

Analysis of the relationships between marketing mix dimensions' and specific value of the brand (Case study: GENAVEH city banks)

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Abstract

Nowadays, what has included the control of the efficiency and profitability of the banks and financial institutes is a complicated factor and a widespread concept called marketing. Since banks are regarded as the economic pulse of the country, the active persons and the professionals in this field have recognized it is essential to use the appropriate marketing techniques to get the hinge share of the market in which they are for the sake of utilizing the opportunities for achieving the smart strategies of the marketing. The point which is very important in this complicated and competitive situation with the development of banks day by day, and banks will develop a especial fame and brand with the use of marketing techniques, is that if a bank can develop a especial fame and brand with marketing, it will assign huge and noticeable profit among the other banks as well as a lot of bank customers. In this research, the relationships among marketing mix dimensions' and specific value of the brand have been studied. The marketing mix dimensions of each of the banks in the light of price, product, place and promotion is studied and specific value of the brand is also studied whiten four indices including understanding quality commercial business brandy, loyalty and having, information of commercial fame and brand. This research in the light of purpose is and applicable type and in the viewpoint of method is descriptive and of correlation, in which library studies, and questionnaire distributions have been used for collecting the information and date. Sampling has been carried out by the simple random method, and the questionnaires have been distributed among personnel and customers of the banks including: Mellat, Melli, Keshavarzy,

Tejarat, Refahekargaran, Ayandeh, Sepah, Toseh taavon, Eghtesadenovin and Saderat which have been chosen among other banks randomly. The results of this research show that there exists a significant relation between Marketing Mix Dimensions of the banks under study and Specific Value of the Brand.

Keywords: marketing, marketing Mix, price, product, place, promotion, and Specific Value of the Brand.

Introduction

Today, people need the bank services more than ever and they expect more and rapid services of the banks. Based on the considerable growth of the number of the banks and competitive environment, the banks attempted to improve their performance to absorb more resources. It is required to evaluate the marketing mix dimensions and specific value of the brand and ranking of the branches inside the organization by which besides creating competition between the branches to identify the branches that used marketing mix dimension and created the specific value of their brand. However, to help the branches which were unable to use marketing mix achieves their successful brand. To increase the banks, the need to being informed of the bank services, developing the cities, wide covering the audiences, reflecting the evaluation of the customers of the services of the banks, keeping the existing customers and absorbing new customers are the factors emphasizing on the importance of bank marketing. The banks including private and state, compete with each other. Indeed, in this competition the banks are successful that they have more share of the market with the least costs via orga-

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nized marketing. This requires strategic design and implementation of the marketing. To do this, recognizing the relation between marketing and other systems in the banks played an important role in this field. The present study analyzed the relation between marketing mix dimensions (4p) and its effect on specific value of brand in banking system.

Review of literature

Marketing

Marketing is the social and management process by which the people and groups via exchanging the goods and values meet their demands (Kotler and Armstrong, 2000).

Marketing mix

Draker (1974) considered two main duties of business management as innovation and marketing. The marketing is the device the organization happiness is dependent upon it. An organization cannot be successful by imitating others. This organization is not successful without any plan or market effectiveness (Rusta, 1998). According to Philip Kotler (2001), the most prominent theorists in this field, marketing is human activity to fulfill the demands via exchange process. The current business environment is encountered by increasing complexities, rapid changes of the markets. The selection of the target markets is a basis for choosing the enterprise to meet the demands and achieving the goals and they believe that to achieve these goals, suitable marketing mix plays an important role to fulfill the strategies of the enterprise market (Ismaelpour, 2005).

McCarthy proposed a marketing mix by 4 P classifications in 1960 consisting of product, price, place and promotion. Each of the marketing tools had the following subsystems. Marketing mix is one of the most important factors of decision making and evaluations of marketing of an enterprise. Because marketing mix or marketing strategies are combination of necessary elements for planning, implementation of all marketing operation. On the other hand, marketing mix elements can be controlled and they have mutual relation. Decision making about one of them affects the activities of other elements and if marketing mix components are combined effectively as it is in conformity with the needs of consumer and environmental forces in the selected market, a successful market system is created (Kamali and Dadkhah, 1995). The most common definition of marketing mix for finding a good position in

the target market is presenting the good product in a good place with suitable place at a good time. Indeed, marketing mix defined the organization performance path by some controlled variables in an environment with uncontrolled variables (Kotler, 2004).

In other words, decision making variables of marketing in the form of various models of marketing mix provided a framework by which some plans are provided for their marketing activities. McCarthy, proposed a 4 P classification called (four Ps):

Product and its components: Product is an object that is formed as the result of the activity of the manufacturer, producer and its value or value added is increased compared to its raw material. Whether it meets the needs or it doesn't, someone wants it or no one wants it. Goods are an object with definite features and it can meet the demands of the consumers in the present or future time and it can be traded. Despite this separation, in most cases, goods and product are used similarly (Blurian, Tehrani, 1997).

Price: It is an important tool of marketing mix is the amount a customer pays for the product. It is consisting of price list, discount, allowance, payment period and credit terms (Kotler, 2006).

Place: It covers all the activities a company provides for giving the goods to the customers. Place often referred to as the distribution channel, coverage, assortments, location, inventory and transportation (Kotler, 2006).

Promotion: It is getting the required information of the product to encourage the customers. (Kotler, 2000).

Vanrail *et al.* (2005) used specific value of brands instead of price in their studies and the results of the study showed that specific value of the brand had positive effect on satisfaction of trade mark and this can lead into the loyalty of the customers to the brand.

The researches done by Dodes *et al.* (1991), Grival *et al.* (1989) and U *et al.* (2000) showed that in the consuming markets, distribution channel performance is effective in formation of specific value of brand. Keler (1993) believed that to make the brand, the company requires the internal attempts of achieving the identity of the brand, integration of the identity of the brand to marketing plans as product, price, advertisement and promotion and distribution decisions. Faris *et al.* (1989) found that a good image of distributing stores not only attracted the customers but also increased the customer satisfaction and increased the oral advertisement.

Thus, distribution channel of the products is related to awareness of brand and loyalty to the brand. In addition, distribution via the stores with good image kept the signs of a good and new brand. The distribution volume had positive effect on specific value dimension of the brand. Because high volume of distribution increased the purchase probability of the products in the place and time the customers require them (Cadogan, 2000).

Vanrail *et al.* (2010) showed that some activities as products order process, distribution and delivering them to the customers had positive effect on the perceived quality and loyalty to the brand. These activities were related to the performance of distribution channel and good image of the constituents of distribution channel in industrial marketing. Modambi *et al.* (1997) showed that some of the buyers bargain low price for 70% of the final decisions in industrial markets. Also, Abrat (1986) showed that in industrial purchase, low price of the strategic products is less important (e.g. Technical services and product validation) and they are inclined to pay more price on condition that the product is of high quality. Presenting the product via a lot of distribution channels increased the loyalty to the brand. Although the effect of the price on specific value of the brand depends upon the market characteristics (Ehrenberg and Barnard, 2000).

Vanrail *et al.* (2005) used the specific value of brand instead of price in their studies. The results of their study showed that specific value of the brand had positive effect on satisfaction of the brand and this can lead into the loyalty of the customers to the brand. Godon and Karaton (1993) showed that being aware of the brand is created by the communication between the seller and customers. Bandiksen *et al.* (2004) showed that sale representatives and technical consultants had the major effect on awareness of the brand in the market equipped with the electronic devices. Abrat (1986) showed that sale representative is major source to present the information to increase the awareness of the buyers and their selection in the market of industrial products with advance technology. In addition, Vanrail *et al.* (2005) showed that sale promotion had positive effect on loyalty to the brand and perceived quality of the services (Leonidou and Constantine, 2002).

Research question and hypotheses

Is there any significant relation between marketing mix (4p) and specific value of brand?

Based on the conceptual model of the present study, the following hypotheses are as:

First hypothesis: There is a significant relation between marketing mix dimensions and brand specific value dimensions.

Second hypothesis: There is a significant relation between sale price features and brand specific value dimensions.

Third hypothesis: There is a significant relation between product features and brand specific value dimensions.

Fourth hypothesis: There is a significant relation between promotion features and brand specific value dimensions.

Fifth hypothesis: There is a significant relation between place features and brand specific value dimensions.

To determine the relation between marketing mix dimensions and specific value of the brands, the conceptual model of Kotler and Aaker was used in figure (1).

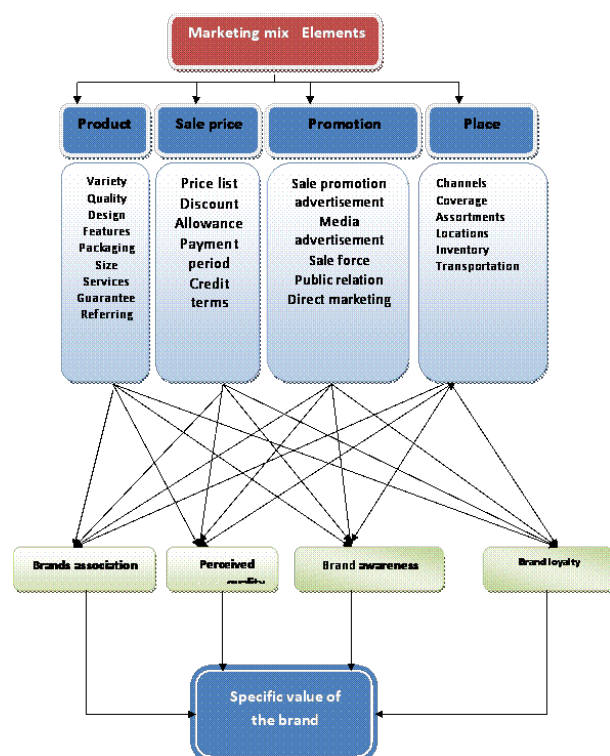


Figure 1. The conceptual model of the study based on Kotler and Aaker model.

Methodology

This study was field design in terms of data collection and it was descriptive-survey study. Based

on the aim, it is an applied study. In this study, the review of literature was done via library studies by field method and the data was collected by questionnaire.

Population and sample

The study population was all the employees of the private and state banks in Genaveh town. These banks were including 10 banks of Ayande, Saderat, Sepah, Tose Tavon, Eqtesad Novin, Meli, Keshavarzi, Melat, Tejarat and Refah Kargaran with 90 people. They were tested based on statistics and the questionnaires were distributed in Ordibehesht 2013. The related variables and questions are presented in Table 1 and 2.

Table 1. The results of descriptive statistics of the employees.

Variable	F	F	F%
Gender	Man	62	68.9%
	Woman	28	31.1%
Education	Diploma	18	20.0%
	Associate	20	22.2%
	BA	50	55.6%
	MA	2	2.2%
	21-30	26	28.9%
Age	31-40	54	60.00%
	41-50	8	8.9%
	Above	2	2.2%
	5-10	40	44.4%
Job experience	10-15	26	28.9%
	15-20	16	17.8%
	Above 20	8	8.9%
Employment	Full-time	62	68.9%
	Temporary	28	31.1%

Table 2. The reliability of marketing mix dimensions

Dimensions	Number of questions	Cronbach's alpha coefficient	Total coefficient
Price	4	0.946	0.957
Product (services)	5	0.901	
Promotion	4	0.733	0.814
Place	4	0.814	

Table 3. The reliability of specific value of brand.

Dimensions	Number of questions	Cronbach's alpha coefficient	Total coefficient
Loyalty	5	0.877	0.816
Quality	5	0.719	
Brand value associations	5	0.700	0.842
Brand awareness	4	0.842	

Based on table 3 in this questionnaire, alpha value for each of the dimensions and total coefficient is above 0.7 and it showed the high reliability of the questionnaire.

Data analysis process

Correlation analysis

Correlation analysis is a statistical instrument to determine the type and degree of the relation of a quantity variable with other quantity variables. Correlation coefficient is one of the criteria applied in determining the correlation between two variables. Correlation coefficient showed the degree and type of relation (direct or inverse). Momeni (2010). The results of correlation coefficient of the study are shown in Tables 4, 5, 6, 7, 8.

Table 4. The correlation coefficient between the marketing mix dimensions and specific value brand dimensions.

Marketing mix dimensions	Brand dimensions							
	Loyalty		Quality		Brand associations		Brand awareness	
	Correlation coefficient	P<	Correlation coefficient	P<	Correlation coefficient	P<	Correlation coefficient	P<
Price	0.272	0.009	0.376	0.000	0.473	0.000	0.472	0.000
Product	0.455	0.000	0.375	0.000	0.382	0.000	0.361	0.000
Promotion	0.341	0.001	0.513	0.000	0.290	0.006	0.219	0.038
Place	0.426	0.000	0.201	0.058	0.346	0.001	0.294	0.005

Table 5. Correlation coefficient between sale price and dimensions of specific value of brand.

		Sale price	
		Correlation coefficient	P<
Dimensions of specific value of brand	Loyalty	0.272	0.009
	Quality	0.376	0.000
	Brand associations	0.473	0.000
	Brand awareness	0.472	0.000

Table 7. The correlation coefficient between the promotion features and dimensions of specific value of brand.

		Promotion features	
		Correlation coefficient	P<
Dimensions of specific value of brand	Loyalty	0.341	0.001
	Quality	0.513	0.000
	Brand associations	0.290	0.006
	Brand awareness	0.219	0.038

Table 6. Correlation coefficient between the features of the product and dimensions of specific value of brand.

		Product features	
		Correlation coefficient	P<
Dimensions of specific value of brand	Loyalty	0.455	0.000
	Quality	0.375	0.000
	Brand associations	0.382	0.000
	Brand awareness	0.361	0.000

Table 8. Correlation coefficient between the place features and dimensions of specific value of brand.

		Place features	
		Correlation coefficient	P<
Dimensions of specific value of brand	Loyalty	0.426	0.000
	Quality	0.201	0.058
	Brand associations	0.346	0.001
	Brand awareness	0.294	0.005

Table 9. The summary of the hypotheses test.

Nº	Hypothesis	Results
Main hypothesis	There is a significant relation between marketing mix dimensions and brand specific value imensions.	Supported
First hypothesis	There is a significant relation between sale price features and brand specific value dimensions.	Supported
Second hypothesis	There is a significant relation between product features and brand specific value dimensions.	Supported
Third hypothesis	There is a significant relation between promotion features and brand specific value dimensions.	Supported
Fourth sub-hypothesis	There is a significant relation between place features and brand specific value dimensions.	Supported

To test these hypotheses, Friedman correlation coefficient was used and as is shown in the table, the correlation coefficient of the marketing mix dimensions had direct and significant relation with the dimensions of brand.

Conclusions

The relation between marketing mix dimen-

sions and brand specific value in banking system was evaluated. The significant relation between marketing mix dimensions and specific value of brand was reviewed. The results showed that all the study hypotheses were supported. Based on Table 9, the results of tests showed that there is a significant relation between marketing mix dimensions and specific value of brand. Also, the results of the tests showed that from the view of the employees of the

studied banks, the relation between marketing mix dimensions and specific value of brand of the banks was above average. It can be said that the number of the employees with lower average comments was lower than the employees with high or very high influence. Also, the different view of the employees to the questions of the questionnaires showed that in each hypothesis test, the coefficients were different.

Recommendations of the study and suggestions for further research

1-Based on the correlation coefficient of price and product dimensions with brand dimension and based on the direct and positive relation between these dimensions, the banks authorities can improve the effect of brand on absorbing capital and success of the bank to fulfill its aims and consider the price and product of marketing mix dimensions. As making the loan condition better and improve the services and the quality of the services and make the loans facility more varied, etc.

2-Based on the correlation coefficient of promotion activities and loyalty dimensions, brand quality and associations of brand dimensions and the direct and significant relation between them, it is recommended that the bank authorities increase the loyalty of the customers to the brand and perceived quality of the brand from the customers and internal communication of the customers with brand. The promotion activities are making difference between the permanent customers and the temporary customers of the bank or establishing the bank facilities for easy services for the customers and some other services can be in the work and management framework.

3-Based on the results of the study regarding the direct and significant relation between services place of marketing mix dimensions with loyalty, brand association and brand awareness dimensions, it can be said that the geographical location of the banks had important role in creating permanent and loyal customers, creating the association between the customers and bank brand and full awareness of the customers of the brand being used by the bank.

It is recommended that the bank managers and authorities to determine a good place for giving the services to the customers by wide researches in this field and using the expert comments apply this important aspect for loyalty of the customers to brand.

Also, the following suggestions can be made for further research:

1-The specific value of brand in service industry at general and international level is a good topic and the study of the specific value of the brand in small companies can be a good ground for future studies.

2-It is recommended to do the present study in some environments (cyber space) except the traditional environments (e.g. bank in which the customer refers to the bank for the services), about the potential and actual customers.

3-It is recommended to do a research with the same topic in successful organizations in using their brand via marketing mix dimension and the results are compared with the results of the present study.

4-In further studies, more dimensions of marketing mix can be applied and a comparison with the specific value of brand is made.

5-As this study was done about the comments of the bank employees, it is recommended to evaluate the comments of bank customers and compare them with the results of this study.

6-Based on the variety of the effective factors on brand, the researchers try to find the new factors affecting the success of brand.

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