



STUDY THE EFFECTS OF AWARENESS, LOYALTY, SATISFACTION AND PERCEIVED QUALITY ON HERAM TALAYI CO. PRODUCTS CONSUMER BEHAVIOR

Mozhgan Kakavand* Ali Maghool**

*Department of Management and Accounting, Neyshabur Branch, Islamic Azad University, Neyshabur , Iran.

**PhD of Financial Management And Member's of Scientific Boards of Department of Management and Accounting, Neyshabur Branch, Islamic Azad University, Neyshabur , Iran.

Abstract

Today, brand is not the only efficient tool of administrators in competitive markets. Brand is a strategic requirement that helps organizations in order to create more value for customers and create a sustainable competitive advantage. In the present study, we have tried to examine the effects of awareness, loyalty, satisfaction and perceived quality on consumer behavior on Neyshabur Heram Talayi Co. products consumer behavior. The model of this study is derived from Aaker model. In this model, brand loyalty, brand awareness, brand satisfaction, perceived quality and brand evaluation are defined as brand value. This paper is functional in terms of purpose and data (information) collection tools were questionnaires, library resources and Internet. The questionnaire is designed based on Likert scale. It is considered as solidarity research in terms of method. Exploratory and confirmatory analysis methods will be used in order to analyze data. Sampling method of this study is random type. The analysis results show that brand awareness, brand satisfaction, perceived quality and brand evaluation have direct and positive effects on consumer behavior.

Key Words: Brand, Consumer Behavior, Awareness, Satisfaction, Loyalty, Value, Perceived Quality.

1. Introduction

Many theorists, managers and researchers have called future world of marketing as brand management and branding activities world. No capital will be efficient for organizations except a powerful, valid and valuable name. Creating a powerful brand in market is aim of many organizations. Less vulnerability in competition conditions of market, higher profit margins, stronger relations with back and forth loops of production chain are other advantages of brand development (Delgado & et al., 2005: 188). Brand management has strategic position in view and new paradigm of brand leadership and even forms part of organization vision. One of the best ways of introducing organization culture and vision is to use brand communication programs (Aaker & Joachimsthaler, 2001: 317).

Brand equity offered an important concept in business activities and academic research show that marketers can gain competitive advantages among strong brands. Aaker provided brand equity in 1991 based on four pillars of brand loyalty, perceived quality, brand awareness and brand satisfaction (Wang & et 2008: 306-305). Branding strategies and brand management as an effective tool in hands of managers offer the possibility of creating more value for customers, increased profitability for shareholders and achieving success for organization in competitive markets. What attracts management researchers and executives' attention from the beginning of nineties is to measure the brand value quantitatively. According to competitive market and similar and uniform products of protein products, it essential for active companies of this area that their brand and name is well-known among customers and is a factor of choosing their products; as a result, we addressed the role of Heram Talayi Co. brand and its effects on consumer purchasing behavior using Aaker model. The hypotheses that are used in this study are written based on effective role of brand as independent variable on consumer purchasing behavior as a dependent variable. Hypothesis in this research are:

1. First hypothesis: Heram Talayi brand has a direct effect on purchasing behavior of protein products consumers.
2. Second Hypothesis: Brand loyalty is directly affects consumers' behavior toward protein products.
3. Third Hypothesis: Brand satisfaction is directly affects consumers' behavior toward protein products.
4. Fourth Hypothesis: Perceived quality is directly affects consumers' behavior toward protein products.
5. Fifth Hypothesis: Brand awareness is directly affects consumers' behavior toward protein products.

2. Literature Review

Several studies have been done on brand in Iran; each of researchers studied on this case in different fields. In this section we examine on conducted research in Iran.

Rabie (2003) studied the effect of brand extension strategy on consumer attitudes towards new product in Tehran. Firstly, the results showed that mental attributes and perceptions about selected brands are transferred to hypothesized new products which have used the same brand names. Secondly, skill transmission capability variable and equipments of production from original product to new one with $r = 45\%$ has the greatest effect on attitude among variables affecting attitudes (including



perceived quality of original product, substitutability and sustainability of both products and ability to transfer skills and equipments of producing new products from original product).

Rahimi Helry (2005) studied the effect of brand equity and brand on consumer response (IRANOL brand study). The results showed that perceived quality dimensions, brand awareness and loyalty have positive and significant relationship with both consumer responses; this relationship is high for loyalty. No dependent relationship was established for brand and none of responses. There is significant and positive relationship between brand equity and consumer responses.

3. Research Methodology

This study is among solidarity researches and we used structural equation modeling for data analysis in order to test research model. Structural equation modeling is statistical model in order to study the linear relationships between latent variables and observed variables; in other words, structural equation modeling is a powerful statistical technique that combines measurement model (confirmatory factor analysis) and structural model (regression or path analysis) with a simultaneous statistical test.

3.1. Statistical Population, Sampling Method, and Sample Size Estimation

The statistical population includes all people living in Neishabour and consuming protein products offered by Heram Talaei. As to having qualitative variables, a minimum sample size was randomly selected from the statistical population by the following formula:

$$n = \frac{t^2 \times s^2}{d^2}$$

Where t is the variable size in the normal distribution (normal distribution relating to Gaussian curve) extracted from the probability table, S_2 is the population standard deviation, and d is the differential value of the real ratio of population quality to researcher's estimation of that quality. The maximum ratio is by 0.05 with sampling precision depending on it (Hafezinia, 2008:140). The statistical population, therefore, includes 203. Because of referred restrictions, however, 300 questionnaires were developed and distributed.

3.2. Data Collection Method

In this study, Latin articles of valid international digital library as well as relevant books were used in order to understand the theoretical foundations. The data collection tools of this study is a questionnaire consisting of 17 items; number of items were designed from standard questionnaire on subject and rest of items were designed under the guidance of supervisor and consultant professors and other teachers of marketing. This study questionnaire has been designed in two sections; first section includes questions about respondents' demographic data such as: gender, marital status, age and education of sample. The second section contains 17 closed questions that are designed using 5-point Likert scale (strongly agree to strongly disagree) that examines variables and hypotheses.

3.3. Validity and Reliability of Study

50 questionnaires were distributed among statistical population in present study in order to conduct pre-test and Cronbach's alpha was calculated using SPSS version 19 software for entire questionnaire. Given that alpha values obtained for each part of questionnaire is more than permissible limit of 0.8, it can be said that questionnaire and its dimensions have good reliability.

3.4. Research Variables

Our research independent variable is the brand name. The dependent variable is though the consumer behavior. According to Berkman's and Gilson's classic definitions, consumer behavior refers to those activities in which people involve in real or potential consumption of different market commodities including products, services, ideas, and store environments. Mediating variables are considered at times as a mediator between independent and dependent variables.

3.5. Data Analysis Method

In this study LISREL software version 53.8 was used in order to deduce data. Factor analysis method was used in order to understand the underlying factors of a phenomenon or summarize a set of data. Preliminary data of factor analysis can be divided into two general categories:

1. Exploratory purposes
2. Confirmatory purposes

In an exploratory analysis, the researchers examines the experimental data in order to detect and identify specific indicators and interesting relationships between them; this analysis don't apply any particular model on data (Human 254: 2008).

Exploratory analysis characteristics and requirements are as follows:



1. This method determines the factor structure model.
2. This method explains the most variance.
3. This method is lack of hypotheses and is hypothesis and theory maker itself. (Kalantary, 193: 2009).

In confirmatory factor analysis, researcher follows his study based on predetermined operating structure, and tries to test factor structure validity of a set of observed variables. This technique allows researchers to test the hypothesis whether there is a relationship between observed variables and latent structures. So, researcher must begin to develop a theoretical model based on this technique in order to benchmark it actually. Confirmatory factor analysis is special model of structural equation model which is also known as covariance structure or linear structural relations model. (Kalantary, 190: 2009).

Confirmatory factor analysis has features that distinguish it from exploratory factor analysis:

This method is followed based on a pre-designed model that is based on previous theories and studies.

In this method, factors are pre-predicted by researcher.

In this method, it is pre-specified which variables are loaded on each factor.

In this method, errors are considered in the model. (Kalantary, 2009).

Covariance matrix will be addressed in factor analysis after variables reduction to factor through grouping variables with the highest correlation or medium correlation. In this matrix, the variance is placed in main diagonal of matrix and each of them represents covariance of each variable with itself. The rest of matrix (except the main diagonal) shows covariance values. Covariance statistics shows the relationship between two variables. If there is a positive linear relationship between variables, covariance will be positive and if this relationship is reverse between variables, covariance will be negative and if there is no linear relationship between variables, covariance will be zero. (Kalantary, 2009).

Correlation matrix has a table where all variables are written in rows and columns. The correlation between each variable and another variable is shown at the intersection of row and column. The variables with greatest correlation are set within a factor (Delawar, 2006).

Structural equation modeling is a general and powerful multivariate analysis technique of multivariate regression family and is extension of general linear model that allows researcher to test a set of regression equations simultaneously. This technique is a comprehensive statistical approach in order to test hypotheses about relationships between observed and latent variable that is called covariance analysis, causality modeling or LISREL modeling. (Hooman, 2009).

Structural equation modeling is based on hypotheses that there is a causal relationship between variables and tests causal models with linear equations. Thus, structural equation modeling tests theoretical relationships between certain and hypothesized structural conditions and makes possible estimating causal relations between latent variables (not observed) as well as the relationship between measured variables (observed). It is assumed that independent variables are measured without error and are called exogenous variables or sender, dependent variables or mediator, or endogenous variables or receiver (Hooman, 2009). Directly observed variables are measured by researcher while latent variables are not measured directly but they are inferred based on relationships or correlations between measured variables.

Relationships between observed and latent variables are show using graphs in structural equation modeling. This diagram plays an important role in structural modeling is like computer flowcharts that represent variables with lines of causal flow. Path diagram can be considered as a means of showing which variables can lead to changes of other variables. All independent variables have arrows that indicate dependent variable. Weight factor is placed above arrow. (Hooman, 2009).

4. Research Findings

This section examines and tests the hypotheses. Path ratio or estimated relevant parameters and standard error are inserted in addition to test statistics. T-student test statistic is accepted or rejected due to test hypothesis (null hypothesis). If t-statistic is greater than 1.96, test hypothesis will be rejected at 0.50 error level. First hypothesis: Heram Talayi brand has a direct effect on purchasing behavior of protein products consumers.

The path coefficients and fitness indices are calculated for hypothesis variables.

Table 1: Effects of Endogenous Latent Variables on Observed Variables Y and Effects of Exogenous Latent Variables on Endogenous Variables

| R ² | T | Estimation standard error | Standardized parameter | Parameter estimation | Path direction |
|----------------|--------|---------------------------|------------------------|----------------------|----------------------------------|
| 0.41 | 10.695 | 0.095 | | 1.021 | Purchase behavior on brand value |

According to data of table 1: the route coefficient of Heram Talaei brand name significantly and positively affects customer buying behavior (1.021) with T = 10.695 and P-value < 0.05. As a result, the first hypothesis is confirmed. Put it differently, Heram Talaei's brand name directly affects consumers' behavior toward protein products of this company.

Second Hypothesis: Brand loyalty is directly affects consumers' behavior toward protein products.

Table 2: Effects of Endogenous Latent Variables on Observed Variables Y and Effects of Exogenous Latent Variables on Endogenous Variables

| R ² | T | Estimation standard error | Standardized parameter | Parameter estimation | Path direction |
|----------------|-------|---------------------------|------------------------|----------------------|----------------------------------|
| 0.57 | 6.679 | 0.143 | 0.954 | 0.954 | Purchase behavior on brand value |

According to data of table 2: the route coefficient of brand loyalty significantly and positively affects customer buying behavior (0.954) with T = 6.679 and P-value < 0.05. As a result, the second hypothesis is confirmed. Put it differently, brand loyalty directly affects consumers' behavior toward protein products of this company.

Third Hypothesis: Brand satisfaction is directly affects consumers' behavior toward protein products.

Table 3: Effects of Endogenous Latent Variables on Observed Variables Y and Effects of Exogenous Latent Variables on Endogenous Variables

| R ² | T | Estimation standard error | Standardized parameter | Parameter estimation | Path direction |
|----------------|-------|---------------------------|------------------------|----------------------|----------------------------------|
| 0.48 | 8.667 | 0.119 | 0.029 | 1.029 | Purchase behavior on brand value |

According to data of table 3, the route coefficient of brand satisfaction significantly and positively affects customer buying behavior (1.029) with T = 8.667 and P-value < 0.05. As a result, the third hypothesis is confirmed. Put it differently, brand satisfaction directly affects consumers' behavior toward protein products of this company.

Fourth Hypothesis: Perceived quality is directly affects consumers' behavior toward protein products.

Table 4: Effects of Endogenous Latent Variables on Observed Variables Y and Effects of Exogenous Latent Variables on Endogenous Variables

| R ² | T | Estimation standard error | Standardized parameter | Parameter estimation | Path direction |
|----------------|-------|---------------------------|------------------------|----------------------|----------------------------------|
| 0.5 | 9.141 | 0.112 | 1.019 | 1.019 | Purchase behavior on brand value |

According to data of table 4, the route coefficient of perceived quality significantly and positively affects customer buying behavior (1.019) with T = 9.141 and P-value < 0.05. As a result, the fourth hypothesis is confirmed. Put it differently, perceived quality directly affects consumers' behavior toward protein products of this company.

Fifth Hypothesis: Brand awareness is directly affects consumers' behavior toward protein products.

Table 5: Effects of Endogenous Latent Variables on Observed Variables Y and Effects of Exogenous Latent Variables on Endogenous Variables

| R ² | T | Estimation standard error | Standardized parameter | Parameter estimation | Path direction |
|----------------|-------|---------------------------|------------------------|----------------------|----------------------------------|
| 0.38 | 5.413 | 0.167 | 0.904 | 0.904 | Purchase behavior on brand value |

According to data of table 5, the route coefficient of brand awareness significantly and positively affects customer buying behavior (0.904) with T = 5.413 and P-value < 0.05. As a result, the fifth hypothesis is confirmed. Put it differently, brand awareness directly affects consumers' behavior toward protein products of this company.

5. Discussion and Conclusion

Increased competition between companies compels companies to strive for further success in market and explain and predict phenomena in order to reach more markets more profit or maintain the current status. Severe competition and diversity of consumers and more choices for them provides conditions for companies in order to strive and pay more attention to buyers' behavior and effective factors. One of the effective factors on consumer behavior is brand. Today, abundance of goods that



are identical in terms of quality and form, directs consumers decision to brand regardless of their nature. Consumers demand brand because it makes easier and more convenient act of choosing and buying goods.

In fact, the brand is so important in purchasing decisions of consumers that are remembered as underlying asset.

According to results of LISREL software output, the following results will be achieved:

- Heram Talayi brand as an essential ingredient of brand value has positive and direct effect on purchasing behavior of protein products consumers in order to impress consumers to use protein products.
- Brand loyalty with direct and positive effects on behavior of protein products consumers creates the possibility that consumers will buy their protein products based on this effect.
- Brand awareness with direct and positive effect on behavior of protein products consumers impedes them to buy their protein products.
- Brand satisfaction with direct and positive effect on behavior of protein products consumers impedes Heram Talayi consumers to select their protein products in order to meet their needs.
- Perceived quality with direct and positive effect on behavior of protein products consumers impedes consumers to prefer ad use Heram Talayi protein products.

Research results indicate and prove Hook et al studies in 2003 and Riu et al studies in 2001. Their research subject was “investigate consumer perceptions of brand” (research field: sports shoes in Spain market). The results of research by Mohammad Rahimi Helry entitled “the effects of brand equity on consumer response” (IRANOL brand study) show that there is positive and significant relationship between perceived quality dimensions, brand awareness and loyalty and consumer responses.

In general, it can be concluded that brand role has significant and positive effect on behavior of Heram Talayi protein products consumers in Neyshabur. If a Company tries to evaluate response of his customers can examine these factors because each of brand dimensions (awareness, loyalty, satisfaction, perceived quality, brand evaluation) have direct and positive effect on behavior of protein products consumers.

6. Functional Suggestions

According to findings, the following functional recommendations can be offered:

- If a company is willing to extend his brand and produce products with the same brand, must consider brand dimensions in target market and evaluate them including brand awareness, brand loyalty, brand satisfaction, perceived quality, brand assessment. If dimensions are desirable, the probability of brand extension success will be more.
- One of the sales promotion tools is to offer buying brand to others by clients. Thus, higher number of customers who have positive view towards brand, competitive advantage will be increased and company will benefit from long-term interests. Therefore, if a company intends to use clients’ reaction (offer a brand to others), must pay attention to brand dimensions and put them in a desirable level of customer satisfaction, so that customers associate more positive views to brand.
- According to the fact that there is positive correlation and relationship between brand awareness and purchasing behavior of consumers it is suggested that companies acknowledge people about their brand through traditional media such as newspapers, magazines, radio, television, billboards and new media such as e-mail, fax, telemarketing, advertising in stores and elevators as well as being sponsor of events (sponsorship) and using famous people and public relations so that consumers select their brand.
- The findings indicate the relationship between brand awareness and consumer behavior, therefore, companies must constantly repeat their banners and ads so that people constantly see them from different media and remember the brand during purchasing because repeat increases strength and speed of learning.
- Given that advertising is the most powerful tool of providing awareness about company identity, product, service or thinking and attitudes, therefore, companies must conquer audiences through sensitive advertisement as well as rational advertisements and make them aware of product and brand.
- According to the increasing diversity of brands and diversity of consumers in using new protein products, companies must encourage them in order to buy their products using consumers’ demands and needs and provide products with great variety and quality as well as beautiful and stylish design package.
- Customer satisfaction has a direct effect on company's current and future performance. Consumer satisfaction is the main source of competitive advantage that often leads to customer loyalty and repeated purchase. Companies satisfy consumers through offering qualified and favorable products that in turn, will increase revenue, reduce transaction costs and reduce price elasticity of loyal buyers.



- Brand loyalty is related to consumer satisfaction and dissatisfaction. Satisfied consumer is loyal to a particular name more than dissatisfied consumer. Companies must produce their product in line with expectations of consumers in order to satisfy them and make consumers brand loyal.
- If a company is going to increase its prices, it must evaluate brand dimensions in its target market and if consumers are desirably satisfied and consider positive views about company's brand, they will pay more costs; then, company will use this reaction (pay more money) and make profit.
- Encourage customers to fact that their brand will offer protein products with quality.
- Encourage customers to offer the brand to their friends and acquaintances.
- Inform consumers and increase advertising in order to offer the latest products and various flavors and new packaging.
- According to sales promotion aim, selecting a good promotion tool can lead to long-term consumer demand and increased profitability for retailers and marketers.

7. Acknowledgement

This paper is extracted from the Master Thesis, Islamic Azad University entitled : Evaluation of Brand role and its impact on consumer behavior of Heram Talaei Products, So be sure to thank of Vice President and all staff of Islamic Azad university research for their sincere cooperation.

References

1. Akcer, D.A. (1991), *Managing Brand Equity*, The Free Press, New York, NY
2. Aaker, David and Joachimsthaler, Erich, (2001), "Brand leadership", The Free Press, New York
3. Boonghe Yoo/ Naveen Donthu & Sungho Lee (2000) "An Examination of Selected Marketing Mix Elements and Brand Equity". *Journal of the Academy of Marketing Science*
4. Burmann, Christoph . Jost-Benz. Mare and Riley . Nicola. (2008). "Towards an identity – based brand equity model". *Journal of Business Research* . Vol.62 .pp390-397
5. Charles. L. Martin and Philips . W Goodel. (2000) . " Historical. Descriptive and Strategic Perceptive on the Construct of Product commitment European ". *Journal of marketing* . Vol. 25. No.1.
6. Delgado-Ballester· Elena & Jose´ Luis, Munuera-Alema´n, (2005), "Does brand trust matter to brand equity?", *Journal of Product & Brand Management*, 14(March), 187 -196
7. De Chernatony. L .(2001) *From brand vision to brand extension* Butterworth-Heinemann.Oxford
8. Fournier, S.M. (1998), *Consumers and their brands: developing relationship theory*, *Journal of Consumer Research*, Vol. 24, pp. 343-73.
9. Hatch, M.J. and Schultz, M. (2001) *Are the Strategic Signs aligned for your corporate brand ?* *Harvard Business Review*, February, 1-8
10. Hawkins / Mothersbaugh .2010. " *Consumer Behavior Building Marketing Strategy*". Eleventh Edition Additional McGraw-Hill International.
11. Keller. Kevin lane. *The SAGE hand book of advertising*. Sage Publication. First edition .2007
12. Keller /K.L/"*Building /Measuring /and Managing Brand equity*"/Prentice Hall of India /New Dehli(2003).
13. Kim, Hong-Bomm & Kim, Woo Goon, (2005), "The Relationship between brand equity and firms' performance in luxury hotels and chain resataurants", *Journal of Tourism Management*, 26, 549 – 560
14. Kotler /Philip/Gary Armestrang /John Sounders/Veronica wong."Principle of marketing "3th /prentice hall/(2001)
15. MacKenzie CPD 93, id. BSOAS XXXI 2 1968 252, Hübschmann PSt 41, Mayrhofer KEWA I 400, id. EWA I 551, Whitney Roots 48.
16. Malonis /Jam A."Encyclopedia of Business". 2nd Ed / Gale Group(2000).
17. Monga, A.B. (2002), *Brand Relationship Partner: Gender Differences in Perspectives* *Advances in Consumer Research*, Vol. 29, pp 36-41.
18. McDonald, Malcolm, (2003), "Creating powerful brands", Butterworth Heinemann, 3edition
19. Pina J.M.Martinez E Chernatony L.D Drury s(2006)"The effect of service brand extensions on corporate image an empirical model" *European Journal of Marketing* /Vol .40/No 1/2 Pp174-197.
20. Walsh.Michael F.Winterich . Karen Page and Mittal . Vikas.(2010). "Do logo redesigns help or hurt your brand ? The role of brand commitment ". *Journal of Product and Brand Management*.19/2. Pp.76-84.
21. Washburn Judith H Till Brian D and Priluck Randi (2000) "Co branding: brand equity and trial effects ". *Journal of Consumer Marketing* vol. 17 No. 7 pp.591-604.