Investigating the effect of different conflict management strategies on brand promise: A case study of banking industry

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C H R O N I C L E	A B S T R A C T

The purpose of this paper is to study the effect of different conflict management strategies including competition, cooperation, prevention and compromise on brand promise. The proposed study uses the questionnaire developed by Putnam and Wilson (1982) [Putnam, L. L., & Wilson, C. E. (1982). Communicative strategies in organizational conflicts: Reliability and validity of a measurement scale. Communication yearbook, 6, 629-652.] to measure conflict management measures and to measure the components of brand promise, the study develops a questionnaire. The proposed study is executed among some employees of bank Melli Iran in city of Tehran, Iran. Cronbach alphas have been calculated as 0.76 and 0.83 for conflict management and brand promise, respectively. Using Pearson correlation ratios as well as multiple regression technique, the study determines that there was a reverse relationship between two conflict management strategies, cooperation and compromise, and brand promise. In addition, there was a positive relationship between two conflict management strategies, competition and compromise, and brand promise.

1. Introduction

One of the primary concerns on management of most business organizations is to handle possible conflicts (Keller et al., 2011). In fact, managing conflicts helps business owners build better relationship with customers (Burmann & Zeplin, 2005; Thomas, 1992). During the past few years, there have been tremendous efforts on investigating the relationship between corporate brands and their management. Hankinson (2007), for instance, examined the relevance and potential contribution of this literature to the management of destination brands. Note that there are important features of destination brands, which distinguish them from product brands and they led to differences in the way destination brands were originally created, developed and maintained. Hankinson reported that

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corporate brands, in contrast, shared similarities with destination brands and presented five guiding principles and a framework for the management of destination brands based upon the literature reviewed. Kotler and Gertner (2002) investigated how widely held country images influence attitudes towards a country's products and services and ability to attract investment, businesses and tourists. It evaluated the impact of strategic marketing management in promoting the country's image, attractiveness and services. Delgado-Ballester and Munuera-Alemán (2005) investigated whether brand trust influences on brand equity or not. They reported that brand trust was originated in the result of past experiences with the brand, and it was also positively related to brand loyalty, which in turn maintained a positive association with brand equity. Parkerson and Saunders (2005) investigated whether goods and services branding models can be used to brand cities or not.

2. The proposed study

The purpose of this paper is to study the effect of different conflict management strategies including competition, cooperation, prevention and compromise on brand promise. The proposed study uses the questionnaire developed by Putnam and Wilson (1982) to measure conflict management measures and to measure the components of brand promise, the study develops a questionnaire. The proposed study is executed among some employees of bank Melli Iran in city of Tehran, Iran. The sample size is calculated as follows,

$$n = \frac{N \times z_{\alpha/2}^2 \times p \times q}{\varepsilon^2 \times (N-1) + z_{\alpha/2}^2 \times p \times q}, \tag{1}$$

where N is the population size, $p = 1 - q$ represents the yes/no categories, $z_{\alpha/2}$ is CDF of normal distribution and finally ε is the error term. Since we have $p = 0.5, z_{\alpha/2} = 1.96$ and N=2600, the number of sample size is calculated as n=384. Cronbach alphas have been calculated as 0.76 and 0.83 for conflict management and brand promise, respectively. Fig. 1 demonstrates the structure of the proposed study,
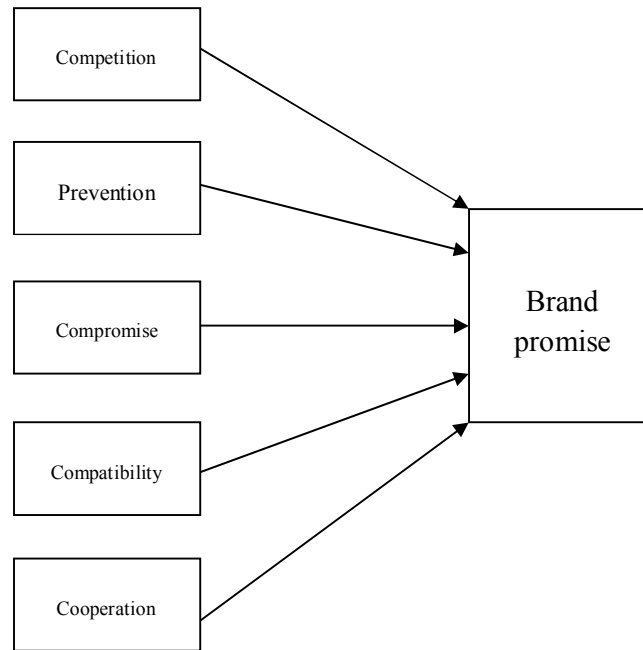

Fig. 1. The proposed study

Based on the structure of the proposed study we may consider the following five hypotheses,

1. There is a relationship between competition strategy and brand promise.

2. There is a relationship between prevention strategy and brand promise.

3. There is a relationship between compromise strategy and brand promise.

4. There is a relationship between compatibility strategy and brand promise.

5. There is a relationship between cooperation strategy and brand promise.

In our study, 55.6% of the participants were male and 44.4% of them were female. In terms of employee position, 8.6% of them were chairs' of banks, 21% of them were deputy and 70.4% of them were regular employees. Fig. 2 demonstrates other personal characteristics of the participants,

Yeas of education　　　　　　　　　　　　Age
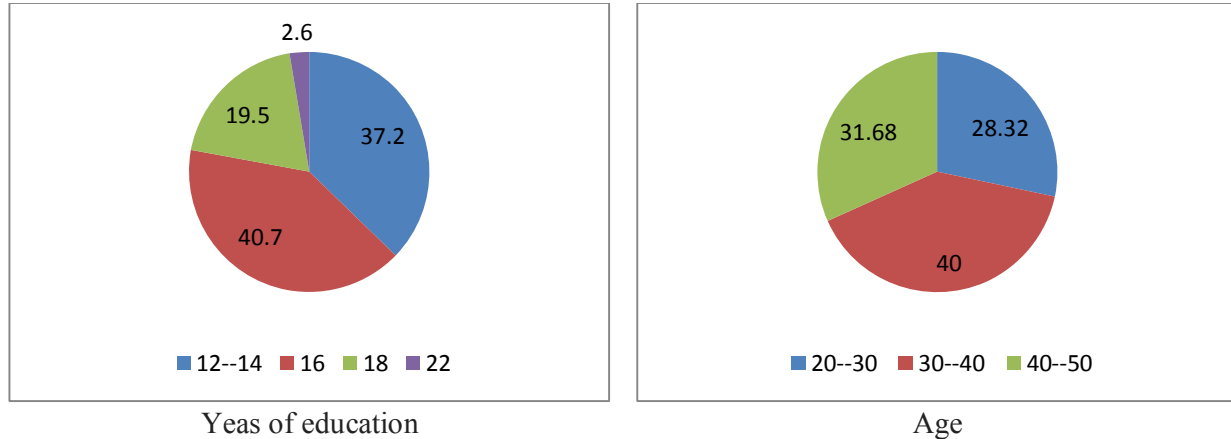
Fig. 2. Personal characteristics of the participants

According to Fig. 2, most participants in our survey had some university educations and they were mostly middle age.

3. The results

In this section, we present details of our investigation on testing various hypotheses of the survey. We first performed Kolmogroph-Smirnov test and the results indicated that all data were normally distributed. Therefore, we may use Pearson correlation ratio to verify different hypotheses of the survey.

3.1. The results of Pearson correlation test

Table 1 demonstrates the results of the implementation of Pearson correlation test between conflict management components and brand promise.

Table 1
The summary of testing the relationship between conflict management and brand promise

Hypothesis	Pearson ratio	sig	Significance level	Result
Competition	0.367	0.001	0.05	Confirmed
Prevention	-.232	0.006	0.01	Confirmed
Compromise	0.149	0.028	0.05	Confirmed
Compatibility	-.176	0.013	0.05	Confirmed
Cooperation	91	0.134	0.10	Reject

According to the results of Table 1, there are positive and meaningful relationships between two components of conflict management, competition and compromise, and brand promise. In addition, there are some negative and meaningful relationships between two components of conflict

management, prevention and compatibility, and brand promise. However, the study does not find any meaningful relationship between brand promise and conflict management.

3.2. Regression analysis

In this section, we present details of the implementation of stepwise regression technique to study the relationship between components of conflict management and brand promise. Table 2 shows details of regression analysis. According to the results of Table 2, competition and compromise influence on brand promise, positively while prevention influences on brand promise negatively. All t-student values are statistically meaningful when the level of significance is five percent.

Table 2
The summary of stepwise regression analysis

Variable	β	Standard error	Standard β	t-value	Sig.
Intercept	63.571	3.813		19.359	.000
Competition	.531	.197	.305	3.759	.005
Prevention	-.425	.149	-.219	-2.821	.017
Compromise	.489	.172	.283	3.368	.002

4. Conclusion

In this paper, we have presented an empirical investigation to find the effects of various conflict management strategies on brand promise. The proposed study has used a well-known questionnaire developed by Putnam and Wilson (1982) to measure various conflict management components and by proposing a new questionnaire for brand promise, we have investigated the relationship between these two items. The results of the implementation of Pearson correlation indicate that there were positive and meaningful relationships between two components of conflict management, competition and compromise, and brand promise. In addition, there were some negative and meaningful relationships between two components of conflict management, prevention and compatibility, and brand promise. However, the study did not find any meaningful relationship between brand promise and conflict management.

Acknowledgement

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