

# The study of the effect of brand name on customer loyalty

Hossein Najafi, Fateme Rahmani

Farabi Campus, University of Tehran, Iran

## Abstract

The use of the brand name by potential and actual customers is often a criterion for quality and excellence of their product or service. This study examines the effect of services brand on customer loyalty. An important point that should be pointed is that the services are not meant to naming services. In this study, four dimensions of brand namely the brand image, company image, company trust, and employee trust and their impact on customer loyalty have been examined in customers of Tehran real estate services in Tehran city. The basis of this research is to understand the theoretical and operational services of brand and how consumer perceptions of a brand influence on the customer value and loyalty? The statistical population was the real estate customers in Tehran city and 380 questionnaires were distributed by proportional to size cluster among them in April 2012. At the end of the data analysis by SPSS soft ware for descriptive statistics and LISREL for correlation analysis and factor analysis, it was found that, the brand in the services area has a positive effect on customer loyalty.

**Keywords:** brand, service, trust, customer value, customer loyalty

## Introduction

Some brands are unfamiliar and unknown to people and some other like Livizer, Ford, Disney, etc are familiar to all. The utilization of brand name by actual and potential customers is often a benchmark for quality and excellence of that product or service. Brand allows to manufacturers to distinguish their goods and services from others and help customers in choosing a set of products and services (Rowley, 1997, p.12).

Keller (1993) believes that more recent researches have been conducted on goods brand and understanding the effect of awareness and brand image. Although, there are a few studies in the area of services brand but they focus more on the processes that create added value and ultimately led customer to use the service. With this perspective, the brand plays a broader role not only in dealing with the final customer, but also with the company itself, employees and with its share holders' network.

## Statement of Problem

There are limited researches about services brand unlike the considerable interest of individuals to marketing in the area of services and most of conducted researches are qualitative rather than quantitative. Lampo (2001) says how to build strong brands, when what we offer to the customer is invisible, intangible and non-store? Now, the problem that most of marketers are facing is the existence of intense competition in the business world. How can a service company build a strong brand, when there is no rubber to hit, building to touch, hat to try, chocolate to eat, button to push and an image to see? How can a service company build a strong brand, when employees provide the products to customer as updated? In fact, this causes a traditional point of view are confronted to problem to build a brand for the services (Lampo, 2001).

However, now all people know a company's products and services by the brand name and recognize its design and symbol from other competitors' products and services. So, the brand name can influence on the mindset of customers about services and consequently the loyalty and value created by them. Since, the services sector is increasing in the today's market, the absence of a superior brand in today's competitive world can challenge the future

**Corresponding author:** Hossein Najafi, Farabi Campus, University of Tehran, Tehran, Iran. E-mail: [najafi.hossein@gmail.com](mailto:najafi.hossein@gmail.com)

of companies and most importantly a strong brand before anything is made by the interaction between the customer and the service provider. Peter Draker believes that all organizations are the services organizations which some of them produce products too. Unfortunately, in despite of the increasing service in modern societies less attention have been paid to its brand and role on the created loyalty and value by customer. This study aimed to examine the role of service brand on customer loyalty and value based on the conceptual model (Brodie *et al.*, 2009, 347).

### The significance of the study

In today's world, most businesses tend to be service and today's economy is mostly based on the service industry. These services can include hotel services, tourism, insurance, education, transportation, health care, counseling, legal, bank, etc. However, the service sector constitutes most of today's markets, but less attention has been paid to the brand in this area. In general, the importance of this topic can be explained as follows:

Evaluating the Effect of Service Brand on Customer Loyalty: since the service is intangible and tangible, evaluating the effect of its brand as an appropriate tool would be necessary on customer loyalty, because subsequently, customer loyalty has many advantages that make company profitability and among the benefits can be pointed to;

Reducing the cost of customer attraction, paying more cost by loyal customer for provided services, the benefits resulted from the customer lifetime value, positive performance through increased predictive power, increase barriers for entry of new competitors, loyal customer act for the company as a marketing agency.

### The objectives of the research

According to the desired model of research the following objectives would be focused:

- Investigating the service brand on customer loyalty
- Evaluation of customer perception of brand image on customer's perception of service quality
  - Evaluation of customer perception of brand image on customer's perception of service value
  - Studying the customer perception of company image on customer's perception of service quality
- Investigating the customer perception of

company image on customer's perception of created value

- Evaluation of customers trust to employees' behavior on customer's perception of service quality
- Evaluation of customer trust to employees' behavior on customer's perception of the created value
- Evaluation of customer's trust to management policies on customer's perception of service quality
- Examining the customer's trust to management policies on customer's perception of created value for customer
- Examination of customer's perception of service quality on customer's perception of service value
- Investigation of customer's perception of service value on customer loyalty

### The theoretical framework of the study

The theoretical framework of study based on the customer perceptions of the services brand including brand image, company image, employees' credit, company's credit. The assumption is that, every aspect of the brand name has distinct effect on customer's perceptions of the value and quality of service. In this framework, four aspects of the brand name in despite of having overlapping are considered as the separate structures. Apart from the mentioned factors, there are also other factors such as service quality, customer value and etc. In this research, only the effect of the brand name on customer loyalty and value is taken into consideration.

### Customer Loyalty

Customer value and how determines the customer loyalty and how this process lead to financial income is the considerable issue between consultants and academics (Payan & Holt, 1999, 740). Some accept the perspective of interest - cost that evaluates the value based on the perspective of give and take. According to this perspective interest is something that customer gives and cost is something that the customer gets. A pricing theory points that, the value refers to what is paid for it (trade - off). This theory was expressed by Boton and Drive (1991, as cited in Lampo, 2001,) indicated that this method is the most effective method that examine the relationship between the expected value of customer and loyalty.

### *Brand Image*

Keller (1993) defines brand as individuals' perceptions about a brand that is reflected in the relation to brand and remain in customers' memory. Low & Lamb (2000) stated that a brand image with symbolic and operational beliefs of brand form the customer's overall mentality toward the brand. Hsieh *et al.* (2004) defined brand as creating a sensation, impact, perception, opinion and strong attitude about a brand. Hoffer & Keller (2002, as cited in Holt, 1999) defines brand image as consumer's evaluation of the brand meaning and purpose that the organization transfer it to the customer through marketing communication channels such as marketing advertisement and promotion processes. Aaker in relation to the concept of brand in his book (1997) defines the brand personality as a set of human characteristics associated with a brand. Aaker says the assessment of personality explains why a consumer may keep his emotional connection with a brand, but not with other brands? The more exposure of consumer with a brand directly or indirectly through advertising processes cause to the creation and impact on the concept of brand personality. A study in relation to this topic was conducted by Erdem & Swait in 1998. They show that the brand personality effects on consumer's perceptions of the services quality and value. In another study, Parker & Dawar (1994) in this regard showed that, the brand personality may include internal features that indicate the experience of consumer and effect on their perceptions of the service value and quality. Moreover, Yoo *et al.* (2000) believe that, the image content has a positive relation with consumer's perceptions of brand quality. Okas and Grace in 2004 presented evidences that indicated the direct relation between brand image and perception of brand. Finally, the significant impact of the brand personality and its image on coherent environment of marketing communications have been shown in a book which are written by Duncan & Moriarty (2003) and in recent articles that are written by Rerid *et al* and Madhavaram *et al* (2005) (Brodie *et al*, 2009, p.346). Based on the above contents the hypothesis one and two are formed:

1. Customer's perception of brand image has a positive effect on customer's perception of the proposed service quality.
2. Customer perception of brand image has a positive effect on the customer's perception of the service value.

### *Company Image*

According to the ideas of Balmer (2001), Wood

(2002), Deephouse (2000), Dolphins (2004), there is an increasing interest to company image and its broader concept namely the reputation of company in both management and marketing field. Balmer (2001) says that in marketing and management literature, the company image, company reputation, organization image, organization reputation are often used interchangeably. In another study on the same issue which was conducted by Brown and Dacin (1997) expressed that, the corporate image arises from the customer's perceptions towards the company's social responsibility and ability. According to the theory of Erdem and Swait (1998), there is a relation between corporate image and loyalty. This theory says that, corporate image is formed through corporate communications, and the corporate social responsibility and ability are determined that eventually led to the creation of a source of the credible information signals. Chen and Dubinsky (2003) used this theory in online environments to found that the reputation as an external feature plays an important role for consumers especially when they are evaluating the quality of product from an online retailer. Furthermore, many researchers like Robert and Dowling (2002) believe that, there is a strong relation between corporate reputation and its financial performance or creating value for it (Brodie *et al*, 2009, p.348). According to the above statements the next hypotheses are formed:

1. Customer's perceptions of corporate image have a positive effect on the customer's perception of the proposed service quality.
2. Customer's perceptions of corporate image have a positive effect on the customer's perception of the created value.

### *Credibility of company and employees*

Most of researches that have been done on the credibility in marketing and industry area (organizational interaction, B2B) were focused on the marketing of products that have been conducted by Nartus and Anderson (1990), Doney and Cannon (1997) and Morgan & Hunt (1994). Recently, in the area of service marketing is only emphasized on understanding of credit. Related researches have been done by Garbino and Johnson (1999), Osterhos (1997) etc. Also, researches were done by Erdem and Swait (2004) on the relationship between brand credibility and brand value. In addition, Sirdeshmukh *et al* (2002) have discussed about the relationship between credibility and value creation.

Totally, the company image is the general image that the customer has in his mind about the promises that company gives according to its own social responsibility and ability. In fact, there is a global opinion towards company that mainly is influenced by “external communications”. This is while the customer trust more becomes local and regional and is based on his experience and reflection of customer’s interactions with organization and employees to provide service. So, the customer trust is specifically associated to customer’s experiences of management strategies and policies and employees’ behavior (Promise Kept). Researches that were conducted by Sirdeshmukh *et al* (2002) are most relevant to the current study (Brodie *et al*, 2009, p. 348). According to the above statements the following hypotheses are formed:

1. The trust of customers to the employees’ behavior has a positive effect on the customer’s perception of service quality.
2. Customer’s trust to the behavior of employees has a positive effect on the customer’s perception of value created.
3. Customer’s trust to the management policies has a positive effect on the customer’s perception of service quality.
4. Customer’s trust to the management policies has a positive effect on the customer’s perception of value created.

### Customer Loyalty

Zeithamel (1998) has conceptualized the customer’s perceptions of value as a trade-off. On one hand, by trade-off means customer’s perceptions of benefits received (service features that lead to the perception of service quality) and on the other hand, the customer’s perception of costs (monetary or non-monetary costs of services). More research on the concept of cost and benefit trade-offs were conducted by Bolton and Drew (1991), Eggert and Ulaga (2002) and etc (Brodie *et al*, 2009, 349). Therefore, customer’s perception of market quality has a positive effect on customer’s perception of value created.

Experimental evidences support from the direct relation between the customer’s perception of customer value and loyalty. Soutar and Sweeny (2001, as cited in Sirdeshmukh, *et al*, 2002) found an important relation between customer value and his behavioral tendencies. Duman and Mattila (2005) found that, the perceived value is the best indicator to predict behavioral intention, when they have assessed the general experience of a service. Cronin *et al* (2000) believe that, there is a strong relation between customer value and his behavioral tendencies (Cronin *et al*, 2000, p.201). Therefore, customer’s perception of value created has a positive impact on customer loyalty.

### Conceptual Model of Research

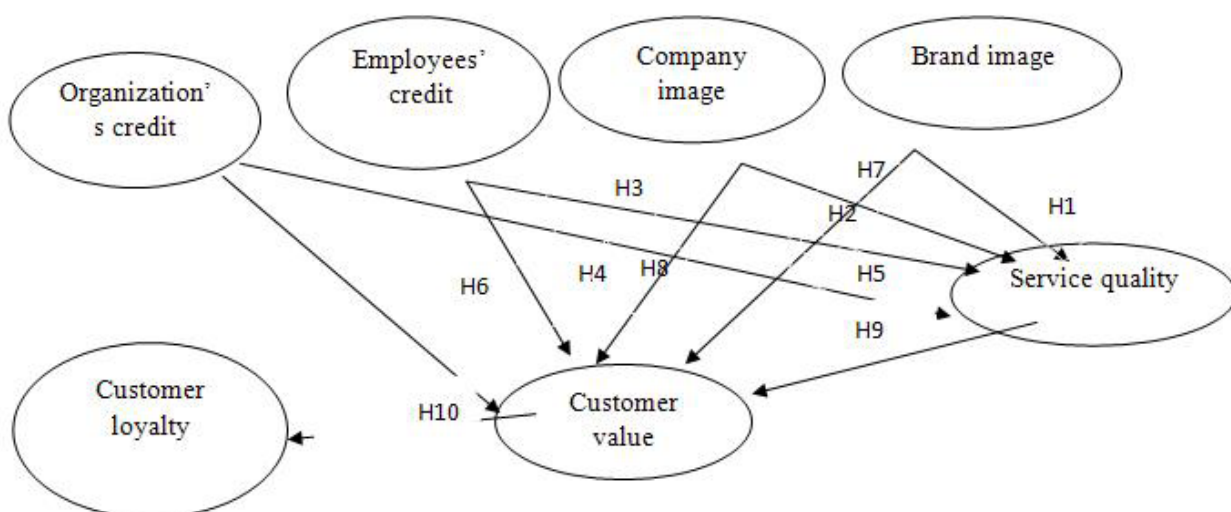


Figure 1. The conceptual model (Roderik *et al*, 2009, p.347).

### Methodology

The research method is based on the descriptive method, survey and correlation. The present study

is descriptive because, it collects data to test hypotheses or considers the answer of questions about the current status of the studied subject. It is survey because we investigate about what a group of peo-

ple know, what they think or what they do. It is correlation because we try to find the correlation between two variables and if so, how much is its size and amount? In this study, the idea of Tehran Real State service users was considered and the statistical population was the customer of Tehran Real Estate services in Tehran city. The questionnaire was distributed among the statistical population of study in June 2012.

Sampling method was the cluster random sampling. In cluster sampling, the measurement unit is not the individual, but a group of people who had naturally shaped and formed their own band. Cluster sampling is used when selection of a group of people is possible and easier than choosing individuals in a defined community (Khaki, 2005, 259). In this study, the population was the customer of Parsian Bank in Tehran city and Tehran was divided into a number of areas and list of these areas created a sampling frame, then the costumers of real estate services were selected from each area of Tehran and a sample was chosen through simple random sampling. Since, the intended mother population size is large and unlimited and a list of mother population

members is not available and due to the uncertainty of population size the Cochran's formula was used and accordingly, the sample size is 380 subjects.

#### *Methods and data collection instrument*

To collect the research literature the secondary sources of books, articles and physical and digitized resources were used. Also, the data collection method was as library and the taking notes method was used. The field data collection method was used to collect the statistical data that the questionnaire has been used. Likert scale or spectrum was used in questionnaire. In this study, the standard questionnaire was used which is the outcome of researchers' work (Table 1).

Questionnaire and study measurement tool are composed of two categories of questions.

The first category relates to the respondents' personal characteristics like gender, age, education which including three questions and nominal scale is used in it. The second set of questions that have been proposed as the Likert includes 35 questions which are measured by 5 items of "completely disagree" to "completely agree".

**Table 1. Characteristics of Questionnaire.**

Variable name	Number of indicators of variable measurement	Relevant source	Type of scale	Measurement scale
Brand image	5	Aaker (1997)	ordinal	Likert
Company image	5	Logsdon and Wood (2002) Wartick (2002) Whetten and Mackey (2002)	ordinal	Likert
Employees' credit	4	Sirdeshmukh et al. (2002),	ordinal	Likert
Organization's credit	4	Doney and Cannon(1997), Ganesan and Hess,(1997)	ordinal	Likert
Service quality	7	Diamantopoulos and	ordinal	Likert
Costs	3	Winklhofer(2001), Zins (2001)	ordinal	Likert
Customer value	3	Cronin et al (2000), JTung(2004)	ordinal	Likert
Customer loyalty	4	Sirdeshmukh et al. (2002)	ordinal	Likert

#### *Validity of questionnaire*

In this study, two types of validity, content validity and face validity were investigated. Also content validity was confirmed by consultation and discretion of specialist and experts in the area of

banking services and about the questions to cover the hypotheses.

The subjects of study expressed their opinions during the two stages of pre-test about the wording, phrases and words that the face validity was accom-

plished by performing those amendments in the final questionnaire.

### *Reliability of questionnaire*

The test reliability is a tool to determine the reliability degree of the results obtained from test. The main methods to estimate the reliability coefficient include test-retest method, equivalent-form, split halves, the internal consistency. In this study, the internal consistency was used to estimate reliability.

The Cronbach's alpha test is the most important indicator of internal consistency which indicates that, questions to what extent measure the ability or a single trait.

First, 40 questionnaires were distributed among the intended statistical sample and as it is seen in the following Table, the Cronbach alpha coefficient of total pre-test is estimated 0.95 that its amount is above 0.7 and is an acceptable degree. Also, the Cronbach's alpha coefficient is estimated for other variables that are indicated in Table 2. According to the obtained results, the reliability of the questionnaire was approved.

**Table 2. The results of Cronbach alpha.**

Structures	Number of questions	The rate of Cronbach alpha
Total questions	35	0.95
Brand image	1-5	0.80
Company image	6-10	0.75
Employees' credit	11-14	0.74
Organization's credit	15-18	0.70
Service quality	19-25	0.75
Costs	26-28	0.70
Customer value	29-31	0.83
Customer loyalty	32-35	0.89

### *Descriptive statistics on the demographic characteristics of the study*

This section presents the descriptive statistics on the demographic characteristics of the sample. Understanding the demographic characteristics of the sample is useful to determine the general characteristics of the studied population to other researchers. Moreover, this knowledge makes generalize the results to other populations, or this information can be used in design of future research questions for other communities.

### *Demographic characteristics*

#### **Gender composition of the sample members**

63.7% of respondents were male and 26.3% of the respondents were female.

#### **Age composition of the sample members**

28.4 % of respondents were aged 18, 45.6% of them were aged 29 to 38, 19.4% of respondents were aged 39-48 and 6.1% of them were over 49 years.

#### **Educational status of sample members**

In terms of education, 18% were under the diploma, 30.2% diploma, 25.7% associate degree, 17.8% BA and 8.2% of respondents had a graduate degree or higher.

#### **Measurement model or Confirmatory Factor Analysis (CFA)**

In methodology of structural equation model, at first, it is necessary to dwell to examine the construct validity in order to determine the selected indicators have the needed accuracy to measure intended constructs. For this purposes, the confirmatory factor analysis (CFA) was used.

### **Research Hypotheses Testing**

#### *The results of the first hypothesis testing*

*H1: The customer's perception of brand image has a positive effect on the customer's perception of service quality.*

*H0: The customer's perception of brand image has no positive effect on the customer's perception of service quality.*

The result shows that the correlation coefficient for the relationship between customer's perceptions of brand image on customer perception of service quality is equal to 0.31 that this number is significant in reliability level of 0.95 and t-statistical value of 2.14. Therefore, the effect of consumer's perceptions of brand image on customer perception of service quality is statistically significant and positive, and it is meant the above hypothesis is proved.

Interpretation of test results: The test result shows that, the brand image of the service provider has a statistically significant effect on the customer's perception of service quality. Customers of Tehran Real Estate service in Tehran with a focus on the factors creating known brand (update marketing promotions, attractive, bold and etc) and reinforcing it can improve customer's perception towards own service quality.

Comparison with previous researches: Results of this study are in line with the previous conducted researches and same results have been achieved.

### *The results of the second hypothesis testing*

*H1: The customer's perceptions of brand image have a positive effect on the customer's perception of service value.*

*H0: The customer's perceptions of brand image have no positive effect on the customer's perception of service value.*

The test result indicates that, the correlation coefficient for the relation between customer's perceptions of brand image on customer's perceptions of service value is equal to 0.24 that this number is significant in reliability level of 0.95 and with t-statistical value of 2.14. Namely the above hypothesis is demonstrated.

Interpretation of test results: the customer's perceptions of service value significantly increase by reinforcement of customer's perceptions of brand image. As a result, customers of Tehran Real Estate service in Tehran city through emphasizing on the factors creating famous brand (update marketing advertisement, attractive, brave and etc) and strengthen it can ameliorate customer's perception towards own service value.

In comparison with the previously conducted researches, this study is consistent with the previously conducted researches.

### *The results of the third hypothesis testing*

*H1: Customers trust the customer's perception of service quality has a positive effect on employee behavior.*

*H0: Customers trust to the employees' behavior has no positive effect on customer's perceptions of service quality.*

Test result: The test result illustrates that the correlation coefficient for the relation of customers' trust to the employees' behavior to customer's perceptions of service quality is equal to 0.31 that this number is significant in reliability level of 0.95 and with statistical value of 3.11 and namely the above hypothesis is proved.

Interpretation of test results: the customers' perceptions of service quality are significantly improved by increasing the customers' trust to employees' behavior and in other words, the customers' trust condition to employees' behavior determines the customers' perceptions state of service quality. Service customers of Tehran Real Estate in Tehran city by creating customers' trust to employees' behavior by creating things like hiring responsive, committed and empowered employees can increase the customers' trust to employees and cause cus-

tomers have had good perceptions toward the service quality.

Comparison with previous researches: results of this research are in line with the background researches and the same result was obtained.

### *The result of fourth hypothesis testing*

*H1: Customer's trust to employees' behavior has a positive effect on the customer's perception of the created value.*

*H0: customer's trust to employees' behavior has no positive effect on customer perception of created value.*

The test result: the test result indicates the correlation coefficient for the relationship of customers' trust to employee behavior on customer's perception of value created is equal to 0.7 and this number is significant in reliability level of 0.95 and with t-statistical value of 2.14 and this indicates the demonstration of the above hypothesis.

Interpretation of the test result: it can be stated that the customer's trust to employees' behavior has statistically significant effect on customer on customer's perceptions of value created. Customers of Tehran Real Estate Service in Tehran city can increase the customers' trust to employees by creating customers' trust to employees' behavior by doing works such as employing the responsive, committed and empowered employees and cause customers have had better perceptions to the service quality.

Comparison with the background studies: the results of this research are consistent with the background studies and the same result has been achieved.

### *The results of the fifth research hypothesis testing*

*H1: Customer's trust to the management policies has a positive impact on customer's perceptions of service quality.*

*H0: Customer's trust to the management policies has no positive impact on the customer's perceptions of service quality.*

The test result: the test result shows that, the correlation coefficient for the relation of customers' trust to the management policies on customer's perception of service quality is equal to 0.25 which this number is meaningful in reliability level of 0.95 and t-statistical value of 2.35 and therefore, the customer's trust to the management policies has statistically significant and positive effect on customers' perception of service quality and this indicate the approval of the above hypothesis.

Interpretation of the test result: the customer's perception of service quality can be improved by enhancing the customer's trust to the management policies. Therefore, customers of Tehran Real Estate service in Tehran city can enhance the customers' trust to the management policies by conducting works like creating unique abilities, consolidation in banking and responsiveness to customers in order to make better the customer's perceptions of service quality.

Comparison with the previous researches: Negative correlation coefficients obtained in previous researches indicating the existence of the negative impact of customer trust to management policies on the customer's perceptions of service quality. Therefore, result of this study is not consistent with past researches.

### ***The results of the sixth hypothesis testing***

*H1: Customer trust to management policies has a positive effect on customers' perceptions of value created.*

*H0: Customer trust to management policies has no positive effect on customers' perceptions of value created.*

Test result: Test result shows the correlation coefficient is equal to 0.74 for the relation of customer trust to the management policies on customers' perceptions and created value which this number was significant in reliability level of 0.95 with t-statistical value of 2.62 and therefore, the customer trust to the management policies has statistically positive and significant impact on customers' perceptions of value created and this means that, the above hypothesis is demonstrated.

Interpretation of the test result: it can be said that, the customer trust to the management policies has statistically meaningful effect on customer's perception of value created. Therefore, customers of Tehran Real Estate service in Tehran city can increase the customers' trust to the management policies by doing works like creating unique capabilities, solidarity in banking affairs and responsiveness to customers to make better the customer's perceptions of created value.

Comparison with previous studies: results of this study are consistent with background research.

### ***The results of the seventh hypothesis testing***

*H1: The customer's perceptions of organization image have a positive effect on customer's perceptions of service quality.*

*H0: The customer's perceptions of organization image have no positive effect on customer's perceptions of service quality.*

Test result: Test result represents the correlation coefficient is equal to 0.5 for the relation of customer's perceptions of organization image on customer's perceptions of service quality which this number become meaningful in reliability level of 0.99 with its t-statistical value of 3.55 and namely the above hypothesis is demonstrated.

Interpretation of the test result: Customers of Tehran Real Estate service in Tehran city can ameliorate the customer's perceptions towards the organization image by doing affairs as: having interaction with society, informing their customers from the company's event, having powerful management and also efficiently performing their social responsibilities and consequently, customer's perceptions to be strengthened towards service quality of bank.

Comparison with background studies: results of this study are in line with the background researches and the same results have been achieved.

### ***The results of the eighth hypothesis testing***

*H1: The customer's perceptions of the organization image have a positive effect on customer's perceptions of value created.*

*H0: The customer's perceptions of the organization image have no positive effect on customer's perceptions of value created.*

The test result: the test result suggest that, the correlation coefficient for the relation of customer' trust of organization image on customer's perception of value created is equal to 0.43 which this number is significant in reliability level of 0.99 and t-statistical value of 3.39 and so, the customer's perceptions of organization image have statistically positive and meaningful impact on customer's perceptions of created value and this demonstrates the above hypothesis.

Interpretation of the test result: Strengthening the customer's perceptions of organization image can has a predictive role for customer's perceptions of value created. Customers of Tehran Real Estate service in Tehran can ameliorate customer's perceptions towards the organization image by carrying out affairs such as: being in interaction with the community, making aware their customers about the event of firm, having powerful management and executing their social responsibilities efficiently and consequently, customer's perceptions to be reinforced towards the created value.

Comparison with previous researches: Results of this study are consistent with past researches, and similar results were obtained.



### Results of the ninth research hypothesis testing

*H1: Customer's perceptions of service quality have a positive impact on customer's perceptions of service value.*

*H0: Customer's perceptions of service quality have no positive impact on customer's perceptions of service value.*

The test result: the test result shows that the correlation coefficient is equal to 0.29 for the relationship of customer's perceptions of service quality on customer's perception of service value which this number is meaningful in reliability level of 0.99 and its t-statistical value of 3.34. Therefore, the effect of customer's perceptions of service quality on customer's perceptions of service value is statistically significant and positive and it is meant the above hypothesis is proved.

Interpretation of the test result: Customers of Tehran Real Estate service in Tehran can increase the service quality by doing actions like: increasing the working hours of bank, establishing appropriate physical space in the bank, increase the variety and quality of services provided, creating adequate space while waiting for customers and etc, so, leads to enhancement of service value to customers.

Comparison with previous studies: the result of present research is in line with the background studies and the same result was achieved.

### Results of the tenth research hypothesis testing

*H1: Customer's perceptions of service value have a positive effect on customer loyalty.*

*H0: Customer's perceptions of service value have no positive effect on customer loyalty.*

The test result: the test result shows that the correlation coefficient is equal to 0.55 for the relationship of customer's perceptions of service value on customer loyalty which this number is meaningful in reliability level of 0.95 and t-statistical value of 2.63. Therefore, the effect of customer's perceptions of service value on customer loyalty is statistically significant and positive which indicates the demonstration of above hypothesis.

Interpretation of the test result: Strengthening the customer perception of the service value can play predictive role for customer loyalty. Customers of Tehran Real Estate service in Tehran can increase the customer loyalty by reinforcement of all effective factors on service value.

Comparison with previous studies: the research result is consistent with the past studies and the same result was obtained.

### Recommendations arising from the research results

- The results of the first hypothesis testing confirmed the positive impact of customer's perception of brand image on customer's perception of service quality. According to this hypothesis, companies should pay attention to the methods that increase the customer's perceptions of brand image.

- The second hypothesis indicates the existence of a positive impact of customer's perceptions of brand image on customer's perceptions of service value. Companies should focus on factors that make better the customer's perceptions of brand name.

- With regard to the third hypothesis, it confirms the positive effect of customer trust to employees' behavior on customer's perceptions of service quality. Companies should seek to build trust in customers towards the employees' behavior to increase customers' perceptions towards the service quality.

- The fourth hypothesis stated that customer trust to employees' behavior has a positive effect on the customer's perceptions of value created. Companies should try to create trust in customers towards employees' behavior in order to increase the customers' perceptions towards the quality of value.

- The fifth hypothesis indicated that the customer trust to management policies has a positive effect on the customer's perceptions of service quality. Therefore, by confirming this hypothesis, customers of Tehran Real State service in Tehran city can increase their trust towards service quality by raising customers trust to management and organization policies.

- The sixth hypothesis implies the positive effect of customer trust to management policies on customer's perceptions of value created for him. So, due to the approval of this hypothesis, customers of Tehran Real State service in Tehran city by raising customers trust to management and organization policies can increase their trust towards the service value.

- The seventh hypothesis showed that, the customer's perception of organization image has a positive effect on customer's perception of service quality. Consequently, customers of Tehran Real State service in Tehran city should create the decent image of oneself to customers by doing proper advertising and marketing.

- The eighth hypothesis stated that the customer's perceptions of organization image has a positive impact on customer's perceptions of value created.

So, customers of Tehran Real State service in Tehran city should make a decent image of oneself to customers by performing suitable advertising until by direct impact on value created, improve it.

- The ninth hypothesis stated that the customer's perception of service quality has a positive effect on the customer's perception of service value. Customers of Tehran Real State service in Tehran city should increase their service quality by increasing their brand name's level and enhancing their service quality level, until the enhancement of service quality lead to the reinforcement of customers' perception towards the created value.

- The tenth hypothesis demonstrated that the customer's perception of service value has a positive impact on customer loyalty. Customer of Tehran Real Estate services in Tehran city can strengthen its effect on customer loyalty by reinforcing all effective factors on customer's perception and maintain their customers.

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