

**The Relationship between Brand Personality and
Customers' Loyalty in Refah Kargaran Bank
The Case Study: Branches in Tehran**

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ABSTRACT — The present study is conducted aimed to investigate the relationship between brand personality with customers' loyalty in Refah Kargaran bank. The used methodology is applied objectively and in terms of method is survey. The population of study is all customers of Refah Kargaran bank that in the branches of Tehran have accounts and are over 1.100.000 people. The research model is with a sample of 250 bank customers and using the random sampling method was evaluated. The independent variable is brand personality and the dependent variable is customer loyalty. Required information for the study using standard questionnaire was collected. This information was analyzed in the LISREL environment by applying tests of structural equation modeling and confirmatory factor analysis according to the hypothesis. The results show that there is a direct relationship between brand personality with customer loyalty in Refah Kargaran bank.

KEY WORDS: *brand, brand personality, customer loyalty, Refah Kargaran bank.*

Introduction

Marketing in the course of its development is in a step that organizations not think about finding new customers, and today one of the most important goals of marketing is demand management through enhance customer from loyalty ladder. In this context, brand loyalty is a major concern for today's business world. [7] "According to Helberg, any brand has a core of loyalty means valued customers -these are financial engine of brand" [5]. Aker (1996) is considered brand personality as main core and closest variable to the customer's decision to buy. [3] Dueli (1990) showed that a successful brand knows how to distinguish its character so that customers understand the unique personality and develop strong relationship with the brand. [4] The branding is a very sensitive issue and the opportunity to create customer loyalty is not easily achieved and perceptions to a brand are easily in others easily destroyed. Necessity and place of the customer's perspective on branding is so important that psychological issues are discussed extensively. For example, one of the most effective psychological techniques for understanding the customer's perspective is asking them to create a combination of pictures and words to express their ideas about a specific brand. The purpose of stating perceptions and attitudes of people about considered brand is without the use of words borrowed from the anthropology or analytic perspective and mention it shows the importance of customer perceptions and perspectives that we want to understand. Here associations are just important that brand created in their minds. Transparency of corporate brand leads to a certain type of behavior change among employees. If the company desires to achieve reputation, a clear definition of the organizational brand leads to a better understanding of identity and company's goals, recognizing is accelerated and renowned company. Organizational brand highlights unique aspects of the organization including staffing process. The most prominent skill of professional marketers may be able to create a strong brand, protect it and enhance it. The purpose of marketing is demand management through customer growth and advance to the maturity in ladder of loyalty to organizations. In this paradigm, the aim is establishing long-term relationships and interest groups and most importantly is customer so that more customers maintain and lose fewer customers and so in the long-term obtained benefits as a result increased market share and profitability of the company [8] The aim of this study is to analyze the impact of brand personality on customer loyalty to the brand of Refah Bank. The independent variable is brand personality that contains elements of excitement, competence, integrity, complexity and strength. Dependent variable is customer loyalty.

Theoretical foundations and research background

Importance and need for research

To be successful in today's complex and competitive market, customer loyalty is a very important factor and banks are no exception in this regard. Financial institutions use different management strategies to promote customer loyalty [9]. When customers trust the company they buy more, they talk positively about the company, and they introduce it to their family and friends. They actually show that they are dependent on company. On the other hand when customers complain in front of family and friends and go to the other companies, they show that they decide to leave the company and buy less from products or services of that company. On the other hand, due to the competitive market, the customer becomes more valuable every day. Challenges such as increasing global competition, rising expectations and demand to improve the quality of products and services makes the company not able to meet the needs of customers and are in the risk of losing dissatisfied customers to their competitors, and will bankrupt [6] experts in marketing have enumerated many benefits for loyalty, some of which include:

1. Reduce the cost of attracting new customers
2. Reduce customer sensitivity to price changes
3. Long-term customer benefits
4. Positive performance by increasing the predictive power
5. Increased barriers for new competitors.

Rubio et al. (2015) introduced consumer-company documentation to explain brand extensions and alliances' success in a better way. Results approve a moderator effect of identification on the effect of product fit on purchase intention, both for business brand extensions and associations. [12] Seimienea et al. (2014) presented a paper which contributes to brand personality topic studying how consumers form their perception of brand personality and what attributes or elements impact the perception. The study revealed that the perception of analyzed beer brands' personalities is mostly affected by one or two factors (design of the bottle and label, used colors, advertisements, position of brand in the market, brand name, perceived typical user, etc.), which have the most impact on perception of brand personality and form the main characteristics. [13] Nadzri et al. (2014) presented a study which excavates consumer's experience and reveals consumer's emotion on national car brand consumption. The focus group is targeted on Proton and Perodua young urban adult car users between 18-35 years old with a minimum of one year car usage. This study has been seen as series of attempts to understand the emotion of consumers with regards to their brand experience. [14] Aker (1991) is considered brand personality as main core and closest variable to the customer's decision to buy. [11] The use of brand personality in brand management strategies can help to company in achieving satisfaction, loyalty, profitability and total economic benefit against competitors. When customers buy from a brand that has a particular personality (in their idea), they buy symbolic ideas of that product instead of physical characteristics. Brand personality can increase confidence and loyalty. Given the importance of brand personality in consumer decision making and ultimately buying products or services, in this study, we tried to specify the impact of this factor on customer loyalty to the brand of Refah bank. So conducting an investigation in this regard is required.

Brand personality

Consumers tend to give personality to the brand by giving human characteristics to it that the characteristics in 5 dimensions include: excitement, competence, integrity, complexity and strength. Brand personality is formed by inductive processes. (Reaching from part to whole) attribute human characteristics to the brand from consumers isn't by excitement or intimacy, but only they are projecting those characteristics on the brand. In comparing brand experiences is real excitement, emotional, cognitive and behavioral responses; (Brakus, Schmitt & Lia Zarantonello 2009).

Brand Personality form Aker's views

Aker (1991) is considered brand personality as main core and closest variable to the customer's decision at the time of choosing. In economic literature, labor, capital and land are considered three main elements of the product and main sources of wealth. But this model is not able to explain how a product is sold with performance, quality and beauty similar to three times the price of other commodities. New approaches of marketing explain this phenomenon with the identity that brand has for customer. One of the utilities of customer in choosing a product is the valid brand. In many markets, the brand creates a particular identity for product and binds them to a specific group of society. In the psychology view such goods in addition to appearance create personality and confidence for the customer, so the customer is ready to pay different price for it. In addition, the top brand for customer subconsciously means better quality product. The customer by buying a brand product believes that in front of his money has received a valuable thing. [10]

Customer loyalty

Customer loyalty to the brand is relatively biased behavioral response in the purchase that individual over time has towards the brand and this behavior causes that in the decision-making processes and the evaluation has a certain tendency to the brand from the names set that has in mind. This reaction is a function of psychological and mental processes of the individual. In the face of products that in terms of all aspects are equal, consumers often choose a brand that they know, respect and confirm. Brand loyalty, in Terblanch and Bushef view (2006) is a long-term pattern of behavior and a long-term approach that by double experiences has strengthened over time. Richard Oliver defines the concept of loyalty in this way, maintain deep commitment to repurchase or choose the product or service again consistently in the future, despite situational influences and marketing efforts potentially can cause changes in customer behavior (Oliver, 1999). Loyalty is defined and conceptualized in very different ways. Some conceptualize studies of customer loyalty as a multidimensional construct or combination that includes the classification of intentions, attitudes and performance indicators of seller. In contrast, some studies have introduced structures such as oral

advertisement and expectation of continuation of the relationship and intention to purchase as loyalty indicators. [7] (Chen et al, 2011; Rajaobeline and Bergron, 2009).

The empirical background

Yang 2008 investigated the issue of perceived value, satisfaction and loyalty with respect to the switching costs. The two researchers collected their information through websites and send 4000 emails to customers. According to results of this research, the perceived value and satisfaction has a significant direct relationship with customer loyalty. As well as moderating variable of switching cost compared with perceived value of satisfaction has less impact on loyalty. [1]

Ruzer (2010) investigated the effects of brand experience, confidence and satisfaction on customer loyalty an automobile company in London. They in their study investigated the relationship between variables such as brand experience and loyalty, and all were approved. The findings also showed that satisfaction as a mediating variable that has a significant impact on customer loyalty. [2]

Research question

Is brand personality effective on customers' loyalty to brand of Refah Kargaran bank?

Hypothesis

There is a relationship between brand personality and customers' loyalty in Refah Kargaran bank.

Research Methodology

The research method in this study is descriptive, quantitative and survey. Tool of variables mentioned in conceptual model through a structured questionnaire is presented to customers of Refah bank in Tehran and asked them about the considered variables. Therefore, the research method of this study is quantitative, survey and data collection tool is structured questionnaire.

Research findings

Analysis of the frequency of respondents by gender

Frequency analysis of completed questionnaires shows that 58 percent of participants were male and rest was female. The following table shows the distribution of frequency of participants according to their gender.

Table 1. Distribution of respondents in terms of gender

Gender	Frequency	Percent
Male	145	58
Female	105	42
Total	250	100

Analysis of the frequency of respondents by level of education

Frequency analysis of completed questionnaires shows that 16% of respondents have diploma and less than diploma. 40% of participants have associate's degrees, 28 % have BA degree, 12 % have MA degree and higher and 4% of the respondents did not specify the degree.

Table2- Distribution of respondents by level of education

Education	Frequency	Percent
Diploma and less	40	16
Associate degree	100	40
BA	70	28
MA and higher	30	12
no answer	10	4
Total	250	100

Analysis of the frequency of respondents by age

Frequency analysis of completed questionnaires indicate that 12 percent of respondents are under 30 years, 36 percent of 31 to 40 years, 36 percent of 41 to 50 years, 16 percent are 50 years or older.

Table3- Distribution of respondents by age

Age	Frequency	Percent
Less than 30 years	30	16
31 to 40 years	90	36
41 to 50 years	90	36
Higher than 50 years	40	16
Total	250	100

Analysis of the frequency of respondents by job

Frequency analysis of completed questionnaires indicate that 24 percent of respondents have self-employed, 20 percent have government job, 54% have other businesses and 2 percent have not specified their job.

Table4- Distribution of respondents by age

Job	Frequency	Percent
Free	60	24
Public	50	20
Other	135	54
No answer	5	2
Total	250	100

Analysis of the frequency of respondents by duration of use of Refah bank services

Distribution of respondents according to the duration of use of Refah bank services shows that 24% of respondents have benefited between 1 and 5 years, 28% between 5 and 7 years, 32% of 7 to 10 years and 16% of respondents 10 years and more have benefited from the services of Refah bank.

Table5- Distribution of respondents by duration of use of Refah bank services

Period of time of using services	Frequency	Percent
1 to 5 years	60	24
5 to 7 years	70	28
7 to 10 years	80	32
Higher than 10 years	40	16
Total	250	100

The correlation matrix between the variables

The correlation matrix is among simple and very important tools in statistics that has very broad use in the statistical analysis. Generally, before the report and interpretation of the correlation matrix, a description of scores is presented. The following table describes the respondents' scores to separate two variables (customer loyalty and brand personality).

Table6- mean and standard deviation of scores of variables

Line	Concept	Minimum	Maximum	Average	SD
1	Loyalty	11	35	22.78	4.97
2	Brand personality	23	100	72.56	18.88

The following table shows correlation matrix between the variables, customer loyalty and brand personality. Since the correlation coefficient of each variable with itself is one, in the correlation matrix is just matrix 1. As can be seen in the following table, the correlation coefficient between the two variables was significant at 0.01 alpha level and its intensity is 0.833

Table7- matrix of correlations between variables

Variable	Personality	Loyalty
Personality	1	**0.833
Loyalty	**0.833	1

** Significant at 0.01 alpha level

Hypothesis test and conceptual model in the form of path analysis (using software LISREL)

Thus, according to the scores and strengths of LISREL model in this section, the model with LISREL software has been tested. Results are presented in two parts: in the first part, the graph of path analysis based on beta coefficients and in other based on the t coefficient is interpreted and provided.

Graph of path analysis based on beta coefficients

As can be seen in the figure below, the direction of this study totally is made of an internal and external variable. Internal variable or independent of research is brand personality and external research model is loyalty.

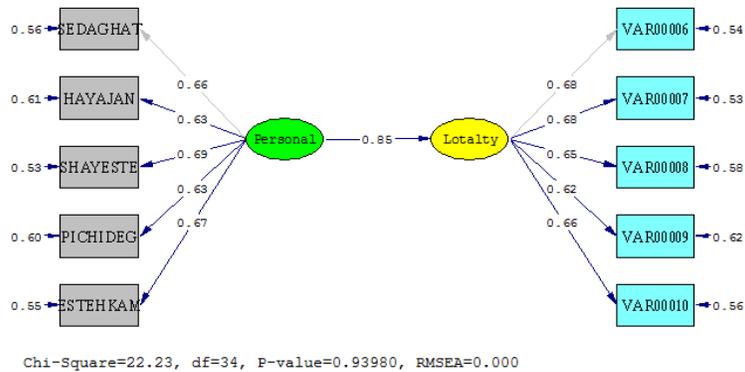


Figure 1. The relationship between the variables in the structural model by beta coefficients

As can be seen, the impact of brand personality on brand loyalty is 0.85. Since the regression coefficient changes between zero and absolute of one in terms of magnitude, so whatever the ratio is closer to the value of one indicates intensity of stronger relationship. So in terms of the intensity, the relationship between the two variables is very strong.

Graph of path analysis based on t values

The following graph shows the relationship between the variables in terms of coefficients t inside the model. Values less than 2 in the model are values marked in red and show insignificant relationships. As can be seen in the graph, all the relationships in the model are statistically significant at 95% confidence level.

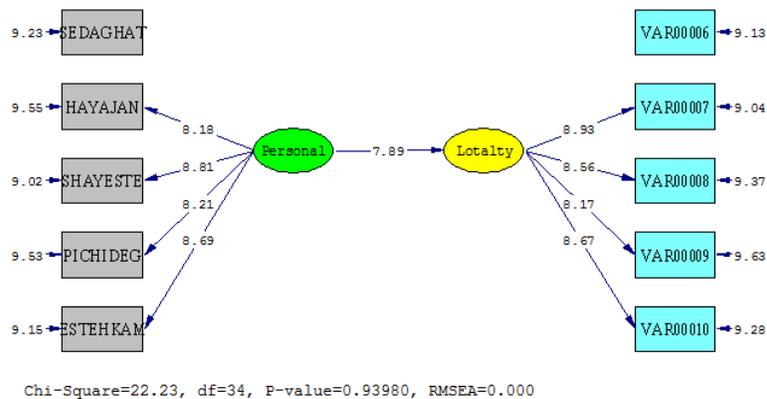


Figure2- relationships between variables in the structural model in terms of values t

So in short, it can be concluded that the impact of brand personality on brand loyalty is very strong and statistically is significant and the hypothesis is confirmed.

Hypothesis test results

In this study, the hypothesis of relationship between brand personality and customers' loyalty is tested. The test result of model and acceptance of the hypothesis of this study are shown in Table 10.

Table8- matrix of hypothesis

Hypothesis	Independent variable	Dependent variable	Beta coefficient	T number	Result
.1	Brand personality	Brand loyalty	0.85	7.89	Not reject

Conclusion and Recommendations

Results of the relationship between brand personality with customers' loyalty in Refah Kargaran Bank

The results of this study that are obtained using confirmatory factor analysis and structural equation show that brand personality is associated with loyalty. In other words, in Refah Kargaran Bank, according to the banks primarily are service organizations and interact directly with the customer, the brand personality of banks affected their customers. The overall effect of brand personality on customer loyalty in Refah Kargaran Bank is 0.85. This implies that the banking industry there is a close relationship between brand personality and customer loyalty. Due to this it can be said: intimate, honest, consistent with, vitality,

brave, full of energy, romantic and modern and up to date, reliable, smart, successful, being high class, being attractive and not alien in related to are good personality features of bank and these features affect customer loyalty in the banking industry. The results of this study indicate that the customer feeling of banking services, its belonged to the bank and kind of thinking of how to get the services, how to communicate of bankers with customer and the physical environment of the bank affected in customer behavior and in total, over time contains the dimensions of the bank's brand personality. The personality can affect the customer loyalty of banking services, so that results show brand personality has a great influence on brand loyalty.

Research limitations

1. Despite the efforts of researchers and interviewers to the satisfaction of the participants and motivate them based on that the results of this study is very important, it seems that some of the participants have responded to items with carelessness.
2. Since the sample of research is determined with 0.06 error and 95% coefficient with 250 people and researcher is considered its own feasibility of his income, it seems that the above sample for the studied banks in Tehran wasn't enough and it is better to increase the sample size, although the researcher has tried using random sampling proportional to population size, introduce the considered sample as much as possible.

Research proposals

- As it was mentioned in the research results, brand personality is associated with loyalty. Therefore, it is recommended that the country's banks pay more attention to the depth and length of the relationship with customers and this is important to remember that sales of banking services is not the end but the beginning of a long-term relationship with the customer. In this regard, according to the psychology of feelings, emotions and desires of the customer as well as talent, knowledge and thinking of the bank is very important so that the scope of the understanding should contain physical behavior of the customer and his lifestyle.
2. According to Cutler view, value includes brand, service and process. Today, most leading banks in the world move to create more value for the customer, the customer hospitality and the value creation. This important issue was considered in the studied brand and investigating the dimensions of brand experience of banks can guarantee realization of goals on the path of more value for their customers.
 3. A good listener is not only popular near all people, but later learns many things. Parts of relations with customers and public relations of Refah Kargaran bank can plan by adopt in effective policies, to hear the views and suggestions of customers. This makes it to understand the thinking and behavior of customers and in accordance with this knowledge can design strategies of market development and penetration in target market.

Recommendations for future research

- Development of study population across the country and sampling at the national level
- Increasing number of banks and select at least two state-owned banks, privatized public and private for population development.

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