

The Relationship between Brand Love, Brand Loyalty and Word of Mouth Advertising among Customers of Mehr-e Eqtesad Bank in Gorgan, Iran

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Abstract: The purpose of this study was to investigate the relationship between brand love, brand loyalty and word of mouth (WOM) advertising among customers of Mehr-e Eqtesad bank in Gorgan, Iran. The method used in this study was descriptive-correlation type. The population of the study was all the customers referring to branches of Mehr-e Eqtesad bank in Gorgan. Using Morgan table, the sample population size was estimated to be 90 individuals who were randomly selected. The data was investigated using structural equation modeling. The results revealed that there were significant relationships between brand image and social mentality and brand love, brand loyalty and word of mouth advertising. The results also showed that there was a significant relationship between brand love and brand loyalty and word of mouth advertising. However, the relationship between variety seeking and the variables of the study was shown to be insignificant.

Keywords: Marketing, Advertisement, Brand, Customer.

Introduction

In today's competitive market, where goods and services are not enough to attract a new market or markets or even keeping existing customers, it is believed that the emotional aspects of products would be the key distinction in the final selection of the product and the price that consumers are willing to pay (Gobe, 2001). On the other hand, attention to customer needs and customer satisfaction has been on the agenda of organizations for many years in the developed countries. The developed countries believe that the customer satisfaction is the basis of their survival in the market and they take fundamental measures to satisfy their customers. Such measures include customer orientation strategies, having customers involved in production process and using customer satisfaction oriented slogans.

Commercial institutions have also understood the importance of loyal customers and altered their attention to attract loyal customer. Thus, it is necessary for companies to be aware of the important role of their brand in creating loyal customers (Khayeri et al., 2013). Brand love is part of customer-brand relationships (Reimann et al., 2012). Brand love can affect different aspects of customer behavior. These aspects include loyalty and WOM advertising. Oliver et al. (1999) defined loyalty as a deep commitment to repurchase or reuse specific goods or services continuously in the future which leads to behavior change according to situational conditions and marketing efforts (Davis-Sramek et al., 2007).

Loyal customers are very helpful for firms because not only they continuously repurchase or reuse the goods or services, they also advertise the brand freely to their friends, relatives etc and thus play important roles in improving the brand image in potential customers' mind (Qarecheh & Dabouiyani, 2011). Carroll and Ahuvia (2006) found that brand love can affect customer's loyalty. Arndt (1967) defined WOM advertising as the face

to face exchange of the information about goods or services where the information is received from a non-commercial channel. Banks are organs that deal with customers. Banks can create real loyalty through building an emotional bond with customers. By increasing the brand love and brand loyalty among customers, marketing and advertising costs can be decreased, competitive threats can be responded to through loyalty of the customers, WOM advertisement of the customers will increase and new customers will be attracted.

Thus, banks should try to identify factors that lead to brand love among customers so to design marketing strategies that can increase brand love. Therefore, the purpose of this study was to investigate the relationship between brand love, brand loyalty and WOM advertisement among customers of Mehr-e Eqtesad bank in Gorgan, Iran.

Materials and Methods

The method used in this study was descriptive-correlation type. The population of the study was all the customers of Mehr-e Eqtesad bank in branches of Gorgan city, Iran. Using Morgan table, the sample population size was estimated to be 90 individuals who were selected randomly. After instructing the participants about filling the questionnaires they were assured that the information collected in this study will only be used for research purposes. The questionnaire used in this study was adopted from Unal & Aidn (2013). The questionnaire consisted of 25 questions that were scored based on Likert scale. In order to approve the validity of the questionnaire, it was investigated some experts. Then, some questions that were obscure, equivocal or irrelevant were modified and were expressed more clearly. Cronbach's alpha was used to investigate the reliability of the questionnaire. Results revealed that the questionnaire enjoyed desirable level of reliability (Table 1).

Table 1. Alpha coefficients of research variables.

Variable	Number of items	Cronbach's alpha coefficient
Variety seeking	6	0.952
Brand image	3	0.900
Brand social mentality	4	0.917
Brand love	7	0.912
Brand loyalty	2	0.975
WOM ads	3	0.964
Total	25	0.893

Structural equation modeling was used for analysis of data.

Results

The descriptive statistics of the research variables were presented in table 2.

Table 2. Descriptive statistics of research variables.

Variables	Average	SD	Variance
Variety seeking	3.48	0.79	0.61
Brand image	3.9	0.61	0.42
Brand social mentality	3.5	0.72	0.53
Brand love	3.88	0.76	0.55
Brand loyalty	4.1	0.79	0.64
WOM ads	3.8	0.69	0.48

Results of path analysis were presented in table 3. As evident in table 3, the path coefficient of the relationship between variety seeking and brand love was -0.02 . T-statistic for this coefficient was -0.46 . That was the relationship between variety seeking and brand love was negative. However, the values are below significance level (1.96). That is, there was no significant relationship between variety seeking and brand love.

The path coefficient of the relationship between variety seeking and brand loyalty is -0.06 . T-statistic for this coefficient was -1.32 . That is the relationship between variety seeking and brand loyalty is negative. However, the values are below significance level (1.96). That is, there was no significant relationship between

variety seeking and brand loyalty. The path coefficient of the relationship between variety seeking and WOM advertisement was 0.01. T-statistic for this coefficient was 0.31. That is the relationship between variety seeking and WOM advertisement was positive. However, the values were below significance level (1.96). That is, there was no significant relationship between variety seeking and WOM advertisement. The path coefficient of the relationship between brand image and brand love was 0.45. T-statistic for this coefficient is 8.66. That is the relationship between brand image and brand love is positive. The values also are above significance level (1.96). That is, there is a significant relationship between brand image and brand love. The path coefficient of the relationship between brand image and brand loyalty was 0.40. T-statistic for this coefficient was 7.32. That is the relationship between brand image and brand loyalty was positive and the values are above significance level (1.96). That is, there was a significant relationship between brand image and brand loyalty. The path coefficient of the relationship between brand image and WOM advertisement is 0.15. T-statistic for this coefficient was 2.71. That is the relationship between brand image and WOM advertisement was positive and the values were above significance level (1.96). That is, there was a significant relationship between brand image and WOM advertisement.

The path coefficient of the relationship between social mentality and brand love was 0.13. T-statistic for this coefficient was 2.63. That is the relationship between social mentality and brand love was positive. The values also were above significance level (1.96). That is, there was a significant relationship between social mentality and brand love. The path coefficient of the relationship between social mentality and brand loyalty was 0.12. T-statistic for this coefficient was 2.66. That is the relationship between social mentality and brand loyalty was positive and the values also were above significance level (1.96). That is, there was a significant relationship between social mentality and brand loyalty. The path coefficient of the relationship between social mentality and WOM advertisement was 0.12. T-statistic for this coefficient was 2.67. That is the relationship between social mentality and WOM advertisement was positive and the values also were above significance level (1.96). That is, there was a significant relationship between social mentality and WOM advertisement.

The path coefficient of the relationship between brand love and brand loyalty was 0.18. T-statistic for this coefficient was 3.54. That was the relationship brand love and brand loyalty was positive and the values also are above significance level (1.96). That is, there was a significant relationship between brand love and brand loyalty. The path coefficient of the relationship between brand love and WOM advertisement was 0.22. T-statistic for this coefficient was 4.48. That is the relationship brand love and WOM advertisement was positive and the values also were above significance level (1.96). That is, there was a significant relationship between brand love and WOM advertisement. The path coefficient of the relationship between brand loyalty and WOM advertisement was 0.27. T-statistic for this coefficient was 5.25. That is the relationship brand loyalty and WOM advertisement was positive and the values also were above significance level (1.96). That is, there was a significant relationship between brand loyalty and WOM advertisement.

Table 3. Results of direct relationships and significance coefficients.

Path	Path coefficient	Sig
Variety seeking - brand love	-0.02	-0.46
Variety seeking – brand loyalty	-0.06	-1.32
Variety seeking – WOM ads	0.01	0.31
Brand image – brand love	0.45	8.66
Brand image – brand loyalty	0.40	7.32
Brand image – WOM ads	0.15	2.71
Social mentality – brand love	0.13	2.63
Social mentality – brand loyalty	0.12	2.66
Social mentality – WOM ads	0.12	2.67
Brand love brand loyalty	0.18	3.54
Brand love – WOM ads	0.22	4.48
Brand loyalty – WOM ads	0.27	5.25

Discussion and Conclusion

The purpose of this study was to investigate the relationship between brand love, brand loyalty and word of mouth (WOM) advertising among customers of Mehr-e Eqtesad bank in Gorgan, Iran. The data was investigated using structural equation modeling. The results revealed that there are significant relationships between brand image and social mentality and brand love, brand loyalty and word of mouth advertising. The results also showed that there is a significant relationship between brand love and brand loyalty and word of mouth advertising. However, the relationship between variety seeking and the variables of the study was shown

to be insignificant. The findings of this study were in line with Unal & Aidn (2013) and Carroll and Ahuvia (2006). Unal & Aidn found that image brand and social mentality had an effect on brand love but variety seeking did not have a significant effect on brand love. They also found that variety seeking had negative effects on brand loyalty. Their findings also revealed that brand love can have positive effects on brand loyalty and WOM advertisement. Carroll and Ahuvia also found that social mentality had a positive effect on brand love and brand love had a positive effect on brand loyalty and WOM advertisement.

Thinkers have always taken into consideration the nature of goods and services. It is difficult for brands that present services to build images of their brand. That is why they use slogans (Kapferer, 2006). Besides, because of intangibility of the services, branding is very important for services (Berry, 2000). Because a strong brand can promote customer's trust to intangible services, enables the customer to visualize the tangible and intangible advantages of the brand, lowers the image of risk (Kayaman & Arasli, 2007) and contributes to long-term relationship between brand and customer (Brodie et al., 2009).

The importance of this issue is particularly felt in Iran, after privatization of the banking management structures and the dynamic and competitive conditions of the industry. In the highly competitive, complex and dynamic environment of banking system, any small difference in services can lead to great transfers in industry. The traditional banking is changing to customer oriented banking based on the principles and fundamentals of relationship marketing. In this dynamic environment it is very important to implement strategies that lead to customers' becoming loyal (Beerli et al., 2004).

According to the negative relationship between variety seeking and brand love, brand loyalty and WOM advertisement, it is recommended to Mehr-e Eqtesad bank to add variety to its services and activities so to cause more satisfaction for variety seeking customers. Providing varied services and designing interesting websites can provide satisfaction of variety seeking customers. It is also recommended to provide new services and avoid presenting invariable services. According to the positive relationship between brand image and brand love, brand loyalty and WOM advertisement, it is recommended to the managers of Mehr-e Eqtesad bank to firstly know their mental image and secondly be loyal to it.

To promote the brand image of the bank, it is recommended to use new technologies and innovations in services and activities. The marketing strategies must be designed such that it provides a strong image of the bank and promotes the value of the bank for the customers.

According to the positive relationship between social mentality and brand love, brand loyalty and WOM advertisement, it is recommended to use distinctive features of their customers' social identities. The brand image must reinforce the social position of the individuals and give the feeling to the customers that they are positively evaluated by others through using this brand.

Conflict of interest

The authors declare no conflict of interest

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