Investigating the service brand: A customer value perspective

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CHRONICLE	ABSTRACT
	This paper examines the effect of the service brand on the customer value–loyalty process. The study includes the traditional effect of brand image plus three additional influences, which reflects the broader service perspective including company image, employee trust, and company trust. Using survey data of a sample of 385 bank customers, the analysis indicates there is a direct influence of some of the perspectives of the brand on customers' perceptions of value. The results indicate that brand image, organization image, trust to firm influence positively on quality of services. In addition, brand image, organization image, quality of services and trust to firm influence on customer's perspective where quality of services maintains the lowest impact and corporate image has the highest impact on customer's perspective.

1. Introduction

For years, there have been substantial efforts on the effects of various factors on service brand (Parasuraman et al., 1985). Brodie et al. (2009), for instance, investigated the effect of the service brand on the customer value–loyalty process. The study included the traditional effect of brand image plus three additional influences, which reflects the broader service perspective including company image, employee trust, and company trust. They demonstrated that a service brand would not influence directly on customer loyalty but rather its effect was mediated through customer value. Traditional marketing strategies make a simple assumption where customers involve with products or services mostly at the end of their value chain as finished market offerings. Mascarenhas et al. (2004) challenged managers to invite target customers to be involved at all stages of the value chain. They considered customer-value-chain involvement (CVCI) model to enhance customer relationship management in conjunction with supply chain management, employee relationship management and retailer partners' relationship management.

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Martinez and Pina (2003) studied the negative impact of brand extensions on parent brand image. They performed an experiment to examine the most important variables to consider in using the brand extension strategy. After analyzing the information processed, they reached the conclusion that brand extension strategies could influence the brand image after the extension and that variables such as the brand image prior to the extension, the perceived quality of the extension and the fit between the parent brand and the new product influenced the image. Yusuf (2012) performed an analysis on the customer value and customer satisfaction and its implication on customer loyalty of organic products in Indonesia.

McQuiston (2004) discusses how the Finnish steel company was able to successfully incorporate logistics, customer support, and corporate image and policy into their steel facilities and concluded with managerial implications and suggestions for how industrial marketers might implement their own branding strategy. Ulaga (2011) performed an investigation on customer value in global business markets. Chen et al. (2005) elucidated how price, brand cues and customer value were associated with price and brand cues through service quality and perceived risk on customer value, concentrating specifically on Taiwan. They reported that brand cues influenced service quality positively, whereas price cues negatively influenced perceived risks. Sun and Su (2012) stated that customer perceived value could be established in value transmission mechanism of its rear, which is based on the effect of consumption values. Sawhney and Piper (2002) investigated value creation through enriched marketing–operations interfaces in an empirical study in the printed circuit board industry.

2. The proposed study

This paper examines the effect of the service brand on the customer value–loyalty process. The study includes the traditional effect of brand image plus three additional influences, which reflects the broader service perspective including company image, employee trust, and company trust. Using survey data of a sample of 385 bank customers, the analysis indicates there is a direct influence of some of the perspectives of the brand on customers' perceptions of value. Fig. 1 shows details of the proposed study.
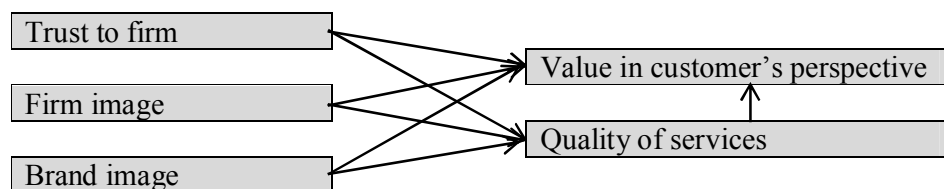

Fig. 1. The proposed study (Brodie et al., 2009; Cretu & Brodie, 2007)

As we can observe from Fig. 1, three components of trust to firm, firm image and brand image influence on value in customer's perspective and quality of services. Therefore, we have seven hypotheses as follows,

1. Customer's perspective from brand influences positively on customer's perception from quality of products.

2. Customer's perspective from brand influences positively on customer's perception from firm value.

3. Customer's perspective from firm image influences positively on customer's perception from quality of products.

4. Customer's perspective from firm image influences positively on customer's perception from firm value.

5. Customer's trust to management actions influences positively on customer's perception from the quality of services.

6. Customer's trust to management actions influences positively on customer's perception from the firm value.

7. Customer's perception from quality of services influences positively on customer's perception from the value received.

2.1. Personal characteristics of the participants

We first present details of the personal characteristics of the participants in our survey. In terms of gender, 256 people were male and 129 people were women. In terms of age, 47.79% of the participants aged less than 30 and the lowest age level belongs to people who aged more than 50. In our survey, 33.25% of the participants hold bachelor of sciences and only 8% of them hold PhD degree. In terms of years of doing banking business with the proposed bank, 47.53% of them had less than 5 years of experience and only 1% of them had more than 20 years of banking.

3. The results

In this section, we present details of our findings on testing seven hypotheses of the survey. Table 1 shows details of our investigation.

Table 1
The summary of testing seven hypotheses of the survey

Hypothesis	t-value	Result
The effect of customer's perspective on customer's perception from quality of products	4.896	Confirmed
The effect of customer's perspective from brand on customer's perception from firm value	6.449	Confirmed
The effect of customer's perspective from firm image on customer's perception from quality of products	2.598	Confirmed
The effect of customer's perspective from firm image on customer's perception from firm value	7.333	Confirmed
The effect of customer's trust to management actions on customer's perception from the quality of services	2.410	Confirmed
The effect of customer's trust to management actions on customer's perception from the firm value	4.037	Confirmed
The effect of customer's perception from quality of services on customer's perception from the value received	.195	Not Confirmed

As we can see from the results of Table 1, except one case, all hypotheses have been confirmed. The survey does not confirm the effects of perception from quality of services on customer's perception from the value received.

4. Discussion and conclusion

In this paper, we have presented an empirical investigation to examine the effect of the service brand on the customer value–loyalty process. The study included the traditional effect of brand image plus three additional influences, which reflects the broader service perspective including company image, employee trust, and company trust. We have determined that customer's perspective from brand influenced positively on customer's perception from quality of products, on customer's perception from firm value and on customer's perception from quality of products. In addition, the survey has concluded that customer's perspective from firm image influences positively on customer's perception from firm value. Finally, customer's trust to management actions influenced positively on customer's perception from the quality of services and on customer's perception from the firm value.

Acknowledgement

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