

# The Role of Family in Creating Brand Equity from the Perspective of Bank Customers ( Case study of Saderat bank branches in Guilan Province)

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## ABSTRACT

The main objective of this research is to analyze the role played by families in creating brand equity from the perspective of Saderat Bank customers of Guilan. Brand information in the provided model is offered by family and Guilan bank that is considered as a source of brand equity from the perspective of the customer and its dimensions. The experimental study (causal - a comparison) in persons aged 18-60 years was conducted through structural equation model. Size and dimensions of brand equity were determined in relation to Saderat Bank, Guilan. The results suggest that family plays effective role in creating brand equity from the customer's viewpoint. Data obtained by family had positive effect on level of awareness, associations and perceived quality of brand. Findings show that there is significant relationship between brand awareness and brand association of banks with its loyalty. Similarly, there is significant relationship between perceived quality and brand loyalty with equity of the bank about Saderat Bank in Guilan province.

**KEYWORDS:** The Role Family, Brand Equity, Brand loyalty, the Perspective of Bank Customers

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## 1. INTRODUCTION

One of the most well-known and important marketing concepts that are now widely used by researchers and experts which talks about marketing is brand equity. The reasons for this reputation are strategic and important role of brand equity in management decisions and also its effective role in creation competitive advantage for the organization and its customers (Atilgan et al, 2007). In terms of economic and strategic, brands are as valuable assets in companies (Gilaninia & Mohamadi, 2012). Brand equity enables organizations to maintain their market share and represent the more money their brand (lee & Back, 2009). David Aaker (1991) stated that the brand equity increases the efficiency of marketing programs and customer loyalty to brands and reduces costs promotional activities and also provides a platform for growth and development through expanding brand. Therefore, the brand makes brand profitability for the organization and produces cash flow (Buil et al, 2008). A strong brand can be considered as most valuable asset of a business organization, because it makes to achieve more profit, better cooperation and other benefits (Olson, 2008). Brand can make a difference in price or demand of similar goods and services (Roulac, 2006). Other reputable and well known concepts of marketing is brand loyalty which has an important role in creating long-term benefits for the organization, because loyal customers do not need extensive promotional efforts. They will to pay more for favorite quality and benefits of their brand (Clotey et al, 2008). Organizations can obtain a greater share of the market with loyalty to the brand, because loyal customers frequently purchase the brand and resistance to the situational factors and competitors marketing efforts (Yoo, 2008). Loyalty addition to increasing market share causes the demand for a higher price than competitors. As well as, it increases oral advertising among customers (Li & Hsieh, 2007).

Today's banking industry is changing rapidly (Taheri et al, 2011). Banking industry is one of the important bases of country economic that its dynamics and capabilities can have a significant impact on the environment of macroeconomic and trade. Banking is one of the many service industries, characterized by high customer contact with individually customized service solutions (Gilaninia, Rahemi; 2012). The banks have always been faced with many challenges and problems and are trying to find appropriate and innovative solutions to gain customer satisfaction and ultimately their loyalty (Alipour et al, 2012). Indeed, banks similar to all companies active in the field of finance, use from brand and their commercial name as a competitive advantage. Selecting the appropriate target markets and encouraging these markets to use modern banking services are main goals of marketing experts at the banks. Therefore, creating brand equity for a bank brand through information that is given to customers has particular importance.

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## 2. Problem statement

In today's business environment is characterized by increasing competition, more forward fighting is going to win every day (Ziakhoosoi *et al.*, 2011) and today absorption and maintenance of customers in the country banking industry has been complicated by many degrees that itself led to reduction of banks interest (Rezvani & *et al.*, 2011; Gilaninia *et al.*, 2011). To follow the marketing philosophy, identifying and providing customer's needs first must be considered for profit. Therefore when "selling" is focused on organization and product that the organization will to sell a product, "marketing" should be focused on customers and products that want to buy. Organizations or companies that follow the marketing philosophy have three following features:

- 1 - They try to fully identify their markets and use information about customers at all levels of organization planning.
- 2- They coordinate decisions of various parts of organization and execute based on the commitment to marketing philosophy.
- 3- They try to achieve a reasonable long-term profit.

Considering duties of the Islamic bank, function of banks partially is covered by "philosophy of social marketing". Therefore, the addition of these three features, other properties will be added to the scope of banks duties:

- 4- Their operation should result in maintaining or improving living conditions of customers and other individuals. In addition, their social obligations should be also done well to achieve more profit.

In order to fulfill the marketing philosophy in today's traditional and old marketing methods are not more efficient and in the long term, organizations which optimize utilization of modern marketing will be stable and successful in market.

The process of modern marketing is initiated by identifying and assessing needs, desires and unachieved preferences of customers and after selecting the market or target markets would be set with a system approach in the field of services marketing, price, place, promotion and marketing synergy, employees, assets with physical facilities and processes considering customers. Customers are the main target in new marketing (Safaeyan, Venos, 2005, p.22). Banks must take steps to provide expectations and needs of customer with changing their marketing practices and policies, otherwise banks, despite their age and experience will not have an appropriate rank in financial markets of country in the future.

In the current situation, banks cannot fully cover the needs and aspirations of the people, because the banks mainly are faced with two groups of people:

- 1- Large populations of people only use the fund services of banks due to economic instability such as employees and government staffs, teachers and workers and so on.
- 2- People who believe that economic terms and a reasonable savings in banks.

Two points are important in the assessment of bank customer behavior:

- 1- All customers are not reasonable in purchasing goods and bank services in banking and depository in banks is done for various reasons such as "habit".
- 2- Many bank customers are not willing to risk with the purchase of capital goods and are not tolerated fluctuations in the prices of these goods, therefore they prefer to entrust their money to banks.
- 3- Many bank customers are not present to keep large amounts of money, gold, coins and currency at home due to security reasons.
- 4- Most people who keep money in savings or current loan they actually do not think the profit but focus on its spiritual part (Safaeyan, Venos, p.22).

Banks should be emphasis on research about the needs of customers and their satisfaction levels and also identify specific target of markets and actively encourage identified target markets to use their services. Fortunately, in recent years especially the past five years, effective and good steps have been taken to government and private banks in marketing.

One of the identified target markets in banks is people who have been recently achieved little financial independence and according to the traditional system which is based on "saving for a rainy day" are thinking about investing for their future. Attracting deposits from these individuals in banks is subject to certain conditions. Most of these people are beginning of puberty or just have been separated from family and entered to the labor and capital market or have recently got married. First source of information for choosing a bank account or as agent bank is family. Family as an effective social organization on individual behavior can be as an important information source for people in this process.

The main question of this research is: if family would play any role in creating brand equity from the customer viewpoint or not? Thus, to answer this question a model will be presented that the information obtained by the family and the bank (including advertising) will be offered as a source of brand equity can be analyze. The results will help to marketing managers to reviewed elements that caused the high value in the brand of bank.

There are different models describing the formation of brand equity (Dyson *et al.*, 1996; Berry, 2000) One of the most commonly used is provided by Aaker (1991) where brand equity is determined by the size and bring the value for consumers and companies. With following these ideas, Yoo *et al.* (2000) tested the impact information understood by consumer about various marketing activities for the formation of brand equity and its

dimensions. Based on these models, this study provides that information as prepared by the family can be effective in formation of the brand equity from customer over point. As mentioned earlier, individuals may take recommendations for buying certain brands from their parents and compare these brands with other brands used at home. These people believe in family as a reliable reference for this product and their purchase (Moor et al, 2002; Rao et al, 1989). Therefore, information that obtained from family may be crucial in consumer evaluation of brand and its impact in creating brand equity. This study only used positive information of the brand. Families often use the recommendations for use of services that will prove the brand.

Figure (1) shows conceptual framework of this study.

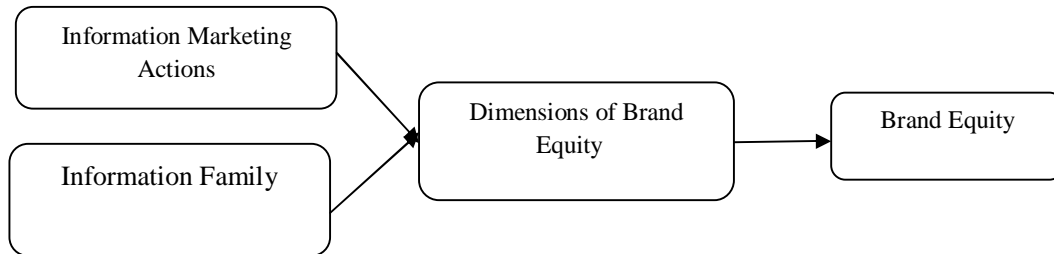
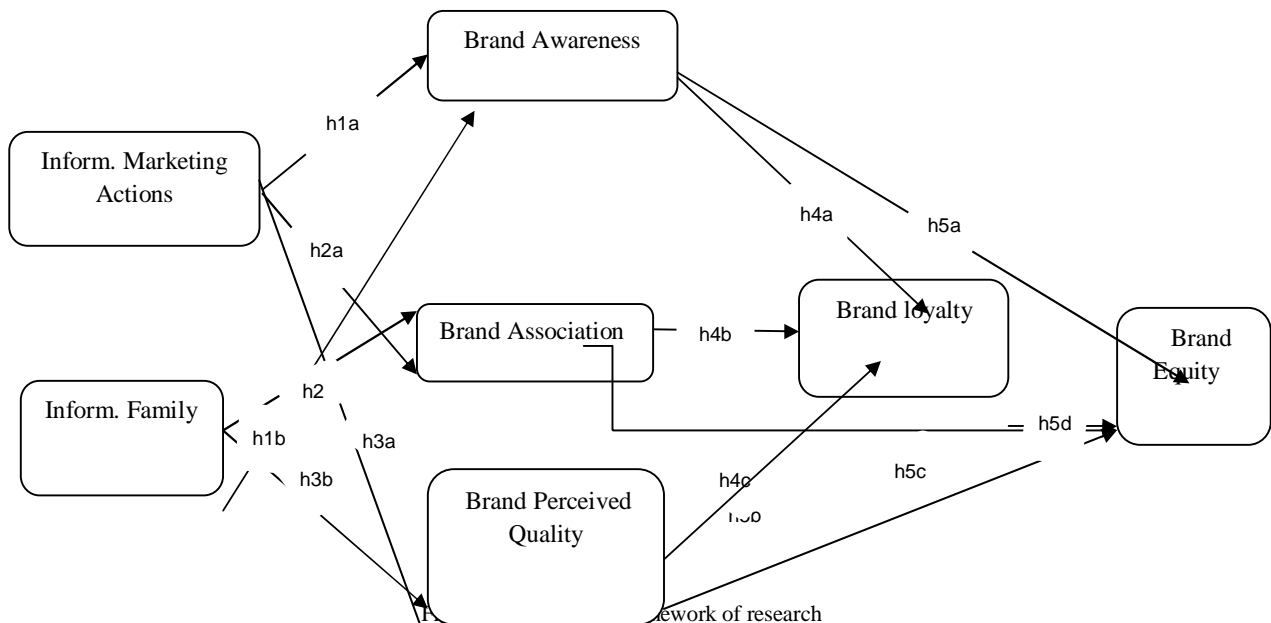


Fig 1) conceptual framework of research  
 "Source: Own elaboraton on Aaker (1991) & Yoo et al.(2000)"

This study uses this conceptual framework of brand equity for continued research that has been provided by Aaker (1991). In addition, the model allows the researcher to analyze the results to compare with results from previous studies and determine relationship between them (Sánchez ,2005).



Network of research  
 "Source: R. Bravo Gil, E. Fraj Andre's and E. Mart'nez Salinas2007"

### 3. Research Hypotheses

#### 3.1. Main Hypothesis

Family has impact on creating brand equity from the bank customer viewpoint of Saderat Bank of Guilan province.

#### 3.2. Sub-hypotheses

- 1- Bank advertising effects on awareness of bank brand among customers of Saderat Bank of Guilan.
- 2- Family effect on awareness of bank brand among customers of Saderat Bank of Guilan.
- 3- Bank advertising effect on association of bank brand among customers of Saderat Bank of Guilan.
- 4- Family effect on awareness of bank brand among customers of Saderat Bank of Guilan.
- 5- Bank advertising effects on Perceived quality of bank services among customers of Saderat Bank of Guilan.
- 6- Family effects on Perceived Quality of bank services among customers of Saderat Bank of Guilan.
- 7- Awareness of bank brand effect on loyalty to bank brand among customers of Saderat Bank of Guilan.

- 8- Association of bank brand effects on loyalty to bank brand among customers of Saderat Bank of Guilan.
- 9- Perceived Quality of bank brand effects on loyalty to bank brand among customers of Saderat Bank of Guilan.
- 10- Awareness of bank brand effects on creating brand equity from the bank customer viewpoint of Saderat Bank of Guilan province.
- 11- Association of bank brand effects on creating brand equity from the bank customer viewpoint of Saderat Bank of Guilan province.
- 12- Perceived quality of bank brand effects on creating brand equity from the bank customer viewpoint of Saderat Bank of Guilan province.
- 13- Loyalty to brand effects on creating brand equity among bank customers of Saderat Bank of Guilan province.

#### 4. RESEARCH METHOD

The purpose of this study is applicable and causal model. This study is the type of field research. The study population includes all branches of Saderat Bank in Guilan province in 2011. In order to achieve the desired sample size of 450 questionnaires were distributed which 420 questionnaires were accepted. Therefore the study sample size of 420 was considered to verify the hypothesis. In this study to collect basic information and achieve goals, anonymous questionnaire was used and completed by customers of selected branches of Saderat bank in Guilan province. In this study, questionnaire was provided according to the research needs and scholars and marketing professors' viewpoint of Guilan Province bank and Islamic Azad University in Rasht. Its validity has been confirmed and therefore this questionnaire is used as a tool validated for this study. Cronbach's alpha coefficient is used to calculate the reliability coefficient. Structural equations model is used to test the hypothesis of this study.

#### 5. DATA ANALYSIS

Table 1) hypothesis test results

Hypotheses	Standard coefficient	T	Result (in level 95%)
1. Bank advertising effects on awareness of bank brand among customers of Saderat Bank of Guilan.	0/18	2/76	Confirmed
2. Family effect on awareness of bank brand among customers of Saderat Bank of Guilan.	0/77	10/39	Confirmed
3. Bank advertising effect on association of bank brand among customers of Saderat Bank of Guilan.	0/23	3/69	Confirmed
4. Family effect on awareness of bank brand among customers of Saderat Bank of Guilan.	0/75	11/03	Confirmed
5. Bank advertising effects on Perceived Quality of bank services among customers of Saderat Bank of Guilan.	-0/05	-0/68	Rejected
6. Family effects on Perceived Quality of bank services among customers of Saderat Bank of Guilan.	0/81	9/28	Confirmed
7. Awareness of bank brand effect on loyalty to bank brand among customers of Saderat Bank of Guilan.	0/30	2/81	confirmed
8. Association of bank brand effects on loyalty to bank brand among customers of Saderat Bank of Guilan.	0/42	3/88	Confirmed
9. Perceived Quality of bank brand effects on loyalty to bank brand among customers of Saderat Bank of Guilan.	0/08	1/10	Rejected
10. Awareness of bank brand effects on creating brand equity from the bank customer viewpoint of Saderat Bank of Guilan province.	0/10	0/94	Rejected
11. Association of bank brand effects on creating brand equity from the bank customer viewpoint of Saderat Bank of Guilan province.	0/09	0/84	Rejected
12. Perceived Quality of bank brand effects on creating brand equity from the bank customer viewpoint of Saderat Bank of Guilan province.	0/28	3/64	Confirmed
13. Loyalty to brand effects on creating brand equity among bank customers of Saderat Bank of Guilan province.	0/55	6/77	Confirmed

According to obtained results can be said that after testing model in studied society four hypotheses is rejected and nine hypotheses of research is confirmed

#### *Analysis of model Structural Equations*

$$b.equity = 0.60*b.loy + 0.31*b.p.qual + 0.10*b.assoc + 0.14*b.awar, R^2 = 0.80$$

According to above equation can be seen that variables of brand loyalty, brand awareness, brand association,

and brand perceived quality explain about 80% a variable of brand equity. According to the coefficients obtained it can be said that brand loyalty has the greatest role in increasing brand equity.

$$b.loy = 0.095*b.p.qual + 0.38*b.assoc + 0.40*b.awar, \quad R^2 = 0.49$$

According to above equation can be seen that variables of brand awareness, brand association and brand perceived quality explain about 49% a variable of Brand loyalty.

According to model structural equations and obtained determine coefficients can be said that Model has high explanatory power and expected in relation to the final dependent variable of study (the brand equity).

## **6. Conclusions and Recommendations**

According to confirm main hypothesis of this study can be said family as a social institution and the first group that person is a member of it has effective and meaningful role in the creation of brand equity among Saderat Bank customers in Guilan and Guilan Saderat bank can formulate correct policies and good planning in the marketing department from these social institutions use for increasing commercial brand equity of Saderat Bank as a valuable asset. According to the result of first hypothesis, bank advertising can be effective in raising awareness of bank brand. Then with appropriate design and create commercial messages away from any exaggeration to say that banking services are paying simple words can be made to attract potential customers. According to the results obtained of the second hypothesis, there is positive and significant relationship among role of family on raising level of banking brand awareness among family members. So can say that person after separation of families go to the first bank that at least one or more members of his family have account in it. Look at statistically open an account savings, types of long-term saving, current and short-term in Saderat bank branches of Guilan can be concluded that Each customers of these branches has had a role directly or indirectly in opening accounts for other people in their family and somehow transmitting information from getting method of branch banking services and facilities and services of their elected branch to the other family members has increased their awareness level of Saderat Bank services and this has significant relationship with increasing awareness level towards Saderat Bank's brand, according to second hypothesis is now confirmed to have reached the conclusion that Guilan Saderat Bank must can plan somehow on this issue as a source of free advertising. In order to its high capacity is used to advance its strategic objectives, namely to increase market share and profitability of banks. However, schemes such as savings account for student and various Sepehr account... are considered appropriate tool in this context. The third hypothesis is confirmed that it show the importance of effective and appropriate advertising on brand association banking emphasized; so advertising of banks has an impressive share of in brand association on the bank customers and it needs to clear proper design of bank advertising more than ever. According to fourth hypothesis is confirmed that there are a significant relationship between family roles and brand association with banking customers, thus can be said that According to the modeling system in the community are trying between people and their very popular and ideal to do a replication. When popular people in family are related as continuous with the Saderat Bank branches in Guilan and use services such as the Czech Sepehr, Password finder Internet, mobile Saderat Bank, Sepehr cards and ... that are physically possible and would be visible from constantly ,other family members wherever speak comes from each of these services remember Saderat bank to unconscious and closes logo of Saderat bank in their minds so it is offering Saderat Bank its services offer as Internet banking and electronic that more people in the home environment and space their family can use them. This issue reduces traveling inside the city and causes people with more relaxed use from bank services. Finding of research rejected significant relationship between advertising bank and perceived quality of banking brand in Guilan province. Confirmation of sixth hypothesis, in fact determined that family effects on perceived quality of bank services among customers of Saderat Bank of Guilan. Certainly when a person is satisfied with the quality of banking services and find it convenient; In this case talk to family members when they tried to choosing a bank and their satisfaction announcing from the quality of service provided and encourages them to open an account in the Saderat Bank. Therefore, other family members accept the Saderat Bank as a symbol of high quality banking services.it is recommended to create a space in the bank improving the quality of banking services through training of skilled manpower and efficient to invest more than before. As was observed during the research process, information by family about the three dimensions of brand awareness, brand associations and perceived quality provide to person plays an important role in creating loyalty to banking brand. Customers who have account as family in Guilan Saderat Bank; are choosing to receive banking services rarely other banks and think further to strengthen their relationship with Saderat Bank branches of Guilan and managers of Saderat bank branches in Guilan should also be tried so that achieve Benefit of a relationship between banks and customers and ultimately Brand loyalty to the bank according to confirmed last hypothesis led to the creation of brand equity with customers to Saderat Bank in Guilan and brand equity is one of the most important assets of a bank. Thus Guilan Saderat Bank can investing in the family role in creating brand equity bank reach more comprehensive and more complete findings from the research findings and in the future developing more coherent marketing programs with the approach of giving value to the role of families in attracting banking resources and creates loyal customers of bank.

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