

# Study effects of marketing mix and company's image on brand equity Case study: Minoo industrial group

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**ABSTRACT:** Brand tractability and marketing mix are effective factors on customers' loyalty. When comparison is impossible, customers use image of company or brand to decision making. This study aim to ranking most important affecting factors on brand equity; then relationship between marketing mix factors (distribution canals, value orienting pricing, enhancement activities, and after sell services), brand image, three aspects of brand equity (awareness of brand/ imagination, understood quality, and loyalty to brand), and general value of brand equity measured by constructional equations. This research is applied based on goal and based on data gathering method is survey – descriptive. Statistical society of this research include customers of Minoo industrial group of Khoramdareh city. Simple sampling method used and statistical sample include 384 customers. Questionnaire is data gathering tool and distributed between all statistical samples. Based on Cronbach's  $\alpha$ , validity is 0.782. Then used questionnaire has proper validity and gathered data analyzed by SPSS software.

**Key words:** marketing mix, company image, brand, understood quality, loyalty

## INTRODUCTION

Productive and service provider companies in previous years faced with different challenges and extensive competition and increase of customers' awareness were most important challenges. One of the effective factor in customers' loyalty is trust to brand and another is marketing mix. When comparison is impossible, customers use image of company and brand to decision making. There are many definition of marketing. US marketing association definition is: process of planning and realization of conception, pricing, promotion, distribution of product and services or ideas to provide exchange as satisfy personal and organizational goal (Esmael Porr, 2005) .... One of the marketing goal is customers' satisfaction and requirement to provide customers' satisfaction is determination needs, expectation, type of thinking, orientation, abilities, and limitations.

### **Hypotheses**

Performance of distribution channels has positive effects on customers' perception of product quality.

Performance of distribution channels has positive effects on loyalty to brand.

Price based on value has positive effects on loyalty to brand.

A good image of company has positive effect on customers' loyalty

## RESEARCH BACKGROUND

Babacous and et al (2004) in a research tried to determine effective variable on customers' loyalty and selection. Steven Taylor and et al (2004) in a research that titled with "importance of brand equity on customers loyalty" provide a model to customers' loyalty under effect of brand. Based on Baldinger and Robinson's theory. Thin Sih and Choong KiLi (2007) studied on effects of brand image on view of public relationship and customers' loyalty. Kert Metzler and et al (2008) studied on risk avoidance of customers and customers' loyalty to brand. Shanon Lenon and Minjang Park (2009) investigated brand enhancement in online purchase. Khiri and et al (2011) investigated effects of brand image on relationship between public relationship and customers' loyalty. Sharokh and et al (2011) studied on a model to measure trustiness of bank brands on

customers' obligation. Bamani Moghadam and et al (2012) studied on importance brand equity on achievement to loyal customers in food machine industries in Iran.

### **Variables of research**

Brand: showing customers' perception of commercial name as a business center that registered between customers (Ogba and Ten, 2009). Loyalty to a brand define as dependence level of a customer to a specific brand.

Company's image: instantaneous mental perception of organization or interrelated mental relationship that bases successful and failed activates of a company.

Loyalty to brand: is competition based reaction to activates of competitors and products development (Aaker, 1996).

Perceived quality: customer's perception of general quality or product or service excellent based on excepted goal in comparison with other options.

### **Marketing mix**

Kotler define marketing mix (mix of elements) as: "set of marketing tools that an organization use them to achieve marketing goal in target market ..." McCarty provide a four element category of these tools that called 4P as: product, price, place (or distribution), and promotion (Kotler, 2004). Booms &Bitner (1981) and Pin &Ballantin (1991) provided useful framework to analyze marketing mix. Booms &Bitner (1981) by adding physical evidence element, provided marketing mix with seven elements challenge (Palmer, 2001).

### **Price**

Money or value that customers have to pay for use or achieving a product or services (Kotler and Armstrong, 2001).

### **Product (and service)**

one of the most important marketing decision making part is about types of products that distributed in target market. Product can be a produce, service, idea, place, organization or mix of them. .Doyle define product as: "everything that meets require of customers" (Harrison, 2000).

### **Promotion**

includes advertisement, sell enhancement, public relationship, personal selling and direct marketing. Final goal of all of these tools and their messages to customers is establishing effective relationship and links with customers (Kotler and Armstrong, 2004).

### **Place (distribution channels)**

a marketing canal's responsibility is transfer products and services from producers to customers. Distribution channels in marketing remove distances (time, spatial, and ownership) between products and services with whom need them.

### **Statistical society**

Statistical society of this research includes all customers of Minoos Company in Khoramdareh city during 3 month of 2013 that were wholesaler. Sampling implemented arbitrary and because there is no exact statistical data about these customers then supposed statistical society is unlimited and statistical volume calculated by following method:

$$n = \frac{Z_{\alpha/2}^2 \times P \times q}{\epsilon^2}$$

### **Data gathering methodology and tools**

To completing theoretical based of research, books, literatures, articles, case studies, and internet used (library based) and to approving or rejecting hypothesis survey method including questionnaire distributing used.

### **Tools**

Coronbach's alpha used to determine validity of questionnaire and 0.782% achieved. Then it has proper validity. Kolmogorov- Smirnoff test used to testing hypotheses and results shown in the following tables:

Table 1. results of hypotheses testing

Hypothesis	Sig	Std	mean	N	Result
Performance of distribution channel on customers perception of product quality	0.000	0.251	3.387	384	approved
Performance of distribution channel on customers loyalty	0.000	0.678	4.012	384	approved
Effects of price on loyalty	0.000	0.363	3.621	384	approved
Effects of good image on loyalty to brand	0.000	0.572	4.022	384	approved

And finally to ranking effective factors on customers loyalty, Freedman test used.

**Hypotheses analyzing**

**First hypotheses**

Performance of distribution channels has positive effects on customers' perception of product quality. Acquired mean (3.38) is higher than expected (3). Then at 0.05 error rate, first hypothesis approved. Customers' perception refer to their exception in the future. Then if distribution channel be able to transfer product from production place to sell place and can keep quality of product based on customers' perception, therefor have positive effects on customers perception.

**Second hypothesis**

Performance of distribution channels has positive effects on loyalty to brand. Acquired mean (4.0122) is higher than expected (3). Then at 0.05 error rate, second hypothesis approved. Distribution channel strategy not only try to find new customers, but today try to enhance customer, attention to their satisfaction, provide expected quality, and finally make loyal customers.

**Third hypothesis**

Price based on value has positive effects on loyalty to brand. Acquired mean (3.621) is higher than expected (3). Then at 0.05 error rate, second hypothesis approved. Traditional approaches on pricing relate to total cost, but market price on products and services with an accepted interest margin.

**Fourth hypothesis**

A good image of company has positive effect on customers' loyalty. Acquired mean (4.022) is higher than expected (3). Then at 0.05 error rate, second hypothesis approved. In today markets, there is high attention to provide proper relationship between product and service providers with customers. Making link and relationship with customers to enhance their imagination of provided quality and services has high importance that lead to customers' loyalty. Approving all hypotheses with 0.05 error rate show capability of achieved result. Based on Freedman test to ranking variables following results achieved (Table 2).

Table 2. results of Freedman test

Variables	Rank
Perception of quality	3.38
Obligation	1.08
Satisfaction	2.69

Based on table 2, Perception of quality has highest effet and customers' obligation has lowest effect on customers' loyalty of Minoo Corporation.

**CONCLUSION**

In recent years industrial companies faced with different challenges, because of intense competition between them and enhancement of customers aware and knowledge. Current research investigated effect of marketing mix on brand equity. Surveys and result of distributed questionnaire between customers of Minoo industrial group and analyzing achieved data based on one sample 't' test and Freedman test approved main question of the research.

**Suggestions**

Based on achieved results following suggestion provided: Minoo industrial group can enhance services and products quality by: (1) providing variety of products with higher quality and train stuffs to provide better services for customers; and (2) determine effective factors on customers' loyalty and implement proper activities to enhance customers' loyalty to brand.

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