The effect of Brand Reputation on Customer Trust "Online Brand" in Parskhazar Eshop-Iran

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Abstract

Over the past few decades, the business world has experienced many changes. As a result of these changes, the company entered into fierce competition in various aspects such as quality improvement and increasing consumer trust. Brand reputation is one of the desires of the customer in choosing a product. In many markets, a brand creates special identity for a product and links them to a particular group of the population. Thus brand reputation can lead to gain the trust of customers in online shopping. In this context, online brand reputation is very important. Accordingly, the present study was to evaluate the effect of brand reputation on gain the trust of buyers (online brand) in E-shop of Pars Khazar (Iran). Statistical population in the study includes all users E-shop in Pars Khazar Company that among them, 434 persons were selected as sample. Questionnaire is used as data collection tool. To data analysis various is used methods of descriptive and inferential statistics. The analysis is performed using statistical software of Lisrel. Finally research hypotheses are confirmed and results show that brand reputation has effect on customer trust in Pars Khazar E-shop.

Keywords: Trust, Brand Reputation, Online Brand, Pars Khazar

1. Introduction

In recent years the business environment in the world has witnessed many changes and developments. Some of these changes include changing attitudes of companies from tangible assets towards intangible assets. Thus process of valuing intangible assets has been great importance for companies. Brand is intangible assets in companies that are the source of the highest values. Nowadays importance and role of brand in the purchase of the customer so that some experts have referred to it as a perfect product and believe that consumers often buy a brand instead of a product. According Kotler view, a brand is a name, term or phrase, symbol, sign, icon, design, or a combination of them that their goal is to introduce a product or service offered by one seller or group of sellers and thereby distinguishes them from their competitors’ products. The brand is actually a summary of the company that makes the connection between customer and company. If a company tends to find a deep and meaningful relationship through their brand with customers, is compelled to seek common points, desires and interests with them. It can be said the brand plays an important role in gaining the trust of customers, especially in online purchases. Thus brand reputation can be used as a tool to satisfy and enhance the quality of services. Since, in the present competitive world where the speed of entry of new competitors into the market and offer different services is very high and due to high costs to find new customers, retain existing customers is very important. For this purpose gain customer trust and satisfaction is very important that this goal can achieve using credibility and reputation of brand(GILANINIA,2015). The reliability of the company or brand is the strongest position in the minds of customers. Therefore, to gain customer trust has been one of the primary goals to create a long-term relationship with customers. Due to the expansion of the
Internet and related technologies that have dramatically changed the landscape of global brand and according to in the last 15 years, online brand names from ambiguity were become to the family's name with reputation and market value that provide them among the world's most valuable brand hundred, we can understand the importance of attention to online brand. According to information published in the Financial Times Magazine, in fact value of a famous brand like Google, which is currently at the top of the world rankings is estimated $100,039 million that is important (Song, Zhang, Kho & Hoang, 2010). The other hand maintaining an active interaction with the user, through repeated interactions remains as a critical issue for online brand (Bart, Shankar, Sultan, urban, 2005; Bridjez & Florsheim, 2008; Christodoulides, 2004; Helm, 2007; Kollmann & Suckow, 2008). A powerful and famous brand in cyberspace increases customer trust when purchasing goods and services and help them to better understand the intangible factors. The other hand can be said that brand reputation is a valuable asset for the company (Chen & Chang, 2008).

Accordingly, this study tried to investigate influence of brand reputation on buyers trust (online brand).

2. Problem Statement
Rapid changes in today's world are faced organizations with different challenges, but in the meantime, organizations are successful that using management tools and new technologies use from opportunities to their advantage. E-commerce environment is one such tool. E-commerce environment based on internet will allow customers that to search for information and purchase of goods and services act through direct contact with E-shop. Thomas and Veloutsou (2013) in their study examine consumer relationships with brands and online brand experience. In this study, empirical tests using structural equation modeling and based on preliminary data were conducted a survey of 456 users of online search engines in the UK. They were asked respondents asked to list name their favorite search engine, for example, search engine used in the past 3 months. The most popular engines were Google (80%), Yahoo (8.8%) and other engines (11.2%). The results show that trust and perceived usefulness has a positive effect on online brand experience and the positive experience is result of satisfaction and behavioral intentions, which in turn led to the formation of online brand relationship. Also results showed that brand reputation emerged as experience and creator of trust and perceived ease of use from online brand.

Nowadays providers in consumer and industrial markets are faced with customers that have unlimited demands but are less affected traditional marketing tools. On the other hand market products, in term of customer’s view do not have many differences. As the brand of product desired of customer is not available, it is replaced by another brand and this represents a decrease in customer loyalty. Since customer satisfaction has become to one of the most important pillars in the field TQM and also no organization cannot survive without customers satisfied and loyal, due to the newness of brand issues especially online brands in the country and among domestic producers and based on the theoretical and practical concepts activity of online stores in the supply of products with a view to gaining trust of online brand customers, in this study, it try to evaluate the effect of brand reputation, the attraction of the trust and loyalty of customers which ultimately led to creation and maintain a reciprocal relationship with customers of online brand whether brand reputation affect to attract trust of online buyers?

3. Research Model
Figure 1 offers a model of integrated online brand experiences. Research model is derived from a study of Thomas and Veloutsou (2013). In this model the emotional aspects of brand relationship complete dimension of the technology acceptance that offers more complete understanding from the consumer experience with online brand. This model includes variables of technology acceptance model such as perceived usefulness, perceived ease of use and behavioral intentions, trust and brand reputation.

![Figure 1) conceptual model of research (Thomas & Veloutsou, 2013)](image)

**Brand Reputation**

Brand reputation is defined as perception from quality of brand. Studies have found attitude that attitudes when is available further in memory increase value of their predicted (Hassani, 2010). Direct experience has a strong impact on brand reputation because attitudes are more accessible. The ability to achieve role is a frequency interaction or use the product or service. So consumer may be more accessible attitudes and therefore increase effect of brand reputation for next behavior (Selnes, 1993, 22).

**Perceived Ease of Use**

Perceived ease of use is person perception from usefulness system and in this study, its definition influenced by the fact that S/He understand to what extent is easy to use the system (Vakentash & Deivis, 2000: 187).

**Perceived Usefulness**

Consumers using different characteristics as quality indicators attempted to judgment about available products. Perceived benefits of brand are reflective of the quality indicators perceived by consumers as image or price (Lymperpoulos et al, 2010).

**Brand**

According to the Marketing Association of America, Mark, brand is the name, term, design, icon or any other features that characterize a particular product or service that is distinguished it from other similar products and services.

**Online Brand**
Online Brands consists of condensed set from all continuous innovations and activities in order to create and manage online brand with strategy concepts and their own design in cyberspace (Sanayei, 2011: 230).

**Trust**
Trust in any time in the history of the business, is one of the basic concepts of transactions and exchanges. Nowadays with strength of the concepts such as long-term relationships with business partners, customers and competitors, information society and an economy based on services, these concept is more important. It is difficult providing a precise definition of trust. As defined in the Oxford English Dictionary, it means ability of Reliance and comfort level of acceptance of an attribute by a person or thing or just an expression (Sepehri & Asadi, 2006).

**Behavioural Intentions**
According to definition of Fishbin and Ajzen (1975) intentions of an individual is receiving and perception of individual from the occurrence of a particular behavior. In other words, intention of person is subjective situation and possibly that is communicating between an action and the person (Gopi & Ramaya, 2007).

**Satisfaction**
Customer satisfaction has been defined in different ways, but with conceptualization has achieved wide acceptance (Cronin & Taylor, 1992, 62). Fornell offers that satisfaction can be evaluated as a general feeling directly. In addition, he suggested that customers comment about how compare a product or service with the ideal sample. Therefore people may be satisfied from the service or product and in the same time performance compared to what it should or could be, have a common assessment (Fornell, 1992, 18).

**Online Brand Experience**
The subjective notion of an integrated software package from information and experience is caused to associate of the specific character and performance in the customer mind. Field of consumer brand experience is one of the key obvious features of online brand. Online fields tend to information-rich, dynamic, crowded market spaces that are (gilaninia,2014) identified by flow of much information and with an emphasis on technological innovation. Online brand experience (OBE) is subjective response within individual in relationship with online brand. Online brand experience is derived from concept of customer experience (Arnold & Lueg, 2005) and including cognitive and emotional states that are multidimensional and unique for each consumer. Online brand experience offers goal-oriented responses, intellectual, cognitive to a brand as have processing affective and emotional from brand experience (Rose et al, 2011).

**Online Brand Relationship**
People communicate with online brands in diverse range from activities lead to experiences and different behaviors (Meyer & Schwager, 2007). Consumers are deeply linked with brands and tend to be actively in process of reciprocal relationship which includes providing and receiving information (Veloutsou, 2007).
4. Research Hypotheses

According to the statement of the research problem and the theoretical framework of research, the research hypotheses are as follow:

Main hypothesis:

Brand reputation has effect on trust of online buyers in Pars Khazar.

Sub-hypotheses

Sub-h1: Brand reputation has direct and positive effect on perceived ease of use.

Sub-h2: Brand reputation has direct and positive effect on trust.

Sub-h3: Perceived ease of use has direct and positive effect on perceived usefulness.

Sub-h4: Perceived usefulness has direct and positive effect on online brand experience.

Sub-h5: Trust has direct and positive effect on online brand experience.

Sub-h6: Online brand experience has direct and positive effect on behavioural intentions and satisfaction.

Sub-h6: Behavioural intentions and Satisfaction has direct and positive effect on online brand relationship.

5. Research Methodology

The research method used in this study in terms of implementation is descriptive research and in term of purpose is applied Research. Statistical population in the study includes all users E-Shop in Pars Khazar Company that among them, 434 persons were selected as sample. Questionnaire is used as data collection tool that is distributed among users of internet and online shop and sample considering time required for data collection. In the present study to determine the validity of the questionnaire is used views of ten experts in the field of online marketing and e-commerce. Also approving supervisor professor overall is confirmed validity of questionnaire. To calculate reliability coefficient is used Cronbach Alpha. The result of all Cronbach's alpha coefficients is obtained greater than 0.7 and thus questionnaire is reliable. To data analysis various is used methods of descriptive and inferential statistics. The analysis is performed using statistical software of Lisrel.
6. Research Findings

6.1. Examining Research Model

In this part it examines the research model. Signs used in the model are as follows:

<table>
<thead>
<tr>
<th>Variables</th>
<th>signs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Ease of Use</td>
<td>ESY.U</td>
</tr>
<tr>
<td>Perceived Usefulness</td>
<td>USF</td>
</tr>
<tr>
<td>Brand Reputation</td>
<td>RPT</td>
</tr>
<tr>
<td>Trust</td>
<td>TRUST</td>
</tr>
<tr>
<td>Online Brand Experience</td>
<td>EXP.B</td>
</tr>
<tr>
<td>Behavioural Intentions</td>
<td>BEH.I</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>SATIS</td>
</tr>
<tr>
<td>Online Brand Relationship</td>
<td>C.B.O</td>
</tr>
</tbody>
</table>
6.2. Examining Research Model in State of Standard Numbers:

Figure 2) testing the research model (state of standard numbers)

Chi-Square=1519.94, df=455, P-value=0.00000, RMSEA=0.079
6.3. Examining Research Model in State of Significant Numbers:

Chi-Square=1519.94, df=655, P-value=0.00000, RMSEA=0.074
6.4. The Results of Path Analysis

As software output of standard estimates and also significant numbers is showed, the table of results of direct and indirect effects of model variables has been calculated in the following table.

Table 2) direct effects, indirect and total effect on online brand Relationship

<table>
<thead>
<tr>
<th>Causal relationships</th>
<th>direct effects</th>
<th>Indirect effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation Experience Perceived Ease of Use</td>
<td>Perceived Usefulness</td>
<td>0.06</td>
</tr>
<tr>
<td>Reputation Experience Perceived Ease of Use</td>
<td>Perceived Usefulness</td>
<td>0.03</td>
</tr>
<tr>
<td>Reputation Experience Perceived Ease of Use</td>
<td>Perceived Usefulness</td>
<td>0.33</td>
</tr>
<tr>
<td>Reputation Experience Perceived Ease of Use</td>
<td>Perceived Usefulness</td>
<td>0.17</td>
</tr>
<tr>
<td>Intention Relationship</td>
<td>0.59</td>
<td></td>
</tr>
<tr>
<td>Satisfaction Relationship</td>
<td>0.37</td>
<td></td>
</tr>
</tbody>
</table>

According to the above table it can be seen that most indirect effect includes reputation on online brand Relationship through trust, experience, Intentions.

7. Testing Hypotheses

1: Brand reputation has direct and positive effect on perceived ease of use.

The results of basic model of research in the state of significant numbers indicate that value of t-test between two variables is 10.13 and since this value is outside the interval [-1.96 & 1.96], thus the relationship between two variables is significant and therefore the research hypothesis means brand reputation has direct and positive effect on perceived ease of use, is confirmed. According to basic model of research in standard state, value of effect is equal to 0.67.

2: Brand reputation has direct and positive effect on trust.

The results of basic model of research in the state of significant numbers indicate that value of t-test between two variables is 15.16 and since this value is outside the interval [-1.96 & 1.96], thus the relationship between two variables is significant and therefore the research hypothesis means brand reputation has direct and positive effect on trust, is confirmed. According to basic model of research in standard state, value of effect is equal to 0.86.

3: perceived ease of use has direct and positive effect on perceived usefulness.
The results of basic model of research in the state of significant numbers indicate that value of t-test between two variables is 6.46 and since this value is outside the interval [-1.96 & 1.96], thus the relationship between two variables is significant and therefore the research hypothesis means perceived ease of use has direct and positive effect on perceived usefulness, is confirmed. According to basic model of research in standard state, value of effect is equal to 0.70.

4: Perceived usefulness has direct and positive effect on online brand experience.

The results of basic model of research in the state of significant numbers indicate that value of t-test between two variables is 6.50 and since this value is outside the interval [-1.96 & 1.96], thus the relationship between two variables is significant and therefore the research hypothesis means perceived usefulness has direct and positive effect on online brand experience, is confirmed. According to basic model of research in standard state, value of effect is equal to 0.24.

5: trust has direct and positive effect on Online Brand Experience.

The results of basic model of research in the state of significant numbers indicate that value of t-test between two variables is 11.08 and since this value is outside the interval [-1.96 & 1.96], thus the relationship between two variables is significant and therefore the research hypothesis means trust has direct and positive effect on online brand experience, is confirmed. According to basic model of research in standard state, value of effect is equal to 0.68.

6-1- Online brand experience has direct and positive effect on behavioural intentions.

The results of basic model of research in the state of significant numbers indicate that value of t-test between two variables is 14.42 and since this value is outside the interval [-1.96 & 1.96], thus the relationship between two variables is significant and therefore the research hypothesis means Online Brand Experience has direct and positive effect on behavioural intentions, is confirmed. According to basic model of research in standard state, value of effect is equal to 0.95.

6-2- Online brand experience has direct and positive effect on satisfaction.

The results of basic model of research in the state of significant numbers indicate that value of t-test between two variables is 9.21 and since this value is outside the interval [-1.96 & 1.96], thus the relationship between two variables is significant and therefore the research hypothesis means online brand experience has direct and positive effect on satisfaction, is confirmed. According to basic model of research in standard state, value of effect is equal to 0.81.

7-1- Behavioural intentions has direct and positive effect on online brand relationship.
The results of basic model of research in the state of significant numbers indicate that value of t-test between two variables is 4.65 and since this value is outside the interval [-1.96 & 1.96], thus the relationship between two variables is significant and therefore the research hypothesis means Behavioural Intentions has direct and positive effect on online brand relationship, is confirmed. According to basic model of research in standard state, value of effect is equal to 0.59.

7-2- Satisfaction has direct and positive effect on online brand relationship.

The results of basic model of research in the state of significant numbers indicate that value of t-test between two variables is 3.01 and since this value is outside the interval [-1.96 & 1.96], thus the relationship between two variables is significant and therefore the research hypothesis means satisfaction has direct and positive effect on online brand relationship, is confirmed. According to basic model of research in standard state, value of effect is equal to 0.37.

Since positive effect of all components of research model has been proved by above statistical calculations as a result it can be said certainty that main hypothesis is proved and thus brand reputation has direct and positive effect on online brand relationship for trust of online buyers in Pars Khazar e-shop

7. Conclusion and Recommendations
Results of this study showed that online brand experiences have affected to understand brand usefulness, trust and brand reputation. On the other hand to the positive experience of online shopping leads to satisfaction and behavioral intentions and in turn, it can lead to emotional relationships with brand. Trust caused by online brand reputation that shaped according to perceived usefulness based on previous experiences of online brand with positive assessment from behavioral intentions of online buyers can affect trust and establish business relations of online buyers.

In this market environment of crowded and ever-changing, brand appear as a key weapon in the fight for the attention of consumers. The present research results are consistent with results of Thomas and Veloutsou research (2013). Results show that online brand experience has a positive effect on customer satisfaction and loyalty that above results consistent with result of Jalal research (1998) as well. Based on results of the study, the following recommendations are offered:

1. Since results showed that brand reputation has direct and positive effect on perceived ease of use, thus it is recommended that online stores for the best use of strong brands and store design based on the information easy to buy facilitate easy access of online buyers to brands introduced and a sense of achievement by providing most supplemental information about to purchase products or services transferred to online brand buyer.

2. Since results showed that Brand reputation has direct and positive effect on trust thus it is recommended that online stores supply the brands of well-known and reputable that they sense of trust online buyers to it is positive because by providing better service with these brands for their online store attract buyers trust.
3. Since results showed that perceived ease of use has direct and positive effect on perceived usefulness thus it is recommended that companies in their online store design avoid from placement programs, logos, and scripts that is caused to Increase the size of the site and slowing of its load speed that this makes it ease of use of customer from online service in online shops and will increase satisfaction and trust.

4. Since results showed that perceived usefulness has direct and positive effect on online brand experience, thus it is recommended that shops and companies while observing recommendation in section 3 at all times of the day (7 days / 24 hours) provide results in the formation of online brand successful experience to their customers.

5. Since results showed that trust has direct and positive effect on online brand experience, thus it is recommended that company in order to gain the trust of customers in addition to insert a symbol of trust from the relevant regulatory bodies on their site provide specific guarantees such refund in case of dissatisfaction, the exchange of goods, guarantee, warranty or guarantee of goods and services price.

6. Online brand experience has direct and positive effect on behavioural intentions and satisfaction, thus it is recommended that the company in addition to periodic review from the design of stores, brands, products and services offered in the regular course with schedule objectives determined based on customer views and suggestions consider reengineering the forefront of positive change.

7. Since results showed that behavioural intentions and satisfaction has direct and positive effect on online brand relationship, thus it is recommended that companies and brands offered in the online environment, especially appreciated from their reference customers that play the role of advice to other potential customers, by sending information useful for customers identify latent demand and also meeting the needs of customers and their satisfaction are established ongoing two-way communications with them.

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