



## STUDY OF THE ROLE OF BRANDS ON CUSTOMER PURCHASE BEHAVIOR (CPB)

**Fereydoun Omidi<sup>1i</sup>,**

**Sahar Baratizadeh<sup>2</sup>,**

**Masoud Mazraeh<sup>3</sup>**

<sup>1</sup>Assistant Prof, Department of Business Administration,  
Khorramshahr - Persian Gulf International Branch,  
Islamic Azad University, Khorramshahr, Iran

<sup>2</sup>Ph.D. Student, Department of Business Administration,  
Khorramshahr - Persian Gulf International Branch,  
Islamic Azad University, Khorramshahr, Iran

<sup>3</sup>Ph.D. Student, Department of Business Administration,  
Khorramshahr - Persian Gulf International Branch,  
Islamic Azad University, Khorramshahr, Iran

### **Abstract:**

Customer Purchase Behavior (CPB) and the use of a model to predict it are of the most important commercial goals of manufacturing, service and other organizations and of the most important factors in the formation of work and profitability. Thus, this study examined the factors affecting this component - the effect of the role of commercial brands on CPB. For this purpose, 385 people connected with trading and customers in this area (valid brands customers) of Tehran were selected through convenient sampling and completed the questionnaires. The findings indicated that the manufacturer and the intended organization brand credibility is affected by the CPB and its components, including attitude, social norms and purchasing returns, and the firm's or organization reputation is a strong predictor of CPB. Thus, brand names and their credibility play a crucial role in CPB.

**Keywords:** commercial credibility, consumers' consumption pattern, brand, buyers' attitude, buyers' behavior

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<sup>i</sup> Correspondence: email [omidi2328@gmail.com](mailto:omidi2328@gmail.com)

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## **1. Introduction**

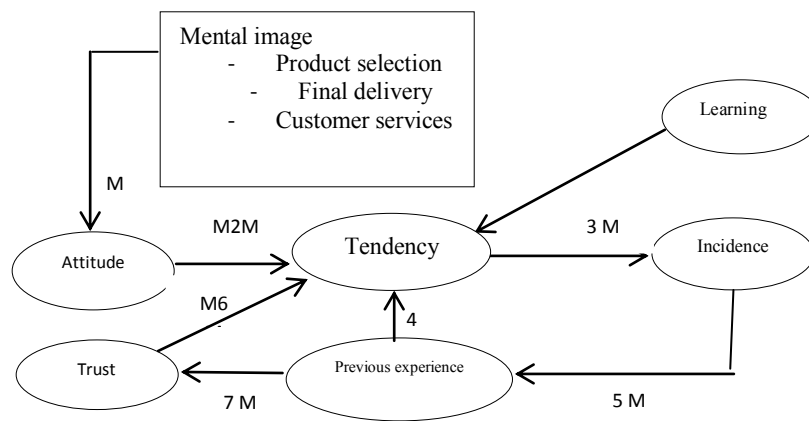
The globalization of the economy, the rapid pace of technological change and the explosion of information have led organizations to bear more pressure to stay in the competition. On the other hand, through provision of various ways of gaining excellence, information and communication technology (ICT) has led organizations to increase the level of interactions and improve the quality of the process of progress and development. The necessary component for remaining in the economics and sales of goods and services is having customers and clients (Marten et al., 2015). Thus, product sales, service use and success in the competitive and economic market depend on attracting customers and maintaining customer confidence in the desired product (Jie, 2016). Various business organizations use specific strategies to increase revenue and success to maximize profits and financial and income opportunities (Federo and Carranza, 2016). Thus, it is clear that in the status quo, identification of customers' behavior and their interests and perspectives is essential for business success and economic competitiveness. The main prerequisite for this goal in this area is to use tools to change and identify the customers' interests and tastes to gain power and make drastic changes in this regard (Solomon, 2013). Therefore, the manufacturing and service organizations and companies maintain their commercial and competitive importance through the use of tools and expertise in this field (Martínez et al., 2016).

## **2. Literature review**

Many factors are involved in the success in producing a commodity and high quality product that if used correctly, can make production success and work progress in that area possible (Bhuiyan, 2011). In fact, the evolution based on technology and tools in this regard is the foundation of economic growth and equipping the tools towards products and more desirable state of this process (Sivarajah et al., 2015). Creating a tools with this company process paves the way for commercial success and enhances the credibility of the name of the product, through which an organization or a company called "Brand (of high quality)" is created that influences the tastes and behavior of its customers and affects them (Pike, 2013). Therefore, the identification of customer and consumer purchase patterns is a very important factor for economic advancement. In this regard, customers are in a variety and mass of products (Cleave et al., 2016). In this process, depending on products with reputed and powerful brands is one of the most effective ways to assist decision-makers and consumers (Amirshahi and Mazhari, 2007).

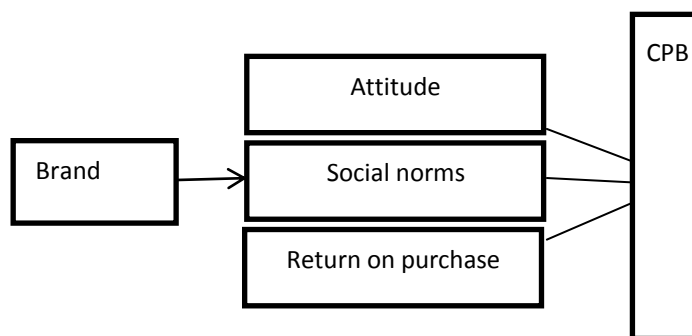
Creation of high credibility for a brand over time after evaluating the utility of the goods provided by this business unit refers to formation of positive attitudes towards all the processes of presentation, quality and after-sales service of that product. In other words, the continuing of utility of the product and the quality of service that creates credibility - making the company brand prestigious to some extent - to the point where the presentation of some inappropriate products and services does not hurt the quality and credibility of the company (Tong, 2009) remains in the process of time and until the evaluation of utility and is the most important element in the sales and quality of products. This can very effectively and positively determine the ability of the company to manage the market of its own product.

### 3. Conceptual model and the hypotheses



**Figure 1:** Rational model of shopping behavior (Dennis, 2009)

According to the concepts mentioned in this study, and the main factors forming of that conceptual model in this paper is formulated as follows:



**Figure 2:** Conceptual model

As is obvious from the research model, this paper examines the effect of brand credibility on CPB, and the main components in the study of CPB are attitudes, social norms and customer return on purchase.

Based on the conceptual model, the following hypotheses are formed:

1. Brand is effective in creating an attitude towards CPB.
2. Brand is effective in creating social norms on CPB.
3. Brand is effective in creating return on purchase on CPB.
4. Brand affects CPB.

#### **4. Research background**

Cleave et al. (2016) found that brand and its reputation in the global market are the most important factor in buying a product by customers. In fact, the study found that brand credibility is a strong predictor of product sales.

Moreover, Weas (2015) indicated that the successful sale of a new and innovative product is related to the brand of the company and organization. In a study entitled "The motivating factors in online shopping," Hassanzadeh and Paryab studied the effect of the product seller company and the factors associated with distribution of the product and considered them as one of the most important factors in motivating the purchase of the product. Thus, what is known is that the brand of the organization or company is an important and influential factor in CPB, studied closely in this research.

In the most important form of purchasing of a product by the buyers, the rational model is mentioned. This model is designed based on rational behavior and is due to the ability and efficiency of this model to predict consumer behavior (Dennis et al., 2009).

#### **5. Methodology**

This study is a descriptive-correlation, dealing with the status quo of the research. The population was all customers, producers and related persons involved in the purchase and sale of products, especially in relation to reputable companies in Tehran. Given the lack of access to all population and their dispersion, the sample was selected through convenient sampling. Due to the widespread nature of the research population on the one hand and given the limited part of the population studied, the second formula of Cochran was used to determine the minimum sample size (Rafipour, 1999):

$$n = \frac{z^2 pq}{d^2} \quad (1)$$

Where:

n = minimum required sample size

P = distribution ratio of the trait in population

za/2 = the value obtained from the standard normal distribution table (in this study, taking into account the error value of 0.05, the value obtained from the standard distribution table is 1.96).

d = the error accepted by the researcher or the reliance on the estimated parameter (in the social sciences, it is usually considered 0.05).

The noteworthy point on this formula is that if p is not available, 0.5 can be considered for it (Azar and Momeni, 2008), in which case this formula will give the largest and most conservative number possible - considered as 0.5 in this study. By placing the parameters in the formula, the sample size is 384.168, which will be the base for the analysis.

A researcher-made questionnaire was used to assess consumer behavior. This questionnaire had 18 questions, whose content validity was confirmed by three faculty members and experts in this regard. After deletion and correction of some questions, a 15-item questionnaire was conducted on 30 members of the population as a pilot. After correction of the defects of the content, the final questionnaire was implemented on the members of the sample. In order to examine the validity of the questionnaire, factor analysis was first performed to determine the construct validity and thus, factor structure of the questionnaire was determined. KMO sampling adequacy scale is a test of the value of variance in the data that can be explained by the factors. The closer the KMO is to one, the better it is. According to Kesser, KMO greater than 0.9 is perfect, 0.8 is good, 0.7 is better than the average, 0.6 is average, 0.5 is bad and less than that is unacceptable (Hooman, 2009). KMO value for the consumer behavior questionnaire was 0.909, which is perfect. Moreover, the value of chi square was 2915 with a significant value of 0.00 because the level of significance is less than 0.01. The ability of the data to be factor and perform factor analysis was confirmed. Factor analysis showed the three main factors of this questionnaire - attitude, social norms, and return on purchase.

The internal consistency of the data for the whole test performed by Cronbach's alpha is 0.805 and for the sub-scales attitude, social norms, return on purchase is 0.779, 0.810, 805.0 respectively. As this value of Cronbach alpha is more than 0.7% for the entire questionnaire and all subscales, the questionnaire is a reliable tool for consumer behavior. Moreover, the researcher-made questionnaire on the importance and credibility of the brand names has 6 questions and Cronbach alpha of 0.701.

## 6. Findings

Fifty four percent of the population was male and 46% female; the age range of the participants varied from 17 to 61 years, and 48% had university education. Kolmogorov-Smirnov test was used to investigate the normality of the population, whose results were as follows: Table 1.

**Table 1:** Results of the Kolmogorov-Smirnov test

Components	Sample frequency	Sig.
Brand credibility	385	0.218
Attitude	385	0.115
Social norms	385	0.221
Return on purchase	385	0.099
Consumer behavior	385	0.31

Given the significance obtained, the null hypothesis of Kolmogorov-Smirnov test is confirmed and data distribution is normal and parametric tests can be used. Given the normality of population and the possibility of performing parametric tests, Pearson correlation was used to investigate the relationship between the variables. In Table 2, there is a significant correlation between brand credibility and consumer behavior and brand credibility and all components of consumer behavior at the level of 0.01. Then, regression analysis is performed to determine the power of predicting the dependent variable by independent variable. To perform linear regression, some presumptions are required that are examined first:

**Table 2:** Matrix of correlation between variables in relation to brand credibility and purchasing motivation

Row	Brand credibility	Attitude	Social norms	Return on purchase	Consumer behavior
1 Brand credibility	1				
2 Attitude	0.63**	1			
3 social norms	0.58**	0.37**	1		
4 Return on purchase	0.69**	0.45**	0.47**	1	
5 Consumer behavior	0.66**	0.44**	0.57**	0.59**	1

\*\*P<0.01

\*P<0.05

As the distribution of variables is normal according to Kolmogorov-Smirnov test (the variance of the errors is constant and the mean errors are zero) and the dependent variable is interval, we can use linear regression test. Another presumption for using

the regression is the independence of errors (the difference between actual values and predicted values by the regression equation) from each other. If the assumption of non-correlation of errors is rejected, there is no possibility to use the regression equation. Durbin-Watson Test is used to examine the independence of the errors. The value of the test varies from one to four, and if the range of this statistic is from 1.5 to 2.5, the assumption of independence of errors is accepted. Durbin-Watson statistics in terms of consumer behavior, attitudes, social norms and return on purchase in this research were 1.93, 1.88, 1.21, and 2.01, which indicates a lack of correlation between errors and the possibility of linear regression in this study.

The results of regression analysis of variance were used to investigate the validity of the linear relationship in the entire regression model; the regression line represents the degree of variation of the dependent variable which is explained through the independent variable. The remaining rows represent the degree of variation of the dependent variable that is explained by other factors (random and accidental). Since the significance is less than 0.01, the zero assumption is rejected and the alternative hypothesis is confirmed, that is, the linear regression model is valid.

**Table 3:** Analysis of variance of regression

Model	Sum squares	Degrees of freedom	Average of squares	F	Sig
Consumer behavior	2145.90	1	2145.940	31.14	0.001
Attitude	618.112	1	618.112	8.22	0.001
social norms	612.521	1	612.521	7.18	0.001
Return on purchase	688.120	1	688.120	9.87	0.001

**Table 4:** Regression coefficient of commercial credibility with purchase motivation

Model	Regression coefficient	Coefficient of determination	Standard error	Beta coefficient
Consumer behavior	0.661	43.69	8.17	0.53
Attitude	0.438	19.18	4.29	0.41
Social norms	0.567	32.15	4.196	0.44
Return on purchase	0.592	35.05	4.105	0.46

The result of regression analysis indicated that brand and brand credibility overall had a predictive power of 43.7% of CPB. In other words, brand credibility is one of the strongest and most important predictors of CPB.

After determining the measurement models, to evaluate the conceptual model, as well as to ensure the existence or absence of causal relationship between the research variables, and the study of the proportionality of the data observed with the conceptual model of the research, the research hypotheses were also tested using the structural equation model.

**Table 5:** Indicators of fitness of the conceptual model of the research

X2/df	RMSEA	RMR	GFI	CFI	NNFI	IFI
2.37	0.037	0.016	0.95	0.90	0.99	0.93

The path analysis was used to study the causal relationship between independent and dependent variables and to validate the whole model. The path analysis was conducted using LISREL software. The results of LISREL outputs show that the Chi-square ratio to the degree of freedom is less than three, and other fitness indicators confirm fit of the model. The following table summarizes the significance factor and the results of the above hypotheses.

**Table 6:** The results of the hypotheses

Hypotheses	Standard	Sig.	Result
Brand is effective in creating an attitude towards CPB.	0.70	11.01	Confirmed
Brand is effective in creating social norms on CPB.	0.50	6.49	Confirmed
Brand is effective in creating return on purchase on CPB.	0.51	6.65	Confirmed
Brand affects CPB.	0.44	5.61	Confirmed

A. In the first hypothesis of the research, it was claimed that the brand is effective in creating an attitude on CPB, and statistical analysis between the two showed that according to Table 6, the significant value of paths between two variables is equal to (11.01). As this value is greater than 1.96, so this hypothesis is confirmed. Moreover, since the significance value is positive, this effect is direct.

B. In the second hypothesis of the research, it was claimed that the brand is effective in creating social norms on CPB, and statistical analysis between the two showed that according to Table 6, the significant value of paths between two variables is equal to (6.49). As this value is greater than 1.96, so this hypothesis is confirmed. Moreover, since the significance value is positive, this effect is direct.

C. In the third hypothesis of the research, it was claimed that the brand is effective in creating return on purchase on CPB, and statistical analysis between the two showed that according to Table 6, the significant value of paths between two variables is equal to (6.65). As this value is greater than 1.96, so this hypothesis is confirmed. Moreover, since the significance value is positive, this effect is direct.

D. In the second hypothesis of the research, it was claimed that the brand is effective in creating CPB, and statistical analysis between the two showed that according to Table 6, the significant value of paths between two variables is equal to (5.61). As this value is greater than 1.96, so this hypothesis is confirmed. Moreover, since the significance value is positive, this effect is direct.



## 7. Discussion and conclusion

Productive, service, commercial and other organizations have set their most important goal in applying specific programs for predicting customer behavior and attracting them according to their goals. For this purpose, studying CPB and their taste originating from it is important in balancing production and sales, and achieving product profits and maintaining business competitiveness (MacInnis and Folkes, 2010). Thus, the base of the business organization and profit-making organizations is to apply appropriate solutions to this issue in pursuit of its goals (Browning, 2016). One of the most important and effective purchase factors from the consumers' point of view is the purchase and use of services related to the brand credibility and the company's unique business record. Various studies have shown that brand credibility is a determining factor in product choice (Henrique and Oliviera, 2015). The acme and extreme point in this regard is that some studies have indicated that customers have even changed their own tastes according to unique brand products and changed the name of the product to itself (Chovanová et al., 2015). Due to the importance of brand name and the importance of consumer behavior in product sales and profitability, the paper examined these two main components. The findings indicated that the brand credibility affects consumer affects consumers' behavior, including attitudes, social norms and return on purchase, and the credibility of the brand is a very effective and important factor in predicting consumer behavior in certain areas examines the study. These results are consistent with other studies, such as Cleave et al. (2016), MacInnis and Folkes (2015), and this similarity in the results should first be sought in the functional similarity and research coherence of this research with other investigations. On the other hand, this is an indication of the content under consideration and the importance of the name and credibility of the product and services in the behavior of the customer and its change. According to the findings, one can conclude that commercial brand credibility has a direct impact on consumer behavior, including attitude, social norms, and return on purchase, and the research hypotheses are confirmed. Thus, the brands of various companies and organizations have a very important role in CPB.

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