An Examination of the Effect of Advertising and Trade Name of Bank Melli Iran on Customer Attitude: A Case Study of Bank Melli Iran- Kohgiluyeh and Boyer-Ahmad Province

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Abstract

The present study is aimed at examining the effects of advertising and trade name of Bank Melli Iran- Kohgiluyeh and Boyer-Ahmad Province on customer attitudes. The research hypotheses test the effect of two variables, namely advertising and trade name, on customers' attitudes. Furthermore, the research method is of a descriptive-correlation type and statistical population is composed of all the customers of Bank Melli Iran in Kohgiluyeh and Boyer-Ahmad Province. Also, the research statistical sample, which is selected using multi-stage cluster sampling, consists of a total of 175 customers from 10 branches of Bank Melli Iran- Kohgiluyeh and Boyer-Ahmad Province. The research instrument is a questionnaire encompassing 62 questions which tests customer attitude (6 Qs), advertising (16 Qs), and trade name (30 Qs). Moreover, to determine reliability of the research instrument the use is made of Alpha Cronbach's in SPSS 17. It should also be noted that to test hypotheses the use is made of linear regression. According to the research findings, advertising and trade name have a positive and significant effect on customer attitude. Also, of advertising and trade name elements, magazine and perceived value, respectively, have the highest significant effect on customer attitude.

Keywords: Advertising, Trade Name, Customer Attitude, Bank Melli Iran

1. Introduction

In today's business world, understanding customers' behavior and major characteristics of a product, which play a key role in their decision-making, forms the basis of every organization's main marketing programs. Customer behavior encompasses those behaviors exhibited by customers before, during, and after they purchase a certain product. There are many factors affecting customer behavior, of which their attitude toward a product, service, and trade name, are the most important. The necessity of examining customer attitude, the way the market thinks of a certain product, and how it reacts, negatively or positively, has caused many businessmen to conduct researches in this regard. Customer assesses every product on the basis of its most major features, each of which has a varying weight and significance, from his/her perspective. Attitude is a mental inclination to act in order to support or oppose a certain issue. In other words, it is an individual's more or less stable state of mind which prepares him\her to react towards an object or a situation in a certain way. Accordingly, examining customers' attitudes towards products, services, advertising, various trade names, and also their reactions is a subject that has attracted the attention of marketing. Of factors, which impact the way attitudes are formed and changed, are price, packaging, appearance, advertising, and distribution (Ranjbarian el al, 2007).

Advertising is one of the most widespread tools, by means of which, companies direct their encouraging communications to their target customers and communities. In fact, whenever an idea, product, or service is impersonally presented and developed by an advertising agent, a process which is costly, the advertising can be said to have been occurred. Also, trade signs play a major role in distinguishing varying companies' products and services from each other. Accordingly, the world's large companies make substantial investments to develop their special trade signs and names, whose concept is different from that of a product though they are usually employed interchangeably. In addition, a product is anything that can be supplied in market to be possessed, used, or consumed. In other words, it should be able to meet various needs (Keller, 1993). Therefore, the main goal of the present study is to examine the effects of advertising and trade name of Bank Melli Iran on customers' attitudes.

2. Conceptual Framework

2.1 Attitude

Attitude is of the practical concepts in social psychology which has become widespread from 1950 up to now. An individual's attitude toward a certain thing is defined as the collection of understandings, feelings, and preparations he/she have to act towards that certain thing. It is in fact a stable system incorporating cognitive and emotional elements and an inclination to act in a certain way. Cognitive element includes an individual's beliefs about a certain thought or object while emotional element is how our emotions are linked with our beliefs. Moreover, inclination to act is the preparation for responding in a certain way. Park characterizes attitude as follows:

It has a certain orientation towards goals and values and is also different from simple and conditioned reflections.

1. It is never an arbitrary or routine act. Conversely, it shows tensions even when hidden.
2. It has varying intensities, sometimes dominant whereas in other times nearly ineffective.
3. It is rooted in experience. Therefore, it cannot be considered as mere social instinct. Attitudes are in fact individuals' mental attributes incorporating characteristics of social and physical world and are acquired through experience as a result of training and learning (Jaberi, 2010).

2.2 Advertising in banking

Nowadays, advertising is one of the subjects affecting on and known to almost all the people throughout the world. Advertising, in its modern from, was formed in the early 20 century with changing markets. Today, at a universal level, advertising is no longer mere understanding, rather realizing information regarding features of a product or a service. Banking is one of the industries highly dependent on advertising. Advertising in banking is a new activity dating back to America, England, and Japan in 1960 century. After 1963 and given conditions governing the world at that time and competitive atmosphere among banks, bankers gradually began using advertising to make known to customers their financial services and also to encourage them to use them. Accordingly, nowadays, considering intense competition among banks and high similarities existing in their activities, every bank strives to better introduce its services, provide more efficient ones in line with the world's standard services, and attract more audience through advertising (Tahmtan, 2009). Therefore, in today's competitive and complicated atmosphere, success and failure of many banks is dependent on their advertising activities, of which only goal-oriented ones can best affect target audience. Moreover, given that due to abundance and diversity customer style and need has turned into a complex process, advertising knowledge has also become more sensitive and vast. Banks should introduce their services to their customers, stimulate their tastes, and make them believe that what they provide is in line their immediate needs and styles, finally causing their customers not to use their rivals' (Bani Asadi, 2009).

2.3 Advertising goals in banking marketing

In general, all the advertising activities in banks are goal-oriented. However, what differentiates an optimal advertising program from a weak one is the quality of their goal. An appropriate and exact definition of a goal contributes to finding proper indexes to select certain media or message, as a result of which a more fruitful decision is made. Also, determining precise goals in advertising facilitates the evaluation of advertising efficiency and allows the advertising agent to make better use of the results of his/her previous advertising activities (Chamanour el at, 2008). Generally speaking, the reason why advertising is carried out in banks can be as follows:

A. Advertising aimed at disseminating information:
   - Making customers aware of new services and their advantages
   - Making customers aware of changing percent of interest rates
   - Making customers aware of how banking services operate with new technologies
   - Developing an appropriate image for their banks' trade name and sign
   - Correcting customers' wrong mental images concerning the bank's trade name and sign
B. Advertising aimed at encouraging customers
   - Creating preferences in their customers
   - Encouraging customers to invest in their banks rather than those of their rivals
   - Encouraging customers to adopt immediate decisions leading to their opening accounts and benefiting from more interest rates

- Encouraging potential and actual customers to use services with new technologies
- Encouraging customers to contribute to philanthropic activities performed by banks
C. Advertising as reminders
- Reminding customers of the bank's trade name
- Reminding customers of the advantages of services provided by banks
- Reminding customers of the advantages of a certain bank compared to those of another one
- Maintaining and protecting the place of banks' trade name and sign in customers' minds
- Reminding customers of new loans provided by banks (Manafie, 2009).

Generally, it can be said that in case advertising is made goal-oriented in line with customers' needs, it can be effective in increasing banks' competition power, customer satisfaction and trust, and also customers' loyalty to a certain bank (Adibie & Seyyedie, 2009).

2.4 Trade name and sign

Trade name and sign is of high significance to every organization in such a way that maintaining and protecting the status and place of them in customers' minds is of the most important goals of every marketing agent. In fact, customers purchase the trade name rather than a product. In other words, trade name or sign is bought whereas products are produced in factories. Product can be copied by rivals while a trade name or sign is unique (Hossynie et al, 2009). Factors forming the power of a certain trade name or sign are its reputation, trust, image, and perceived value, all of which will be addressed later in this research.

- **Reputation of a trade name:** According to Caslo, reputation can be evaluated on the basis of certain characteristics such as the relationship with beneficiaries or an organization's credibility. In fact, reputation is the integrity in how to perceive and see an environment. Managing the reputation of a trade name is a continuous and ongoing process. Guba thinks of an organization's reputation as social identity and image (Parhizkar el at, 2013). Reputation indexes include: good management, product-oriented, success, innovation, concentration of customer, keeping customers informed of related organizational information and events, and good citizenship organization. Many researchers have shown that higher reputation leads to higher sales levels resulting in higher degrees of loyalty. An appropriate reputations decreases sensitivity to prices and also leads to other advantages emanating from loyalty (Bartikowski & Walsh, 2009).
- **Trust in trade name:** Trust is a major phase of creating a long-term relationship between buyer and seller. It is in fact a basic element of marketing relationship. As an inclination to trust a partner, who is trustworthy, or as a generalized expectation regarding how a partner has performed in an exchange, trust will always be of high significance. Trust is affected by advertising, word-of-mouth advertising, consumption, and satisfaction from trade name. One of the important factors in this regard is to get rid of customers' unreliability about a product characteristics or advantages. The major criteria of trust in a trade name include: reliability, morals, quality, cumulative processes (Aydin & Ozer, 2005).
- **Image of trade name:** In fact, image of a trade name of a product is used with the aim of creating an optimal image of that product or trade name. Trade names, which create a positive image in customers' minds, are more able to expand their use to other new products. They integrate trade names practical and symbolic beliefs into forming customers' overall attitude towards them. A positive image increases the degree to which a customer is satisfied with his/her purchase. Therefore, it contributes to customers' experiences in social enjoyment and emotional advantages of their purchase (Roderick el at, 2009).
- **Perceived value:** People, with various understandings and knowledge regarding a trade name, interpret trade name relations in varying forms. Perceived value is in reality the result of a comparison between perceived benefit and what customers lose. It is in fact recognized as a factor affecting customers' intentions and loyalty to purchase. Basically, to attract loyal customers, those with higher levels of perceived value are required (Parhizkar el al, 1392)
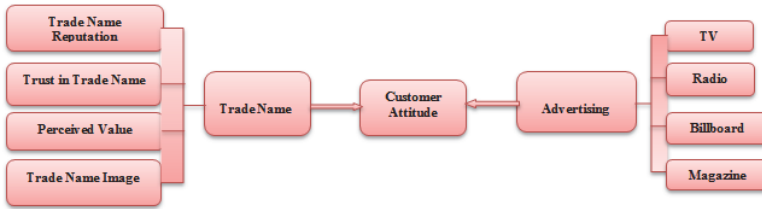
3. Conceptual Model

Fig 1: The Research Conceptual Model

4. Research Hypotheses

1. Bank Melli trade name has a significant effect of customers' attitude.
2. Advertising has a significant effect on customers' attitudes towards Bank Melli services.

5. Methodology

Given its nature and goal, which is to determine the effect of advertising and trade name of customers' attitudes, the present study is practical and of a descriptive-correlation type. Statistical population is composed of all the customers of Bank Melli Iran- Kohgiluyeh and Boyer-Ahmad Province, of which a total of 175 were selected using multi-stage cluster sampling method. Also, it should be noted that 300 questionnaires were distributed in 10 Bank Melli branches, out of which 175 were completed and used as the research instrument. The questionnaire, which was devised on the basis of previous studies, articles, and related books, made used of Likerts' five scale (1 to 5) to examine research variables, namely trade name and sign, advertising, and customer attitude. Moreover, it should be borne in mind that in order to evaluate reliability of the questionnaire the use was made of Alpha Cronbach's, whose calculated values for customer attitude, advertising, and trade name equaled 0.708, 0.884, and 0.789, respectively.

6. Research Findings

As it is shown in Table 1, the mean value for advertising through TV, Radio, Billboard, and Magazine equaled 12.57, 11.92, 11.74, and 13.12, respectively. Also, the mean values for trade name reputation, trust in trade name, trade name image, and finally perceived value were 25.05, 24.97, 23.72, and 20.67, respectively. Moreover, the mean value for customer attitude equaled 20.50. as it is obvious, all the calculated values are high.

Table 1. Description of the Research Variables

Variables	Elements	The Number of Questions	Mean	Variance	SD
Advertising	TV	4	12.57	8.21	2.86
	Radio	4	11.92	8.52	2.91
	Billboard	4	11.74	8.75	95
	Magazine	4	13.12	10.58	3.25
Trade Name	Trade Name Reputation	8	25.05	18.66	4.32
	Trust In Trade Name	8	24.97	18.84	4.34
	Trade Name Image	6	23.72	17.24	4.15
	Perceived Value	6	20.64	17.04	4.12
Customer Attitude	....	6	20.50	15.33	3.91

6.1 Testing research hypotheses:

6.1.1 Hypothesis 1: Bank Melli trade name has a significant effect on customers' attitudes.

Table 2. Summary of Multi-Variate Regression in Examining the Effect of Trade Name on Customers' Attitudes

R	R Square	Adjusted R Square	F	Sig
0.561	0.315	0.299	19.54	0.000

Table 3. Multi-Variate Regression Coefficients in Examining the Effect of trade Name on Customers' Attitude

Variables	Non-Standard Coefficient	Standard Coefficient	T-value	Sig.
Reputation	-0.090	-0.099	-1.299	0.196
Trust	-0.140	-0.155	-1.968	0.051
Image	0.096	0.101	1.498	0.136
Perceived Value	0.539	0.568	8.585	0.000

To explain changes in customer attitude variable, trade name variable was used as the independent variable, the results of which are presented in Table 2.

According to Table 2, multiple correlation coefficient is calculated as being 0.561, showing that trade name is related and correlated with customer attitude by 0.56. Also, the coefficient of determination is calculated as equaling 0.315, showing that almost 31.5 percent of changes in customer attitudes are explained by trade name variable and the rest is concerned with other factors which are out of the scope of the present study. The value for F, as the significance test of the coefficient of determination, equaled 19.54, which is significant at high statistical levels (Sig. = 0/000). Therefore, the research hypothesis is confirmed. According to statistics presented in Table 3, and given Sig. values, out of trade name elements, it is only perceived value that has a significant effect on customers' attitudes. Perceived value, with standard regression coefficient of 0.568 (Beta = 0.568), is the most powerful trade name element able to predict customers' attitudes. In other words, as more units are added up to perceived value coefficient (0.568), the dependent variable, namely customers' attitude, undergoes an upward trend.

6.1.2 Hypothesis 2: Advertising has a significant effect on Bank Melli customers' attitudes.

Here, to explain changes in customers' attitude variable, advertising is used as the independent variable, the results of which are presented in Table 4.

Table 4. Summary of Multi-Variate Regression in Examining the Effect of Advertising on Customers' Attitude

R.	R Square	Adjusted R Square	F	Sig
0.394	0.155	0.136	7.819	0.000

Table 5. Multi-variate Regression Coefficients in Examining the Effect of Advertising on Customers' Attitudes

Variables	Non-standard Coefficient (B)	Standard Coefficient (Beta)	T-value	Sig.
TV	0.165	0.121	1.102	0.272
Radio	0.063	0.047	0.479	0.633
Billboard	-0.126	-0.095	-1.024	0.307
Magazine	0.391	0.325	3.376	0.001

According to Table 4, multi-variate regression coefficient is calculated as being 0.394, showing that advertising is related and correlated with customers' attitude by 0.039. Also, coefficient of determination equaled 0.155, that is, almost 15.5 percent of changes in customers' attitudes are explained by advertising and the rest are related to factors which are out of the scope of the present study. Also, the value for F, as the significance test of the coefficient of determination, equaled 7.817, which is significant at high statistical levels (Sig. = 0/000). Therefore, the research hypothesis is confirmed. According to coefficients present at table 5, out of advertising elements, only magazine element has a significant effect on

customers' attitudes. In addition, it should be said that magazine element, with standard regression coefficient of 0.325 (Beta= 0.325), is the most powerful element of advertising able to best predict customers' attitudes. That is, as more units are added up to magazine coefficient (0.325), the dependent variable, namely customers' attitude, undergoes an upward trend.

7. Conclusion

According to findings of the present research, 31 percent of changes in customers' attitudes towards Bank Melii services are affected by its trade name and sign. Therefore, efficiently promoting trade name and sign can be effective on customers' attitudes. Accordingly, all businessmen including bankers should keep in mind that directing their customers' attentions toward trade name and sign and also products can contribute to increasing the number of their target and actual customers. In addition, since being familiar with trade name and sign provides the ground for customers to purchase them, their familiarity with trade name and sign can boost sales. In doing so, they are required to take necessary measures to develop an appropriate trade name and sign, as a result of which they gain access to a good portion of market. Also, it should be noted that rather than obtaining target market, they should get hold of their customers' mind, heart, and spirit which enable them to guarantee loyalty of their customers to trade name and sales. Accordingly, they are required to pay ample attention to their customers' attitudes and emotions towards trade name and sign and try to increase their interest in provided services by using emotional aspects in advertising programs. The research findings show that customers' perception of trade name and sign has a significant effect on their mentality about services. Therefore, making decisions to generalize trade name and sign is not necessarily an easy task. Rather, it should be approached and addressed after precise examination of studies, viewpoints of customers and marketing researches.

In addition, considering the research findings, advertising explained changes in customers' attitudes by 15.5 percent. Therefore, given the role of advertising, Bank Melli can make the best use of it to attract and increase the number of target customers, especially through magazine, which has the most significant effect of customers' attitudes. By examining and comprehensively analyzing this written media, magazine, Bank Melli should employ it in such a way that costs are also taken into account as it is a costly process. Accordingly, it is suggested that when using this type of advertising, Bank Melli take into account factors such as: advertising text, pictures, reward, new and modern techniques.

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