

Structural Equation Modeling Approach in Explaining the Effect of Mediating Role of Sports Customer Satisfaction on Brand Equity and Brand Loyalty (Case Study: Sports Places of Maku Industrial Free Trade Zone)

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Abstract

Objective: Business organizations always wanted to create solutions to achieve the brand customer satisfaction in industrial markets for a specific purpose, the limitation of customers, large profits, and creating customer loyalty for their organizations. The aim of this study is to investigate the role of customer satisfaction on brand equity and brand loyalty. **Methodology:** This Study is applicable in terms of purpose and is a descriptive survey regarding to data collection. The populations of the study are the sports places consumers of Maku industrial free trade zone. For sample selection, the simple random sampling method was used. So for gaining and analysis of the preliminary data, the standard questionnaire was used. To analyze the data and respond to questions and hypotheses testing, the structural equation modeling test of smart PLS was used. **Results:** The results show a significant and acceptable influence of mediating role of sports customer satisfaction among the components of brand equity (perceived quality, employee behavior, brand awareness, brand identity) and brand loyalty. **Conclusion:** As a result, according to the ranking factors influencing loyalty, managers of sports places, can provide a basis to increase the customer loyalty and thus to keep long-term interests of their firms.

Keywords: "brand," "Sports customer satisfaction", "brand loyalty", "Maku industrial and free trade zone."

Introduction

While several decades of study have passed about the attitudes and customer satisfaction to the brand and its effects on customer behavior, but in recent years, most researches have focused on the customers and loyalty to the brand (Batra et al, 2012). Today, sport is a phenomenon that most people have a tendency to it and its various dimensions are considered as an important topic in various circles. Due to the fact that a sports team in the sports industry can be considered as a brand and the fans as customers and that these customers are likely to feel solidarity with more successful teams' brand than with the unsuccessful teams' brand (Bristow et al, 2001, Ditez et al., 2003) so the main feature of a famous brand is the loyalty rate and preferences that it creates (Heydarzadeh, 2007).

The concept of (branding) became more applicable in the field of sports, especially in Teams / sports brands; Sports brand is a name or a symbol that is used for identifying a product. Branding is the process of creating semantic evokes between symbols, object, a feeling or a perception of a product or a company aiming to build loyalty and differentiation (Yu et al, 2000). Han et al, (2010), use the notion of the supremacy of name, logo and brand salience to show their dignity.

In any manufacturing or service organization, the most important factor for survival is their customers. If the organization is successful in attracting their satisfaction and loyalty, the growth and its long-term survival have provided. Customer satisfaction is essential for long-term occupational success and is one of the most important research topics in marketing (Pappu and Quester, 2006). Although the profitability and customer retention is considered as the core of business in an organization, but if the organization loses its customers while unable to answer the question that how the performance of an organization should be to keep the customers, there is nothing to do for that organization. Although Customers' satisfaction is considered as one of the main long-term occupational factors for success, most researches have examined customer satisfaction and its impact on the assessment of consumers' behavioral and attitudinal loyalty (Hasu, 2007). The most recent conclusion is that satisfied consumers are less sensitive to price, are not affected with the influx of competitors and are loyal to the company and the institute more than dissatisfied customers, although previous researches has examined the relationship between customer satisfaction and customer loyalty (Dimitriadis, 2006).

Brand equity is the marginal utility or the added value that products or services created by the brand. Brand equity is as an asset for the company, which increases the flow of business. Brand equity is a multidimensional concept that can be increased by strengthening its dimensions. These dimensions are: Brand awareness, brand association, brand loyalty, and the perceived quality (Aker, 1996).

Broadbent et al (2008), Research results showed that the intensity of the love of a fan for a team / sports brand is clearer and more stable from other customers who are associated with other brands. Also Moharramzadeh and Akbari (2012), findings showed that the loyalty of a sports team has been able to provide positive statements and even strengthen the brand's national level. Abbasnejadet al (2007) concluded that the first thing to gain customer loyalty is to develop a clear picture of the customer. Dehdashtiet al (2012), Research findings showed that there is a positive effect and a direct relationship of customer satisfaction about brand identity on brand loyalty. Seyyed Javadein and Shams (2007), research results indicated a strong correlation between brand awareness and brand evokes with brand loyalty rate among the customers. The results of Fattahy (2014) showed that the changes in brand equity from a consumer's perspective had a positive and significant impact on brand loyalty and consumer confidence in Mashhad's recreational center and the positive effect of consumer satisfaction on brand loyalty has been confirmed. Iranmanesh et al (2014), findings showed that the quality, model, and brand name of sports clothes were more important than other brand loyalty factors. In addition, there is a positive and significant relationship between most of the components of brand loyalty.

Brand equity is made up of brand awareness bases. The positive images of brand are formed later and ultimately are maximized with high levels of loyalty. One of the most valuable assets of any company is the brand of that company. The higher the value of the brand in the minds of consumers, the higher the companies' benefits. So satisfying the sports customers' expectations with respect to brand quality characteristics lead to more satisfaction. The domestic and foreign researches are negligible in this field, and this is a good reason to do this research. Therefore, it is appropriate to examine the issues related to consumer/ brand loyalty and customer satisfaction in the sports industry. So the sports section, like any other organization, to reduce the likelihood of risks and their efforts for the customer satisfaction on brand equity it is required to answer this question that: what are the affecting factors of customer satisfaction on brand equity and brand loyalty in sports? So in this study, the author's want to investigate the mediating role of sports customer satisfaction on brand equity and brand loyalty (Case study: sports places of Maku Free Zone). It is hoped that the results of this study would be useful for promoting the customer loyalty in accordance with desirability of consumers' value, providing information for the managers of sports places, providing appropriate strategies, and also supporting programs in Iran's sports places.

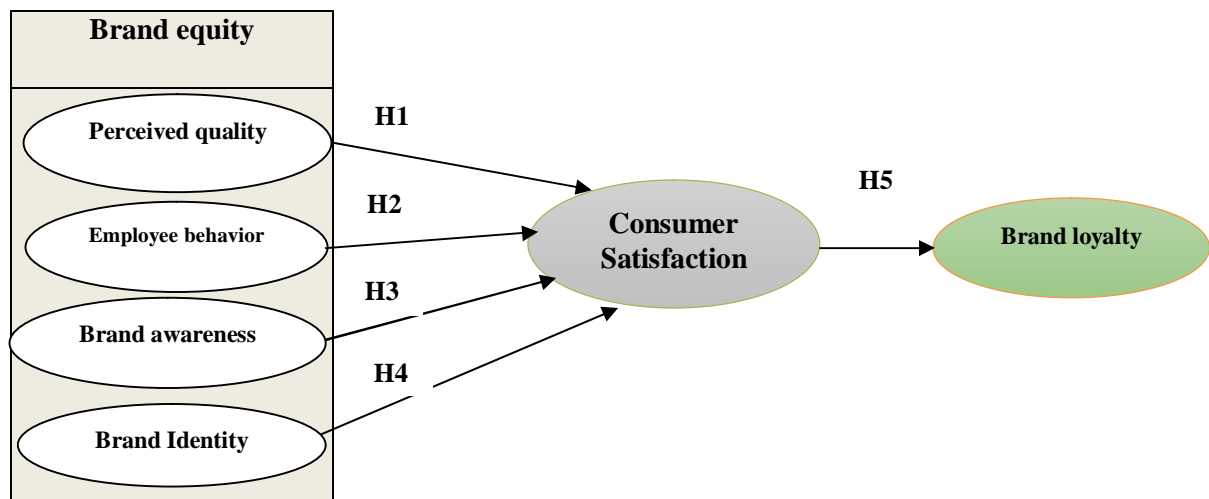


Figure 1: Conceptual Model of Research

Methodology

As the authors intend to investigate the role of sports customer satisfaction on brand equity and brand loyalty in this study (Case Study: sports places of Maku Free Zone). This Study is applicable in terms of purpose and is a descriptive survey regarding to data collection. It is based on structural equation modeling. The population of this study is consisted of 67 experts, managers, and head of sports delegations in Maku free zone, which is conducted in full numbers. The population of sports customers using Maku free trade zone sports places, due to the uncertainty of the number of sports customers who were chosen as the sample size was 385 people, which is the highest statistical sample size. The research sample was selected through random sampling and due to the number of qualitative variables; the Morgan table was used to determine the sample size. The necessary information is collected through observation, literature review and the questionnaire.

Data collection tools are divided in two parts based on the questionnaire: 1) demographic characteristics (age, gender, marital status, education level, usage, and familiarity with the sports places). 2) questionnaires: The Aaker (1996) perceived brand quality brand awareness and brand loyalty questionnaire, Shahrokh et al (2012) brand identity questionnaire, Nam et al(2009), questionnaire called the behavior of staff and colleagues, lasting customer satisfaction questionnaire (2010), were collected that consists of 35 questions and are based on Likert's five-item spectrum (very low to very high). To ensure the content validity questions, the comments of 6 sports management professors were used. After data analysis, there liability of the questionnaire is estimated close to (0.65) by using Cranach's alpha coefficient for all the variables which shows the reliability scale (Table 1). For the statistical analysis, the descriptive statistics (frequency indicators, mean, and standard deviation) was used and for the inferential statistics, the structural equation model and smart PLS and SPSS software's was used.

Table 1: Validation hybrid structures

	AVA	Validity & Reliability	Explained variance	Cranach's alpha	Subscription credit	redundancy
Perceived quality	0.53	0.78	0.37	0.63	0.47	
Employee behavior	0.53	0.72	0.59	0.69	0.42	
Brand awareness	0.51	0.70		0.68	0.49	
Brand Identity	0.50	0.71		0.70	0.32	
Consumer Satisfaction	0.51	0.70	0.81	0.65	0.37	0.86
Brand loyalty	0.50	0.74		0.64	0.52	0.63

By comparing the values obtained from square root of variance for «AVA» structure models in solidarity with other structures in Table 2, it can be a valid model.

Table 2. modified correlation value Table

	Perceived quality	Brand loyalty	Brand awareness	Brand Identity	Employee behavior	Consumer Satisfaction
Perceived quality	0.92					
Brand loyalty	0.91	0.73				
Brand awareness	0.91	0.72	0.81			
Brand Identity	0.85	0.68	0.80	0.72		
Employee behavior	0.84	0.66	0.79	0.71	0.89	
Consumer Satisfaction	0.67	0.65	0.78	0.70	0.83	0.79

Table 3. The results of path coefficients

	R Square
Perceived quality	0.62
Employee behavior	0.68
Brand awareness	0.71
Brand Identity	
Consumer Satisfaction	0.79
Brand loyalty	0.61

"R square" Matrix is the result of "PLS logarithms" and "smart PLS" path coefficients test that shows the hidden explained variance of the dependent variable. In fact, the « R^2 » reflects the Suitability of this model and it is more suitable if the value is much closer to 1.

The mediating variable effects

As it is observed from the output of software and standard estimation as well as significant values, the results of indirect effects of model variables are calculated in the following table:

Table 4: Table of indirect effects

	indirect effects
Customer satisfaction in the impact of perceived quality on brand loyalty	0.44
Customer satisfaction in the impact of employee's behavior on brand loyalty	0.18
Customer satisfaction in the impact of brand awareness on brand loyalty	0.37
Customer satisfaction in the impact of Brand identity on brand loyalty	0.27

According to the significant relationship of variables, the examining of the hypotheses can be initiated. The results of tests based on structural equation modeling study are shown in Table (5). As it can be seen in this table, all research hypotheses have been confirmed in 99% confidence level.

Table 5. Table of research hypotheses test

Amount	To affect	Level of significance	test T	Beta coefficient	Directions (hypothesis)	Row
W	+	0.05	2.41	0.07	perceived quality → brand loyalty	
S	+	0.01	9.17	0.80	Customer satisfaction → brand loyalty	1
S	+	0.01	37.27	0.94	perceived quality → Customer satisfaction	
S	+	0.01	15.64	1.46	employee behavior → brand loyalty	
S	+	0.01	9.17	0.80	Customer satisfaction → brand loyalty	2
M	+	0.01	35.48	0.46	employee behavior → Customer satisfaction	
W	+	0.01	3.54	0.21	brand awareness → brand loyalty	
S	+	0.01	9.17	0.80	Customer satisfaction → brand loyalty	3
W	+	0.01	10.82	0.19	brand awareness → Customer satisfaction	
W	+	0.05	2.09	0.19	Brand Identity → brand loyalty	
S	+	0.01	9.17	0.80	Customer satisfaction → brand loyalty	4
W	+	0.01	13.22	0.21	Brand Identity → Customer satisfaction	

S = Strong W = Weak M = Middle

Discussion and Conclusion

The results of this test showed that the model is in a good condition. Based on these facts, the results of hypotheses test which are derived from the model are as follows:

The results showed that, customer satisfaction plays a mediating role in the impact of perceived quality on brand loyalty. That result is consistent with the results of Oliver (1993), Dabulkar et al (2000), and Jang Hume et al (2011). So it can be said that the brand equity stems from the perception of customers, for athletic directors, it is very important to measure and evaluate the brand equity in the customers' level. Thus, according to the entrance of private sector to sports industry and creating a competitive atmosphere between the sports partners, ignoring the effective resources on brand equity, can have devastating effects on the sport market share.

So, the managers must give more importance to the impact of perceived quality on brand loyalty, because the perceived quality and trust have similar effects on the relationship between satisfaction and loyalty. The results of this study showed that customer satisfaction plays a mediating role in effect of employees' behavior on brand loyalty. The results are consistent with the research results of Ekinci et al (2008), Huang (1998) and Jang Hume et al (2011). The results of this part show that by teaching and improving communication and information skills, the level of familiarity of staff with technology and modern tools of information and communication is promoted, the effectiveness and customer satisfaction is increased, and ultimately through this method, the amount of brand loyalty is facilitated in sports places.

The results also show a, significant and acceptable influence of mediating role of customer satisfaction in the effect of brand awareness on brand loyalty. The results of this part of the research are consistent with Solomon (2002), Foxall et al (1998) and Jang Hume et al (2011) findings. In general, it can be said that according to the variety and newness of information and communication technologies and tools in today's world of sports about brand awareness, the utilization of modern information and communication tools and promoting them on brand awareness in all fields seems indispensable, because brand awareness plays an important role in customer decisions; and when the customer is aware about and familiar with the brand and remembers the signs and unique associations of brand, then he decides to choose the product.

The results of the study show that, customer satisfaction plays a mediating role in effect of brand identity on brand loyalty. The results of this part of the research are consistent with Jang Hume et al (2011), Solomon (2002) and Foxall et al (1998) findings.

In fact, according to the findings, it can be said that because the brand identity is one of the most important topics in sports marketing and plays an essential role in differentiating and brand sports management process; so it is essential, according to harsh dynamic environment and its constant change, brand identity must also be dynamic and it should be expanded over time. And the dynamic aspects of brand identity Leads to the flexibility of sports brand in terms environment changes.

In addition, the results of this study showed that, the effect of sports customer satisfaction on brand loyalty is significant and acceptable. The results of this part of the research are consistent with Bloemer (1998), Jang Hume et al (2011), Caruana and Malta (2002) and Ekinici et al (2008) researches. The customer satisfaction arises from pleasant or unpleasant feelings in comparison to his mental function with his expectations; and customer satisfaction can boost the customers' decisions to get involved in organizations. Customer satisfaction consequences are cooperation and loyalty for the organization. Therefore, if sports places have a more distinct identity, then the customer satisfaction and loyalty will be with them.

Consumers who are loyal to a specific product, they are a means of gaining more market share. And these consumers are intangible assets of companies. Also with the study about the effective factors on customer loyalty, sports facilities managers would understand how they can achieve more success in attracting the customers and their satisfaction and loyalty about the products that continually change, from a perspective that is important for customers. Therefore, sports organizations managers should study the desires, needs, perceptions and buying behavior of customers, in order to decide to compete in the development of market share, new product, price changes and ..., so that, they could increase the sports customer satisfaction and loyalty to the sports places.

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