

The Effect of Commercial Brand on Customer Commitment According to the Mediating Role of Brand Interests

(Case Study: Customers of Dairy Products in Province of Gorgan)

Ehsan Askari, Mehdi Naimi*, Hossein Didehkhani

Department of Management, Aliabad Katoul Branch, Islamic Azad University, Aliabad Katoul, Iran

*Corresponding Author Email: m.naimi@yahoo.com

Abstract

Brand is a commercial name, usually used as a tool for solving the problem of being indistinguishable. As the most significant visual element of a commercial name, brands facilitate the recognition of commercial names and highlight their differences with other competitors. This research answers this question that how brands play a mediating role in customers' commitment to that commercial name and customers' satisfaction and loyalty, and when this impact is the most obvious problem. In other words, this research relies on this hypothesis that marketing activities of a business company are reflected on the customers' perception from the brands of that business company. To this aim, empirically a framework of understanding the casual relationships between the functional benefits, expression and self-analysis and beauty and customer commitment were surveyed through the mediating role of brands interests according to a 384-individual sample of customers of dairy products in Province of Gorgan. From the point of aim the current research is an applied research and from the point of data collection it is a descriptive-casual research conducted from 2013 to 2014. The field research method is used and data collection tool is questionnaire. A test shows the hypothesis conducted by the use of structural equation modeling and by the use of Lisrel software. Results showed a positive and significant relation between the functional benefits, brand interests, expression and self-analysis and brand interests, aesthetics and brand interests and brand interests and customer commitment ($p \leq 0.05$). It could be concluded that functional benefits have a positive and significant effect on brand interests, expression and self-analysis have a positive and significant effect on brand interests, aesthetics has a positive and significant effect on brand interests and also brand interests have a positive and significant effect on customer commitment.

Keywords: Brand interests, Functional benefits, Expression and self-analysis interests, Aesthetics interests, Customer commitment.

Introduction

Brand is a commercial name, usually used as a tool for solving the problem of being indistinguishable. As the most significant visual element of a commercial name, brands facilitate the recognition of commercial names and highlight their differences with other competitors (Anderson & Weitz, 1992). In history, brands have empowered the efficient and effective recognition of people's brands. In ancient China, emperors used to use dragons as a symbol of imperial and royal power, and the same is true for groups and/or movements (such as the cross used at the top of the churches and the Swastika of Nazi Germany on some of the Buddhist symbols), thus brands could be more than a simple tool for recognition and differentiation. Christian cross indicates the sacrifice and victory of life over death, while the Swastika of Buddhists indicates happiness and luck (Dehdashti et al., 2012). Thus it is suggested that compared to other features, brands could deliver important information about the commercial logo they support (Egba et al, 2009). Kim et al (2008) found out that the brand value has a significant effect on brand image, and each of the dimensions of successful relationship with customer also has an effect on brand image.

They state that marketing activities are important in creating a brand image. Recently Park et al (2013) showed that expression and self-analysis interests, functional benefits, and aesthetic interests are effective on brand interests. Also the brand interests affect the customer commitment and the customer commitment affects the corporate performance. In fact previous researches refer to commercial names as brands act as the first visual demonstration of public image of commercial name and its concept. As a

conclusion, brands could form the reputation of a commercial name among the customers' reports, their purchasing goal and their loyalty toward that commercial name. This study is created based on the existing researches conducted by the test of impact of brand on corporate performance, and the current researches are developed through three vital following methods. Firstly, this study surveys the mechanism of brands that display a summary of what that commercial name provides. Customer commitment and superior business performance and before profitability boost identification of exclusive brand that has been mentioned before. Secondly, it does not study the matter that brands are more effective on using customers for increasing the recognition of commercial name. This study, uses the role of brand in offering benefits to customer, especially brands may only include the name of a business company (such as Intel, Ford, Samsung, IBM) or they may be a combination of it with a unique visual symbol (such as McDonald's golden arches and/or three star of Mercedes-Benz).

In the latter case, the symbol of four is used as the actual brands; for example, the name of that business company appears as the supplement beside the symbols, or even it may be seen as a complete visual sign (such as Apple, Target). This study evaluates the display of companies' names independently, and also separately evaluates their name along with their visual symbols and that these features have different effects on providing customer benefits that lead to exclusive recognition of the commercial name. Thirdly, commercial names frequently expand themselves through other products and categories in order to use their current customers leverage and the brand image (such as Aaker & Keller). This study answers this question that how brands participate in the customer commitment toward that commercial name and satisfaction and loyalty of customers, and when this effect is the most obvious problem. One important warning exists in this study. This study does not especially assume that effects of brands are independent from the marketing efforts of the commercial name; rather, it tests the company and cooperation of brands related to other elements of marketing strategies (such as product quality, distribution power and price). This study relies on this hypothesis that marketing activities of a business company are reflected on the customer understanding from that company brands.

Methodology

From the point of aim, the current research is an applied research and from the point of data collection it is a descriptive (non-experimental) research, one of the branches of field studies, and from the point of relation between the research variables, it implies a type of casual relationship and it is conducted through survey method. The current research population includes all the customers of dairy products of Gorgan province, and since the statistical population is unlimited, 384 individuals were chosen as the sample based on Krejcie and Morgan table. After explaining the aim and research project, the participants completed the testimonial of participating in the study. The 15-question researcher-created questionnaire was used for collecting data. This questionnaire has been formerly used by a few researchers, and in some cases based on the subject it has been localized and used after determining the validity and reliability. Although the questions of this questionnaire are extracted from reliable sources, content validity has also been used to localize this questionnaire in order to survey the validity of the questionnaire thus at first, a version of this questionnaire was handed out to the professors in order to measure its content validity and their suggestions were applied to the questionnaire; in a way that some of the difficult, unclear, vague questions that were irrelevant to the topic, spatial domain and statistical population were omitted and some questions and items were expressed in a better manner.

Extraction of components of measured variables from the research literature was used in order to validate the current research questionnaire, and then localization by the use of experts' comments was used (Sarokhani, 2002). Thus since the current research conceptual model based on which the research tools are designed is derived from the literature and thus indicates the comments of experts (Sarmad et al., 2007) its face validity is confirmed. Also among several different indexes of determining the fitness of a structural equation modeling (Houman, 2002), indexes of 2RMSEA, GF13, NF14 and AGF11 are the best and most important ones and they can adequately determine the fitting of a structural equation modeling. $RMSEA \leq 2,1$ and $NFI \geq 2,1$ GFI and AGFI show that the model provides an acceptable fitting of the actual world data (Coute et al., 2003).

Cronbach's alpha method was used for evaluating the questionnaire reliability. The Cronbach's alpha coefficient for the whole questionnaire is 0.93, for the variables of expression and self-analysis interests it is 0.96, for functional benefits it is 0.91, aesthetics it is 0.92, brand interests 0.94 and customer commitment it is 0.96, which indicate an acceptable reliability. In this research, based on the research concept and model, the variables of expression and self-analysis interests, functional benefits, and aesthetics are the independent latent variables; the customer commitment is dependent latent variable; and brand benefits is the mediator. In order to analyze data, structural equation modeling such as correlation analyses, and analysis of covariance matrices or correlation matrix were used. Data analysis was conducted at level $p \leq 0.05$.

Results

Table 1 shows mean and standard deviation of scores of customers of dairy products in each of the research variables.

Table 1. Descriptive indicators of mean and standard deviation of research variables.

Indicators	Expression and self-analysis interests	Functional benefits	Aesthetics	Brand interests	Customer commitment
Mean	3.39	3.37	3.24	3.74	3.93
SD	1.01	1.02	0.97	0.94	0.59

Correlation between the research variables, are provided in table 2. As it is observable in table, the correlation between all the variables is meaningful except between the customer commitment and aesthetics. The maximum meaningful correlation is between the brand interests and customer commitment.

Table 2. Correlation between the research variables.

Indicators	Expression and self-analysis interests	Functional benefits	Aesthetics	Brand interests	Customer commitment
Expression and self-analysis interests	1				
Functional benefits	0.025	1			
Aesthetics	0.256**	0.227**	1		
Brand interests	0.356**	0.433**	0.367**	1	
Customer commitment	0.243**	0.230**	0.077	0.488**	1

Results of surveying the goodness of fit indicators of the research structural model are provided in table 3 and they show the fitting model, because the amount less than RMSEA 0.08 indicates an acceptable fit for the structural model, also amounts of CFI, GFI, AGFI, NFI, NNFI are all more than 0.9.

Table 3. Results achieved from surveying the goodness of fit of research structural model.

Fit index	Acceptable range	Amount	Result
$\frac{\chi^2}{df}$ (Index of ratio of Chi-square to the degrees of freedom)	<3	2.39	Appropriate
CFI (Comparative fit index)	>0.9	0.98	Appropriate
GFI (Goodness of fit index)	>0.9	0.95	Appropriate
AGFI (Adjusted goodness of fit index)	>0.9	0.97	Appropriate
NFI (Normed fit index)	>0.9	0.98	Appropriate
NNFI (Non-normed fit index)	>0.9	0.97	Appropriate
RMSEA (Root mean square error of approximation)	<0.08	0.059	Appropriate

In order to fully recognize the casual relations and the effectiveness of research variables on each other, path analysis by the use of structural equations modeling was used. Findings achieved from this analysis confirm the results and findings achieved from the correlation coefficients related to the research aims. In the following table the coefficients of path and significance between the research variables are provided. As it is observed, the coefficients of path for each of the four relations at level 0.05 (t bigger than 1.96 and t smaller than -1.96) are meaningful (table 4).

Table 4. Direct and Indirect coefficients of research variables.

Path	Standardized path coefficient	t	Result
Expression & self-analysis interests → Brand interests	0.30	5.71	It has a direct effect
Functional benefits → Brand interests	0.43	8.02	It has a direct effect
Aesthetics → Brand interests	0.19	3.54	It has a direct effect
Brand interests → Customer commitment	0.54	10.20	It has a direct effect

Tables briefly indicate this subject matter that path coefficient is the relation between expression and self-analysis interests and brand interests 0.30. T-statistics for this coefficient is also 5.71 and its amount is higher than the significant threshold which is 1.96; thus the positive and significant relation between expression and self-analysis interests is confirmed. Also the path coefficient between functional benefits and brand interests was achieved and it was 0.43. T-statistics for this relation is 8.02 which is higher than the significant threshold which is 1.96. Based on the above mentioned results it could be concluded that there is positive and significant relation between the functional interests and brand interests.

Other results show that the amount of path coefficient between aesthetics and brand interests is 0.19. Since the amount of t for this coefficient is 3.54 it could be concluded that the achieved coefficient is significant, thus there is a positive and significant relation between aesthetics and brand interests; and ultimately, the path coefficient for the relation between brand interests and customer commitment is calculated to be 0.54. The t-statistics for this coefficient is 10.20, thus there is a positive and significant relation between brand interests and customer commitment.

Discussion and Conclusion

The current research aim is surveying the effect of brand on customer commitment according to the mediating role of brand interests in customers of dairy products in Gorgan. Results showed a positive and significant relation between the expression and

self-analysis results and brand interests, between the functional benefits and brand interests, between aesthetics and brand interests, and also between brand interests and customer commitment. These results are consistent with research results of Cheng and Goi (2011), Heidarzadeh et al (2011), Woodward et al (2000) and Park et al (2013). The current research results show that managers should consider the brand as a powerful and influential tool in managing the relation between commercial symbol and customers; specifically, just because customers can quickly recognize a brand from others does not mean that they invest some resources to be loyal to that brand. Commercial brands that are easily recognizable but do not have functional or symbolic benefits, and/or they don't satisfy the aesthetic needs cannot use all of their potential benefits.

Visual symbols such as commercial brands create frequent opportunities. This research showed that brand by the use of their symbols as their brand is more effective on the similarity/explanatory benefits compared to the symbols that their name is their brand. They are also better in communicating with functional benefits. Finally, these findings improve the aesthetic trends of brands and the customer commitment in order for the brand to response to the needs of academy of commerce in order to test the positive effects of visual attraction on that. Managers should be aware that visual symbols such as brands are effective on providing the aesthetic attractions. The market today is very loud. Brands should clearly tell their customers to remember what. This study shows that focus on the commercial brand management, as a summary of what that symbol provides, is a valuable tool to deepen the customer relation and the commercial brand provides this for marketing. Based on the current research results, the effect of expression and self-analysis interests on brand interests was confirmed. Brands result in individuals' expression as a person and expression of individuals' values In this regard, it is recommended to the marketers and researchers to focus on the personality traits of the brands and to try to improve those traits in brands that mostly attract the customers' attention; which means that they should focus on the positive and desirable traits of a brand that are close to and match the customers' personality and try to improve those traits and also they should have more emphasis on these personality traits of the brand in advertising. Based on the current research results, the effect of functional benefits on brand interests was confirmed. Functional benefits cover the needs in line with solving the problems related to the product or service consumption. In fact these benefits indicate the intrinsic advantages derived from product and service consumption and they are mostly related to the product or service; and also they are mostly related to the lower-level needs (in Maslow's hierarchy of needs).

Thus it is suggested to survey the quality of dairy products such as taste, nutritional value and ... and to conduct researches on different types of products at different levels of dairy products in order to increase the functional perception of customers from the brands and create trust that this brand helps them in the competent management of daily affairs. Based on the research results, the effect of aesthetics on brand interests was confirmed. In order to improve the beauty and attraction of product it is suggested that based on the customers' needs and interests, the design and packaging of the products should be in accordance to the product features and it must use the new knowledge and technology for designing unique products in order to increase the perception of consumption of that brand. Also one of the other effective factors is appropriate design of the logo of that commercial brand and appropriate use of advertisement related to the features of that product. Based on the research results, the effect of brand interests on customer commitment is confirmed. Since the customer commitment has a close relation with customer loyalty, and commitment results in decreased risk of changing the customers to competitors and decreased cost of advertisement thus it is recommended to the companies to use effective programs of commitment and loyalty, customer relationship management, relationship marketing, improving the brand interests (expression and self-analysis, functional, aesthetics) in order to increase customer commitment and to have committed and loyal customers. Also for the future researches, it is recommended to compare the current research structural model in other organization in order to survey its strengths and weaknesses and take a step toward improving or modifying the model to achieve a model which matches the indigenous community context.

References

- Anderson E, Weitz B, 1992. The use of pledges to build and sustain commitment in distribution channels. *Journal of Marketing Research*. 29(1): 18-34.
- Cheng FYL, Goi CL, 2011. Customer-based brand equity: a study on interrelationship among the brand equity dimension in Malaysia. *African Journal of Business Management*. 5(30): 11856-11862.
- Dehdashti SH, Seyyed Motahari Z, Kajouri SM, Hamidreza, 2012. Effective factors on the brand equity of insurance companies from the perspective of customers. *Journal of insurance*. 7: 75-99.
- Heidarzadeh HK, Khoshpanjeh M, Rahnama A, 2011. Evaluation of the effects of product involvement facets on brand loyalty. *African Journal of Business Management*. 5(16): 43-56.
- Houman HA, 2002. *Multivariate data analysis in behavioral research*. Tehran: Parsa Publications.
- Kim KH, Kim KS, Kim DY, Kim JH, Kang SK, 2008. Brand equity in hospital marketing. *Journal of Business Research*. 61(1): 75-82.
- Park C, Whan AB, Eisingerich GP, Jason WP, 2013. The role of brand logos in firm performance. *Journal of Business Research*. 66(2): 180-187.
- Sarmad Z, Bazargan A, Hejazi E, 2007. *Research methods in behavioral sciences*. 14rd edn. Tehran: Agah Publications.
- Sarokhani B, 2002. *Research methods in social sciences*. Tehran: Institute for Humanities and Cultural Studies.
- Woodward T, 2000. Using brand awareness and brand image in tourism channels of distribution. *Journal of Vacation Marketing*. 6(2): 119-130.