Effective factors on the value of international brands in Iranian consumers (Case Study of Samsung brand in Khuzestan market)

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Abstract

The objective of this study was to identify effective factors on the value of international brands in Iranian consumers of Samsung brand in Khuzestan province. The research method in terms of purpose, and collecting data was applicable and descriptive-survey, respectively, which is based on structural equation modeling that it has been carried out to the field. The statistical population included all customers of the Samsung brand in the Khuzestan market. Based on Morgan table, 250 people were selected by random and they were available as statistical samples. In this study, the researcher’s questionnaire was used to collect data. The questionnaire was adjusted according to the desired goals of research. After determining the validity and reliability of the questionnaire, it was distributed and collected among samples. The questionnaire was designed and developed aiming at determining indicators, important factors, and the priorities of the factors affecting the value of the international brands. It should be noted that the questionnaire was developed by the research team according to the characteristics of the population and based on supervisor and several studies. The resulting questionnaire had 56 questions that scoring five options, these options were based on the Likert scale ranging from very high (5) to very low (1).

Keywords: Brand, loyalty, advertising, mental association, mental imagery, perceived value.
Introduction

In current competitive conditions, engaging the minds of the consumers properly as the consumers are loyal to the company is very important; and one of the factors that is effective in reaching such a position in the minds of customers, is the company’s brand equity. One of the main reasons for the importance of this concept is its strategic role in gaining competitive advantage that can be achieved from competitive advantage in the market. Brand equity is considered as an asset for the company to increase business cash flows (Williams, 2010). So that as much as the brand value is in the minds of consumers, the company can further acquire interests of consumers through it. The value of the brand is one of the assets that retains the company’s value and follows the customer loyalty. In today’s competitive world that commodities do not physically differentiate much from each other, a prestigious brand can provide a significant competitive advantage (Alipur and Khotbesara, 2011). Each brand has a core of loyal and valuable customers, and they are the main engine of creation of financial value and revenue generation of the brand. Thus, the creation and development of loyalty is one of the key goals of all organizations. Customers’ loyalty reduces attacks and threats of competition because very few loyal customers have incentives to try other brands. As well as, loyal customers are less sensitive than new customers to prices and costs (Ghorbani Ghavidel and Shabgo Monsef, 2014). As mentioned, having loyal customers is one of the main goals of any organization. Brand loyalty directly affected by the satisfaction or dissatisfaction with the brand collected over time and is also influenced by the product or service quality.

Statement of the problem

Today, brands are key players in modern society. In fact, they are everywhere and have penetrated in all aspects of our lives such as economic, social, cultural, sport and even religion dimensions (Kapfer, 2008). Brand equity is the value added to products and services and maybe reflected in thinking, feeling and respecting for the customer to the brand or show its own self in the brand price, market share, and benefit that gives a lot to the organization. Brand equity is an intangible asset that has financial and psychological value for the company (Kotler, 2007). Further research by Yuet al. completed the research more; and brand associations, brand awareness, loyalty, mental image and perceived quality were introduced as the dimensions of brand equity (Salinasand Perez, 2009). The main essence of the brand means a powerful name to influence on the vendee. Brands with low market share or low penetration have less purchase frequency. In fact, branding is to create a strong emotional connection with the customer so that the customer feels that he has been joined to the brand (Parhizkar et al. 2013). In this regard, Haghighi Kafash (2012) showed that advertising promotions and price affect the brand association, brand awareness, and perceived quality of the brand value; these three factors with loyalty to brand affect brand equity; Robioet al. (2014) also presented their research in the field of brand that showed that the brand awareness, the quality inference and the risk perception of consumer in Grocery stores are effective factors on brand.
Therefore, according to the above topics, nowadays, many companies in the international market in Khuzestan province are looking for methods to enhance and improve its international brand value, thus identifying factors that affect to create or improve its international brand value in Khuzestan market is the most important and the most essential step that the managers and the owner of these markets should be valued for developing their branding strategies. As a result, the question arose in the mind of researcher is as follows: what are the influenced factors on the value of the international brand in Iranian customers in Khuzestan market?

**Importance and necessity of the research**

One of the most valuable assets of any company is the company’s brand. The further value of the brand in the minds of consumers, the more benefits to the company obtained from consumers through it. Monitoring and continuous control of the concept is an essential step in effective management. In recent decades, the investigation and research of the brand has dedicated a special place in different areas ranging from academic and business market. Many researchers and corporate executives have come to the conclusion that the most valuable asset of the company is branding knowledge to improve marketing that is done by investing in marketing programs and creates brand image in the consumer’s mind. One reason for the importance of brand equity concept is to create value to both customers and the company, and as a result, marketers can gain competitive advantage using higher brand equity (Karbasi and Royardel, 2011). In fact, today, branding and more importantly, maintaining and enhancing brand value is considered one of the most powerful ways of differentiation for organizations and various economic agents. Therefore, investigating factors influencing on the value of the international brand seems essential for all the market service organizations. International brand increases the company value in the market in two ways: First, it attracts new customers, and this feature is referred to the use ability of the brand to convey to people the knowledge and second one is as a reminder tool for existing customers that reminds the company.

**Overall objectives**
The overall objective of this study is to investigate the factors affecting the value of international brands in Iranian customers (Case study of Samsung brand in the Khuzestan market).

**Assumptions**

1. Attitude to the brand has a direct and significant positive effect on international value brands in Iranian consumers.
2. Loyalty to the brand has a positive mediating role on the relationship between international brand value and brand attitude in Iranian consumers.
3. Brand association has direct and significant positive effect on international brand loyalty among Iranian customers.
4. Brand loyalty has a positive mediating role on the relationship between brand associations and international brand value in Iranian customers.
5. Brand personality positively has direct and significant impact on the value of the international brand in Iranian consumers.

6. Brand mental image positively has direct and significant impact on the value of the international brands in Iranian consumers.

7. Brand loyalty positively has direct and significant impact on the value of the international brands in Iranian consumers.

Research Methodology

The method of research in terms of data collection is descriptive - survey and in terms of issue and purpose of the research is applicable which is based on structural equation modeling.

Statistical population

The statistical population included all customers of the Samsung brand in the Khuzestan market.

Statistical sample and sampling method

In the present study due to statistical population limitation, the sample number is equal to the population as a whole.

Data collection method

Since the study was descriptive-survey and will be carried out through field, the required data were used from various sources that some of them are mentioned below.

Measuring tools

According to the study objectives, in order to collect the information required to test research hypotheses, appropriate and proportionate measurement tools were used to the subject of the research including the researcher-made questionnaire which had demographic variables: age, gender, education and marital status, questionnaire of effective factors on the value of international brand. A researcher-made questionnaire was used in this study to collect data. The questionnaire study was adjusted according to the desired goals. After determining the validity and reliability of the questionnaire among the research samples, it was distributed and collected. The questionnaire was modeled from standard questionnaire that Vazifedoost and Amari (2011) used it in their study to determine the factors affecting brand equity in the chocolate industry of Iran that its reliability and validity was confirmed and reported by Cronbach's alpha coefficient of 7.0 and was designed and developed to aim of the determination of the indicators, important factors, and priorities of the factors affecting the value of the international brands. It should be noted that the questionnaire was developed by the research team according to the characteristics of the population and based on supervisor opinions and several studies.

The resulting questionnaire had 56 questions included five options that the scoring of these options was based on the Likert scale ranging from very high (5) overflow (1).
The measuring tool validity

The validity expression refers to the goal that the tool is made to realize it. Therefore, to determine the nominal validity of the questionnaire and accuracy of questions, the questionnaire was distributed among experts and specialists; and after assuring the results, the questionnaire was distributed in the population of study (n = 12).

The measurement tool reliability

Cronbach’s alpha was used in order to measure the reliability using SPSS20 software. For this purpose, a small part of the population (n = 10) were selected and the questionnaires were distributed in population for the pilot study; the amount is based on resulting data for the questionnaire α = 0 ..., which indicates that the used questionnaire have required reliability.

Inferential statistics

In this study, descriptive and inferential statistical methods were used in two separate parts for the data statistical analysis. In the first part, descriptive analysis of the data and the results were presented in the form of frequency tables, percentages, means and standard deviations. In the second part, Kolmogorov-Smirnov statistical methods, structural equation modeling and confirmatory factor analysis were simultaneously used to fit the model developed in this study. Structural equation models with the aim of LISREL5.8 software were used for presenting factor analysis and providing the model.

Discussion and conclusion

The first hypothesis: The attitude to the brand had a direct and significant positive effect on the international brand value in Iranian consumers. Based on the results of the factor analysis and the model of the study, the brand attitude with the factor load 0.33 and t = 23.04 affects the value of the international brands. The research hypothesis is confirmed and it seems that the attitude of the brand has a direct and significant positive effect on international brand value in Iranian consumers.

The second hypothesis: The brand loyalty has positive mediating role on the relationship between the international brand value and brand attitude with clients in Iran. The results of the factor analysis and the research model in this assumption showed that the brand loyalty with indirect positive effect, 0.26 * 0.34 = 0.088, appositive mediating role on the relationship between the value of international trade sand brand attitude in the Iranian customers. The research hypothesis is confirmed and it seems that the brand loyalty has a positive mediating effect on international brand value and brand attitude in Iranian consumers.
The third hypothesis: The attitude of the brand has direct and significant positive effect on international brand loyalty in Iranian customers. Based on the results of the factor analysis and the model of the study, the brand attitude with a factor load of 0.26 and t = 3.9 is effective on the loyalty of international brands. The research hypothesis is confirmed and it seems that the attitude brand has a direct and significant positive effect on international brand loyalty in Iranian consumers.

The fourth hypothesis: The brand association has direct and significant positive effect on international brand loyalty in Iranian customers. Based on the results obtained from factor analysis and research model, the brand associations with a factor load of -0.18 and t = -2.71 affect the loyalty to the international brands, but in the form of reverse. Thus, the research hypothesis is rejected and it says that the brand association has significant and reverse negative effect on international brand loyalty among Iranian clients.

The fifth assumption: The brand association has direct and significant positive effect on international brands’ value among Iranian consumers. Based on the results of the factor analysis and research model, the effectiveness model of brand association has eliminated the value of international brands. Hence, the research hypothesis is rejected and says that brand association has direct and significant positive effect on international brands’ value in Iranian consumers.
Research conceptual model

Research limitations

Field of study
1. In cases which data collection was conducted through a written questionnaire, the inherent limitations of the questionnaire are also possible.
2. The research was conducted in the period of fall 2015.
3. The results of the quantitative part of the present study are merely limited to the mentioned population and are not extensible to other brands.

Uncontrollable restrictions by researcher
1. Some customers had no desire to complete the questionnaires.
2. The accuracy and precision amount of responding to questions by respondents was not given to researchers.
3. Some conditions affecting the research results (economic, cultural, social, etc.) have not materialized.
References


