



AENSI Journals

Advances in Environmental Biology

ISSN-1995-0756 EISSN-1998-1066

Journal home page: <http://www.aensiweb.com/AEB/>

“The Effect of Trust in and Satisfaction with a Brand on Retail Buyback”

¹Ayyub Sheikhy and ²Narges Hosseini

¹Department of Management, Kerman Branch, Islamic Azad University, Kerman, Iran

²Department of Management, Kerman Branch, Islamic Azad University, Kerman, Iran

ARTICLE INFO

Article history:

Received 13 September 2014

Received in revised form 26 November 2014

Accepted 25 December 2014

Available online 15 January 2015

Keywords:

Brand Image, Trust in a Brand, Satisfaction with a Brand and Retail Buyback.

ABSTRACT

Many researchers and managers have concluded that the most valuable asset for a company to improve its marketing function is branding knowledge. Branding can be conducted by investing in marketing plans and depict the brand image and trademark in consumers' mind. The brand image in consumers' mind may affect their behavior with trailers. Therefore, in the present study, we selected a sample including 384 customers in a mobile market in Zanzan and asked them to complete the related questionnaire to see if trust in and satisfaction with a brand can affect retail buyback and if trust and satisfaction can play as an intervening factor. By choosing the method of analyzing the structural equations to verify the research hypotheses, we concluded that trust in and satisfaction with a brand had a significant impact on buyback and they were the intervening factors.

© 2014 AENSI Publisher All rights reserved.

To Cite This Article: Ayyub Sheikhy and Narges Hosseini., “The Effect of Trust in and Satisfaction with a Brand on Retail Buyback” . *Adv. Environ. Biol.*, 8(25), 429-438, 2014

INTRODUCTION

In today's world, the major part of GDP in developed countries is produced by service sectors. However, there are not many studies on how to improve trade names in service sectors [3]. Trade name registration for services is quite distinct from trade name registration of physical merchandises because of features such as intangibility, heterogeneity, inseparability, and unsustainability. Research carried out on service sectors like retail stores and banks shows that brand dimensions including brand evidence and brand communication fundamentally affect consumers' satisfaction and perception and finally result in buyback [8]. While the effect of brand on physical commodities has drawn managers' and researchers' attention, brands can significantly change the sale in service companies.

Recent empirical and conceptual studies have stressed on the vital importance of inspecting the role of brand in service companies. The major part of our research is conceptual by nature and focuses on the necessity of understanding the interrelationship between brand and service companies. Among these primary conceptualizations, several researchers studied the effect of trademarks sold by a retailer on customers' perception of a company. To better understand how perceptions can affect the evaluation of retail service companies, researchers started to extend the findings of other research.

For example, previous studies reveal that the components of a brand can affect customers' general perceptions of a physical product [9]. By generalizing this framework to a retail setting, we can answer this question that: do consumers' perceptions of retail service companies depend on trademarks sold by themselves?

In an attempt to develop a new approach to the effect of producers' trade names on customers' perception of retailer, the present research intend to have a look at the role of customers' trust in and satisfaction with a brand in retail buyback. Although the subject of transferring consumers' positive perceptions of sellers to retail stores and producers has been widely studied [4] [6], the matter of a probable transfer from a producer to a retailer should be empirically examined. This Halo or overflow effect is meaningful for both retailers and producers. Trade names may bring about a level of trust and satisfaction having overflow effect for retailers. Here, the complicated three-sided relation of trademarks, retailers, and consumers is checked [11].

1. Do trust in and satisfactions with a brand have any impact on retail buyback?
2. What are the intervening factors of the relation between trust and satisfaction and buyback?

Corresponding Author: Ayyub Sheikhy, Department of Management, Kerman Branch, Islamic Azad University, Kerman, Iran.

*Research Literature:**Retail Sales:*

Retail sales encompass all activities relating to directly selling products or services to the end-users for personal and non-trade consumptions. Most enterprises, including producers and wholesalers have also retail sales, but these are retailers who are engaged in this activity. Although the major part of retail sales is carried out in retail stores, non-store retail sales such as mail sales, call sale, home by home sale, and sale by automatic and electronic devices, have substantially grown in recent years. Here, we studied store retail sales as it forms a major part of retail sales [8].

Retailers and Producers' Trade Names and Trademarks:

A strong trade name or trademark not only makes value for producers and consumers but brings many advantages for retail sales. Consumers' demands, their positive perceptions of the retailers' other products, using the producers' credit and the trade name or trademark to create a positive image of the retailers' name and trademark and producers' commitment to promote their products are enumerated as the advantages of a strong trade name or trade mark for a retailer [11].

The importance of studying and developing brand equity based on retailers is specified from two perspectives. First, as some retailers have empowered in distribution channels in last two decades, producers' trade names or trademarks have somehow lost their importance. Put it differently, end-users buy those products offered by these retailers' trade name or trademarks. This means that consumers do not pay much attention to the producers [1].

Customers' Satisfaction:

Customers' satisfaction plays a crucial role in services [5]. At the same time with development of the service sector, researchers have taken bigger steps toward defining and understanding satisfaction from the perspective of customers. Maccena suggested that to enjoy customers' satisfaction, organizations had to forget about market research, advertisement and promotions and more focus on developing appropriate infrastructures to meet their customers' needs by offering right products and services. Customers should virtually reach the true satisfaction according to their perceptions of the quality and value of the offered products and services describes satisfaction as the "customers' complete submission" [10]. Satisfaction means that how a product or service can optimally meet customers' expectations. This definition highlights the evaluative nature of satisfaction by which customers judge a product, a trademark, or a store in terms of their met expectations. Given the complication of satisfaction structure, there are many ways to evaluate them.

Trust:

Goldsmith and Lafreti found out that firms' reliability and authority have a strong impact on customers' perception of brands and purchase decisions [7]. In another description, reliability is defined as the credibility of a firm's inclinations and objectives at a particular time. It composes of two major parts: trust and specialty. It is necessary for consumers to know that the brand is committed to continuously offer what has already promised [2]. In other words, to be trustworthy, the brand should offer what has promised. However, the specialty means ability to deliver it.

Perceived Quality of Trademark:

The perceived quality is the customers' general judgment of the provided services [7]. The perceived quality is defined as the customer's perception of the quality and the general transcendence of a product/service regarding objectives and comparing with other products or services [12]. This is a competitive requirement and many companies have now turned the customer-oriented quality to a strong strategic instrument. They make customers' satisfaction and value by continuously meeting their needs and preferences in terms of quality.

Perceived Value:

Marketing activities are founded mostly on customer value (Holdberdek, 1994). The perceived value in marketing is defined as an evaluation of costs and benefits of a product or service made by customers [12]. The perceived value is a factor coming after the perceived quality. The perceived quality can be considered as a precondition variable [13].

Retail Buyback:

Retail buyback is the process of repeating the purchase of a particular product(s) or service(s) from a store [7]. The main reason is buy experiences. Instead of attracting new customers, companies can keep their existing customers by offering lower evaluation costs [12].

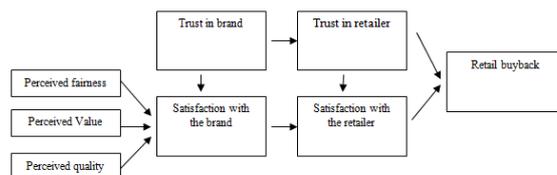


Fig. 1: the research theoretical model.

Research Hypotheses:

1. Satisfaction with brand affects trust in brand;
2. Satisfaction with the retailer affects trust in the retailer;
3. Satisfaction with the brand affects satisfaction with the retailer;
4. Trust in the brand affects trust in the retailer;
5. Satisfaction with the retailer affects retail buyback;
6. Trust in the retailer affects retail buyback;
7. Perceived value affect satisfaction with brand;
8. Justice perceived of the brand affects brand satisfaction; and
9. Perceived quality affects brand satisfaction.

Research Methodology:

This is a descriptive survey study of cross-sectional kind. The cross-sectional method is employed to collect data about one or several features in a period of time by sampling from the society. As to the correlation between variables, the research is a correlational study with statistical population including customers of a mobile market in Zanjan. As there are numerous customers, the statistical population is indefinite. The sample volume was obtained by Cochran's sampling. Accordingly, 384 were selected. Sirdeshmukh standard questionnaire, Oliver's standard questionnaire, and Zboja's questionnaire were practiced to examine trust in the brand, satisfaction with the brand and retail buyback respectively. The reliability of questionnaires was estimated by Cronbach's alpha at 0.83, 0.89, and 0.85 correspondingly. Data were inferentially analyzed by structural equation modeling in Lisrel.

Analyzing Data:

To find appropriate software for analyzing data, the normality of data was first tested by Kolmogorov-Smirnov Test. Table 1 presents results.

Table 1: Kolmogorov-Smirnov test results.

Test	Trust in Brand	Satisfaction with Brand	Satisfaction with Retailer	Trust in Retailer	Retail Buyback	Perceived Justice	Perceived Quality	Perceived Value
Kolmogorov-Smirnov test	0.123	0.412	0.713	0.628	0.512	0.417	0.214	0.111
significance	0.156	0.514	0.418	0.365	0.268	0.151	0.078	0.061

Kolmogorov-Smirnov test results verify the normality of data. In other words, as the significance level is greater than 0.05, the null hypothesis can be accepted according to the normality of data. Therefore, to structurally analyze data, Lisrel was used. Confirmatory factor analysis was considered to assess the significance of questions. Table 2 presents the results of a test used to evaluate the significance of questions on trust in the brand.

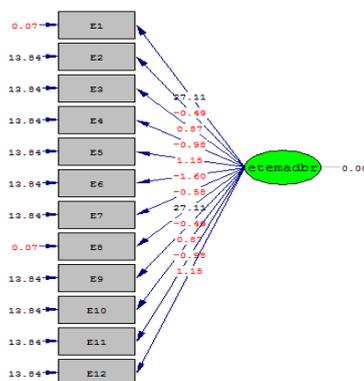


Fig. 1: Confirmatory factor analysis for questions on trust in brand.

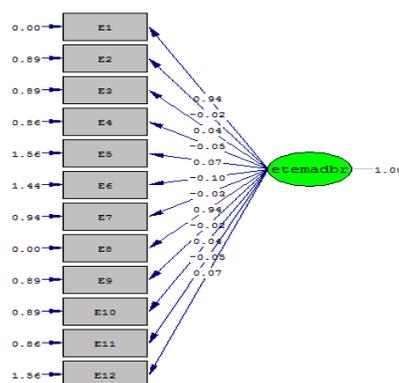


Fig. 2: Factor loading values for questions on trust in brand.

Table 2: Confirmatory factor analysis results to assess the significance of questions on trust in brand.

Measure	Items	Factor Loading	Test Statistic	Significance
Flawlessness	I am sure of the flawlessness of my purchased product.	0.94	27.11	✓
	I do not need to test the brand I purchase.	-0.02	-0.049	×
Worthiness	The brand I have purchased is more updated than other brands	0.04	0.57	×
	The brand I have purchased is more beautiful than other brands	-0.05	-0.95	×
	The brand I have purchased is better than other brands in terms of after-sales service	0.07	1.18	×
	The brand I have purchased is more easy to use than other brands	-0.10	-1.60	×
Reliability	The brand I have purchased has satisfied my expectations	-0.02	-0.58	×
	The brand I have purchased has a useful lifespan	0.94	27.11	✓
Interest	I enjoy from the brand I have purchased	-0.02	-0.46	×
	The brand I have purchased is beautiful	0.04	0.57	×
	The brand I have purchased is equipped with my interested operating system	-0.05	-0.98	×

According to results, just “I am sure of the flawlessness of my purchased product” and “the brand I have purchased has satisfied my expectations” are significant. As the factor loading of items is positive, flawlessness and meeting expectations have a positive impact on trust in the brand. Table 3 presents the results of calculating fit indices.

Table 3: Results of calculating fit indices.

Indices	Allowed Limit	Obtained Value	Results
The ratio of chi square to its degrees of freedom $\frac{\chi^2}{df}$	<3	0.00025	Good fit
RMSEA	0.00<X<0.08	0.030	Not good fit
GFI	Over 9.0	0.81	Not good fit
AGFI	Over 9.0	0.83	Not good fit
CFI	Over 9.0	0.91	Good fit
NFI	Over 9.0	0.91	good fit
NNFI	Over 9.0	0.89	Not Good fit

Values relating to fit indices show that some models are in good situations and some others are not in good fit. Since most indices are in good fit, the model can be said to be in good fit. Table 4 shows the results of evaluating the significance of items in buyback questionnaire.

According to results, just “I have always remained loyal to the brand I purchase” and “To buyback, I act eagerly” are significant to find the tendency to buyback. As the factor loading of items is positive, loyalty to brand and feeling in need of brand are of the major factors of buyback. Table 5 presents the results of calculating fit indices.

Values relating to fit indices show that some models are in good situations and some others are not in good fit. Since most indices are in good fit, the model can be said to be in good fit. Table 6 shows the results of evaluating the significance of items in satisfaction with brand questionnaire.

According to results, just “The cost I pay for my interested brand is fair” and “my accounts are checked significantly” are significant. As a results, perceived justice and perceived quality can significantly affect

satisfaction with the brand. The perceived value is eliminated because of the insignificance of its items. Table 7 presents the results of calculating fit indices.

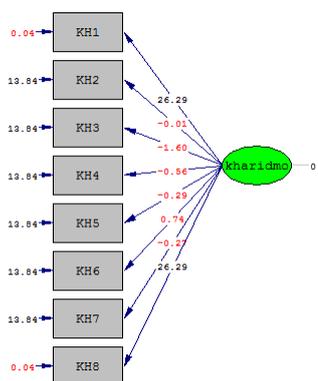


Fig. 3: Confirmatory factor analysis results for retail buyback.

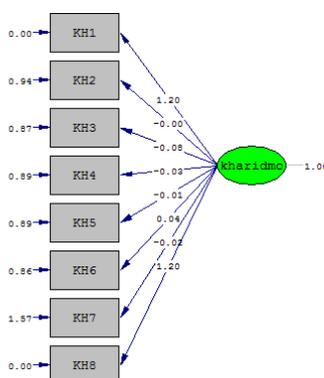


Fig. 4: Factor loading calculation results for retail buyback.

Table 4: Significant test results for retail buyback.

Indices	Items	Factor Loading	Test Statistic	Significance
Brand loyalty	I have always remained loyal to the brand I purchase	1.20	26.29	✓
	If I cannot by my interested brand, I will not replace with other one	-0.00	-0.01	×
Persistent buyback	I recommend this brand to others	-0.05	-1.60	×
	I am prepared to pay higher cost for my interested brand	0.03	0.56	×
	I would like to buyback my interested brand	-0.01	-0.29	×
Feel dependent on the brand	I am prepared to call stores several times to buy my interested brand	0.04	0.74	×
	If I cannot buy my interested brand, I feel there is a shortage	-0.01	-0.27	×
	To buyback, I act eagerly	1.20	26.29	✓

Table 5: Results of calculating fit indices.

Indices	Allowed Limit	Obtained Value	Results
The ratio of chi square to its degrees of freedom $\frac{\chi^2}{df}$	<3	0.054	Good fit
RMSEA	0.00 < X < 0.08	0.03	good fit
GFI	Over 9.0	0.91	good fit
AGFI	Over 9.0	0.97	good fit
CFI	Over 9.0	0.94	Good fit
NFI	Over 9.0	0.84	good fit
NNFI	Over 9.0	0.92	Good fit

Values relating to fit indices show that some models are in good situations and some others are not in good fit. Since most indices are in good fit, the model can be said to be in good fit. Table 8 shows the results of evaluating the significance of items in the questionnaire of customers' behavior toward retailer.

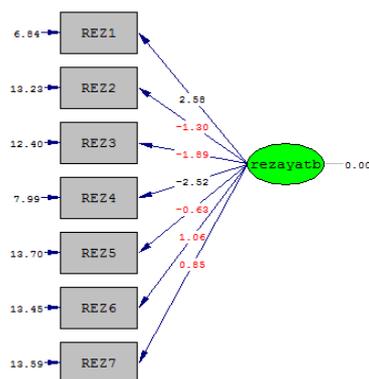


Fig. 5: Confirmatory factor analysis results for satisfaction with brand.

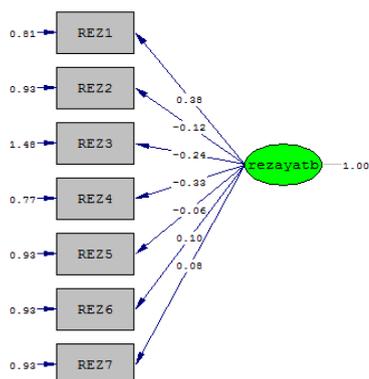


Fig. 6: Factor loading calculation results for satisfaction with brand.

Table 6: Significant test results for satisfaction with brand.

Measure	Items	Factor Loading	Test Statistic	Significance
Perceived justice	The cost I pay for my interested brand is fair	0.38	2.58	✓
	After-sales services to me and other customers are fair and equal	-0.12	-1.20	×
Perceived quality	The serviced are updated and based on technological advances	-0.24	-1.89	×
	My needs are properly met	0.22	-2.52	✓
	Products that I buy can be improved	-0.06	-0.63	×
Perceived value	The cost I pay for products is in proportion to their value	0.10	1.06	×
	Buying this brand gives me high value	0.08	0.85	×

Table 7: Results of calculating fit indices.

Indices	Allowed Limit	Obtained Value	Results
The ratio of chi square to its degrees of freedom $\frac{\chi^2}{df}$	<3	0.0087	Good fit
RMSEA	0.00<X<0.08	0.007	good fit
GFI	Over 9.0	0.93	good fit
AGFI	Over 9.0	0.89	Not good fit
CFI	Over 9.0	0.93	Good fit
NFI	Over 9.0	0.93	good fit
NNFI	Over 9.0	0.91	Good fit

According to results, excluding “I am satisfied with offers of this retailer” and “I trust in the information this retailer gives me about products”, other items are significant. As a result, satisfaction with products and buying can significantly affect satisfaction with the retailer. Also, trust in retailer’s information about product, trust in products and trust in time of delivery would influence on the trust in retailer. In other word, the significance level of item 5 may greater than 0.05. Accordingly, the null hypothesis is accepted (i.e. item 5 mean equals to 3). Table 9 presents the results of calculating fit indices.

Since most indices are in good fit, the model can be said to be in good fit. Table 10 shows results of studying the confirmatory of research hypotheses using structural analysis.

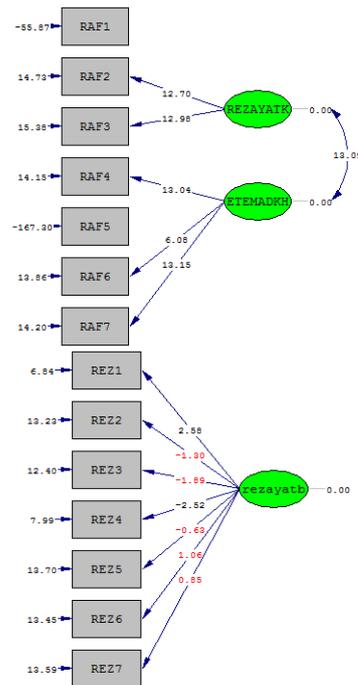


Fig. 7: Confirmatory factor analysis results for customers' behavior toward retailer.

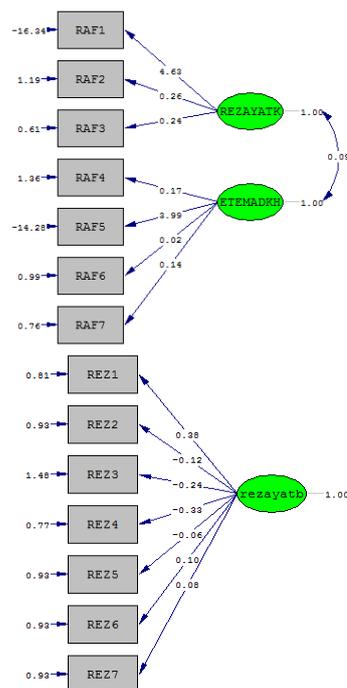


Fig. 8: Factor loading calculation results for customers' behavior toward retailer.

Table 8: Factor analysis results for customers' behavior toward retailer.

Index	Items	Factor Loading	Test Statistic	Significance
Satisfaction with retailer	I am satisfied with offers of this retailer	4.62	-	×
	I am satisfied with buying from this store	0.26	12.70	✓
	I am satisfied with products of this store	0.24	12.98	✓
Trust in the retailer	I trust in the information this retailer gives me about products	0.17	12.04	✓
	I trust in the promises of this retailer	2.99	-	×
	I trust in the products provided by this store	0.02	6.08	✓
	I trust in the product delivery of this store	0.14	13.15	✓

Table 9: Results of calculating fit indices.

Indices	Allowed Limit	Obtained Value	Results
The ratio of chi square to its degrees of freedom $\frac{\chi^2}{df}$	<3	0.1	Good fit
RMSEA	0.00<X<0.08	0.054	good fit
GFI	Over 9.0	0.84	Not good fit
AGFI	Over 9.0	0.92	good fit
CFI	Over 9.0	0.91	Good fit
NFI	Over 9.0	0.91	good fit
NNFI	Over 9.0	0.87	Not Good fit

Table 10: Results of structural analysis.

Index	Items	Factor Loading	Test Statistic	Significance
1	Perceived justice- satisfaction with brand	0.43	14.23	✓
2	Perceived quality – satisfaction with brand	0.49	11.01	✓
3	Trust in brand- satisfaction with brand	0.35	7.23	✓
4	Trust in retailer- satisfaction with retailer	0.29	5.21	✓
5	Trust in retailer- trust in brand	0.41	16.07	✓
6	Satisfaction with retailer – satisfaction with brand	0.51	12.05	✓
7	Trust in retailer- retail buyback	0.48	11.21	✓
8	Satisfaction with retailer – retail buyback	0.52	13.02	✓

Results revealed that all relations are significant. In other words, as the absolute value of t-test is greater than 1.96, the null hypothesis is assumed to be rejected. Table 11 presents the results of the model fit.

Table 11: Results of calculating model fit.

Indices	Allowed Limit	Obtained Value	Results
The ratio of chi square to its degrees of freedom $\frac{\chi^2}{df}$	<3	0.0039	Good fit
RMSEA	0.00<X<0.08	0.41	Not good fit
GFI	Over 9.0	0.87	Not good fit
AGFI	Over 9.0	0.97	good fit
CFI	Over 9.0	0.91	Good fit
NFI	Over 9.0	0.92	good fit
NNFI	Over 9.0	0.79	Not Good fit

Values relating to fit indices show that some models are in good situations and some others are not in good fit. Since most indices are in good fit, the model can be said to be in good fit. The final model has been depicted in diagram 9.

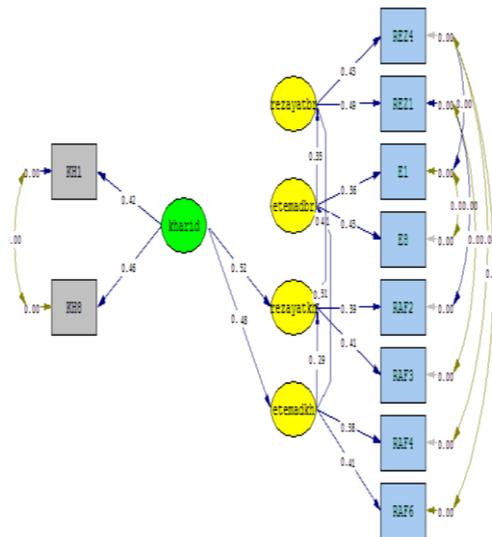


Fig: 9 Final fit model.

Results:

First Hypothesis:

Given the structural analysis results, there is a significant correlation between trust in and satisfaction with the brand. The factor loading of satisfaction with brand was 0.35 and the t-test statistic value was 7.23. As the factor loading was a positive value and test statistic was greater than 1.96 (distribution of t at the level of 0.025),

the null hypothesis (no significant correlation between trust in and satisfaction with the brand) is assumed to be rejected. There is also a positive correlation between these two variables.

Second Hypothesis:

Regarding the structural analysis results, there is a significant correlation between satisfaction with the retailer and trust in the retailer. The factor loading of satisfaction with the retailer was 0.29 and the t-test statistic value was 5.21. As the factor loading was a positive value and test statistic was greater than 1.96 (distribution of t at the level of 0.025), the null hypothesis (no significant correlation between trust in the retailer and satisfaction with the retailer) is assumed to be rejected. There is also a positive correlation between these two variables.

Third Hypothesis:

According to the structural analysis results, there is a significant correlation between satisfaction with the brand and with the retailer. The factor loading of satisfaction with brand was 0.51 and the t-test statistic value was 12.05. As the factor loading was a positive value and test statistic was greater than 1.96 (distribution of t at the level of 0.025), the null hypothesis (no significant correlation between satisfaction with the brand and with the retailer) is assumed to be rejected. There is also a positive correlation between these two variables.

Forth Hypothesis:

As to the structural analysis results, there is a significant correlation between trust in brand and in retailer. The factor loading of trust in brand was 0.41 and the t-test statistic value was 16.07. As the factor loading was a positive value and test statistic was greater than 1.96 (distribution of t at the level of 0.025), the null hypothesis (no significant correlation between trust in brand and in retailer) is assumed to be rejected. There is also a positive correlation between these two variables.

Fifth Hypothesis:

Regarding the structural analysis results, there is a significant correlation between satisfaction with retailer and retail buyback. The factor loading of satisfaction with retailer was 0.52 and the t-test statistic value was 13.02. As the factor loading was a positive value and test statistic was greater than 1.96 (distribution of t at the level of 0.025), the null hypothesis (no significant correlation between satisfaction with retailer and retail buyback) is assumed to be rejected. There is also a positive correlation between these two variables.

Sixth Hypothesis:

Given the structural analysis results, there is a significant correlation between trust in retailer and retail buyback. The factor loading of trust in retailer was 0.48 and the t-test statistic value was 11.21. As the factor loading was a positive value and test statistic was greater than 1.96 (distribution of t at the level of 0.25), the null hypothesis (no significant correlation between trust in retailer and retail buyback) is assumed to be rejected. There is also a positive correlation between these two variables.

Seventh Hypothesis:

To study this hypothesis, the significance of items related to this component was first examined. Results showed that no item is significant. This variable was, thus, eliminated. As a result, it can be said that the perceived value of brand does not have any significant effect on satisfaction with the brand. So, the hypothesis is rejected.

Eighth Hypothesis:

According to the structural analysis results, there is a significant correlation between perceived justice and satisfaction with the brand. The factor loading of justice was 0.43 and the t-test statistic value was 14.23. As the factor loading was a positive value and test statistic was greater than 1.96 (distribution of t at the level of 0.025), the null hypothesis (no significant correlation between perceived justice and satisfaction with the brand) is assumed to be rejected. There is also a positive correlation between these two variables.

Ninth Hypothesis:

According to the structural analysis results, there is a significant correlation between perceived quality and satisfaction with the brand. The factor loading of quality was 0.49 and the t-test statistic value was 11.01. As the factor loading was a positive value and test statistic was greater than 1.96 (distribution of t at the level of 0.025), the null hypothesis (no significant correlation between perceived justice and satisfaction with the brand) is assumed to be rejected. There is also a positive correlation between these two variables.

REFERENCES

- [1] Anderson, E.W., M.W. Sullivan, 1993. The antecedents and consequences of customer satisfaction for firms. *Marketing Science*, 12(2): 125-43

- [2] Athiyaman, A., 1997. Linking students' satisfaction and service quality perceptions: the case of university education. *European Journal of Marketing*, 31(7): 528-40.
- [3] Berry, L.L., 2000. Cultivating service brand equity. *Academy of Marketing Science*, 28(1): 128-37.
- [4] Beatty, S.E., M.L. Mayer, J.E. Coleman, K.E. Reynolds, J. Lee, 1996. Customer-sales associate retail relationships. *Journal of Retailing*, 72: 223-47.
- [5] Edvardsson, B., M.D. Johnson, T. Strandvik, 2000. The effects of satisfaction and loyalty on profits and growth: Product versus services. *Total Quality Management*, 11(7): 917-927.
- [6] Goff, B.G., J.S. Boles, D.N. Bellenger, C. Stojack, 1997. The influence of salesperson selling behaviors on customer satisfaction with products. *Journal of Retailing*, 73: 171-84.
- [7] Hellier, P.K., G.M., Geursen, R.A., Carr, J.A. Rickard, 2003. Customers repurchase intention: a general structural equation model. *European Journal of Marketing*, 37 (11/12): 1762-1800.
- [8] Kotler, P., G. Armstrong, 2004. Principles of marketing. (10 thed), Upper Saddle River, Pearson Prentice Hall.
- [9] Krishnan, B.C., M.D. Hartline, 2001. Brand equity: is it more important in services?. *Journal of Services Marketing*, 15(4/5): 328-31.
- [10] Oliver, R.L., R.T. Rust, S. Varki, 1997. Customer delight: foundations, findings and managerial insight. *Journal of Retailing*, 73(3): 311-36.
- [11] Webster, F.E., 2000. Understanding the relationships among brands, consumers, and resellers. *Journal of the Academy of Marketing Science*, 28(1): 17-23.
- [12] Zeithaml, V.A., L. Berry, A. Parasuraman, 1996. The behavioral consequences of service quality. *Journal of Marketing*, 60(2): 31-46.
- [13] Zhang, Q., M.A. Vonderembse, J.S. Lim, 2003. Manufacturing flexibility: defining and analyzing relationships among competence, capacity, and customers' satisfaction. *Journal of Operational Management*, 21: 173-191.