Analysis of the Effect of Brand Personality on Customer Loyalty to the Mellat Bank Brand in the Tehran Province

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Abstract
Marketing in its course of development is in a phase in which the organizations are no more only thinking of finding new customers, and nowadays one of the most important goals of marketing is demand management through pushing customers up the loyalty ladder. In this regard, loyalty to brand is seen as a major concern in today's business world. The main purpose of this article is analyzing the effect of brand personality on customer loyalty to the Mellat Bank brand in the Tehran province. The population was all Mellat Bank branches in the Tehran Province, and using sampling formula the sample size was calculated as being 388, which were selected using cluster sampling method. The data were gathered using Aaker standard questionnaire. And for data analysis, SPSS was used in both descriptive and inferential statistics: in descriptive statistics data were analyzed using mean and standard deviation, and in inferential statistics they were analyzed using Pearson correlation coefficient and multivariate regression test (using enter method). The results indicate that there's a significant relationship between independent variables of the study and customer loyalty to Mellat Bank brand in the Tehran Province.

Keywords: Brand personality, Customer Loyalty, Satisfaction, Trust

1. Introduction
In today's competitive world where competitors and their various services increase rapidly, because of the high costs of finding new customers it is very important to retain current ones. To do so having a deep relationship with customers is of great importance, and this objective can be met using Brand Reputation. Relationship with customers and commitment to the obligations claimed by the brand leads to satisfaction and customer loyalty (Fallah Shams et al. 2008), "According to Halberg each brand has a core of loyal, high-value customers – these are the engine of the brand's financial value" (Miller and Muir, 2006). In today's business world brand personality is an absorbing concept. Aaker (1996) thinks of brand personality as being the core and the closest variable to customer's decision-making in buying (Vaezi, 2008). Kotler and Keller (2005) note that consumers usually select brands having self-concept congruence. However, sometimes, consumers will select a brand having ideal self-image or social self-image congruence. Duelli (1990) showed that a successful brand knows how to single out its personality, so as to facilitate customers' understanding of unique personality and develop strong relations with the brand (Yi Lin, 2010).
2. Research Question

Marketing in its course of development is in a phase in which the organizations are no more only thinking of finding new customers, and nowadays one of the most important goals of marketing is demand management through pushing customers up the loyalty ladder (Haj Karimi, Jalalzadeh, 2008). In every organization, whether manufacturing or service, customer is the most important element for survival. In other words, if the organization is successful in drawing satisfaction and especially loyalty of its customers, it has prepared the foundation for a long-lasting existence and growth. Satisfied customers remain for a longer period of time among the organization's customers, and by talking positively about the organization with potential customers increase their interest in using the products or services. They attract new customers for the organization. Moreover, customer loyalty promotes profitability and increases the share in competitive market (Aghasi pour, 2009). On the other hand, companies are to deal with two groups of customers: old ones, and new ones. Studies show that attracting new customers costs 5 times more than saving the current ones. Therefore, paying attention to attaining the old customers is of greater importance than attracting new ones (Kotler and Armstrong, 2006). In fact, consumer loyalty supports the company; thus the company can have a better control on the programs (Wong and Shoal, 2002). Loyalty to brand is considered as a major issue in today's business world. Although most companies have understood the importance of creating and maintaining loyalty as a factor which guarantees long-term profitability, it has become increasingly difficult in today's competitive atmosphere to do so (Russell-Bennett et al., 2007). One of the preferences of customers in selecting product is reliability of brand. In many markets brand gives a special identity to a product and links it to a specific group of society. Psychologically speaking these kinds of products and services, apart from their apparent use, create confidence and individuality for the customer, so he is ready to pay a different price for it. Furthermore, top brand unconsciously means better quality to the customer. After buying a name brand product customer believes that he's received a valuable thing in return for his money. In fact, brand gains added value for an organization just as capital, technology, and raw materials do (Nasiri pour et al. 2010). In today's marketing world brand personality is an absorbing concept. Aaker (1996) thinks of brand personality as being the core and the closest variable to customer's decision-making in buying. In consumers' viewpoint, brand identity introduces the basis of an efficient brand building program. Appropriate and efficient brand management, apart from covering brand personality, is effective in meeting such goals as customer centricity, loyalty, and profitability (Vaezi, 2008). Brand personality is the human characteristics attributed to a brand name. These characteristics constitute a part of brand identity. Professor David Aaker believes that brands, with their human characteristics, give a promise to consumers. These characteristics are formed like images in their mind in accordance with the activities of the organization. This personality is a basis on which the relationship between brand and consumers is formed. What is certain is that all brands have personality; even if organizations don't design this personality, it is gradually shaped in the minds of consumers according to their activities (Package Promotion Group, 2008). Kotler and Keller (2005) note that consumers usually select brands having self-concept congruence. However, sometimes, consumers will select a brand having ideal self-image or social self-image congruence. Thus, brand personality may show your own personality at that time. Milewicz and Herbig (1994) also noted that brands have their own personalities, so users may select products according to their personality and preference, and understanding of product image. Dueli (1990) showed that a successful brand knows how to single out its personality, so as to facilitate customers' understanding of unique personality and develop strong relations with the brand (Yi Lin, 2010). Increase in full awareness of customers of the market, and availability of information has caused the customers to show less loyalty to companies (Ndubusu et al. 2005). Therefore, nowadays marketers are looking for ways through which result in loyalty among customers (Kotler, 2006). Unfortunately country's banking system is not in accordance with the needs of customers. In Iranian banks there's this ideology that customer needs the bank, while in the leading banks the opposite is true. With this viewpoint, marketing activities are never going to have their real meaning in Iran. Iranian banks have made some progress in customer attraction; however, unfortunately they've not taken any special action in customer retention (sirik.net). Mellat bank is one of the most important banks in Iran. In this study the branches of this bank in the Tehran province are considered as the population. Hence, considering what has been said, here's the main question of the research: does brand personality have an effect on customer loyalty to the Mellat Bank brand in the Tehran Province?

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3. Necessity and Importance of the Research

To be successful in today's competitive and complicated market, customer loyalty is a critical factor and banks are no exceptions in this regard. Financial institutions use different managerial strategies to promote customer loyalty (Mohemi, 2010). When customers are proud of the company, they buy more, talk positively about the company, and suggest it to their family and friends. They show practically that they are united with the company. On the other hand when customers complain in front of family and friends and go toward other companies, they show that they've decided to leave the company and spend less on its products or services. On the other hand, because of the competitive market customer is more and more valuable day after day. Challenges like global competition increase, continuous increase in expectations and subsequently in demands for improved quality of products and services have caused the companies not to be able to provide customers’ need and be in danger of losing dissatisfied customers to their competitors, and go bankrupt in the end (Sobhani, 2006). Experts in marketing enumerate many advantages for loyalty; some of them are as follows:

1. Reducing the cost of new customer attraction
2. Reducing customer sensitivity to price changes
3. Benefits of long lasting customership
4. Positive performance by increasing the power of prediction
5. Increased barriers for new competitors to appear (Salari, 2004, 50).

Aaker (1996) thinks of brand personality as being the core and the closest variable to customer's decision-making in buying (Vaezi, 2008). Using brand personality in brand management strategies can help the company to achieve satisfaction, loyalty, profitability and total economical profit in front of their competitors. When customers buy a brand which (in their idea) has a specific personality, they buy the symbolic idea behind it instead of physical characteristics of the product as well. Brand personality can also increase trust and loyalty (Ranjbar, 2010). According to the importance of brand personality in customer decision making and finally buying the products or services, in this study we have tried to determine the effect of this factor on Mellat Bank customers' loyalty to the brand of the bank. Therefore, it is necessary to conduct a research in this respect.

4. Research goals

The research goals can be classified as follows:

4.1. Primary goal:
Assessing the relationship between brand personality and customer loyalty to the Mellat Bank brand in the Tehran province

4.1. Secondary goals:
1. Assessing the effect of excitement on customer loyalty to the Mellat Bank brand in the Tehran province
2. Assessing the effect of competence on customer loyalty to the Mellat Bank brand in the Tehran province
3. Assessing the effect of sincerity on customer loyalty to the Mellat Bank brand in the Tehran province
4. Assessing the effect of sophistication on customer loyalty to the Mellat Bank brand in the Tehran province
5. Assessing the effect of ruggedness on customer loyalty to the Mellat Bank brand in the Tehran province

5. Conceptual Research Model

As mentioned before, one of the important goals of every company is having loyal customers. As old customer retention costs four to six times less than attracting new ones, managers had better give priority to creating strategies to develop and attain loyalty to brand. According to research, loyalty to brand is directly affected by product quality and satisfaction or dissatisfaction of the brand compiled through time (Moon and Minor, 2007).
Accordingly, the framework of this research is based on variables which lead to customer loyalty to the brand. This model is taken from the conceptual model of Long-Yi Lin.

6. Research Hypotheses

According to the conceptual research model, we can form the following hypotheses:

6.1 Primary Hypothesis:
There's a direct relationship between brand personality and customer loyalty to brand.

6.2 Secondary Hypotheses:
1. There's a direct relationship between excitement and customer loyalty to brand
2. There's a direct relationship between competence and customer loyalty to brand
3. There's a direct relationship between sincerity and customer loyalty to brand
4. There's a direct relationship between sophistication and customer loyalty to brand
5. There's a direct relationship between ruggedness and customer loyalty to brand

7. Primary Research Question:
Does brand personality have an effect on customer loyalty to the Mellat bank brand?

8. Research Method

In the research process using means of data collection, data are objectively observed, analyzed and collected; then using descriptive and inferential statistical techniques (quantitatively and qualitatively) the hypotheses are tested and accepted or rejected finally; then the final conclusion is made (Khaki, 2008). This research is of applied type in terms of purpose and descriptive-analytical study of correlation type in terms of methodology; because it tests hypotheses according to predictions in addition to describing the present status, and tries to assess impacts of variables using correlation statistical methods. Moreover, as the results can be used to improve performance of banks and other organizations, it is an applied research. For data collection Aaker's standard questionnaire was used; the questions were first localized according to conditions of the society and the necessary changes were made. To test reliability, 40 questionnaires...
were pre-tested and after analysis using SPSS the Cronbach's Alpha was more than 97%, which shows high reliability.

9. Population and Sample

The population consisted of all Mellat Bank branches in the Tehran province totaling 314, whose information is available at www.bankmellat.ir. To determine sample size, first of all pre-sampling was done for 40 questionnaires. After data collection and analysis, and measuring its mean and standard deviation, the sample size was calculated as being 388 using the formula. Cluster sampling method was used in this study; first the Tehran Province was divided into four parts (north, south, east, and west), i.e. 97 questionnaires for each part; in order to make sure of the return rate of questionnaires 105 questionnaires were distributed in each part (a total of 420); 390 questionnaires were gathered at the end, and 388 of them were analyzed. The formula to determine sample size:

\[
N = \frac{(Z_{\alpha/2})^2 \cdot \delta^2}{e^2}
\]

N: population
n: sample
e: coefficient of error
δ: standard deviation of the pre-sample
\[Z_{\alpha/2} = Z_{0.025} = 1.96\]: standard normal random variable amount

After collecting questionnaires, data were analyzed using SPSS in two parts of descriptive statistics and inferential statistics. In descriptive statistics data were analyzed using mean and standard deviation, and in inferential statistics they were analyzed using Pearson correlation coefficient and multivariate regression.

10. Testing Hypotheses

10.1 Results of Descriptive Statistics

According to table 1 we can conclude that the mean of the independent variable "competence" is more than other research variables, and therefore it has more impact on customer loyalty to Mellat Bank brand in the Tehran Province.

In table 1, we can see that the independent variables "competence" and "ruggedness" are the most and the least effective on the dependent variable respectively. And the independent variables of competence, sincerity, excitement, sophistication, and ruggedness have respectively the most to the least impact on customer loyalty to Mellat Bank brand in the Tehran Province.

10.2 Results of Inferential Statistics

The results from Pearson correlation coefficient test is shown in table 2.

According to table 2, we can see that in all variables \(\text{sig} \leq 0.05\). On the other hand, down the table we can see that all variables are significant at 0.01 level, which means we are 99% sure of the results. In other words, the independent variables – sophistication, competence, excitement, sincerity, and ruggedness – have significant relationship with customer loyalty to the Mellat Bank brand in the Tehran province.

Moreover, according to this table, the intensity of correlation between the independent variables of sophistication, competence, excitement, sincerity, and ruggedness, and the dependent variable of customer loyalty is 94.5%, 93.9%, 97.1%, 98.2%, and 92.9% respectively. This indicates direct relationship between the independent and dependent variables. On the other hand coefficient of determination between the variables of sophistication, competence, excitement, sincerity, and ruggedness, and the dependent variable of customer loyalty is 0.893, 0.881, 0.942, 0.964, and 0.863 respectively. These indicate that the independent variables of sophistication, competence, excitement, sincerity, and ruggedness can predict the dependent variable to the percentage of 89.3, 88.1, 94.2, 96.4, and 86.3 respectively.

11. Results of Multivariate Regression

In order to predict the changes in the values of loyalty to brand caused by independent variables, multivariate regression (using Enter method) was used. In table 3 the regression analysis determiners of the independent variables are shown.

According to the amount of \(F=3.432\) and the resulting significance level (\(\text{sig} \leq 0.05\)), we can say that there's a significant relationship between the set of independent variables and the dependent variable of
the research. The amount of standardized beta shows the importance of each predictor in the model; the higher this amount, the more important it is. According to the results from regression analysis and regression coefficients, the highest coefficient belongs to sincerity (0.864), after which sophistication (0.275), excitement (0.180), competence (0.152), and ruggedness (0.069) have the most to the least impact on loyalty in order. This means that for every unit of improvement in sincerity, sophistication, excitement, competence, and ruggedness the amount of customer loyalty to the brand increases. To test the null hypothesis of no correlation between the model errors, we used Durbin-Watson statistic. The last column of the model summary table show Durbin-Watson statistic for the model as being 2.203. If this amount is between 1.5 and 2.5, H0 cannot be rejected; therefore, the hypothesis of no correlation between the errors is accepted.

12. Conclusion and suggestions

Loyalty to brand is an essential and important subject in today's business world. Although most companies have understood the importance of creating and maintaining loyalty as a factor which guarantees long-term profitability, it has become increasingly difficult in today's competitive atmosphere to do so. In today's business world brand personality is an absorbing concept. Brands, with their human characteristics, give a promise to consumers. These characteristics are formed like images in their mind in accordance with the activities of the organization. This personality is a basis on which the relationship between brand and consumers is formed. What is certain is that all brands have personality. In this article with the analysis of the effect of brand personality on customer loyalty to the Mellat Bank brand in the Tehran Province, it was found that brand personality has a significant impact on customer loyalty to the Mellat Bank brand in the Tehran Province. Moreover, the results from the Pearson correlation coefficient test showed a significant relationship between the independent variables of study, i.e. sincerity, sophistication, excitement, competence, and ruggedness, and the amount of customer loyalty to the brand. The results indicate that the more authorities pay attention and give importance to the variables of sincerity, sophistication, excitement, competence, and ruggedness in their decisions and activities, the more customers will be loyal to the brand. The results of this study are in line with Krisman et al. 2006. According to the results from regression analysis and regression coefficients, the highest coefficient belongs to sincerity (0.864), after which sophistication (0.275), excitement (0.180), competence (0.152), and ruggedness (0.069) have the most to the least impact on loyalty in order. This means that for every unit of improvement in sincerity, sophistication, excitement, competence, and ruggedness the amount of customer loyalty to the brand increases. And the more it decreases the more would customer loyalty decline.

1. In order for the customers to be comfortable in using the bank services, whether in person or online, the place or the site should be designed and decorated carefully and sensitively (e.g. using light and relaxing colors, and also natural flowers comforts the customers). In this regard it is suggested that opinions of experts in fields of architecture, design, and color psychology be used. Mechanization of banking affairs is another way of comforting the customers.

2. Among expectations from the bank, customers want access to up-to-date and concise information about new services, facilities, terms of payment, etc. In this regard it is suggested that the bank inform the customers through the site and public media or even Emails and SMS. Another expectation is granting facilities with lower interest rates and without unnecessary crackdowns. Expert opinion should be considered on this matter. It is also suggested that interest rate is calculated daily, hourly, and momentarily. Merging the banks together in a way that the customers are able to perform their business in other bank's branches increases availability and convenience.

3. In the first place employees should be recruited carefully and sensitively; competent, knowledgeable employees who think of customer's problems as their own, and are modest, simple and honest. Holding courses to enhance public relations and customer centricity of staff. Hearing the customer is also of great importance. In this regard a system can be designed through which customers can rate the behavior and performance of the employee simultaneously as he's doing his business. The results of these surveys can be reported to the manager daily (or at most monthly) so that the necessary measures are taken. As not all customers have the same degree of importance, it is suggested that they be classified and an information bank be made of their characteristics. This information can be used to congratulate important days in customer's life as an example.
4. Paying attention to the appearance of the bank and the staff, and also providing an attractive, convenient place to reduce the tension from financial transactions during the presence in the bank is of great importance. About the bank's appearance, it is suggested that services such as shoe wax machines at the entrance, or catering equipment such as drinks (suitable for the season) and chocolate be provided. About the appearance of employees, it is suggested that uniform be used, and the personal hygiene be met.

5. About the architecture of the building, it is suggested that Iranian architecture be used beside attention to modernity. It is also beneficial to advertise through sports, from sponsoring to having a sports team, especially in popular sports like football, volleyball, etc.
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## Annexure

Table 1 The results of descriptive statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum Statistic</th>
<th>Maximum Statistic</th>
<th>Mean Statistic</th>
<th>Std. Deviation Statistic</th>
<th>Variance Statistic</th>
<th>Skewness Statistic</th>
<th>Std. Error Statistic</th>
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<td>1.00</td>
<td>5.00</td>
<td>3.6270</td>
<td>.94285</td>
<td>.889</td>
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<td>5.00</td>
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<td>.124</td>
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<td>5.00</td>
<td>3.0716</td>
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<td><strong>Sincerity</strong></td>
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<td>1.00</td>
<td>5.00</td>
<td>3.7521</td>
<td>.92152</td>
<td>.849</td>
<td>-.616</td>
<td>.124</td>
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Table 2 The results from Pearson correlation coefficient test

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<td><strong>Pearson Correlation</strong></td>
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<td>.982**</td>
<td>.971**</td>
<td>.939**</td>
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<td><strong>Sig. (2-tailed)</strong></td>
<td>.000</td>
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**. Correlation is significant at the 0.01 level (2-tailed).**
Table 3 The results from multivariate regression

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<td>Adjusted R Square</td>
<td>Std. Error of the Estimate</td>
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<td>1</td>
<td>.985a</td>
<td>.970</td>
<td>.969</td>
<td>.16920</td>
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a. Predictors: (Constant), ruggedness, competence, sophistication, sincerity, excitement
b. Dependent Variable: loyalty

<table>
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<th>ANOVA b</th>
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<td>Total</td>
<td>359.104</td>
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a. Predictors: (Constant), ruggedness, competence, sophistication, sincerity, excitement
b. Dependent Variable: loyalty

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<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
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<td>1</td>
<td>(Constant)</td>
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<td>.055</td>
<td>.555</td>
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<td>.152</td>
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<td></td>
<td>ruggedness</td>
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<td>.069</td>
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<tr>
<td></td>
<td>sincerity</td>
<td>.903</td>
<td>.068</td>
<td>.864</td>
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a. Dependent Variable: loyalty