HR*MARS*
Exploring Intellectual Capital

Studying the Impact of Services Marketing Mix on Preferring a Brand by Customers
Case Study: Selected Branches of Mellat Bank in Isfahan Province

Dr.Ali Kazemi

Faculty Member of management, department of business administration, University of Isfahan, Iran

Dr.Farzad Karimi

Department of management and Accounting, Mobarakeh Branch, Islamic Azad university Isfahan, Iran

Tahereh Aghababapour

Department of Management, University of Isfahan, Iran

Mohammad Hasan Tanhaei

Department of management and Accounting, NajafAbad Branch, Islamic Azad university Isfahan, Iran

Abstract

Importance of marketing in increasing of customers as well as customers' preference towards a brand has an undeniable role. Objective of this survey was to study the impact of services marketing mix on preferring a brand by customers. Therefore, marketing mix of services was used and impact of each one of its elements (seven elements) on degree of preference of Mellat Bank by customers was measured using t-test and in viewpoint of one-hundred thirty (130) customers as the statistical population of the survey.

The survey was conducted using descriptive-field method. Tool of data collection was questionnaire containing 25 questions and its reliability was confirmed through Cronbach alpha coefficient (0.79). According to respondents, elements of marketing mix are effective on degree of preference of a brand by customers. Findings show as mutual significance level (0.020) is less than 5% it could be perceived that average value of this item has a significant difference with test value (equal to 3). On the other hand, because the calculated lower and upper limits are negative in the confidence interval 95% it could be concluded that average is less than test value equal to 3. Thus, test hypothesis is rejected and null hypothesis is accepted. In other words, aesthetic appearance of the bank is not effective on degree of preference of a brand by customers. Test results reveal employees' behavior with clients and ease of access to bank

branches have the highest impact on customers' preference to choose Mellat Bank in Isfahan province but aesthetic appearance of the bank hasn't been confirmed.

Keywords: brand, brand loyalty, services, brand preference, marketing mix

1- Introduction

It is undeniable that market power relies on customers given to the ever-increasing development of competition among business organizations. Today, customers have more opportunities to compare goods and services and managing their needs and demands has become more complex and specific. Major objective of this survey is to study the impact of services marketing mix on preferring a brand by customers. Variables of service marketing include seven strategic factors as below: manufacturing of the product (services), price, place (location along with distribution), promotion and encouragement, physical factors (signs like building, uniform and so on), participation (of employees and customers) and process (work procedure and so on) (Batten & McManus, 1999).

By marketing mix of services we mean there must be a consistent and systemic attitude among its elements in order to be effective on customers' persuasiveness. In other words, a suitable product is accessible for customers with a suitable price using desirable communicative and promotional methods (Yusefi et al, 2008).

Services and marketing mix of services are introduced below. Then brand is proposed and its dimensions and advantages are explained. Afterwards, research methodology is represented and the proposed model will be tested in the framework of a case study in the selected branches of Mellat Bank in Isfahan province. Finally, findings are discussed and conclusions are represented.

Brand

One of the main decisions in product marketing is to determine a brand. It is any word, design, shape, voice, color or a combination of the above cases which is used to distinguish goods and services of a manufacturer or seller with goods and services of rivals. Brand is a trade name which is legal and the company acts under that name. Trademark determines whether the company has registered its brand and has the right to use it monopolistically. Choosing a brand requires much time. An appropriate name could play an important role in success of a product. The product and its benefits, the target market and marketing policies related to the product should thoroughly be studied in order to choose a brand. The following characteristics are highly important among those a brand must have (Kotler & Armstrong, 1991):

1- A brand should imply something about benefits and characteristics of the product.
2- Memorizing, recognizing and retaining of the brand should be easy; in this case shorter names might be more helpful.
3- A brand should be prominent and significant.

4- Translation of the brand into foreign languages should be simple.
5- A brand should be registerable and supported legally.

Major capital of many businesses in the modern world is their brands. For several decades value of a company was evaluated based on real estate, tangible assets, plants and its equipments. However, recently it has been concluded that real value of a company is outside of it, i.e. in the minds of its potential buyers. While price of a product measures its monetary value, brand makes that product recognizable and highlights its distinguished aspects (Kopferer, 2007: 19-20).

Brands are often regarded as one of the most valuable assets of organizations. Making strong brands is one of the major priorities of many organizations, because the public believe that strong brands could create competitive advantage (Bokhradi, 2010: 2).

American Marketing Association (1960) defines brand as below: "it is a name, word, symbol, design or a combination of these that its purpose is to introduce products or services of a seller or a group of sellers to customers as well as distinction of their products from other rivals".

Brand preference

Plants become old, packaging is abolished, products are no longer prominent but major brands live forever (Cbb-Wlgren, Ruble & Donthu, 1995).
Preferring a brand is a strong commitment between a brand and a group of special customers. It is consisted of several phases as below:

- familiarity with the brand
- recognition of the brand by the customer
- preferring that brand by the customer
- Customer satisfaction and loyalty if this relationship is successful (Alreck & Settle, 1999).

Conceptual model of the survey

The conceptual model has been designed and proposed based on theoretical principles of the survey as it is observed in figure 1.
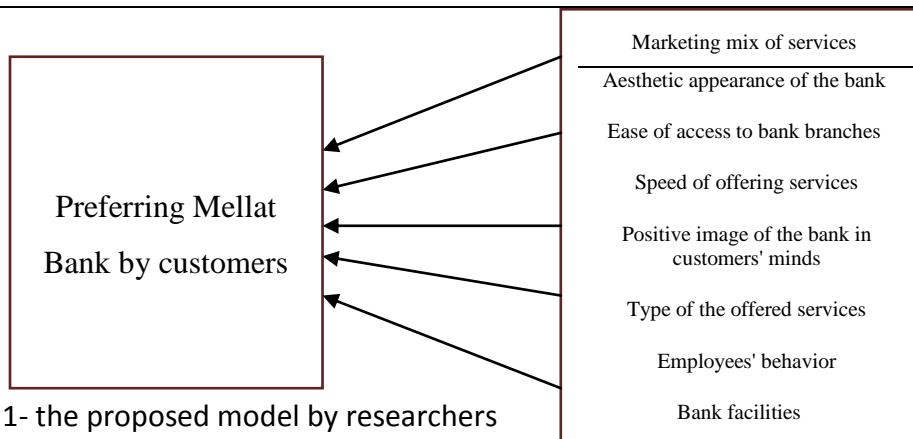
HR_MARS_
Exploring Intellectual Capital

Preferring Mellat
Bank by customers

Marketing mix of services
Aesthetic appearance of the bank
Ease of access to bank branches
Speed of offering services
Positive image of the bank in customers' minds
Type of the offered services
Employees' behavior
Bank facilities

Figure 1- the proposed model by researchers

Research hypotheses

Primary hypothesis: elements of marketing mix of services are effective on degree of preference of Mellat Bank by customers.

Secondary hypotheses

1- Aesthetic appearance of the bank is effective on degree of preference of Mellat Bank by customers.
2- Ease of access to bank branches is effective on degree of preference of Mellat Bank by customers.
3- Speed of offering services is effective on degree of preference of Mellat Bank by customers in Isfahan province.
4- Customers' familiarity with services of the bank and positive image of the bank in their minds are effective on degree of preference of Mellat Bank by customers in Isfahan province.
5- Type of the offered services by employees is effective on degree of preference of Mellat Bank by customers.
6- Employees' behavior is effective on degree of preference of Mellat Bank by customers.
7- Facilities of the bank are effective on degree of preference of Mellat Bank by customers.

Methodology

The present survey was conducted using descriptive-field method in which qualitative and quantitative data were studied. Research variables were divided into two groups: independent and dependent. Independent variables included components of services marketing mix and the dependent variable was degree of preference of Mellat Bank by customers. Questionnaire of services marketing mix containing 25 questions was used for data collection. Also Likert scale was applied in order to respond to the questions. Content and face validity were confirmed by professors and thus the questionnaire was confirmed. Reliability of the questionnaire was measured using Cronbach alpha coefficient that was equal to 79%. Descriptive statistics and inferential statistics methods were used for data analysis.

Statistical population

Statistical population of the survey included customers of the selected branches of Mellat Bank in Isfahan province and simple random sampling method was used. The sample number was equal to 130 persons using the formula to determine sample volume.

$$n = \frac{z^2 s^2}{d^2}$$

$$n = \frac{(1.96)^2 \left(\frac{0}{1216}\right)}{\left(\frac{0}{06}\right)^2} = 129.8 \cong 130$$

Findings

One-sample t-test

T-test was used to recognize effective elements on preferring a brand by customers. It is assumed if average amount of indexes related to each element of the model is higher than 3, that factor is recognized as the effective factor on preferring a brand by customers.

Testing the primary hypothesis

H0: elements of marketing mix of services are not effective on degree of preference of Mellat Bank by customers.
H1: elements of marketing mix of services are effective on degree of preference of Mellat Bank by customers.
In the form of a statistical hypothesis it is possible to define it as below:

$$\begin{cases} H_0 : \mu \leq 3 \\ H_1 : \mu > 3 \end{cases}$$

Table 4- results of testing the primary hypothesis

Test value=3						
Elements of the model	Test statistic (t)	Degree of freedom	Mutual significance level	Difference among means	Confidence interval	
Primary hypothesis	17.70	129	0.000	0.805	Lower limit	Higher limit
					0.75	0.89

Analysis: as the mutual significance level (0.000) is less than 5%, average amount of this item has a significant difference with test value (equal to 3). On the other hand, given that higher

and lower levels of confidence interval are positive mean is more than the test value equal to 3. As a result, research hypothesis is confirmed and elements of marketing mix of services are effective on degree of preference of a brand by customers in respondents' viewpoint.

Testing secondary hypothesis one (aesthetic appearance of the bank)

Aesthetic appearance of the bank is effective on degree of preference of Mellat Bank by customers.
H0: aesthetic appearance of the bank is not effective on degree of preference of Mellat Bank by customers.
H1: aesthetic appearance of the bank is effective on degree of preference of Mellat Bank by customers.
In the form of a statistical hypothesis it is possible to define it as below:

$$\begin{cases} H_0 : \mu \le 3 \\ H_1: \mu > 3 \end{cases}$$

Table 5- results of testing secondary hypothesis one

Test value =3						
Elements of the model	Test statistic (t)	Degree of freedom	Mutual significance level	Difference among means	Confidence interval	
Secondary hypothesis one	-3.34	129	0.020	-0.19	Lower limit	Higher limit
					-0.408	-0.075

Analysis: as the mutual significance level (0.020) is less than 5%, average amount of this item has a significant difference with test value (equal to 3). On the other hand, given that the calculated higher and lower levels of confidence interval 95% are negative it could be concluded that mean is more than the test value equal to 3. As a result, research hypothesis is rejected and H0 is accepted. It means that aesthetic appearance of the bank is not effective on degree of preference of a brand by customers in respondents' viewpoint.

Testing secondary hypothesis two (element of place)

Ease of access to bank branches is effective on degree of preference of Mellat Bank by customers.
H0: ease of access to bank branches is not effective on degree of preference of Mellat Bank by customers.
H1: ease of access to bank branches is effective on degree of preference of Mellat Bank by customers.
In the form of a statistical hypothesis it is possible to define it as below:

$$\begin{cases} H_0 : \mu \le 3 \\ H_1: \mu > 3 \end{cases}$$

Table 6- results of testing secondary hypothesis two

Test value=3						
Elements of the model	Test statistic (t)	Degree of freedom	Mutual significance level	Difference among means	Confidence interval	
Secondary hypothesis two	20.45	129	0.000	1.12	Lower limit	Higher limit
					0.95	1.25

Analysis: as the mutual significance level (0.000) is less than 5%, average amount of this item has a significant difference with test value (equal to 3). On the other hand, given that higher and lower levels of confidence interval are positive mean is more than the test value equal to 3. As a result, research hypothesis is confirmed and place element is effective on degree of preference of a brand by customers in respondents' viewpoint.

Testing secondary hypothesis three (speed of offering services)

Speed of offering services is effective on degree of preference of Mellat Bank by customers in Isfahan province.
H0: speed of offering services is not effective on degree of preference of Mellat Bank by customers in Isfahan province.
H1: speed of offering services is effective on degree of preference of Mellat Bank by customers in Isfahan province.
In the form of a statistical hypothesis it is possible to define it as below:

$$\begin{cases} H_0 : \mu \le 3 \\ H_1: \mu > 3 \end{cases}$$

Table 7- results of testing secondary hypothesis three

Test value =3						
Elements of the model	Test statistic (t)	Degree of freedom	Mutual significance level	Difference among means	Confidence interval	
Secondary hypothesis three	17.14	129	0.000	1.22	Lower limit	Higher limit
					1.16	1.28

Analysis: given that higher and lower levels of confidence interval are positive, mean is more than the test value equal to 3. As a result, research hypothesis is confirmed and H0 is rejected, i.e. speed of offering services is effective on degree of preference of a brand by customers in respondents' viewpoint.

Testing secondary hypothesis four (promotion element)

Customers' familiarity with services of the bank and positive image of the bank in their minds are effective on degree of preference of Mellat Bank by customers in Isfahan province.
H0: customers' familiarity with services of the bank is not effective on degree of preference of Mellat Bank by customers in Isfahan province.

H1: customers' familiarity with services of the bank is effective on degree of preference of Mellat Bank by customers in Isfahan province.
In the form of a statistical hypothesis it is possible to define it as below:

$$\begin{cases} H_0 : \mu \le 3 \\ H_1: \mu > 3 \end{cases}$$

Table 8- results of testing secondary hypothesis four

Test value=3						
Elements of the model	Test statistic (t)	Degree of freedom	Mutual significance level	Difference among means	Confidence interval	
Secondary hypothesis four	6.868	129	0.000	0.58	Lower limit	Higher limit
					0.45	0.81

Analysis: given that higher and lower levels of confidence interval are positive, mean is more than the test value equal to 3. As a result, research hypothesis is confirmed and H0 is rejected, i.e. promotion is effective on degree of preference of a brand by customers in respondents' viewpoint.

Testing secondary hypothesis five (products and services element)

Type of the offered services by employees is effective on degree of preference of Mellat Bank by customers.
H0: type of the offered services by employees is not effective on degree of preference of Mellat Bank by customers.
H1: type of the offered services by employees is effective on degree of preference of Mellat Bank by customers.
In the form of a statistical hypothesis it is possible to define it as below:

$$\begin{cases} H_0 : \mu \le 3 \\ H_1: \mu > 3 \end{cases}$$

Table 9- results of testing secondary hypothesis five

Test value =3						
Elements of the model	Test statistic (t)	Degree of freedom	Mutual significance level	Difference among means	Confidence interval	
Secondary hypothesis five	7.043	129	0.000	0.45	Lower limit	Higher limit
					0.29	0.64

Analysis: given that higher and lower levels of confidence interval are positive, mean is more than the test value equal to 3. As a result, research hypothesis is confirmed and H0 is rejected, i.e. type of the offered services is effective on degree of preference of a brand by customers in respondents' viewpoint.

Testing secondary hypothesis six (employees element)

Employees' behavior is effective on degree of preference of Mellat Bank by customers.
H0: employees' behavior is not effective on degree of preference of Mellat Bank by customers.
H1: employees' behavior is effective on degree of preference of Mellat Bank by customers.
In the form of a statistical hypothesis it is possible to define it as below:

$$\begin{cases} H_0 : \mu \le 3 \\ H_1: \mu > 3 \end{cases}$$

Table 10- results of testing secondary hypothesis six

Test value =3						
Elements of the model	Test statistic (t)	Degree of freedom	Mutual significance level	Difference among means	Confidence interval	
Secondary hypothesis six	14.43	129	0.000	0.89	Lower limit	Higher limit
					0.69	0.84

Analysis: given that higher and lower levels of confidence interval are positive, mean is more than the test value equal to 3. As a result, research hypothesis is confirmed and H0 is rejected, i.e. employees' behavior is effective on degree of preference of a brand by customers in respondents' viewpoint.

Testing secondary hypothesis seven (price element)

Facilities of the bank are effective on degree of preference of Mellat Bank by customers.
H0: facilities of the bank are not effective on degree of preference of Mellat Bank by customers.
H1: facilities of the bank are effective on degree of preference of Mellat Bank by customers.
In the form of a statistical hypothesis it is possible to define it as below:

$$\begin{cases} H_0 : \mu \leq 3 \\ H_1: \mu > 3 \end{cases}$$

Table 11- results of testing secondary hypothesis seven

Test value =3						
Elements of the model	Test statistic (t)	Degree of freedom	Mutual significance level	Difference among means	Confidence interval	
Secondary hypothesis seven	14.25	129	0.000	0.98	Lower limit	Higher limit
					0.72	9.31

Analysis: given that higher and lower levels of confidence interval are positive, mean is more than the test value equal to 3. As a result, research hypothesis is confirmed and H0 is rejected, i.e. facilities of the bank are effective on degree of preference of a brand by customers in respondents' viewpoint.

Test of ranking the hypotheses

Having studied hypotheses through t-test, the first hypothesis (impact of aesthetic appearance of the bank on degree of preference of Mellat Bank by customers) was rejected and other hypotheses were confirmed. The six remaining elements were ranked as below using Friedman test:

Table 12- ranking the elements using Friedman test

Rank	Elements (hypotheses)	Ranks' average
1	Employees' behavior	6.09
2	Ease of access to bank branches	5.91
3	Speed of service offering	5.75
4	Facilities of the bank	4.85
5	Type of the offered services by employees	4.47
6	Creating a positive image of the bank in customers' minds	3.32

Given to the obtained results, employees' behavior and ease of access to bank branches have the highest impact on customers' preference in choosing Mellat Bank in Isfahan province but aesthetic appearance of the bank has no impact on selection.

Discussion and conclusion

Objective of this survey was to study the impact of elements of services marketing mix on Mellat Bank preference by customers. Given to results of the survey, employees' behavior and ease of access to bank branches are the most effective factors on persuasion and preference of customers to use Mellat Bank in Isfahan province but aesthetic appearance of the bank has no impact on selection. It means that whatever these components could be enhanced in the organization, customers' preference towards the brand is increased. According to accomplished analyses, it is suggested to bank managers to consider customers' purposes in their perspective and try to harmonize personal purposes of people with organizational purposes. Also managers should emphasize prominent values and their institutionalization in the organization. Meanwhile, role of elements of services marketing mix regarding customers' preference in choosing banks should not be ignored.

Customers' preference towards a brand is a competitive advantage for the organization. The present survey illustrated that elements of services marketing mix are effective on preference of Mellat Bank by customers. Therefore, not only employees and managers of the bank but other organizations could take action to increase customers' preference in choosing their organization by applying appropriate methods like appropriate behavior of employees, providing possibilities for ease of access to the organization, increased speed of service offering, informing the customers regarding the provided services by the organization and creating a positive image of the organization in customers' minds.

References

Aaker , David .A. 1991. Managing brand equity: capitalizing on the value of a brand name, the press, New York, NY. Pp 109-111.

Alreck, L.P. and Settle, B. K. 1999. Strategies for building consumer brand preference. Journal of Product and Brand Management,Vol. 8 , No.2, Pp .130-144.

Bokhradi, F, 2010, A model to measure brand associations in food industry. M.A thesis, University of Tehran, management department, business management: 2-4

Cobb- Walgreen, C.J. Ruble, C.A, & Donthu, N. (1995). Brand equity, brand preference, and purchase intent. Journal of Advertising.Vol. 25, No. 3, pp. 25-40. _

Kopferer, N, 2007, Strategic management of brand. (Ghorbanlu, S), Moballeghan publications, Tehran

Kotler, Ph, 2007, Marketing management, Foruzande, B, Amoukhte publications, Isfahan, 4th edition

Kotler, Ph; Armstrong, J, 2003, Principles of marketing, Foruzande, B, Atropat publications, 4th edition

Yusefi, B; Taheri, H.R and Shojaee, V, 2008, Studying sports marketing through internet in Iran by emphasizing p4, Research in Sports Sciences, 15, 81-95