

## **Case Report**

# **Services Quality on Brand Preference and Purchase Intention of Customers (case study: customers of Saderat bank)**

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## **ABSTRACT**

The aim of present article is, define the relation between perceived service quality with the purchase intentions and Brand preference among the customers in Saderat bank of Tehran in Iran. This is a survey research. The research method is a descriptive survey. This study was conducted on customers in Saderat bank of Tehran in Iran. The sample comprises 300 responder, which randomly were chosed. Data of research have been gathered through a researcher-developed questionnaire and sampling has been done through census and analyzed with using the software of SPSS. The validity of the instrument was confirmed by validity of content and the reliability by Cronbach Alpha. Overall findings of research indicated that there is a positive and significant relationship between the perceived service quality and the purchase intentions, there is a positive and significant relationship between the Perceived service quality and the preference of brand and there is a positive relationship between the brand preference and the purchase intentions.

**KEYWORDS:** Perceived service quality, purchase intentions, Brand preference.

## **1. INTRODUCTION**

According to increasing competition in the services and industry sectors, creating the powerful brands in these industries is very important. One of the key factors that help to create a powerful brand is investment and improves the quality of services. Today, the competition to improve quality of service there is as an topic of main strategic for firms that are working in the service organizations. Organizations that achieving to the superior

levels of quality of service attracts superior levels of customer satisfaction as a prelude to achieving to sustainable competitive advantage [1].

The problem of decrease in satisfaction [2, 3] and loyalty in customer becomes the preliminary attention of the service firms since the two variables define the performance of corporations [4]. Satisfaction of customer plays out main duty on development of business and there are various researches related with relation between two

present ingredients [5]. Demirci *et al.*, for example, investigated supermarket customer satisfaction of self-checkout, quality of service and customer loyalty [6]. This researcher reported that systems of self-checkout of service quality influenced customer loyalty positively through the route of customer satisfaction. Kuo *et al.* created a theoretical framework to assessment of service quality of value-added services of mobile and sustained a more reasoning of the relations between perceived value, satisfaction of customer, service quality, and intention of post-purchase [7]. They indicated that quality of service influenced both customer satisfaction and customer perceived value positively. Further, perceived value in their research influenced on post-purchase intention and customer satisfaction positively.

## 2. Theoretical foundations of the research

### 2.1. Quality of Services

Thoughts of customers are main for the service quality in the organizations of service and industrial [8, 9]. In general employees on organizations interchangeably are willing to use the service quality and satisfaction terms. In front, Zeithaml and colleagues clearly described and evaluated two meanings clearly, and this has scintillated a remarkable level of controversy [10]. The basic effects and causes of these two meanings mainly are various [11]. Satisfaction of customer is mainly believed to be a wide idea, while, quality of service concentrates in defined service construct particularly [12]. Quality of Service is a sort of intensive assessment that indicates customer consciousness of particular service construct that comprise responsiveness, reliability, empathy, tangibility and assurance. However, satisfaction of customer is an extension [3] and is effected by the identification of quality of service. The Service Quality critic of Retail which developed by Dabholkar *et al.* in 1996 year is used in this research as the theoretical structure for evaluating the quality of

service comprising three measurable variables credibility, responsiveness and tangibles [13].

For the durability and development enhancing the quality level of service is main for every type of corporations. Since 1970 to now the scholars has present considerable level of interest in quality of service [14]. The amount satisfaction of customer is a result of the adjustment of customers of the quality of service that expected of a particular service organization [15]. Actually, this concept was the base for the model of SERVQUAL (Assurance; Reliability; Empathy; Responsiveness and Tangibles) that see quality of service as the gap between the customer expectations with their perceptions of the favorable rate of service [2]. In recent section Haywood indicated three main features in a quality of service include judgment; facilities and behavior [16]. Yet, Brogowicz and colleague offered a model for quality of service that called synthesized service quality model [17]. According to this model, if the customers effect by the word of mouth by customers or effected by actions of marketing such as media communications or advertising, thus gap of service quality arise into the consumers and customers though.

Parasuraman and colleague in 1985 year indicated ten dimensions include [2]:

- security;
- courtesy;
- reliability;
- credibility;
- responsiveness;
- tangibles;
- competence;
- Access.
- communication;
- Understanding the customer.

### 2.2. Purchase intention

Purchase intention is a considerable concept in marketing. When company's ethical behavior exceeds the customer expectation, it will positively correlate with purchase intention.

Consumer attitude also effect on purchase intention. Purchase intention is affected by market conditions and desirable approaches based on consumer's financial position. Smith describes an interesting discussion position [18]. Smith describes an interesting discussion on use of purchase intention in the evaluation of effectiveness of automobile advertising. Purchase intention is used as input for model of novel product by Silk and Urban, 1978 [19]. Bass and Bessemer used purchase intentions in their well-known soft drink study [20].

Intentions of purchase significantly are concentrated by the attitude of customers instead of other instruments such as factors or demographics of economy [21]. Planned behavior model were presented through [22] which was presented the development of its work in 1975 year reasoned action theory. In reasoned action theory it was presented that behavior arises through an intention of individual's and that arises from the subjective and norms attitude, both are the beliefs function. Relation between intention of purchase, quality of service and satisfaction of customer was there either there is a post product purchase or customer satisfaction [23]. Taylor and colleagues included the relation between the quality of service and intention of purchase but satisfaction of customer is as a moderator variable between the intention of purchase and satisfaction of customer [24].

Intention of purchase is a consumer plan to purchase a particular product, and has been concentrates of main latter consideration. As present research is related with branding of services, we describes intention of purchase as the inclination to follow with using the customer service presented through particular suppliers.

### 2.3. Preference of Brand

Scholars has recognized two results which display a change in preference of brand that following a promotion of sales: choice probability and perceptions of brand. Researches which measuring brand perceptions of customers

typically measure changes in issues totally "liking" for the brand [25] or perceptions of brand quality [26, 27] which following offer to a promotion of sales. The second scale of post-promotion preference i.e. choice probability often directly is evaluated through brand choice of pre- promotion and post-promotion [28, 29]. Choice probability also indirectly has been measured through promotion-induced changes in sensitivity of price [30] and promotion- induced changes in brand loyalty [31].

### 2.4. Brand preference and purchase intentions

Preference of brand is the prejudice that a consumer have than a specific brand. Various scholars has emphasized the matter of building equity of brand, which brings the benefit to the organization of more brand preference of customer and purchase intentions of customer [32]. Hellier et al described brand preference as "the extent to which the customer favors the designated service provided by his or her present company, in comparison to the designated service provided by other companies in his or her consideration set" [33].

Hellier and colleagues offer a total service sector model of repurchase intentions [33]. The relation between preference of brand and intentions of repurchase is evaluated via a structural equation model. The universal model is evaluated to car insurance customer and customer of personal pension services. Preference of brand is found to have a positive and significant effect on repurchase intentions of customer.

## 3. Methodology and proposed model

### 3.1. Hypotheses of Research

1. There is a significant relation between the Perceived service quality and and the purchase intentions among the customers in Saderat bank of Tehran in Iran.
2. There is a significant relation between the Perceived service quality and and the Brand preference among the customers in Saderat bank of Tehran in Iran.

3. There is a significant relation between the Brand preference and the purchase intentions among the customers in Saderat bank of Tehran in Iran.

4. There is a significant relation between the tangible and the purchase intentions among the customers in Saderat bank of Tehran in Iran.

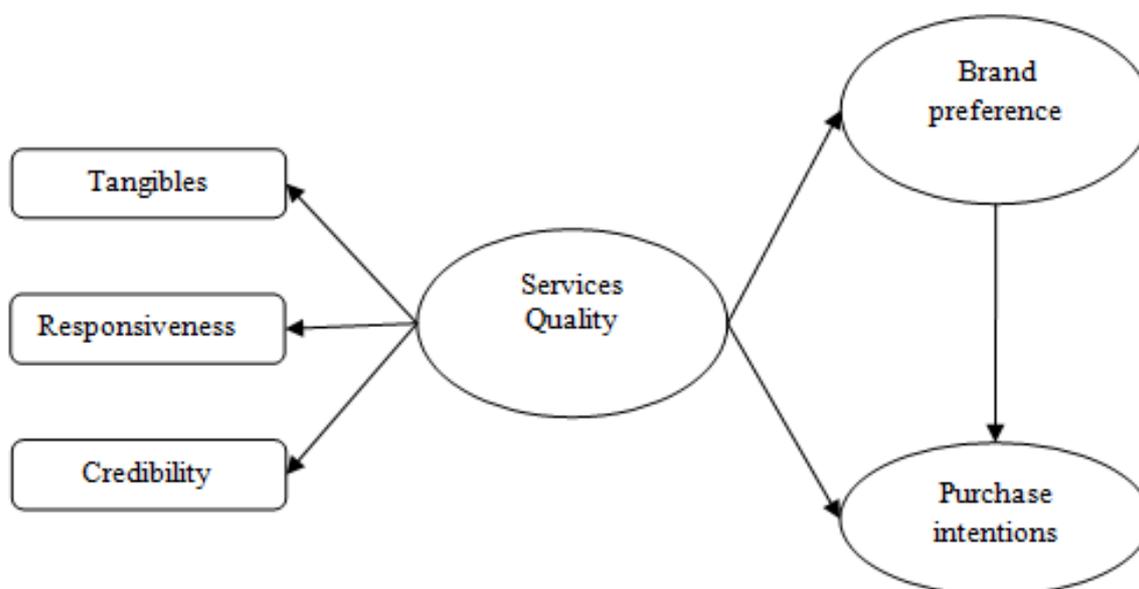
5. There is a significant relation between the Responsiveness and the purchase intentions among the customers in Saderat bank of Tehran in Iran.

6. There is a significant relation between the credibility and the purchase intentions among the customers in Saderat bank of Tehran in Iran.

7. There is a significant relation between the tangible and the Brand preference among the customers in Saderat bank of Tehran in Iran.

8. There is a significant relation between the Responsiveness and the Brand preference among the customers in Saderat bank of Tehran in Iran.

9. There is a significant relation between the credibility and the Brand preference among the customers in Saderat bank of Tehran in Iran.



**Fig 1:** conceptual model

#### 4. METHODOLOGY

In this research, tried to be measured relationship between the Perceived service quality and three dimensions, the purchase intentions and Brand preference among the customers in Saderat bank of Tehran in Iran. Therefore, 300 questionnaires were distributed among members of statistical community. The tool that was used to measure the quantitative data is SPSS 19 Software. All constructs were measured using five-point likert scales with anchors strongly disagree (= 1) and strongly agree (= 5). All items were positively

worded. In order to evaluate the validity of the data achieved through instrument (questionnaire)

readers, advisors, and experts, and also factor analysis is used. To get reliability coefficient before final implementation, a sample was randomly chosen and the questionnaire was conducted. Cronbach's alpha was assigned to be 0/92.5 which is an evidence for reliability of the questionnaire. In table 1 of present article the reliability of the variables is evaluated via Cronbach's alpha which shows that present article variables are reliable and there exists

internal consistency between variables of research.

Variable	questions	Cronbach's alpha
Perceived service quality	12	%89
purchase intentions	8	%84.7
Brand preference	8	%83
tangible	4	%92.8
credibility	4	%95
Responsiveness	4	%93
<b>total</b>	<b>28</b>	<b>%92.5</b>

**Table 1:** reliability coefficient of research variables related to given hypotheses

## 5. findings analysis

### 5.1. Descriptive data

Descriptive statistical data of table 2 indicates the relation to the customers that participated to the article (n = 300). The social demographic qualification of the participants are as follows: 138 and 162 participated to the research. The

educational background of the participants are; 69 diploma, 72 people have Associate course, 106 people have b.sc degree and 39 people have m. sc degree and 14 people PhD degree. The age classification of participants are; 6 people are between 15 - 20; 122 people are between 21-30; 63 people are between 31-40, ; 28 people are between 41-50 and 27 people are more than the age of 50.

Variable Name		Frequency
<b>Gender</b>	Male	138
	Female	162
<b>Education</b>	Diploma	69
	Associate course	72
	b.sc	106
	m. sc	39
	PhD	14
<b>Age</b>	<20	60
	21 – 30	122
	31 – 40	63
	41 – 50	28
	50 <	27

**Table 2.** Demographic qualifications of participants

Table 3 shows all Pearson correlation coefficients of all variables. All variables are significant relevant at the 0.05 level correlation, among which Perceived service quality and purchase intentions is significantly positively

correlated (C = 0.549). Also, Perceived service quality and Brand preference (C = 0.455) and purchase intentions and Brand preference (C = 0.535) are significantly positively correlated.

	Variable	1	2	3
1	Perceived service quality	.712	-	-
2	purchase intentions	.549	.744	-
3	Brand preference	.455	.535	.790

**Table 3:** correlations

## 6. RESULTS

In the under Tables, beta, T and result for each of the variables in research variables was examined. For example, in the first hypothesis, beta is 0.

546, t value is 9.422 and hypothesis was accepted

**Hypothesis 1:** There is a significant relation between the Perceived service quality and the purchase intentions among the customers in Saderat bank of Tehran in Iran:

Hypothesis	Independent variable	Dependent variable	beta	t	Result
1	Perceived service quality	purchase intentions	.546	9.422	Accepted

**Table 4:** hypothesis 1

As shown in table 4, since observed beta is equal to .546 and T is 9.422, so there is a significant relation between the Perceived service quality and the purchase intentions among the customers in Saderat bank of Tehran in Iran with 95% confidence.

**Hypothesis 2:** There is a significant relation between the perceived service quality and the Brand preference among the customers in Saderat bank of Tehran in Iran.

Hypothesis	Independent variable	Dependent variable	beta	t	Result
2	Perceived service quality	Brand preference	.167	3.180	Accepted

**Table 5:** hypotheses 2

As shown in table 5, since observed beta is equal to .167 and T is 3.180, so there is a significant relation between the Perceived service quality and the brand preference among the customers in Saderat bank of Tehran in Iran with 95% confidence.

**Hypothesis 3:** There is a significant relation between the brand preference and the purchase intentions among the customers in Saderat bank of Tehran in Iran.

Hypothesis	Independent variable	Dependent variable	beta	t	Result
3	Brand preference	purchase intentions	.123	2.166	Accepted

**Table 6:** hypotheses 3

As shown in table 6, since observed beta is equal to .123 and T is 2.166, so there is a significant relation between Brand preference and purchase intentions among the customers in Saderat bank of Tehran in Iran with 95% confidence.

**Hypothesis 4:** There is a positive and significant relation between the tangible and the purchase intentions among the customers in Saderat bank of Tehran in Iran.

Hypothesis	Independent variable	Dependent variable	beta	t	Result
4	tangible	purchase intentions	.259	4.485	Accepted

**Table 7:** hypotheses 4

As shown in table 7, since observed beta is equal to .259 and T is 4.485, so there is a significant relation between the tangible and the purchase intentions among the customers in Saderat bank of Tehran in Iran with 95% confidence.

**Hypothesis 5:** There is a significant relation between the Responsiveness and the purchase intentions among the customers in Saderat bank of Tehran in Iran.

Hypothesis	Independent variable	Dependent variable	beta	t	Result
5	Responsiveness	purchase intentions	.314	4.061	Accepted

**Table 8:** hypotheses 5

As shown in table 8, since observed beta is equal to .314 and T is 4.061, so there is a significant relation between the Responsiveness and the purchase intentions among the customers in Saderat bank of Tehran in Iran with 95% confidence.

Hypothesis	Independent variable	Dependent variable	beta	t	Result
6	credibility	purchase intentions	.315	5.429	Accepted

**Table 9:** hypotheses 6

As shown in table 9, since observed beta is equal to .315 and T is 5.429, so there is a significant relation between the credibility and the purchase intentions among the customers in Saderat bank of Tehran in Iran with 95% confidence.

**Hypothesis 6:** There is a significant relation between the credibility and the purchase intentions among the customers in Saderat bank of Tehran in Iran.

**Hypothesis 7:** There is a significant relation between the tangible and the Brand preference among the customers in Saderat bank of Tehran in Iran.

Hypothesis	Independent variable	Dependent variable	beta	t	Result
7	tangible	Brand preference	.491	6.835	Rejected

**Table 10:** hypotheses 6

As shown in table 10, since observed beta is equal to .491 and T is 6.835, so there is a significant relation between the tangible and the Brand preference among the customers in Saderat bank of Tehran in Iran with 95% confidence.

**Hypothesis 8:** There is a significant relation between the Responsiveness and the Brand preference among the customers in Saderat bank of Tehran in Iran.

Hypothesis	Independent variable	Dependent variable	beta	t	Result
8	Responsiveness	Brand preference	.361	6.752	Accepted

**Table 11:** hypotheses 6

As shown in table 11, since observed beta is equal to .361 and T is 6.752, so there is a significant relation between the Responsiveness and the Brand preference among the customers in Saderat bank of Tehran in Iran with 95% confidence.

**Hypothesis 9:** There is a significant relation between the credibility and the Brand preference among the customers in Saderat bank of Tehran in Iran.

Hypothesis	Independent variable	Dependent variable	beta	t	Result
9	credibility	Brand preference	.446	5.702	Accepted

**Table 12:** hypotheses 6

As shown in table 12, since observed beta is equal to .446 and T is 5.702, so there is a significant relation between credibility & Brand preference among the customers in Saderat bank of Tehran in Iran with 95% confidence.

with the purchase intentions and Brand preference among the customers in Saderat bank of Tehran in Iran. the study finds out some interesting conclusions: (1): There is a significant relation between the Perceived service quality and the purchase intentions, (2): There is a significant relation between the Perceived service quality and the Brand preference, (3): There is a

## 7. Conclusions and suggestions

The aim of this article is, investigate the relationship between Perceived service quality

significant relation between the Brand preference and the purchase intentions, (4): There is a significant relation between the tangible and the purchase intentions, (5): There is a significant relation between the responsiveness and the purchase intentions, (6): There is a significant relation between the credibility and the purchase intentions, (7): There is a significant relation between the tangible and the Brand preference, (8): There is a significant relation between the Responsiveness and the Brand preference and (9): There is a significant relation between the credibility and the Brand preference. Moreover, the results of present research can helping to managers of marketing in service organizations to allocate resources in plans of conducting marketing. Among the two antecedents, attitude of brand has a higher total effect on the following favorite constructs, purchase intention, brand equity and brand preference. In result, managers of service marketing could concentrates on forming consumers brand attitude. This is the case when interactions between employees of service and service customers take place.

- Improving the traditional service quality and accelerating to deliver in bank,
- Improving the quality of electronic services and online in bank,
- Improving the process of Bank employees accountability to customers,
- Strengthening and ensuring the safety of the banking system and maintaining the customer privacy,
- Designing the practical, safe and reliable Website for online banking services,
- Increasing the easy access to banking services,
- Customization the banking services and providing customer service according to their needs and aspirations
- Increasing the diversity and differentiation in banking.

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