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An Investigation to the Effect of Brand Equity on Brand Loyalty Considering Customer Satisfaction (Case Study: Rasht, Zanjan and Mashhad's Restaurant Customers)

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ABSTRACT

Today's, main purposes of organizations are not only sale, but also are creating relationship between products and target customers that is kind of customer commitment and loyalty throughout the organizations. The aim of this project is an investigation to the effect of brand equity on brand loyalty: case study Rasht, Zanjan and Mashhad's restaurant customers. Brand equity is divided on physical quality, staff behavior, ideal self-congruence, brand identification, and lifestyle congruence. Customer satisfaction is also mediator criteria. Questioners were distributed on 3 cities that are Zanjan, Rasht and Mashhad. Data analysis indicated that all dimension of brand equity except ideal self-congruence, and brand identification had significant relationship to customer satisfaction. Brand equity had significant relationship to brand loyalty by mediating customer satisfaction.

KEY WORDS: Brand equity, customer satisfaction, brand loyalty, customer satisfaction

I-INTRODUCTION

During of 2 last decades, all of factories confirmed the importance of Customers satisfaction and loyalty. The permanent success of factories and organizations results in their ability in quick response to needs and changeable requirements of customers. The main purpose of confirming the satisfaction and loyalty of customers is that when a customer acquiescent of a factory's turnover or its servicing, the factory will has a better position, stock and also more profit. And this subject can also reduce the price of servicing or products to customers. So the repeat of buying and consumption by customers cause the loyalty of them to a factory or organization (Cretue & boodie, 2007).

The main reason of confirming factories on customer's satisfaction is that whatever the customer satisfaction increase, the rivalry position of factory in market can increase. It's a long time that satisfaction is determinant ingredient on customer loyalty. A satisfied customer will back to the factory and buy again or use the factory's services in the next. This group of customers will transfer their positive or negative experiment of the factory's products to others (Bayraktar et al, 2012).

II- LITERATURE REVIEW

Loyalty, from viewpoint of some researchers, is the last factor in customer satisfaction's model. Loyalty is measured by sentiment and tenor of buying, enduring the price of products and services for customer and also by offering the buy of products and servicing to others (Bayraktar et al, 2012). Viewpoint of Majomedar is that user's loyalty is a intricate and multidimensional concept. Intricate loyalty is the reason of its unknown and unlimited definition. But in general, researchers believe that loyalty can measure by theory and beharior dimensions (Liu et al, 2012).

Snider states that Loyalty to servicing has a stratify scale in comparison to other cases of loyalty and a loyal customer should be loyal to brand and loyal to the place. In this case loyalty can attentive to service or exposure of it. The services include the feature of indeterminate simultaneity of expenditure and production, and this can increase the complexity of this kind of loyalty (Hamidizadeh et al, 2009).

The special value of brand is perception of a phenomenon which is far from customer prospect and it's not necessary for brand activity. Special value of brand is very conceptual and indeterminate. Researchers have diverse the special value of brand from loyalty to brand. The special value of brand is splayed than brand fancy. But in the past the mean of loyalty was have a

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positive theory to buying a special brand. In comparison the special value of brand includes stand point and theory which is not the cause of buying. The special value of brand has 5 items: 1- Physical quality, 2- personnel behavior, 3- ideal concept, 4- brand identity, 5-the way of life solidarity (Nam et al, 2011).

The physical quality is the most important item for developing the brand because it causes to reinforcement of personnel perception of a brand and helps the rivalry in the market. In general, physical quality is product quality or services. Physical quality should be correct, perceptible and realizable (Nam et al, 2011). One of the other items of special value of brand is personnel behavior. Personnel behavior in sales or servicing causes to make a memory in customer. Researchers for its importance know this item as a part of special value of brand (Helm, 2011).

Ideal concept is as a reflection or people emotion to something or someone. Ideal concept is the degree of activity and reflection of customer which is according thought of him to brand. The theory of ideal states that people buy a brand for improving the identity and Personality (Nam et al, 2011).

People is a part of social group, so for this, they should improve their identity. In similar, a customer shows his identity by use of a brand or partnership in its buying customers take positive value to brands which have a good reputation among the groups that dependency to them. Therefore brand identity allows the people improve their social Personality (Liu et al, 2012). Customers when buy a brand which that brand can eliminate their necessity in achieve in special pattern of the way of life. This part unlike the brand identity and ideal concept is an individual element and very special and it's not related to social and gregarious norms. Satisfaction is before the loyalty step to customer. In other words, people at first satisfy of a special brand and show their satisfaction and then loyal to it. Actually when a brand can eliminate different needs of customers at this time satisfaction should exist (Nam et al, 2011).

Main purpose of this study is measuring the efficacy of brand on customer loyalty to brand in zanjan, Rasht and Mashhad resturants and fast food. This study searches for this question which if special value of brand influences on loyalty to brand in zanjan, rasht and mashhad restaurant and fast food or not therefore according this, the research conceptual model is as follow:

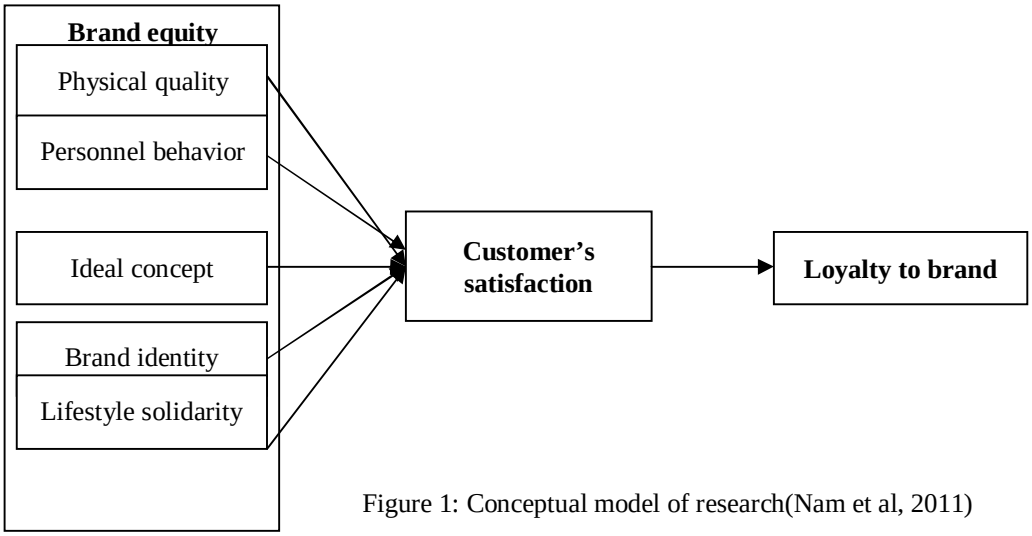

Figure 1: Conceptual model of research(Nam et al, 2011)

III- METHODOLOGY

This research according its purpose is practical. Because it leads to practical usage of science also this study according its collecting data is descriptive because its aim is descriptive of position and phenomenon and its performance depends on position cognition and aid to decision process. This study is a kind of correlation and is a section of correlation matrix or covariance. Therefore we used analysis of structural equations model for its performance (sarmad et al, 2012).

This research studies the customers in 3 big restaurant in zanjan, mashhad and Rasht. These customers came to these restaurants monthly for determine the content of sample; we use the cokeran formula for infinite society, size of sample in the level of 95% with error percentage 0.05 and with 590 case. According analysis of acceptable structural equations, it depends on sample group which its content is at least 10 or 20 and this content is equal with obvious variables (Hooman, 2012). There are 26 obvious variable in model, for this we should adopt at least 260 or 520 sample and for more certitude adopted 900 sample at first and so we

have choice 300 samples in the way of simple randomly in each city and so we have taken questionnaires to local & specific customers and after collected them. Also in a specific case it was possibility that other organization may use of its services and then we Went to these organizations and requested of them fill these questionnaires. Finally we collected 299 questionnaires of Rasht, 250 questionnaires of Mashhad and 214 questionnaires of zanjan for measuring 3 factors (specific value of brand, customer satisfaction and customer loyalty). We use a questionnaires which had 26 questions and the questions measured by 5 degree lykert spectrum. Element value of brand includes physical quality, Personnel behavior, ideal concept, brand identity, life solidarity. In total these elements had studied through 16 questions which 4 questions related to physical quality, 3 questions related to Personnel behavior, 3 questions related to ideal concept, 3 questions related to brand identity and finally 3 questions related to element of life solidarity. The element of customer satisfaction had studied through 5 questions and element of customer loyalty through 5 questions, too perpetuity of questions evaluated by coronbakh alpha coefficient.

IV- RESEARCH HYPOTHESIS

Research hypothesis are as follow:
Hypothesis1: There is a meaningful relationship between Physical quality and customer's satisfaction.
Hypothesis2: there is a meaningful relationship between Personnel behavior and customer's satisfaction.
Hypothesis 3: there is a meaningful relationship between ideal concept and customer's satisfaction.
Hypothesis 4: there is a meaningful relationship between brand identity and customer satisfaction.
Hypothesis 5: there is a meaningful relationship between the way of life solidarity and customer satisfaction.
Hypothesis 6: there is a meaningful relationship between the customer satisfaction and loyalty to brand.

V- RESEARCH FINDINGS

In this research 763 restaurants had chosen in Rasht, Mashhad and zanjan, and the features of their Personality had studied Through 5 questions. Frequency and frequency percent of three questions (age, sex and curriculum) for similarities in 3 cities showed in table 1. And 2 questions which is related to the favorite restaurant.

Table1: Description of Demographic characteristics

Mashhad		**Rasht**		**Zanjan**		**Individual characteristics**	
Percent	Frequency	Percent	Frequency	Percent	Frequency		
43.2	108	47.8	143	31.8	68	Man	**Sex**
56.8	142	52.2	156	68.2	146	Woman	
10	25	12.7	38	3.7	8	Below diploma	**Education**
22.4	56	31.4	94	17.3	37	Diploma	
19.6	49	23.1	69	20.1	43	Associate Degree	
33.2	83	27.8	83	41.6	89	Bachelor	
14.8	37	5	15	17.3	37	MA or higher	
10.8	27	15.7	47	8.9	19	Below 20	**Age**
54	135	47.5	142	71.5	153	Between 20 to 40	
24.4	61	34.4	103	18.2	39	Between 40 to 60	
10.8	27	2.3	7	1.4	3	60 and higher	

In order to test the hypothesis of structural equations, we use Amos software. After analysis the results have showed in table 2.

Table 2: Analysis of Hypothesis

Path			Perfect mediator		Partial mediator	
			B	Sig.	B	Sig.
Life quality	to	Customer satisfaction	0.23	***	0.23	***
Personnel behavior	to	Customer satisfaction	0.43	***	0.40	***
Ideal concept	to	Customer satisfaction	0.05	0.162	0.06	0.093
Brand identity	to	Customer satisfaction	-0.02	0.637	-0.04	0.256
Lifestyle solidarity	to	Customer satisfaction	0.27	***	0.33	***
Customer satisfaction	to	Loyalty to brand	0.88	***	0.91	***
Life quality	to	Loyalty to brand	-----	-----	-0.02	0.548
Personnel behavior	to	Loyalty to brand	-----	-----	0.09	0.018
Ideal concept	to	Loyalty to brand	-----	-----	-0.05	0.130
Brand identity	to	Loyalty to brand	-----	-----	0.09	0.005
Lifestyle solidarity	to	Loyalty to brand	-----	-----	-0.20	***

The results show that the element of life quality can affect through intermediate element in customer satisfaction on the element of loyalty to brand and its relationship with element loyalty in brand is unmeaning full (sig = 0.548). This means that intermediate element figured to Intermediate brand in the relation between this element and loyalty Element. Therefore, first hypothesis confirmed the existence of a meaningful relationship between life quality and customer satisfaction In the case of Personnel behavior we can state that this element have a meaningful relation with intermediate element (sig< 0.05) and loyalty Element to brand (0.09). This shows that intermediate element figured to partial intermediate in the relation between Personnel behavior and Loyalty to brand. Therefore, second hypothesis confirmed the existence of a meaningful relationship between Personnel behavior and loyalty to Brand. The element of ideal concept neither have a meaningful relation To intermediate element (sig = 0.093). Nor loyalty variable to brand (sig = 0,130). This means that not only the element of Personnel satisfaction can have the role of intermediate on relation between the Element of ideal concept and loyalty to brand but also, these two elements have not a direct relation with together. So, third hypothesis Percolate the existence meaningful relation between ideal concept and Customer satisfaction. In the case of brand identity, there is not a meaningful relation between it and customer satisfaction (sig = 0,256). But have a direct and meaningful relation with loyalty element. This means that the relationship between this element and loyalty element cannot as intermediate element so fourth hypothesis percolate the existence meaningful relation between customer satisfaction and loyalty to brand. The way of life solidarity has a meaningful relation with customer's satisfaction intermediate and the element of loyalty to brand. Therefore, fifth hypothesis has confirmed the existence of meaningful relation between life solidarity and customers satisfaction. Finally, the element of customer's satisfaction has meaningful relation whit loyalty element to brand. In other words, sixth hypothesis has confirmed the existence of meaningful relation between customer's satisfaction and loyalty to brand. Generally, we can say customers satisfaction element is a perfect intermediate in the relation between physical quality and loyalty to brand and in the relation between Personnel behavior whit loyalty to brand is a partial intermediate, but haven't role in the relation of brand identity whit loyalty to brand. Because brand identity affects the loyalty to brand in directly, so there is no relation between ideal concepts with loyalty to brand. Although ideal concept haven't relation with loyalty to brand in directly. In the case of relation between life solidarity element with customer's satisfaction and loyalty to brand, we should study more. Life solidarity has a direct and meaningful relation with customers satisfaction, where as it has inverse and meaningful relation with loyalty to brand. This mode can't set in partial intermediate case.

VI- CONCLUSION

According the first hypothesis, life quality has a meaningful Relation with customer's satisfaction. But between the life quality, equipment restaurant and mean qualification was not very good from customer's viewpoint. Customers want to have suitable equipment and more Convenience during use of food. Restaurant's menu had censure from customer's viewpoint. We offer restaurants managers pay attention to their Restaurants menu and physical equipment and take more information in there menu.

According the second hypothesis, Personnel behavior has a meaningful relation with satisfaction. Against the confirmed of this hypothesis, analysis showed that restaurants personnel had a little help to choosing food for customers, this was customer's viewpoint. We offer, managers should give necessary notification to customers. Customers are demanding a friendly behavior of personnel in choosing the Food.

Third hypothesis of research rejected and according this ideal concept haven't a relation with customer satisfaction. In other words, customers have an imagination in their mind which is not according their desires and opinions and they don't know these brands as ideal. We offer that managers should contemplate customer's interest and develop their restaurant according the customers wistful.

Brand identity Haven't meaningful relation with customer satisfaction. Customers don't upset of criticism to restaurant, because they know themselves as a part of restaurant family. So we offer the managers that pay more attention to their customers. For example they can send messages about their birthday or national and religious felicity in order to showing their Remember to customers.

Life solidarity has a meaningful relation whit Customers satisfaction, but between variables of Life solidarity, being at home has a least average from customer's viewpoint. We offer that manager had better changing the restaurants decor according customers interest in the way of life. In this way similarity will increase and customers have more satisfaction. Satisfaction has a meaningful relation with customer's loyalty. Managers should try to increase happiness to customers and those, with increasing satisfaction, will loyal to restaurants and this loyalty Increase during times.

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