

Examining the brand image on public relations and customer loyalty

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Abstract: Because of global competition space and changes that are occurred rapidly today, organization have to take actions that pave the way for organizational performance to be more effective in order to maintain their customers. Maintaining and strengthening the customer loyalty along with a company's products or services become as a main and central point of marketing activities. Customer loyalty can lead to lower marketing costs and attract more customers. In addition, loyal customers may promote word-to-word world so rapidly, combat with competitors' strategies and created additional benefits. This study aims to investigate the relationship between the customer public relations and the customer loyalty and it is for testing the role of brand image as a moderator in the relationship. The results indicate that the public relations view is effective on customers' loyalty but brand image cannot adjust the relationship between two variables of public relations and customer loyalty.

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1. Introduction

Maintaining and strengthening customer loyalty towards a company's products or services become as a central point in marketing activities. Customer loyalty can lead to lower marketing costs, and attract more customers, and become effective in transaction. Considering the effect of public relations on customer loyalty and knowing the point that loyalty is an indicator of organizational success, it is important for us to know what factors are effective on it (Aaker, J.L. (1997).

Considering the point that environmental changes force the businesses to focus on situation that depends on the community rather than traditional situation of marketing and products, the issue outstand the increasing importance of public relations. According to the studies have been conducted on the relationship between public relation view and customer loyalty, a little attention has been paid to brand image in comparison to the other variables (Dick, A.S. and Basu, K. (1994).

Kaltip has defined public relation as "a managerial function that specifies, creates and maintains the mutual beneficial relationships between the organization and various public that its success and failure is owed to which. Moreover, according to the practical results of many studies, customers' point of view influences the assessments of customer satisfaction, behavioral intention and actual behavior. Research implied that clients who remain have the higher level of satisfaction and public relations than those who leave the organization.

Ledingham and Braning also suggested that customer awareness of customer-organization relationship can improve their loyalty along with companies targets that respectively can increase the

company income, strengthen the market share and bring about the other objectives to company.

Komes argue that when companies design some plans for improving their public relations and implementing their commitments, customer loyalty will increase. Experimental results show that the relationship between companies and customers increasingly tend to intimacy, and it is useful for enhancing long-term customer loyalty. In this paper, an overview will be done on public relations, customer loyalty and brand image, then all of them will be described one by one.

1.1. A review on literature of public relations, customer loyalty and brand image

According to the study by Gion and Lee and Blank in 1998, the effects of customer satisfaction, service quality, value of perspectives and customer loyalty has been examined along by company services. To examine the framework, 1224 clients were studied from banking industry. Their study showed that there is a significant relationship between satisfaction and service quality and the value, the effect of quality is stronger on value than satisfaction. Likewise, the findings showed that the customers who receive higher levels of service quality make a more desirable image of the organization in their mind.

In addition, value is significantly influential on the image that shaped in customer's mind. Similarly, customer satisfaction and imagery are found as effective factors on loyalty. Of course, customer satisfaction is more effective than the brand image. According to a study by the Ann Tean Seie and Chung Ki Lee in 2007, this study examines the effects of brand image on public relations perspective and customer loyalty. The study aims to identify the relationship between customer public relations

insights and their loyalty to inspect the effect of brand image on the relation (Clark, C.E., 2000).

The survey results show that customers view t to organization public relations performance has precedence over loyalty. Public relations view has a greater impact on customer loyalty and when brand imagery is desirable, the impact will be more significant (Chiffman, L. G., & Kanuk, L. L. (2004).

The studies has been conducted in 2008 by Kret Motzeler, Sounja Gurbener-Krater and Sounja Bidman examine the relationship between customer risk aversion and brand loyalty as well as whether the relationship influenced by the certainty and brand. The study indicated that why some of the customers have more certainty and experience that the others and how the certainty and experience can be related to the loyalty. So, according to the findings, the marketers can increase the brand loyalty by targeting the customers' risk aversion. Another study by Andrés Kasyk and Armas Varblen, in 2009 on how preventing customers to be separated. The purpose of this study is to show the interdependence between the main affecting factors on loyalty and customer loyalty levels.

The findings imply that having the equal treatment to all customers for increasing their loyalty is not correct. The results indicated that the four effective factors on loyalty (satisfaction, trust, image and importance of relations) play different roles at different levels of customer loyalty. Another study in 2009 by Dr. Mijang Park and Dr. Shannon Lennon inspect the brand promotion in the concept of online shopping. The aim of the study was to investigate the effect on the name and value of the brand on value gotten by client, story imagery and tendency toward purchasing. This study shows a positive effect on the brand imagery in customer's mind, the promotion is associated with positive effect on customer value, too.

2.1. Public relations

Public relation is one of the main leading advertising tools. It means to make desirable relations with different communities that deal with the company. These relations can be possible in desirable communication through obtaining good reputation, creating a "favorable impression", proper behavior, resolving the problems, rumors, stories, and undesired events. Formerly marketing through public relations was called creating fame namely taking the actions to make the name or the products of a company famous via inserting informative information in mass media, but its concept is much broader than this. Public relations include faming something and many other activities. Public relations agencies apply the different tools. Some of them are as follow:

- Press relations: INSERT valuable information to attract the attention to a person, goods or services in press.

- Faming the goods: Inform the public on the specific products.

- Mass Communication: Making internal and external communications to introduce company or institution better.

- Speech: Meeting with legislators and governmental officials to reform the laws and regulations or abolish them.

- Consultation: consultation with managers about public issues, company positions and mental image (An-Tien Hsieh and Chung-Kai Li (2008).

When T-Lenol one of the Johnson and Johnson products had been threatened to be adulterated, it was saved from certain annihilation by using the public relations skillfully. Presenting the lectures and describing Lee – Yakuka's biography greatly help Chrysler in creating a new imagery of the company. Different nations use public relations to attract more tourists, foreign investment and international support. Public relations are more effective and far less costly than the impersonal advertising in creating awareness.

Using public relations, company is not forced to pay for the space or time in the media. In Public relations, perquisites are paid to employees and officials just for providing and publicizing the information or holding the meetings and events. If the company succeeds to prepare an essay or any suitable case, mass media will publish them easily to inform public about it and it may be more effective than the advertisement which costs more that million dollars. In addition, its credibility and trustworthiness is more than impersonal advertisements.

The results of the public relations activities can often be surprising. Despite of all the strengths, PR is called marketing adopted child because of its limitations and little applications. PR sections are usually located in a central office. The officers in PR agencies are so busy with various communities such as stakeholders, employees, legislators and city authorities that their duties on goods marketing are often forgotten. Marketing managers and public relations officials often do not understand each other properly. Many of the public officials assume their major profession as making communication. On the other hand, marketing managers think about the impact of impersonal advertising and PR on sales and profitability (Zeithaml, V.A., Berry, L.L. and Parasuraman, A. (1996)

3.1. Loyalty History:

On marketing issue, customer loyalty is referred to the efforts by Copland in 1923 and attention to Churchill's topic in 1942. Hereafter, the concept of loyalty was entered into the marketing literature as a

scientific subject and numerous experimental studies aiming to describe and explain the concept were designed and conducted. But there are no significant papers, studies and research on marketing and related concepts. In 1978, Jacobi and Chestnat have conducted a comprehensive research on loyalty concept and other related subjects during which more than 300 papers were analyzed on customer loyalty (Bennett, R., McColl-Kennedy, J. R., Coote, L. V. (2000).

4.1. Customer Loyalty

Creating customer loyalty is considered in today business more than before because the loyal customers are a core component for organizational success. Loyal customers purchase more than the others and are generally useful tool for advertising (Oliver, R.L. (1999).

As a result, today's organizations seek to identify and manage effective methods and models to create loyalty. On the other hand, because of the facts that customers' expectation are increasing, organizations are required to meet the customers' needs and overreach their primary needs and focus on creating loyalty via making long-term mutual communication profitable for both parties. Loyal customers have a lot of advantages (Wu Cochen and Yen Yung-Chien, (2007).

They help organizations to increase their revenue by determining the predictable process of sales and profits. Moreover, the customers who are familiar with brand will likely recommend it to their friends and relatives and can be effective on organization feedback and products assessment and it is vitally important in today business. In some of the great companies, the plans for assessing customers' satisfaction and loyalty are so advanced that customer satisfaction and loyalty is considered as main pillar of comprehensive quality management plans. Many researchers like Oliver have pointed to the conceptualization of customer loyalty as one of the critical issues that must be considered in the literature.

Loyalty has become as a real structure in marketing since the last century and especially in new emerging field of customer relationship management. An important point is that customer loyalty is critical for the performance of service organizations. Especially a very loyal customer causes more predictable sales, uniform cash flow and more earnings. Due to the importance of customer loyalty, it is important for managers and marketers that know and understand the concepts of loyalty patterns well.

Without the understanding, service organization may choose incorrect indexes for measuring customer loyalty, not be able to make relationship between the customer loyalty and performance indexes and make mistake in designing the loyalty plans and recognizing

the right behavior of customers (Minjung Park, Sharron J. Lennon (2009). Despite of the great attention has been paid on the customer loyalty during the recent years; there are not many researches on the subject seriously. Most of the researches have been done behavioral field. Also, the cases like relationship between customer loyalty, quality, customer satisfaction and profitability are focused in international investigation.

5.1. Consumer loyalty:

Brand Loyalty: Creating a habit for repurchasing a particular brand (or from a particular company) is worthy for the marketer. Consumers have learnt special behavior in purchasing and experimentally find that the behaviors deserve reward. Loyalty to a particular company or brand indicated the customers' commitment that is presented by continuous purchasing. A loyal purchaser is who prefers always and alternatively to purchase a particular brand and give it priority rather than other brands and look at it by acceptable attitude.

6.1. Product Features

There are several ways to classify the goods features. According to Keller (1993), product features are the descriptive aspects that describe a product. Based on the Stockman (1991), a product can be described as a set of inherent and external characteristics or a combination of received features. Product inherent characteristics are informational signs that are directly associated with the product features and external features are informational signs that are indirectly associated with the product (Wu Cochen and Yen Yung-Chien, (2007).

7.1. Benefits of a Brand

Received benefits are what customers think a product can do for them. It is a product attributes and brand characteristics depending on the customer's view. Benefits are what look for a customer when purchase a product or brand. These benefits are directed toward the condition or value that customers are willing to acquire it.

Brand image: "It is a set of perception on a brand so that the brand will stick in customers' mind via association of ideas" and the ideas include all the aspects which joint the customers' mind to a brand.

Defining the term of image is problem, because the image is not directly known. Image can be explained as a mental status that consequent by open explanations behaviorally and verbally (Xuemei Bian and Luiz Moutinho (2009).

The point is that some images can be collective and shared among the group. Image may reflect the issues that are in the organization customer's mind, organizational image influence the customer perception as a filter. In other words, the image of the company is related to customer perceptions of a

service organization. Image depends on the output and functional quality, cost, external communication activities, physical position, adornment and the cleanliness, competence and employees' behavior.

Gronroos explains that: "Image in services organization acts as a filter." If the image is good in the customer's mind, the problems associated with the customer relating to the process and result may probably be ignored partly by mental images. If the problem continues, ultimately positive image may be tarnished and become negative. In such a scenario it is likely the quality problems will be perceived worse than reality.

Brand commitment: commitment to a relationship in literature is defined as "sustainable intention to maintain a valued relationship". So, commitment to a brand is sustainable intention to maintain a valuable relationship with the brand.

8.1. Loyalty to brand

Loyalty is deeply maintaining the commitment for repurchasing the superior products/services which will lead to continuous and regular purchasing the brand or a group of brands, all of them occurs despite of the environmental effects and marketing efforts that are able to force customer choose themselves (Morgan, R.M. and Hunt, S (1994).

Oliver also suggests that customer loyalty is a function of the received product excellence, personal stability, social commitment and their synergizing effect (Ogba Ike-Elechi and Tan Zhenzhen, (2009). Oliver follows that the loyalty is not commitment but it is one of its aspects which is called as its emotional and perceptual aspects. Loyalty can be considered as a behavioral factor, e.g. purchasing behavior toward a special brand and loyalty is assumed as a circumstantial process which is the cause of correlation between attitudes and behavior. Trust to a Brand: Garviz and Kurchia (2002) proposed a three dimensional definition of trust and tested it as a structure.

From customer viewpoint, trust is a mental variable that reflects a set of clients' perception on brand such as brand reputation, honesty and benevolence. The trust will be made when the company reliability and trustworthy is believed. In order to achieve the trust, the company should take a strategy to make an effective communication, accept the customer relationships criterion, and avoid negative reputation. Anderson et al discovered that making communication is a powerful factor in determining the level of trust because it increases the joint understanding and thus the trust and maintain them. In addition, satisfaction that is an evaluation of results, by comparing the outcomes to certain standards and news, the most important predicted source of satisfaction may lead to joint understanding

of the goods and services performance and also customer expectations. Satisfaction is an important ground of trust and in wider perspective, satisfaction is the ability of company to conform to relationship driven standards and obvious trust (Morgan, R. and Hunt, S. (1994).

Meeting the customer expectations successfully depends on the ability to provide constant value in the relation. By increasing the benefits for the buyer, the value will be increased, too, therefore the satisfaction will enhance and motivation for repurchasing would be created. The sense of security develops the relational value, so trust may be promoted among the safety, reliability and security.

Trust and satisfaction play complementary roles and facilitate relationships. Trust is as one of the social exchange literature components. In marketing literature, services are defined as a necessity for creating a successful trade. Due to perceivable nature of the services and the fact that services are consumed during the purchasing, it can be argued that high trust to the product or distributor is necessary for encouraging and repurchasing. Also, trust is defined as "credibility and perceivable benevolence of trusted", expertise, reliability and universality are the dimensions of trust. Trust is formed when customer think that a distributor is trustworthy and reliable.

2. Discussions

In the research, we concluded that generally customer's viewpoint to public relations can provide one of the relation marketing dimensions named confidence and influence the customer loyalty. In today's competitive global marketplace, companies are looking for ways to improve the company's brand image and gain more loyal customers.

This research proves that the customer loyalty is totally affected by public opinion quantitatively and qualitatively, although this effect is variable. In summary, the effect of public opinion on customer loyalty is proved. Ideally, companies can prove their philanthropic goals via public relations and facilitate customer loyalty by creating trust. Kahn says: "Public relations are to strengthen the strong brand more, but it can never turn a brand to something that is wrong.

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