of mimicry exogenous variable and transmitted signs valued at $T = 3.76$ are positive and significant at level of $P < 0.05$. As a result, second hypothesis is rejected.

The findings of administered tests of hypothesis 3 reveal that path coefficient of opportunism exogenous variable and business signs at society individuals valued at $T = -5.45$ are negative and insignificant at level of $P < 0.05$. As a result, third hypothesis is accepted as a correct hypothesis with probability of 0.95.

Considering the information and findings of administered tests of hypothesis 4, path coefficient of idealism exogenous variable and transmitted signals valued at $T = 7.14$ is positive and significant at level of $P < 0.05$. As a result, fourth hypothesis is accepted.

Considering the information and findings of administered tests of hypothesis 5, path coefficient of transmitted signals of endogenous variable over brand image valued at $T = -1.68$ is negative and insignificant at level of $P < 0.05$. As a result, fifth hypothesis is rejected.

Considering the information and findings of administered tests of hypothesis 6, audiences awareness towards Iran Khodro brand and products in comparison with other Iranian car makers valued at $F = 11/005$ at level of $P < 0.05$, there's a positive difference between audiences' awareness towards brands and products in different groups of car makers. As a result 6th hypothesis is accepted. For more investigation on the difference of audience's awareness towards Iran Khodro brand and products and other car makers, TUKEY test was used. The findings reveal that there's no significant difference between reminding Iran Khodro and Saipa brand, but there's a significant difference between reminding brand of Iran Khodro and other car makers brand.

Considering the information and findings of administered tests of hypothesis 7 on the basis that mental picture of the audiences' towards Iran Khodro company is positive valued at $T = 72.17$ at level of $P < 0.05$ is positive and significant. As a result, the 7th hypothesis is accepted.

Conclusion and Suggestions

1. Kapferer identity and image model be used in non car and service industries like food-detergent industry, Hotel Industry, Insurance industry, tourism industry and ...so that more evaluation of brand image get possible.
2. Other models mentioned in review of literature of this research including Kevin Color brand image, Aaker and Yoakum's Taller brand image development model, Kapferer brand identity prism, be used for different industries in the country so that competencies and distinguishing power of each of them gets clear. In this regard, it is suggested that this evaluation be performed in industries which have high relations with customers like hotels, banks and restaurants.

3. Mentioned models are used on categories like brand value, and take actions toward financial value of each brand in industries.

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