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Investigating the Impact of Brand Names of Turkish Commodities on Customer Loyalty in Iran (Case Study of Paşabahçe Products)

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ABSTRACT

The more persistent the brand name, the more benefits a company can gain by consumers under the Brand name supervision. The super value of a brand name is one of the assets that maintain both the value of a company and customer loyalty. Customer loyalty is one of the components that is emphasized by relationship marketing, especially in industrial market, nowadays. One of the factors that contribute the formation of this loyalty, is the commercial trademarks of companies. The present study aimed to investigate the effect of brand value of Paşabahçe on customer loyalty. The participants of this study include all 159 customers referred to official and unofficial stores who were selected by simple random sampling formula. The data were collected by using a researcher-made questionnaire and fed in to SPSS software to analyze the data in the inferential statistics section using Pearson correlation coefficient and regression test. The results showed that there is a meaningful relationship between the research variables and loyalty to a brand value.

Keywords: Brand Value, Paşabahçe Brand, Customer Loyalty

Introduction

One of the most important issues that should be considered in product strategy is the business brand name. "The most distinctive art of professional marketers is to create, protect, support and eventually build a popular brand name", (Kutler, 2003). Success in branding, while developing export markets, adds to the international credibility of the countries, and in the future, the revenue from the assignment of a brand will surpass foreign-interest companies outside the direct export proceeds (Islam, 2003). In today's highly competitive markets, it is important to gain an appropriate

position in the minds of the consumer to become a loyal consumer of the company. Factors that affect consumers' mind in taking such an attitude are the value of the name and the company's trade mark (Aaker, 1991).

Brand is part of the operational and emotional characteristics that a customer attributes to a product or service or a tool to help customers make decisions on purchasing. If an organization considers a brand as a mere name, it will not understand the profound application of a brand in marketing.

Brand image affects customer perceptions of the quality of products and services, and the credibility of the organization affects customer perception and loyalty (Mirsozi, 2009). The most prominent skill of a professional marketer might be invention, protection, and strengthening a brand. Today, the goal of marketing is to manage the demand by expanding and leading the customer to maturity in a loyalty to organizations. In this paradigm, the goal is to establish long-term and reciprocal relationships between the interest groups and, most importantly, the customer, in such a way as to preserve more and to lose less customers. Therefore, this will bring benefits in the long run and as a result, the market share and profitability of the company will increase (Noelle Copper, 2006).

Clare also defines the special value of the brand name as "the different effect of brand knowledge on customer responses to brand marketing activities." In another definition, special brand value is a power through which a brand may dominate the market by name, symbol, or logo. The brand is a visual representation of products on the market, people who deal with the brand are looking for quality or specific features that make it special or unique (Reis, 2015).

Today, companies have entered various competitive fields by creating and using strong brand names. One of the most valuable assets of each company is the name and brand. The more valuable a trademark is in consumers' minds, the more benefits a company can gain, consequently. Larson and Susanna (2004) also argue that loyalty to a customer's commitment to deal with a particular organization and purchasing goods and services is frequent (Wang, & Hui, 2003).

Loyalty is defined as a trademark behavior. Therefore, this will result in the continued purchase of that brand. In the past and also present, loyalty has been defined as the frequency of purchases or the relative volume of the purchase of a brand. A large part of the literature in this field is faced with the problem of dealing with what the customer does, and less about psychological meaning of loyalty. Customer Loyalty (Behavioral response) is a non-randomized purchase that is displayed by a decision maker, whether individual, family, or organization, in favor of a brand versus a number of brands. This definition explicitly illustrates the difference between buying habits or monopoly in buying with loyalty. Loyalty involves with a psychological process that evaluates different options based on different criteria (Beerli, Martin, & Quintana, 2004).

A different definition of loyalty includes the concept of customer commitment. Loyalty is a deep commitment to duplicate purchasing a product or service of a given superiority in the future, which means duplicate purchase of a brand despite the environmental effects and the marketing actions of its competitors to change the behavior (Taylor, Celuch, & Goodwin, 2004). One of the famous Turkish companies that is officially operating in Iran is Paşabahçe Company. Zenit

Company (1998) in addition to producing and distributing related domestic products, distributes some of the foreign products too, such as Paşabahçe products.

Here is some information about this company. This Turkish company is one of Turkey's oldest glass and crystal companies. It was found in 1934 and began to work in 1935 with a production capacity of 25,000 bottles daily and about 400 staff. The factory gradually began to design and modernize the design of the Belgian, Czech and Slovak machines, and at various exhibitions, it was able to send his first export ship to the United States for \$ 150,000, and in 1968, it opened the first line for the production of unlabelled glass and Pyrex and put crystal glass on its agenda a year later. By acquiring this technology, the need to participate in exhibitions and the introduction of Paşabahçe products and the creation of multiple pavilions at the crystal exhibitions in Europe and elsewhere was found as one of the company's most important policies. With the company's growing advancements, Paşabahçe opened its first office in New York City in 1976 and participated in the same year at the Chicago Fair. The first electric furnace for crystal production was opened in 1986 at Paşabahçe.

In 1989, the glass production robots were used by the company. With the advent of crystal production, the first handmade crystal glass production line began in 1995. Gradually, by the year 2000, with the cooperation of the German companies, Paşabahçe of Turkey achieved significant success in the international market of crystal markets. In 1935, the Bottle Factory was already one of the world's leading crystal companies and has been able to collaborate with these companies as a brand in developing and collaborating with US and Chinese companies. There are several reasons for brand growth and strengthening in today's industries in terms of customer, risk reduction and research costs that are key benefits. From the owners' point of view, the brand is the key issue of being able to offer more affordable prices than the competitor, the ability to gain more market share, the ability to keep customers through brand loyalty, and reduce marketing costs for the service sector, advertising, and considering the aspects of that new position. In the marketing concept, the service is comparable to product marketing, which needs to be addressed (Chen, 2010).

A brand brings a good consumer choice, so that in a very sophisticated market place, identical brand names create a shortcut in the consumer decision-making process. A brand ascends customer loyalty, since customers often choose names that they know. It is inferred that customer loyalty is more likely to be approved by branded companies. Strong brand names are likely to be far more successful in entering the new market (Raj, 2000).

Those who live with commercial names are people, not companies. Trademarks should not be searched in factories or studios, nor should they be searched for in balance sheets, Brand names should not be searched by factories or studios, nor should they be sought on balance sheets, but the minds of customers, employees, manufacturers, and other stakeholders are the brand names. As Feldwick says, 'the brand is a collection of images and impressions in consumer's mind'. In this regard, King states: "The commodity is something that is made in a factory, but the brand is something that is purchased by the customer "(Oliver, 1997).

Brand loyalty can go beyond some of the national brand names. In addition, the current environment drives customers to choose their option among a range of opportunities to increase competition and bring new products and services, so focusing on product differentiation is important for companies and producers as competitors. Therefore, paying attention to brand names and boosting them will enhance the knowledge and experience of marketers and producers of these brands because they need to research and study a lot to design brand names, in addition, the superior brand names are for welfare and motivation of most people in the community to buy more. The purpose of this study is to investigate the relationship between the value of the brand name (Turkish Brand Paşabahçe) and customer loyalty. Also, the main research question is: What is the relationship between brand value and customer loyalty?

Methodology

The present study is a correlational descriptive field study. The variables determine the relationship between variables. The sample population of this research is all wholesalers of business centers that distribute the company's products officially and unofficially. Out of the sample population, 170 participants were selected through random sampling method using Cochran's formula. Out of the sample size 159 participants responded fully and correctly to the questions. To collect the data, a researcher-made questionnaire that measures the variables of the research hypothesis was designed. The questionnaire includes 29 questions in the Likert spectrum with five options (very high, high, moderate, low, very low), ranging between 5 to 1. Data analysis is first descriptive and includes mean, standard deviation, and so on. SPSS software, regression and correlation test were used to analyze the data.

Results

The results of analyzing the data are presented in the following tables:

Hypothesis 1: Brand awareness increases customer loyalty.

Table 1

Correlation between the Subscale of the Brand and Customer Loyalty

Adj. R ²	R ²	R	sig	F	Average squared	Df	Sum squared	
0.006	0.000	0.016	0.008	0.39	0.45	1	0.45	Regression left over
					11.6	157	1832/1	
						158	1832/6	
			sig	t	Standard coefficients	Non-standard coefficients		
					Beta	Standard error	B	Predictive variable
			0.000	11.8		1.08	12.8	Constant brand awareness
			.008	0.19-	0.016	0.088	0.017	

Predictive variables: (Constant value), Customer loyalty

According to table 1, $R = 0.016$, $F = 0.39$ and $P < 0.01$, so the brand awareness with 95% confidence can significantly explain the customer loyalty variance by 16 Percentage. The subscale

of awareness of brand name (= 0/016) is significant at 95% confidence level. The values of the calculated partial correlation coefficients also indicate the order of the values of the standard correlation coefficients. Hence, it can be said that brand awareness on customer loyalty has a positive effect and increase it.

Hypothesis2: The reliance of brand increases customer loyalty.

Table 2
Correlation between Reliance and Customer Loyalty

Adj. R ²	R ²	R	sig	F	Average squared	df	Sum squared	
0.006-	0.000	0.022	0.085	0.075	0.87 11.6	1 157 158	0.87 1831.7 1832.6	Regression left over
		sig	t		Standard coefficients Beta	Non-standard coefficients Standard error	B	Predictive variables
		0.000	11.9			1.03	12.4	Constant reliance
		0.008	0.27		0.022	0.008	0.023	

Predictive variables: (Constant value), Customer loyalty

As the results on table 2 show, R = 0.022, F = 0.75 and P = 0.01 indicating that reliance with 95% confidence can significantly explain the 22% customer loyalty variance. The role of subcomponent of reliance (= 0.022) is significant at 95% confidence level. The values of the calculated partial correlation coefficients also indicate the order of the values of the standard correlation coefficients. Therefore, it can be concluded that reliance affects and increases customer loyalty.

Hypothesis3: The brand's quality increases customer loyalty.

Table 3
Correlation between Sub-Scale of Quality and Customer Loyalty

Adj. R ²	R ²	R	sig	F	Average squared	Df	Sum squared	
0.000	0.00	0.082	0.30	1.01	12.4 11.5	1 157 158	12.4 1820.2 1832.6	Regression left over
		sig	T		Standard coefficients Beta	Non-standard coefficient Standard error	B	Predictive variables
		0.000	13.4			1.01	13.6	Consistent implied quality
		0.3	1.03		-0.082	0.088	0.09 -	

Predictive variables: (Constant value), Customer loyalty

correlation coefficients. Therefore, it can be concluded that brand awareness increases customer loyalty. The results of investigating the second hypothesis (reliance of brand names and brand names increases customer loyalty) showed that the values of the calculated partial correlation coefficients also indicate the order of the values of the standard correlation coefficients. Hence, it can be said that reliance affects and increases customer loyalty. In examining the third hypothesis (brand quality leads to increased customer loyalty), the values of the calculated partial correlation coefficients also indicate the order of the values of the standard correlation coefficients. Therefore, it can be concluded that the implied quality in customer loyalty is not effective. In examining the fourth hypothesis (loyalty to the name and brand increases customer loyalty), the values of the calculated correlation coefficients are also confirmed the order of values of the standard correlation coefficients. Hence, the implied quality in brand loyalty can increase customer loyalty.

Several studies are in line with this research such as Baumgarth (2009), Beek & king (2009), Brinkerhoff & Dersler (2009), Hatch & Schultz (2001, 2008) and Shafiei (2009). In this line it could be stated that Kutler describes loyalty as a lasting commitment to family, country, or friends, and believes that the term has first been introduced into retrieved literature by emphasizing on brand loyalty (Kutler, 2003). But Oliver describes customer loyalty as having a deep commitment to re-purchase and considers it as a consistent customer of a product or a preferred service (Oliver, 1999).

Conceptually, customer loyalty includes three aspects of behavior, attitude, and combination. Behavioral aspect of loyalty emphasizes on customer behavior in re-purchasing a product. Aspect of attitude is an optimal tendency towards a service provider. Finally, the combined aspect of loyalty combines behavioral dimensions and attitudes of loyalty (Zeins, 2003).

However, Oliver (1999) suggests the idea of combining duplicate purchasing with loyalty to come up with psychological solutions to obtain ultimate loyalty. Except duplicate purchases, the four dimensions of loyalty can be considered as a service in purchasing literature. These dimensions include: (1) positive speech; (2) resistance to change; (3) acceptance of service; (4) supplier's willingness to provide special service. Positive speech is a common approach to fostering loyalty, and it makes the customers loyal, proactive, and supportive. Pineh (1993) describes four aspects of service loyalty as follows.

- To Provide positive speech
- To justify services to others
- To encourage others to use services
- To defend the features and strengths of the service provider

Garry (1995) states that a satisfied customer is merely a passive recipient of services, but a loyal customer feels a positive relationship with the provider. Loyal customers become active ambassadors for business (Garry, 1995). Kutler argues that customer loyalty requires a distinction between different customers, and no company can be expected to pay the same attention to profitable and non-profitable customers (Kutler, 2003). But why do banks pay a lot of attention to

loyal customers? One of the main reasons for this can be the profitability of more loyal customers for banks.

Hallowell (1996) in a study of about 12,000 banks, examines the correlation between customer satisfaction, loyalty and profitability. The result of this research showed that there is a positive and meaningful relationship between customer satisfaction and loyalty, as well as a positive and meaningful relationship between customer loyalty and profitability (Hallowell, 1996). In a similar study conducted by Reinartz and Kumar it was revealed that a significant percentage of customers who had long-term relationships with company had a higher profitability for company (Reinartz & Kumar, 2002).

Customer loyalty to the companies is important because it reduces the cost of retrieval and helps increase incomings and duplicate customer purchase. Customer loyalty is often an emotional commitment to the company when customers' expectations are fully met. The issue of customer loyalty is the goal of customer-oriented enterprises. Maintenance of customers cost less than attracting them, and emergence of "customer-oriented" strategies and value creation has also been applied to achieve this goal (Rashidi, 2008). An important point is that customer loyalty is crucial to the performance of service organizations, especially a truly loyal customer, causes more predictable sales, steady cash flow and increased flow (Richard & Samer, 1990).

Today, compared to attracting new customers, more effort is being made to maintain customers (Richard and Samer, 1990). Because researches and evidences suggest that a reduction of 5% of customer withdrawals would generate a 25% -95% increase in profits (Richard and Samer, 1990).

In order to enrich the conducted researches, especially the current research and to achieve its general and minor objectives in a wide range of areas, it is proposed to:

1. To specify enough time to conduct research activities to obtain comprehensive information.
2. To do the research in a wide geographic scope, in order to gain a satisfactory and logical outcome.
3. All organizations, institutions and individuals of society come up with necessary helps in reaching the goals of the research.

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