



## An empirical Investigating to Effects of services Marketing mix on Brand Dimensions in Order to enhance brand Equity in the Tehran's Chain Stores

Mohammad Aghaie<sup>1</sup>, Elham Vahedi<sup>2\*</sup>, Amin Asadollahi<sup>3</sup>, Mohammad Safari-Kahre<sup>4</sup>

<sup>1</sup>Department of Business Management, Branch, Shahid Beheshti University (SBU), Tehran, IRAN

<sup>2</sup>Department of Executive Management from Alborz University, IRAN

<sup>3</sup>Department of Business Management, Science and Research Branch, Islamic Azad University, Tehran, IRAN

<sup>4</sup>Business Management from Tehran University, IRAN

Available online at: [www.isca.in](http://www.isca.in), [www.isca.me](http://www.isca.me)

Received 21<sup>st</sup> June 2013, revised 19<sup>th</sup> July 2013, accepted 18<sup>th</sup> August 2013

### Abstract

*In the present situation of turmoil in global markets, competition without having strategic planning and strategic management, time management and quality management will not be successful. On the other hand, having a strong brand, advertising and marketing, are other complementary factors. Today, strong brand and its values are the most important factors in marketing and consumer attraction. Thus, identifying those marketing activities that particularly improve the brand equity in enterprises can be effective in successfulness of enterprises in the competitive environment. This study by emphasizing on the model of Aaker and Joachimsthaler, investigated the effects of services marketing mix (including: price, product, place, promotion, physical evidence, process, people) on the four dimensions of brand equity (including: perceived quality, brand loyalty, brand awareness and brand association). Required data was collected by using questionnaire was answered by customers of ten Etko chain stores of Tehran. To analyze the research model structural equation modeling (SEM) and regression test was used. The results show, high and strong reliability between service marketing mix and dimension of brand and the fitness indicators obtained for the research conceptual model show high reliability of the model for explaining the relationship between variables and key components.*

**Keywords:** Services marketing mix, brand equity, chain stores, regression test, structural equation modeling.

### Introduction

In every business, it is the brand that must be strong enough to attract consumers and make it an exclusive customer. However, to achieve such status, factors such as brand equity of an enterprise should be considered as a strategy for the development of marketing activities. Brand equity is added value or marginal utility that one product creates by means of brand name<sup>1</sup>. Name of brand increases strategic and economic value for their owners<sup>2</sup>. In today's complicated world consumers face so many alternative for choosing and purchasing goods and services and also decreasing time of purchasing and complication of decision making. With regard to this issue, brand's name capability can easily simplify customer decision making and reduce risks and also it define expectation and promote customer satisfaction<sup>3</sup>. Brand can create value for firms and customers and illustrate reasons for paying more by customers in the case of top brands. Brand plays the main role for adding value similar to assets technology and raw material in each and every enterprise regarding above issue, firms can also take advantage of specific value for name of brands as method for achieving stable competitive advantages<sup>4</sup>. On the other hand, services marketing mix is mentioned as a valuable tool for recognizing customers of each market sectors. Given the strategic importance of brand equity for manufacturing and service companies and organizations, this study tries to analyze

one of the key parameters for the success of the brand equity. Thus, the main goal in this research is the study and investigation of the effect of services marketing mix in the view of Rafiq and Ahmed (1995)<sup>5</sup>, including price, product, promotion, place, physical evidence, process and people on brand equity dimensions in the view of Aaker and Joachimsthaler (2000)<sup>6</sup>, including perceived quality, brand loyalty, brand awareness and brand association, so that the way each of the elements of the services marketing mix affect the brand equity dimensions will be explored and that group of marketing mix of services that have positive impact on brand equity dimensions would be extracted. And finally productive services marketing mix which can be impressive on brand personality development will be introduced.

### Review of the Literature

**Brand:** Today global markets are so competitive that without having a strong occupational and management strategy we cannot be successful at it. In other words, for the success in this market, having a strategic planning and strategic management, time management and quality management is needed. On the other hand, having a strong brand, advertising and marketing will be complementary factors. Today, the market people are all informed that brand management and advertising have a great influence on the successfulness of a company or an enterprise.

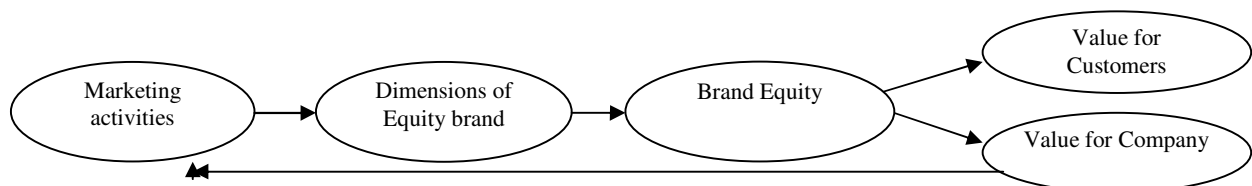
Brand is the trade mark, symbol or advertising logo of a company. This symbol should be strong enough to attract the consumers and make them exclusive customers of the company. In other words, today, the strength of the brand and its values are the most important factors in marketing and the attraction of the customers. Because people see it and if it has favourable factors, the customers will be attracted to it and for years will attempt to purchase the product. Companies like Coca-Cola, Mercedes-Benz and Nike are examples of companies that have a strong brand. A strong brand has a positive effect on the attitude of the consumers about the identity of the company. A positive attitude will be made along a good experience. Having a consciousness about a brand and having cooperation with it, has an effect on the perceived quality of customers and it leads to the loyalty of customers<sup>7</sup>. Brand is not just a physical product, but it is a unique feature of its owner. Over the time it will be improved and developed and it will take tangible and intangible assets. Brand can make differentiation between similar products<sup>8</sup>. Lots of managers do their best to create a strong brand. They know that a strong brand has very valuable effect on the operational and financial function of the organization. They use some means like determining the price, the image of selling place, the ways of product distribution, the costs of advertising, and allocation of costs to various media and selling incentives, to improve the perceived quality, brand loyalty and brand awareness<sup>9</sup>. Customer's perception of the brand is related to the influence of all aspects of a business entity. Creating a powerful brand over the context of time has been re-inspected by many companies instead of short-time management strategies. Many of these companies have strengthened the brand of company and its by-products as an important part of business strategy. The place of branding, not only in business organizations, but also in all businesses has been developed, so that we can call new management as brand management<sup>10</sup>. In today's increasingly competitive market, organizations are trying to achieve sustainable advantages, in order to be able to continue their business and to appear on the market as a tenacious competitor. In order to achieve such a sustainable competitive advantage, many organizations use a variety of strategies for staying powerful<sup>11</sup>. Aaker and Joachimsthaler, in 2001, presented the brand leadership model and organized competitive and marketing capabilities using the benefits based on equity and brand image in the model<sup>12</sup>. Brand is not just a trade mark, but it can be analyzed as an organization, product, person, or symbol. It is noteworthy that in today's business world, brand is not limited to a part of the marketing and it is

not under the banner of the product. Brand is an effective, important, strategic, and integral reality to any organization<sup>12</sup>.

**Brand Equity:** Scholars have various comprehensions for brand equity. Some of them define brand equity as added value, brand loyalty recognition of brand, brand awareness, perceived quality, added utility, attitude fluctuation caused by brand recognition and so on (Aaker and Joachimsthaler, 2000)<sup>6</sup>. Some of scholars restrict use of brand equity into evaluation of mental implications whereas some others consider it as attitude implications. on the other hand, in marketing literature brand equity is categorized into two parts; first, the category consist of customer attitude (e.g. brand awareness, perceived quality and so on) and those which consist of customers attitude (e.g. loyalty to brand and so on)<sup>13</sup>. Aaker<sup>15</sup> consider brand equity as collection of traits and credits linked to brand leading to promotion or demotion of created value by product. He divides these traits into five groups consisting of, loyalty, brand awareness, perceived quality and other traits (e.g. registered sign, concession and so on). In general, different studies have been conducted on brand equity each of which addressing different aspects. A group of these studies are presented in table 1.

**Table-1**  
**Summary of the Studies on Brand equity form the Viewpoint of Customers**

Concepts investigated	Researchers
Brand awareness Brand loyalty Perceptual quality Brand imagery	Aaker (1991, 1996) <sup>14,15</sup>
Brand knowledge Brand meaning	Keller (1993) <sup>7</sup> Blackston (1995) <sup>16</sup>
General effects of brand Special imagery of brand	Dillon and et al. (2001) <sup>17</sup>
Brand performance Brand awareness	Prasad and Dev (2000) <sup>18</sup>
Brand awareness Brand imagery	Roos (2006) <sup>19</sup>
Imagery of organizations' capacities, awareness, perceived quality, brand intensification	Wang and et al. (2008) <sup>20</sup>
Perceived quality, brand loyalty, trust, brand imagery	Atilgan and et al. (2005) <sup>21</sup>



**Figure-1**  
**Conceptual framework of brand equity<sup>22</sup>**

Many of scholars illustrate that brand equity encompasses factors like brand awareness, customer's loyalty to brand, perceived quality, registered sign and so on. The rest of factors depend on capability of brand for separating itself from other competitors. However the root of each and every activity that was mentioned before is the amount of customer recognition from brand. On the other hand this issue cause various responses to marketing activities about brand<sup>7,23</sup>. Some other scholars consider brand from financial aspect and brand equity in framework of pure financial value (upshaw, 1995)<sup>24</sup>.

An idea which is consistent with all definitions is that brand equity is an additional value which a product has due to having a brand. The difference in these definitions is due to the fact that brand equity is often about three questions. Is the focus of brand equity on the knowledge of customers about brand? Is it on brand as an asset which is represented in financial forms? Is it on the effects of brand on consumer behaviour? Many scholars of marketing world believe that the most valuable intangible asset of the organization is the brand equity. According to recent studies, there is a direct relationship between brand equity and financial performance. Indicators such as profitability and sales volume are associated with the company's brand equity. Customers comment on the success or failure of the company, as they think about the brand equity<sup>9</sup>. Studies conducted on the issue of brand shows that indicators like brand awareness, brand loyalty and perceived quality (as effective factors on brand equity) have direct relationship with operational and financial indicators like the amount of profitability and brand performance in the market. Value creation for the customer leads to increased profitability for the organization. Actually, financial indicators of the company enjoy a mutual cycle for increasing their equity. In table 2 we offer some of the most selected definitions for brand equity.

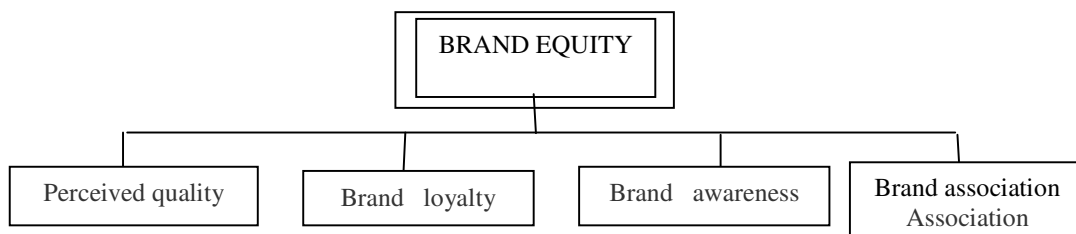
According to Aaker and Joachimsthaler (2000), brand equity consists of four main dimensions upon which the present research was fulfilled. Figure 2 demonstrates these dimensions correctly<sup>6</sup>.

**Brand Association:** According to Aaker (1991) brand association is anything related to brand in memory<sup>14</sup>. Consonance and association of brand may be observed in all

forms and characteristics related to a product or independent aspects of the product. Consonance and association represent the basis for the decision to purchase for the loyalty to the brand; and also they can create value for the company and its customers. Brand association has been raised as a key element in the creation and management of brand equity. Hence, strong brand equity demonstrates that consumers feel significant positive relationship and consonance with the brand<sup>13</sup>. Atilgan and et al (2005) argues that brand has certain powers which can be stronger when it becomes related to other associations through much experience or network connections<sup>21</sup>. He also expresses that the brand associations can persuade consumers to buy the product for various reasons with the development of positive attitudes and desirable feelings.

**Table-2**  
**Most selected definitions for brand equity**

Researchers	year	Definitions
Aaker	1991	A set of assets and liabilities linked to a brand, its name and symbol, that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm's customers <sup>14</sup> .
Edrem and et al	2006	A concept that refer to this idea :the value of products for customers increases in a condition that firms, through the time passage, are connected to a collection of unique elements that form the essence of the brand <sup>25</sup> .
Farquhar	1989	the added value that a specified brand dedicates to product <sup>3</sup> .
Keller	1993	marketing effects that exclusively can be attributed to brand <sup>7</sup> .
Yoo and Donthu	2001	Various responses of consumer to brand compared with fake goods when both of them have the same marketing motivator and traits <sup>22</sup> .
Kamakura and Russell	1993	The excessive benefit related to brand that could not be achieved with practical functions <sup>26</sup> .



**Figure-2**  
**Dimensions of brand equity<sup>6</sup>**

For example, the importance of brand name associations for obtaining competitive advantages has been discussed by Atilgan and et al<sup>21</sup>. Brand equity is strongly influenced by consumers' associations of a brand that is a supporting factor of the image of a specific brand. Brand associations are complex and interconnected and involve a related set of ideas, modes, positions and facts which create a coherent network of brand knowledge.

**Brand Awareness:** According to Aaker (1991), awareness is the ability of potential customer to recognize and remember that a brand is a member of a special product category<sup>14</sup>. Brands are different about the awareness, in their power and value in the market. On one side there are the brands that are not known by most consumers, and on the other hand, there are brands that customers have relatively high awareness about them. Customer-based brand equity occurs when the customer has high awareness and knowledge of the brand; and keeps some unique, strong and desirable signs and associations of the brand in the mind. A brand with a high amount of association leads to create a clear image of the brand. Aaker (1991), in another place, states that brand awareness is a factor that creates knowledge and is a sign of commitment and strength<sup>14</sup>. Brand awareness refers to the strength of the brand in the customer's mind. There are four types of awareness: i. High mental awareness, ii. Brand recall, iii. Diagnosis of brands, iv. Unawareness<sup>27</sup>.

The role of brand awareness on brand equity depends on the level of awareness which has been achieved. At higher levels of awareness, the probability of increase in considering the brand and the impact on consumer purchase decisions is greater<sup>28</sup>; Creating brand awareness at a high level of customers of service has several advantages: First, there is a greater chance that when confronted with the need for the product category, the brand passes the customers' minds; the brand is also more likely to be of interest to customers. Therefore, the brand is also more likely to be selected.

Second, about the products which are less involved in purchasing decisions, brand awareness leads to product selection. Third, brand awareness affects information processing. In fact, brand awareness, affects customers' purchase decisions, having influence on the creation and reinforcement of brand features<sup>29</sup>.

**Brand Loyalty:** Brand loyalty is the positive attitude of customer to the goods or services. Aaker (1991) defines the brand loyalty as the interest of consumers to a particular brand<sup>14</sup>. There are three different approaches in this subject area including the approach of behavioural loyalty, i.e. repetition of purchase, attitude loyalty approach i.e. an intention for purchase and commitment to brand, and the third one is a mixture of both of them<sup>30</sup>. Loyalty is an important concept in marketing strategy and according to Aaker (1991) brand loyalty is the core concept of brand equity<sup>14</sup>. Loyalty leads to fewer searches of the

customers for information among solutions. Solomon (1994) showed that buying decision based on loyalty may become a habit and it can be the result of brand satisfaction<sup>31</sup>. Customer loyalty to an organization will be of advantage by reducing costs and doing business<sup>28</sup>. Furthermore, loyalty can give the company an opportunity to respond to threats such as competition, because when consumers are loyal to the brand, because of the ability of the product to satisfy their need, they will be less sensitive to price increase<sup>32</sup>. In general, it must be said that the high number of loyal customers is an asset to an organization and they have been identified as important determinants of brand equity. In a general definition which has been provided for the first time by Jacobi (1971), loyalty is a behavioural bias response, which is shown by some similar decision makings or having respect to one or another brand among some brands, and it is a psychological operation<sup>32</sup>. A theoretical analysis of brand loyalty shows that brand loyalty for consumer markets, industrial and service markets is different according to the different characteristics of the market in terms of buying habits, recession conditions, job satisfaction, attention to buying, the share of product category, risk and etc. Thus, brand loyalty is classified based on three types of markets including: i. the consumer goods market, ii. durable goods markets, and iii. the services. Markets are classified according to value of transactions and buying activity, final consumer and the levels of involvement of providing resources and buying process<sup>33</sup>.

**The market for consumer goods:** most of marketing researches have focused on these markets. These markets include consumer goods that are consumed quickly, like ice cream and food. Many studies show behavioural tools and loyalty to the leader of market and the time they spend, which are effective on the purchase of these goods. Consumer markets sometimes show the features of divided loyalty which can be called buying several brands. Behavioural loyalty in consumer markets is often the result of behavioural habit or involvement in buying the consumer goods. Although the first purchase may have more involvement but the subsequent purchases will be in the form of habit. Therefore, researchers are mainly of the opinion that no decision has been made on the purchase of consumer goods, and if not, at least very little decision is taken.

**The market for durable goods:** they are goods that are used for a longer period of time, which means that, once a customer has purchased a product, he withdraws temporarily from the market until it is needed to be replaced again. Some important features of buying durable goods are as follows: Most of the buyers go towards the competing brands. In each period, buyers are whether uniquely loyal to a brand or loyal to two brands.

**The markets for services:** Compared to consumer goods, few researches have been made on these markets. These markets have four important characteristics that distinguish them from the consumer goods: i. intangibility, ii. indivisibility, iii. variability, and iv. mortality<sup>34</sup>. The most important

characteristics of markets for services can be expressed as: i. Services are intangible and heterogeneous goods, therefore, consumers perceive a higher risk compared to consumer goods. Researches show that a strong relationship exists between perceived risk and brand loyalty. This means that an increase in perceived risk increases brand loyalty. ii. Difficulty of the quality evaluation of services in markets of services causes that the customer becomes familiar with the service. iii. Loyalty in the markets of services has the property of stagnation. 4) Impact on the customers and satisfying their needs is very important in brand loyalty<sup>28</sup>.

**Perceived Quality:** Brand has been linked to perceived quality by the customer; a perception that only shows the general quality and is not necessarily based on customer's knowledge about its detailed characteristics<sup>7</sup>. Perceived quality is the consumer's evaluation of the superiority of the product or service regarding the ultimate goal of service or product compared to other options<sup>35</sup>. Perceived quality can be defined as "consumer's perception of the overall quality or superiority of a product or service compared to other options<sup>36</sup>. Perceived quality is a competitive necessity and today, most of the companies have turned customer-driven quality as a strategic weapon<sup>21</sup>.

Kotler (2000) considers the relationship between product and service quality and customer satisfaction, with profitability<sup>37</sup>. In fact, perceived quality is not the real quality of product, but rather it is the mental evaluation of the customer of the product<sup>36</sup>. Like brand image, perceived quality provides value for customers, in order to make them distinguish the brand from competitors to have a reason to buy it. Parasuraman and et al (1988) identified the five dimensions of service quality by psychometric test and evaluation of the common properties and traits of service quality as follows: i. tangible factors (physical and tangible environment), ii. reliability, iii. responsibility and customers services, iv. warranty and guarantee (liability) and v. Empathy<sup>38</sup>.

**Services Marketing Mix:** Marketing mix is the essential factor of decision making and evaluations related to markets of financial firms so that marketing mix or marketing strategy is combination of essential elements for planning and fulfilling the whole marketing operation process. From the other aspect marketing mix elements are manageable also they are related to each other mutually. making decision about one of them affect other elements directly and if marketing mix elements combine each other effectively so that either cooperate consumer needs or environment needs at the whole of market, it can cause creation of efficient marketing system<sup>39</sup>. Marketing mix is collection of controllable tools of marketing which firms are collocated, until they response to target market. Marketing mix encompasses the whole works which firms can fulfill to promote demand for their products<sup>40</sup>. Applied definition of marketing mix in order to find a decent place in target market is defined as present the right product, in convenient location, with

a worthy price and at a right time. In fact marketing mix illustrates firm's movement orientation using some controllable variables in a condition which many uncontrollable factors exist. In other words decision making variable of marketing in shape of marketing mix models prepares a framework by which firms develop planning for marketing activities. in this way two applied categories for using marketing mix are imagined; one of them making decision about how presenting products is and the other one measurement and evaluation of present marketing strategy in order to realize cases that were mentioned, each one of elements related to marketing mix in addition adaption with each other should be coordinated with various needs of target market. Hence marketing mix define as a result of attempts and activities of management for innovative combination of inter-related activities of marketing which satisfies the need of customer in the best procedure parallel to maximization of benefits. At the first time, concept of the marketing mix was presented by Borden in 1964, but the most ordinary variables in marketing mix configuration consist of product, price, promotion and place, were presented by McCarthy in 2001<sup>41, 42</sup>. From McCarthy period until now did not occur any special event in definition of marketing and other variety of aspects is organized around his definition. With regard to this issue, despite many useful points that this definition has, from the viewpoint of being completed definition, it is always been doubted and faces with many shortages to the extent that many of critics denied it. In general, different studies have been conducted on marketing mix each of which addressing different aspects a group of these studies are presented in table 3.

**Table-3**  
**Summary of the Studies on Marketing Mix**

Concepts investigated	Researchers
Product, Price, Promotion, Place	McCarthy <sup>43</sup>
Product, Services, Brand, Price, Packing, Advertising, Promotion, Personal sales, Communication, Distribution network, Marketing Research, Devaloping New Product	Frey (1961) <sup>44</sup>
Price, Product, Place, Promotion, Physical Evidence, Process, Partnership	Booms and Bitner <sup>45</sup>
Personnel, Product, Place, Price, Promotion	Heuvel <sup>46</sup>
Price, Product, Place, Promotion, Services, Staff	Doyle <sup>47</sup>
Price, Product, Place, Promotion, Physical Evidence, Process, people	Rafiq and Ahmed <sup>5</sup>
Price, Product, Place, Promotion, Personalisation, Personnel, Physical Assets, Procedures	Goldsmith <sup>48</sup>
Price and Other Cost of Service, Place and Time, Promotion and Education, Productivity and Quality, Process, Product Elements, People, Physical Evidence	Lovelock and Wright <sup>49</sup>

In present survey, marketing mix service in point view of Rafiq and Ahmed (1995) consist of price, place, product, promotion, process, people and physical evidence is regarded<sup>5</sup>. And it is the basis for analysis and design in this research. Now we will review each of the seven cases above in summary.

**Product:** In marketing mix Product is something that meets a need or demand of the customer. Product can be a physical thing, service, place, organization or even an idea or thought, Product can be a physical object, a kind of service, location, organization, or even an idea or thought<sup>50</sup>. Selecting a product is based on the customer's knowledge to the product. Even the distributors should also have accurate knowledge about the product that they work on it in order to sell the product based on their information or defend it against similar products. To identify a product, the physical or chemical knowledge of it or its usage is not enough, but some other information must be considered. Some of the most important characteristics of the product, including price competitiveness, product name, manufacturer name, product quality, alternative product, similar or competitor product, shape, design, color and packaging, buying facilities, delivery time, transportation services, ensuring product quality, after sales services and the size of product must be examined to identify a product (Bolourian Tehrani, 1999)<sup>51</sup>.

**Price:** Price is the amount of money that is paid for a product or service to an individual or organization. From a broader perspective, price is the sum of the values that consumers exchange for the benefits of having a product or service<sup>52</sup>. Price is the amount of money that customer spends for having a product. It is the only element that produces revenue and other elements represent costs. Price is the amount of money that is spent for goods or services. Price is the cost that a customer pays for the product. In a more widespread vision, price equals to the whole values that a consumer loses in order to enjoy the advantages of having one product or service<sup>53</sup>.

**Place:** A firm's pricing decisions are influenced by internal and external or environmental factors of organization. Internal factors that can affect the pricing include long-term marketing objectives, marketing mix strategy, costs and organization. External factors that affect pricing decisions include the nature of the market and demand, competition and other environmental factors<sup>52</sup>.

**Place:** Distribution and location are the simplest terms in 4P and yet they play an important role in it. Distribution simply means delivering the desired product of the customer to the desired location in the desired time<sup>54</sup>. Channels are synchronized groups of individuals or companies that with their tasks increase the desirability of goods and services. Distribution channels are formed due to the market's needs. Distribution channels are organized networks of organizations and brokers that assist each other in order to arrange the activities for the relationship of the manufacturers and customers as marketing duties, According to this definition, the physical distribution of a product can be done

through these channels<sup>55</sup>. Coordinated groups of individuals or companies increase desirability of goods and services through doing their tasks. Different kinds of desirability of channels are: desirability of place, combination of goods and information. Because these desirability can be the main sources of competitive advantage and value of the goods, choosing the best strategy for distribution channels is one of the key decisions that marketing managers should adopt<sup>56</sup>. Companies, themselves do the tasks of channels, but usually several organizations are active in various fields like transportation, service providing, assembling, removing and repackaging. Organizations that are responsible for the activities are called intermediaries, brokers and resellers. Marketing channels should consider the properties and present conditions in the market and should predict selling in the future and should have the flexibility and the ability of opposition against the changes. It should be noted that shortcomings and weaknesses of the method of distribution are major problems in our country's economic and commercial affairs<sup>57</sup>.

**Promotion:** Advertising or promotion in the marketing mix includes developing customer communication to inform and influence his behaviour and attitude. Advertising is offering and presenting ideas, goods or services of a commercial unit, individual or special institution that requires costs<sup>58</sup>. Advertisement is used to inform the public about the products and it encourages the buyers in the target market further to purchase certain brands. Different methods of advertising or mixed advertising are: Commercial ads, Private Sale, Sales Promotion, Public relations<sup>59</sup>. Selecting appropriate methods of relation are created considering the position of audiences in the hierarchy of effects, so that for creating awareness and cognition about the product, advertisement is much more effective than other means of communication. Advertisement is attractive and sometimes creates interest and priority. In this method, firstly, the customers are affected more by face to face selling, sales promotion methods and supportive programs. Progressive methods such as lottery prizes, price incentives, as well as free samples and etc. have a great influence on the development of the customer towards buying by strengthening the client's willingness to test the trade mark<sup>18</sup>. Types of reasons for advertisement are: i. Promoting the products, organizations and events, ii. Stimulation and encouragement of primary and selective demand, iii. Opposition against propaganda of competitors, iv. Helping sales staff, v. Increasing the use of products, vi. Remembering and strengthening, vii. Reducing fluctuations of sales<sup>60</sup>. Commercial ads are all activities about delivering messages related to the product as impersonal and special medium<sup>61</sup>. Generally the policy of advertisement can be effective in creating awareness and appropriate conditions for awareness; and when the buyers try to choose between two products, it can be effective in decision making for selection<sup>62</sup>.

**People:** Many services depend on the personal interaction between customers and companies' employees. The essence of these interactions would affect greatly the customer's

recognition about the services quality. Successful services companies conduct special efforts for recruitment, training and provocation of the employees<sup>49</sup>. Thus it is essential for a service company to devise a policy for its employees' interaction with the customers. In this case, the role of having an exact and standard definition of recruitment, training, provocation, rewarding the employees is very important due to vital role of interaction with the people.

**Process:** Process will determine the way and consequence of the services activities systems<sup>49</sup>. Providing services and the time that a customer spends to receive the services have a great impression on increasing and decreasing the customers' satisfaction.

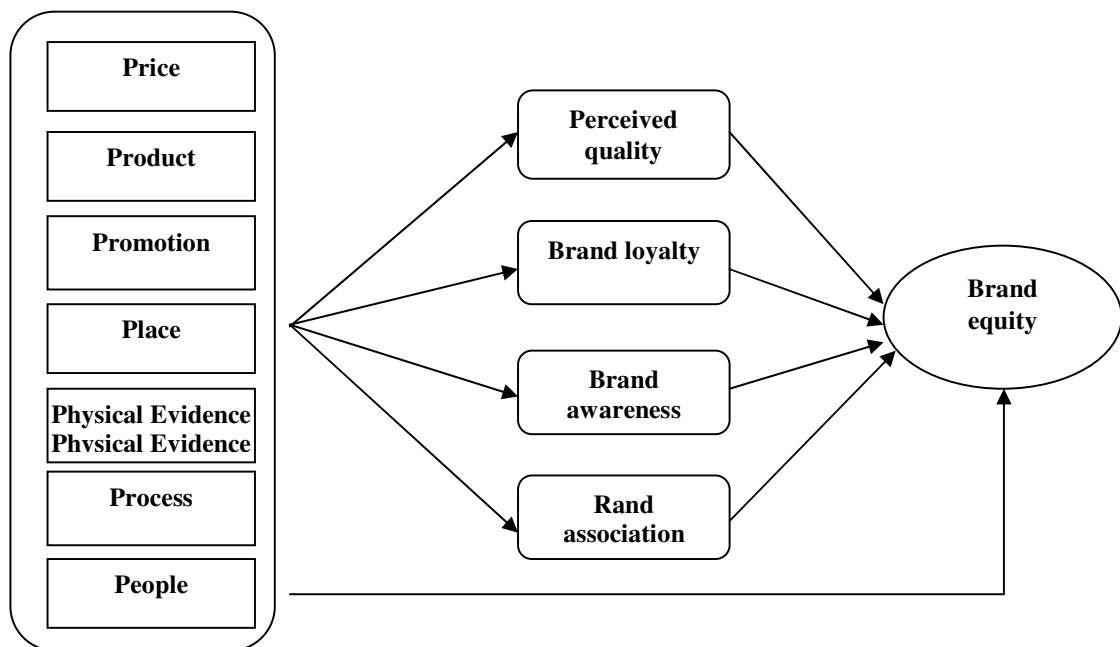
Process can be defined as customer management in which all methods, mechanisms and marketing work trends, especially supervision and adjustment of methods, reviewing the marketing activities and paying attention to protests should be considered<sup>63</sup>.

**Physical Evidence:** Building surface, outlook, interior furniture, equipment, and all other observable signs are all considered to be physical evidence, and provide tangible evidence of the quality of the services of the company and will have great impression on customers' perception thus must be

carefully arranged by the companies<sup>49</sup>. Facilities and equipment that would increase the quality of the services would also make the customers more satisfied. Tangible and intangible factors should be effective in improving customer satisfaction and increasing his confidence; physical evidence in the market includes building, special facilities, such as parking, lounge, and reception, and response location, appearance of the staff and uniform of personnel who deal directly with clients, website and etc<sup>63</sup>.

**Conceptual Framework:** To clarify the influence of the seven elements of services marketing mix on brand equity and its key components, in this section, the conceptual framework of the study will be presented. The conceptual model of the present study was designed using the constructs of brand equity in the view of Aaker and Joachimsthaler (2000), and services marketing mix in the view of Rafiq and Ahmed (1995)<sup>5, 6</sup>. This model is presented in figure 3.

According to the given model, the research hypotheses are as follows: i. 1. Services marketing mix affects, perceived quality. ii. Services marketing mix affects brand loyalty. iii. Services marketing mix affects brand awareness, iv. Services marketing mix affects brand association. v. Services marketing mix affects brand equity. vi. Perceived quality, brand loyalty, brand awareness and brand association affect brand equity.



**Figure-3**  
**Research conceptual framework**

## Methodology

**Research Methodology:** This research in case of goal is considered to be applied research, because it undergoes the application of science in practice and in case of method, it is descriptive correlational. It is descriptive since it gives an image of the current situation and it is correlational as it will investigate the relationships between the variables.

**Statistic Society and Sampling:** In this research the statistic society is the whole customers of ETKA chain stores in Tehran who take the advantage of ETKA chain stores services. Due to the vast area of the statistic society, lack of accessibility to the whole customers and being time and cost consuming, simple random sampling method of a part of the society that represents the whole society has been used. In order to calculate the sample volume, considering unknown society volume, Cochran formula has been used as follows:

Where,  $n$ = sample volume,  $p$ = distribution percentage of those having the feature in the society.  $q$ = distribution percentage of those not having the feature in the society. (It shall be noted that since  $p$  and  $q$  were unknown, it was considered that  $p=q=0.05$  and thus  $n$  would be maximized.)  $\epsilon$  = it is the error amount that in this research like all other social sciences researches, it was considered to be 0.05.  $z$ = level of significance which 1.96 is in this study  $(1.96) (1.96) (0.5) (0.5) / (0.05) (0.05) \approx 385$

Finally the sample volume determined to be 385, but due to the possibility that some questionnaires might not be returned, 400 questionnaires were distributed.

**Data gathering tools:** Data gathering tool in present research is questionnaire and related question in context of marketing was extracted from Chen and Green (2009)<sup>64</sup> and standard questionnaire of Moghimi (2010)<sup>65</sup>. The questionnaire of the study is presented in table 4. Questions are close questions and are from the range of 5-choice of Likert scale which is one of the most common scales of measurement.

**Validity and Reliability: Validity:** Validity means that can measurement instrument measure a characterization that the tool is designed for it. Validity is important because of the fact that inadequate measurement can make any scientific research worthless and unfair<sup>66</sup>. In this research, for testing the validity of the questionnaires, firstly the standard questionnaires used and primary questionnaire was developed. Then the questionnaire was presented to some professors and some adjustments were done due to the ideas of professors. In fact a method of face validity has been used for evaluation of validity. face validity is a kind of validity which has been used for evaluation of the components of a measurement tool. If the questions of the questionnaires show the features that the researcher wants to do that, the test has validity. Thus face validity is the structural feature of measuring tool that is included with the test design simultaneously. Face validity of a test is usually determined by skilled experts in the subject<sup>67</sup>. Therefore, face validity depends on the judgment of judges.

**Reliability:** The issue of questionnaire reliability is concerned with the question that “if this study was repeated by another researcher or by the same researcher in different time and setting, would it result in the same findings?” The Cronbach’s alpha method was employed to estimate the reliability in this study. First, 40 questionnaires were pilot administered and using SPSS, the alpha coefficient was calculated for each item. The least value acceptable for the reliability of the items was 0.7. The results obtained refer to the high reliability of the questionnaires as presented in table 5.

**Table-4**  
**Distribution of the questions in the questionnaire**

Source	Questions distribution	
Chen and Green (2009) <sup>64</sup>	Perceived quality	1-3-9-12-19
Chen and Green (2009) <sup>64</sup>	loyalty	14-18-11-33-2-39
Chen and Green (2009) <sup>64</sup>	awareness	4-8-10-16
Chen and Green (2009) <sup>64</sup>	association	23-29-17-13-42-41-49-53
Chen and Green (2009) <sup>64</sup>	Brand equity	27-22-24-34
Moghimi (2010) <sup>65</sup>	product	28-44-57-47-6-7-38
Moghimi (2010) <sup>65</sup>	price	48-59-66
Moghimi (2010) <sup>65</sup>	promotion	38-51-60-68-64-69-55
Moghimi (2010) <sup>65</sup>	place	45-65-31
Moghimi (2010) <sup>65</sup>	people	32-67-63-61-62-70-58
Moghimi (2010) <sup>65</sup>	Physical evidence	50-40-30-20-15-5-26-36-433-35-25
Moghimi (2010) <sup>65</sup>	process	21-52-54-46-56

**Data Analysis Tools:** In this study, SPSS and LISREL software are used for data analysis. Also, Structural Equation Modeling (SEM) approach is used to analyze the research model.

## Result and Discussion

**Checking the Status of Normality:** In this part of the study, Kolmogorov-Smirnov test was utilized for determining the normality of data distribution. In order for the distribution to be normal, the significance coefficient must be higher than 0.05. The results of this test are presented in table 6.



**Table-5**  
**Results of Estimating Cronbach's alpha**

Questions distribution		Cronbach's alpha of the sample	Variable
Number of Questions	Number of items for measuring the construct		
5	1-3-9-12-19	.986	Perceived quality
6	14-18-11-33-2-39	.983	loyalty
4	4-8-10-16	.917	awareness
8	23-29-17-13-42-41-49-53	.781	association
4	27-22-24-34	.938	Brand equity
7	28-44-57-47-6-7-38	.712	product
3	48-59-66	.941	price
7	38-51-60-68-64-69-55	.939	promotion
3	45-65-31	.852	place
7	32-67-63-61-62-70-58	.963	people
11	50-40-30-20-15-5-26-36-433-35-25	.974	Physical evidence
5	21-52-54-46-56	.974	process
70		.958	Total variable

**Services marketing mix affects perceived quality:** Results of multiple regression analysis indicate that price, product, promotion, place, physical evidence, process and people of the store, have significantly positive effect on perceived quality of the brand. Therefore, the first research hypothesis is confirmed. In table 8 Results of regression and ANOVA table has been shown.

According to the table above, we can say that price, product, promotions, place, physical evidence, process and people of the chain store, have significantly positive effect on perceived quality of the brand. Regression coefficient is positive and significant for each of them. Regression line equation coefficient in the relation of price and perceived quality is 0.510. Regression coefficient for the effect of product on perceived quality is 0.894, the effect of place on perceived quality is 0.438 and the effect of promotions on perceived quality is 0.666. The effect of physical evidence on perceived quality is equal to 0.525 and the effect of processes on perceived quality is 0.314, and ultimately the impact of people of the markets on perceived quality is estimated 0.549. According to the level of significance (sig) obtained for each of these effects, which is a value under 0.05, we can say that the services marketing mix has significantly positive effect on perceived quality of the brand.

The regression line equation for this relationship is as follows:

$$(1) Y = 7.19 + 0.510x_1 + 0.89x_2 + 0.43x_3 + 0.66x_4 + 0.52x_5 + 0.31x_6 + 0.54x_7$$

H<sub>0</sub>: The relevant variable is normal. H<sub>1</sub>: The relevant variable is not normal.

As it is indicated in the table, the significance values of all variables are over 0.05 which refer to the normality of the distribution of all variables. Thus, in order to confirm or reject the hypotheses, tests assuming normality are employed.

**Regression Test:** For analyzing the effects of some factors on a dependent variable, it is appropriate to use multiple regression tests. In this study, this statistical technique has been used for testing all of the hypotheses. The results of the tests are as follows:

**Services marketing mix affects brand loyalty:** Results of multiple regression analysis indicate that price, product, promotion, place, physical evidence, process and people of the store, have significantly positive effect on perceived quality of the brand. Therefore, the second research hypothesis is confirmed. In table 9 results of regression and ANOVA table has been shown.

**Table-6**  
**The Results of Kolmogorov-Smirnov Test**

Brand equity	Brand association	Brand awareness	Brand loyalty	Perceived quality	Marketing mix	Variable	
385	385	385	385	385	385	Number	
2.7148	2.5158	2.6534	2.5808	2.4727	2.3499	Mean	Normal Parameters
1.08769	1.80611	1.0876	1.00379	1.23058	1.06993	Standard Deviation	
0.533	0.716	0.465	0.986	0.508	0.527	Kolmogorov -Smirnov Test	
0.939	0.684	0.982	0.285	0.958	0.944	Level of significance	

**Table-8**  
**Results of the regression**

Model Summary						
Model	R	R Square	Adjusted R Square	Std.Error of the Estimate		
1	.874 <sup>a</sup>	.764	.060	.97683		
a.Predictors: (Constant), People, product, promotion, place, physical Evidence, price, process						
ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	373.192	2	188.65	4.927	.010 <sup>a</sup>
	Residual	121.908	382	23.954		
	Total	494.100	384			
a. Predictors: (Constant), People, product, promotion, place, physical Evidence, price, process. b. Dependent Variable: Perceived Quality						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std.Error	Beta		
1	(Constant)	7.199	7.327		4.983	.029
	Price	.602	.807	.510	3.745	.008
	Product	.894	.445	.894	8.008	.002
	Place	.438	.474	.438	5.924	.023
	Promotion	.329	.617	.666	7.372	.006
	physical Evidence	.435	.802	.525	4.044	.019
	Process	.321	.520	.314	2.314	.033
	People	.661	.677	.549	4.975	.026
a. Dependent Variable: Perceived Quality						

**Table-9**  
**Results of the regression**

Model Summary						
Model	R	R Square	Adjusted R Square	Std.Error of the Estimate		
1	.631 <sup>a</sup>	.398	.260	.91232		
a.Predictors: (Constant), People, product, promotion, place, physical Evidence, price, process						
ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	384.290	2	179.40	5.31	.010 <sup>a</sup>
	Residual	109.982	382	31.83		
	Total	494.272	384			
a.Predictors: (Constant), People, product, promotion, place, physical Evidence, price, process b. Dependent Variable: Brand Loyalty						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std.Error	Beta		
1	(Constant)	8.038	7.987		3.457	.001
	Price	.432	.349	.487	3.452	.000
	Product	.659	.405	.598	6.394	.000
	Place	.395	.380	.387	4.937	.020
	Promotion	.763	.632	.670	7.034	.016
	physical Evidence	.492	.490	.419	3.850	.010
	Process	.631	.485	.493	5.087	.000
	People	.564	.340	.530	4.397	.000
a. Dependent Variable: Brand Loyalty						

According to the table above, we can say that the sevenfold mix of price, product, promotions, place, physical evidence, process and people of the chain store, have significantly positive effect on the brand loyalty. Regression coefficient for each of this mix of marketing is positive and significant. Regression line equation coefficient in the relation of price and loyalty to brand is 0.487. Regression coefficient for the effect of product on loyalty to brand is 0.598, the effect of place on loyalty to brand is 0.387 and the effect of promotions on loyalty to brand is 0.670. The effect of physical evidence on loyalty to brand is equal to 0.419 and the effect of processes on loyalty to brand is 0.492, and finally the impact of people of the markets on loyalty to brand is estimated 0.530. According to the level of significance (sig) obtained for each of these effects, which is a value under 0.05, we can say that the mix of marketing services has significantly positive effect on loyalty to brand.

The regression line equation for this relationship is as follows:

$$(2) Y = 8.038 + 0.487x_1 + 0.598x_2 + 0.387x_3 + 0.670x_4 + 0.419x_5 + 0.492x_6 + 0.530x_7$$

**Services marketing mix affects brand awareness:** Results of multiple regression analysis show that the marketing mix of price, product, promotions, place, physical evidence, process and people at the store, have significantly positive effect on brand awareness. Thus the third research hypothesis is confirmed. In Table 10 the results of regression and ANOVA table have been shown.

According to the above table, we can say that the sevenfold mix of prices, products, promotions, place, physical evidence, process and people at chain store, have significantly positive effect on brand awareness. Regression coefficient is significant and positive for each of them. Regression line equation coefficient in the relation of price and brand awareness is 0.428. Regression coefficient for the effect of product on brand awareness is 0.593, the effect of place on brand awareness is 0.489 and the effect of promotions on brand awareness is 0.437. The effect of physical evidence on brand awareness is equal to 0.500 and the effect of processes on brand awareness is 0.592, and finally the impact of people of the markets on brand awareness is estimated 0.385. According to the level of significance (sig) obtained for each of these effects, which is to say that the services marketing mix has significantly positive effect on brand awareness; Equation of the regression line for this relationship is as follows:

$$(3) Y = 8.053 + 0.5280x_1 + 0.593x_2 + 0.489x_3 + 0.437x_4 + 0.500x_5 + 0.592x_6 + 0.385x_7$$

**Services marketing mix affects brand association:** Results of multiple regression analysis show that the marketing mix of price, product, promotions, place, physical evidence, process and people at the store, have significantly positive effect on brand association. Thus the first research hypothesis is confirmed. In Table 11 the results of regression and ANOVA table have been shown.

**Table-10**  
**The results of regression**

Model Summary						
Model	R	R Square	Adjusted R Square	Std.Error of the Estimate		
1	.579 <sup>a</sup>	.335	.284	.89034		
a.Predictors: (Constant), People, product, promotion, place, physical Evidence, price, process						
ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	403.943	2	176.952	3.947	.007 <sup>a</sup>
	Residual	140.095	382	54.763		
	Total	544.038	384			
a.Predictors: (Constant), People, product, promotion, place, physical Evidence, price, process						
b.Dependent Variable: Brand Awareness						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std.Error	Beta		
1	(Constant)	8.053	7.884		5.654	.009
	Price	.439	.534	.428	3.763	.000
	Product	.630	.342	.593	4.945	.000
	Place	.511	.438	.489	6.941	.000
	Promotion	.491	.483	.437	4.932	.006
	physical Evidence	.537	.430	.500	3.666	.010
	Process	.669	.490	.592	5.904	.023
	People	.419	.358	.385	4.095	.029
a.Dependent Variable: Brand Awareness						

**Table-11**  
**The results of regression**

Model Summary						
Model	R	R Square	Adjusted R Square		Std.Error of the Estimate	
1	.739 <sup>a</sup>	.546	.439		.99003	
a.Predictors: (Constant), People, product, promotion, place, physical Evidence, price, process						
ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	471.940	2	196.037	3.984	.011 <sup>a</sup>
	Residual	148.946	382	37.883		
	Total	620.886	384			
a.Predictors: (Constant), People, product, promotion, place, physical Evidence, price, process						
b.Dependent Variable: Brand Association						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std.Error	Beta		
1	(Constant)	6.591	6.037		5.432	.000
	Price	.489	.3.98	.430	3.627	.008
	Product	.672	.453	.569	4.381	.006
	Place	.493	.398	.408	5.038	.010
	Promotion	.508	.471	.491	6.385	.000
	physical Evidence	.482	.362	.438	5.403	.000
	Process	.672	.549	.532	3.475	.030
	People	.484	.409	.429	4.105	.021
a.Dependent Variable: Brand Association						

According to the above table, we can say that the sevenfold mix of prices, products, promotions, place, physical evidence, process and people at chain store, have significantly positive effect on brand association. Regression coefficient is significant and positive for each of them. Regression line equation coefficient in the relation of price and brand association is 0.430. Regression coefficient for the effect of product on brand association is 0.569, the effect of place on brand association is 0.408 and the effect of promotions on brand association is 0.491. The effect of physical evidence on brand association is equal to 0.438 and the effect of processes on brand association is 0.532, and finally the impact of people of the markets on brand association is estimated 0.429. According to the level of significance (sig) obtained for each of these effects, which is a value under 0.05, we can say that the mix of marketing services has significantly positive effect on brand association. The regression line equation for this relationship is as follows:

$$Y = 6.591 + 0.430x_1 + 0.569x_2 + 0.408x_3 + 0.491x_4 + 0.438x_5 + 0.532x_6 + 0.429x_7$$

**Services marketing mix affects brand equity:** Results of multiple regression analysis show that the marketing mix of price, product, promotions, place, physical evidence, process and people at the store, have significantly positive effect on brand equity. Thus the fifth research hypothesis is confirmed. In table 12 the results of regression and ANOVA table have been shown.

According to the above table, we can say that the sevenfold mix of prices, products, promotions, place, physical evidence, process and people at chain store, have significantly positive effect on brand equity. Regression coefficient is significant and positive for each of them. Regression line equation coefficient in the relation of price and brand equity is 0.632. Regression coefficient for the effect of product on brand equity is 0.532, the effect of place on brand equity is 0.318 and the effect of promotions on brand equity is 0.508. The effect of physical evidence on brand equity is equal to 0.453 and the effect of processes on brand equity is 0.629, and finally the impact of people of the markets on brand equity is estimated 0.475. According to the level of significance (sig) obtained for each of these effects, which is a value under 0.05, we can say that the mix of marketing services has significantly positive effect on brand equity. The regression line equation for this relationship is as follows:

$$Y = 7.033 + 0.632x_1 + 0.532x_2 + 0.318x_3 + 0.508x_4 + 0.453x_5 + 0.629x_6 + 0.475x_7$$

**Perceived quality, brand loyalty, brand awareness and brand association affect brand equity:** Results of multiple regression analysis show that the perceived quality, brand loyalty, brand awareness and brand association, have significantly positive effect on brand equity. Thus the sixth research hypothesis is confirmed. In table 13 the results of regression and ANOVA table have been shown.

**Table-12**  
**The results of regression**

Model Summary						
Model	R	R Square	Adjusted R Square	Std.Error of the Estimate		
1	.679 <sup>a</sup>	.461	.231	.95321		
a.Predictors: (Constant), People, product, promotion, place, physical Evidence, price, process						
ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	385.751	2	184.409	3.401	.034 <sup>a</sup>
	Residual	129.900	382	22.439		
	Total	515.651	384			
a.Predictors: (Constant), People, product, promotion, place, physical Evidence, price, process						
b.Dependent Variable: Brand Equity						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std.Error	Beta		
1	(Constant)	7.033	7.004		4.983	.029
	Price	.688	.432	.632	3.745	.008
	Product	.639	.533	.532	8.008	.002
	Place	.451	.401	.318	5.924	.023
	Promotion	.649	.364	.508	7.372	.006
	physical Evidence	.471	.341	.453	4.044	.019
	Process	.630	.444	.629	2.314	.033
	People	.459	.460	.457	4.975	.026
a.Dependent Variable: Brand Equity						

**Table-13**  
**The results of regression**

Model Summary						
Model	R	R Square	Adjusted R Square	Std.Error of the Estimate		
1	.549 <sup>a</sup>	.301	.289	.95987		
a.Predictors: (Constant), Perceived Quality, Brand Loyalty, Brand Awareness, Brand Association						
ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	438.398	2	196.987	5.937	.000 <sup>a</sup>
	Residual	154.324	382	30.432		
	Total	592.722	384			
a.Predictors: (Constant), Perceived Quality, Brand Loyalty, Brand Awareness, Brand Association						
b.Dependent Variable: Brand Equity						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std.Error	Beta		
1	(Constant)	8.438	7.076		4.998	.009
	Perceived Quality	.380	.309	.360	3.439	.000
	Brand Loyalty	.472	.438	.443	5.738	.000
	Brand Awareness	.630	.342	.638	3.093	.003
	Brand Association	.510	.543	.501	4.438	.066
a.Dependent Variable: Perceived Quality						

According to the above table, we can say that the perceived quality, brand loyalty, brand awareness and brand association, have significantly positive effect on brand equity. Regression coefficient is significant and positive for each of them. Regression line equation coefficient in the relation of perceived quality of the brand and brand equity is 0.365. Regression

coefficient for the effect of brand loyalty on brand equity is 0.443, the effect of brand awareness on brand equity is 0.638 and the effect of brand association on brand equity is 0.501. According to the level of significance (sig) obtained for each of these effects, which is a value under 0.05, we can say that perceived quality, brand loyalty, brand awareness and brand association, have significantly positive effect on brand equity.

The regression line equation for this relationship is as follows:  
 $Y = 8.483 + 0.360x_1 + 0.443x_2 + 0.638x_3 + 0.501x_4$

**The Structural Model of the Study:** One of the modern methods of analyzing the causal relationships of variables is structural equation modeling. There are some independent variables in the present study whose effects on the dependent variable must be reinvestigated, Structural Equation Modeling was utilized. The assumption to be tested in a structural equation model is a causal relation among a set of unobserved constructs. These constructs are measured through a set of observed variables<sup>68</sup>. Figures 4 and 5 present the standardized estimation and T- values of the structural equation model for the final model of the study.

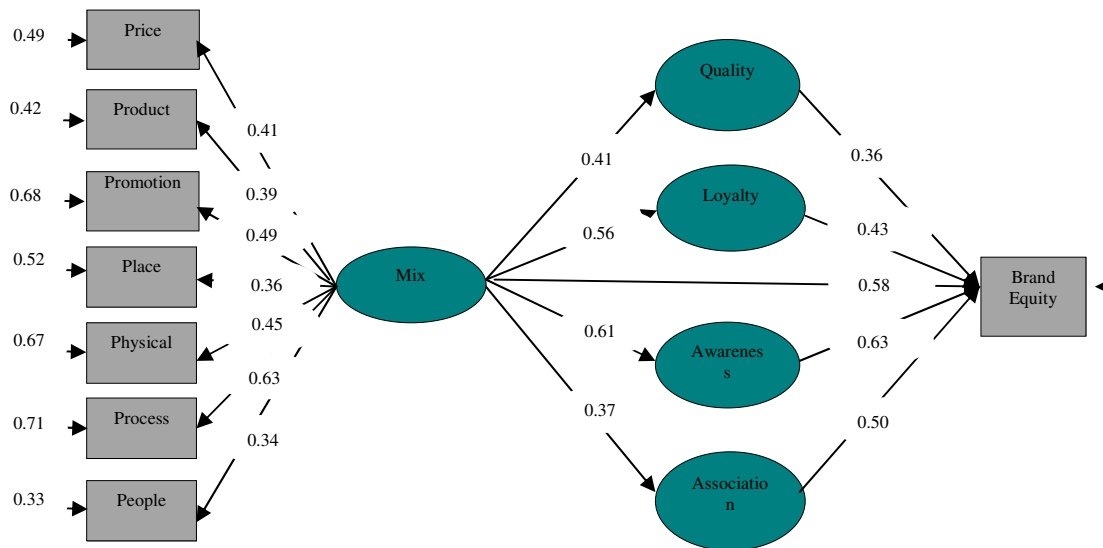


Figure-4  
 Standardized Estimations of the Final Model of the Study

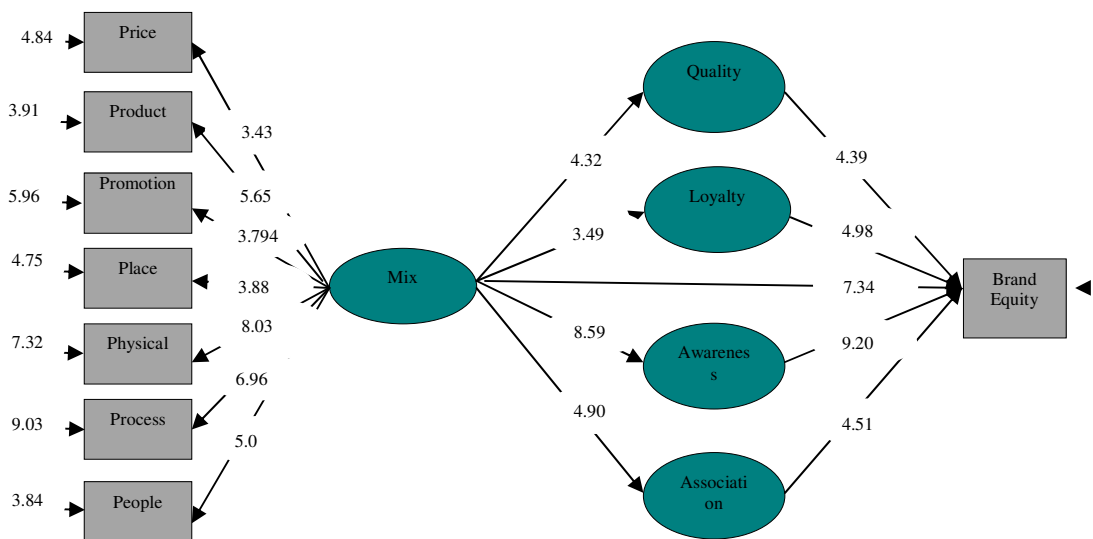


Figure-5  
 Significance Values of the Final Model of the Study

In this study, the acceptable level of significance (factor loading) in the standard model are higher than 0.3, and T-values are either higher than 1.96 or lower than -1.96.

**Model Goodness of Fit:** LISREL software presents a set of indices for measuring the developed model's goodness of fit. These indices for the conceptual model of the study are as following:

**X<sup>2</sup> index:** This index indicates the difference between model and the data. It is badness of fit index. Hence, the low values of x<sup>2</sup> show the low difference between the variance – covariance matrix of the sample, referring to the badness of the model. It must be mentioned that the value of this index is affected by the sample size. In fact, if the sample size is more than 200, this index tends to increase. Hence, analyzing the model fit with this index is reliable only in samples of 100 to 200. Also, this index is better interpreted considering the degree of freedom<sup>69</sup>.

**Degree of freedom (df):** this index shows the degree of freedom of the model and must not be lower than zero<sup>69</sup>.

**P-Value:** this is another index of model fitness. However, there is no consensus among researchers about its acceptable value. Some statisticians believe that its value must be lower than 0.05, while others emphasize on higher values<sup>69</sup>.

**Root Mean Square Error of Approximation (RMSEA):** this index is constructed based on model errors, and like x<sup>2</sup>, is a criterion for model badness. Some scholars believe that it must be less than 0.05, while some others consider values 0.08 as appropriate<sup>69</sup>.

**The ratio of chi-square on the degree of freedom (χ<sup>2</sup>/df):** One of the best indicators of goodness of fit of the model is analysis of the ratio of chi-square statistic on the degree of freedom. Of course, there is no standard for the suitability of this index. But many scholars believe that this index should be less than 3. Ultimately the appropriate extent of goodness should be determined by recognition of researcher and based on the type of research.

**Estimation of RMSEA at 90% level of significance:** LISREL estimates a certainty interval for root mean square error of approximation. The estimated magnitude for the model is discussed in 90 percent confidence level.

**Goodness of Fit Index (GFI):** this index is a criterion for goodness of the model and values above 0.9 indicate the appropriateness of the extracted model according to data<sup>69</sup>.

**Adjusted Goodness of Fit Index (AGFI):** this index is in fact the adjusted index of GFI considering degree of freedom (df). It is a goodness of fit index. AGFI values above 0.9 shows model's fitness with the data<sup>69</sup>.

**Normed Fit Index (NFI):** this is another goodness of fit index with the data. Values higher than 0.9 shows model's fit with the data<sup>69</sup>.

**Research Model Goodness of Fit:** As it is evident, the modified model of goodness of fit indices suggests a compatible and appropriate model to the obtained data. The amount of these indices is shown in table 14:

**Table-14**  
**Research Model Goodness of Fit**

Index	Value
X <sup>2</sup>	43.21
X <sup>2</sup> / Degree of freedom	2.54
Degree of freedom	17
P-Value	0.00045
Root Mean Square Error of Approximation	0.070
Estimation of RMSEA at 90% level of significance	Between 0.045 AND 0.097
Goodness of Fit Index	0.944
Adjusted Goodness of Fit Index	0.947
Normed Fit Index (NFI)	0.953

**Testing the Hypotheses:** Therefore, according to the obtained information from significance figures and standard estimation in the main model and adjusted model, confirmation and rejection of the main hypotheses of the research is as follows.

**Services marketing mix affects perceived quality (Hypothesis Confirmed):** As the results and output of the structural equations model show marketing mix of services such as price, product, promotions, place, physical evidence, process and people in chain stores, have a direct, positive effect on perceived quality of brand (r = 0.41, t = 4.32). Therefore the hypothesis is also confirmed using the structural equations model.

**Services marketing mix affects brand loyalty (Hypothesis Confirmed):** Structural equations modeling shows that the sevenfold mix of marketing have significantly positive impact on customers loyalty on the brand of chain stores (r = 0.56, t = 3.49). Thus we can say that marketing mix of services can increase the customers' loyalty to the brand of store.

**Services marketing mix affects brand awareness (Hypothesis Confirmed):** The output of structural equations modeling indicates that the sevenfold mix of price, product, promotions, place, physical evidence, process and people in chain stores, have a direct, positive impact on brand awareness (r = 0.61, t = 8.59). The concept of brand awareness refers to the power of brand presence and the features related to it in the mind of customer. This hypothesis shows that through an increase in the sevenfold of marketing mix of chain stores we can promote the level of brand awareness of that store.

**Services marketing mix affects brand association (Hypothesis Confirmed):** The output of structural equations modeling shows that the service mix of price, product, promotions, place, physical evidence, process and people in chain stores, have a direct, positive effect on the brand's association ( $r = 0.37$ ,  $t = 4.90$ ).

**Services marketing mix affects brand equity (Hypothesis Confirmed):** Structural equations modeling shows that the sevenfold marketing mix have a direct, positive effect on the brand equity of chain stores ( $r = 0.58$ ,  $t = 7.34$ ). Therefore, we can say that this marketing mix of services can increase the brand equity of the store.

**Perceived quality, brand loyalty, brand awareness and brand association affect brand equity (Hypothesis Confirmed):** As the output of structural equations modeling shows the significance figures and standardized estimations for the relationship between perceived quality and brand equity ( $r = 0.36$ ,  $t = 4.39$ ) and the effect of brand loyalty on brand equity ( $r = 0.43$ ,  $t = 4.98$ ) and the effect of brand awareness on brand equity ( $r = 0.63$ ,  $t = 9.20$ ) and finally the effect of brand associations on brand equity ( $r = 0.50$ ,  $t = 4.51$ ) are significant.

## Conclusion

Understanding and attracting the consumers and establishing loyalty and maintaining the sense of loyalty requires the formulation of marketing strategies. In this regard, efforts should be made, consistent with the idea of the customer and effective on the demands and decisions of customer. On the other hand, it is the brand that affects the decisions of customers. The consumer, after awareness of brand, looks for the values connected to the brand, in order to have the feeling of fulfillment and satisfaction. This can be understood for tangible and intangible services. In the field of services, the service marketing mix has a very strong role in brand value added. In this research, analysis of the effect of services marketing mix on the dimensions of brand equity showed that in the discussed mix, product (service) is the most effective factor on the perceived quality of the customer to the brand and it represents that the product itself should be considered firstly and then the other marketing plans should be considered. The perceived quality of customers to the services can be developed considering the strength of competitors in the field through optimizing the process of service providing and updating the systems and the speed of responding to the customers. It requires more attention to the modern technologies and information technology and connecting them to the marketing mix. About the effectiveness of the services marketing mix on brand loyalty it has been proved that in the services marketing mix, promotions can be considered the most effective factor. It means that the store can make and maintain a long-term image of the ETKA brand through advertisement and it can increase the commitment of the customer for buying the brand. Brand awareness is a step for decision to buy and repetition of

purchase by customer can lead to loyalty to the brand. Therefore, it is necessary for the store to improve the services marketing mix considering its positive effect on the loyalty to the brand, in order to strengthen the customers' sense of loyalty for buying the products again. For knowing the ETKA brand and increasing the power of communicative nodes about ETKA in the customers' mind, it has been proved that the way of service providing is the most effective factor that the satisfied customers can be effective in the brand awareness of ETKA through expressing their experiences and face to face advertisement. Thus, it is advisable to have experts active in this field in order to increase the customers' brand awareness of the ETKA brand through improving the facilities and the process of service providing. From the results of brand equity we can understand that pricing and the process of service providing and then the customers' awareness of ETKA brand are the most effective factors that can lead to the highest level of profitability and it can help to be more successful compared to the competitors. So, considering the importance of the factors above, it is better to consider these factors in order to be more successful in attracting the customers and increasing the brand equity through better pricing and service providing. Brand Association, is a factor in the consumer's mind as a memorable feeling that involves the customers' mind and it requires the attention to the relationship between services marketing mix and the attractive and favourite world of the customer. For example, using different designs or tangible decorations in the store or unique uniforms of the staff in the store can be effective to make a good brand association. Finally all services marketing mix can be effective for improving brand equity in chain stores that we should pay attention to them.

## References

1. Aaker D.A, Brand Portfolio Strategy: Creating Relevance, Differentiation, Energy, Leverage, and Clarity. *Free Press, Glencoe, IL.* (2004)
2. Gil R.B., Anders E.F. and Salinas E.M., Family as a source of consumer-based brand equity, *Journal of Product and Brand Management*, **16**(3), 188-199 (2007)
3. Farquhar P.H., Managing Brand Equity, *Marketing Research*, September, 24-34 (1989)
4. Feldwick P., Do we really need brand equity, *Journal of Brand Management*, **14** (1), 9-28 (1996)
5. Rafiq M. and Ahmed P.K., Using the 7Ps as a generic marketing mix, an exploratory survey of UK and European marketing academics, *Marketing Intelligence and Planning*, **13** (9) (MCB University Press) (1995)
6. Aaker D.A. and Joachimsthaler E., Brand leadership: Free Pr. (2000)
7. Keller K.L., Conceptualizing, measuring, and managing customer-based brand equity, *Journal of Marketing*, **57**(1), 1-22 (1993)



8. Murphy J., Assessing the value of brand. Long Range Planning, **23(3)**, (1990)
9. Baladuf Artur, Cravens Karen and Binder Gudrun. Performance consequences of brand equity management: evidence from organizations in the value chain", *Journal of product and brand management*, **12(4)**, 220-236 (2003)
10. Kim H. and Kim W.G., The relationship between brand equity and firms' performance in luxury hotels and chain restaurants. *Tourism Management*, **26(4)**, 549-560 (2005)
11. Durki Mark and Bennet Hadyn, Employee commitment in retail banking: identifying and exploring hidden dangers, *International Journal of bank marketing*, **17(3)**, 124-134 (1999)
12. Aaker D.A. and Joachimsthaler E., Brand leadership, *The Free Press, New York, NY*. (2001)
13. Shams R., Investigating the relationship between selected marketing mix elements and brand equity of mobile phones among young people in Tehran. Master's thesis, *Tehran University* (2007)
14. Aaker D.A., Managing Brand Equity: Capitalizing on the Value of a brand Name, *Free Press, New York, NY*. (1991)
15. Aaker D.A., Building strong brands: Free Press (1996)
16. Blackston M., The qualitative dimension of brand equity, *Journal of Advertising Research*, **35(4)**, 2-7 (1995)
17. Dillon W.R., Madden T.J., Kirmani A., Mukherjee S., Understanding what's in a brand rating: A model for assessing brand, 12-28 (2001)
18. Aflaki S., Marketing and market management, *Kiumars publications, second edition* (2007)
19. Ross S.D., A conceptual framework for understanding spectator-based brand equity, *Journal of Sport Management*, **20**, 22-38 (2006)
20. Wang H., Wei Y. and Yu C., Global Brand Equity Model: Combining Customer-Based with Product-Market Outcome Approaches, *Journal of Product and Brand Management*, **17(5)**, 305-316 (2008)
21. Atilgan E., Aksoy S. and Akinci S., Determinants of the brand equity: A verification approach in the beverage industry in Turkey, *Marketing Intelligence and Planning*, **23(3)**, 237-248 (2005)
22. Yoo B. and Donthu N., Developing and validating multidimensional consumer-based brand equity scale, *Journal of business research*, **52(1)**, 1-14 (2001)
23. Lassar W., Mittal B. and Sharma A., Measuring Customer-Based Brand Equity, *Journal of Consumer Marketing*, **12(4)**, 11-19 (1995)
24. Upshaw L.B., Building brand identity: A strategy for success in hostile market place, *John Wiley and sons, Inc*. (1995)
25. Edrem T., Swait J. and Valenzuela A., Brands as signals: A cross-country validation study, *Journal of Marketing*, **70(1)**, 34-49 (2006)
26. Kamakura W.A. and Russell G.J., Measuring Brand Value with Scanner Data, *International Journal of Research in Marketing*, **10(March)**, 9-22 (1993)
27. Mumm K. and W. Gon Kim., The relationship between brand equity and firm's performance, *Tourism management* (2005)
28. Rundle, The and R. Bennett, A Brand for All seasons. *Journal of product and brand management*, **10(1)**, (2001)
29. Allahyari A., The relationship between meaning-providing elements of brand and brand recognition, based on brand equity model (2009)
30. Bowen H.T. and Chen S.L., The relationship between customer loyalty and customer satisfaction, *International Journal of Contemporary Hospitality Management*, 213-217 (2007)
31. Solomon M.R., Customer behavior: Buying, Having and Being, Allyn and Baoon. *Boston M.A.* (1994)
32. Graham P. and Harker D. and Harker M. and Tuck M., Branding food endorsement programs. *Journal of product and brand management*. **3(4)**, (1994)
33. Tsai- Henry and C. Cheung. An exploratory study of the relationship between customers based casino brand equity and firm performance, *International journal of hospitality management* (2009)
34. Kotler P. and Armstrong G., Principles of Marketing, translated by Bahman Foroozandeh, Eighth Edition (2007)
35. Kirmani A. and Zeithmal V.A., Advertising. Perceived quality and brand image, Brand equity and advertising. Hillsdale (NJ): Lawrence Erlbaum Associates (1993)
36. Zeithmal V.A., Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence, *Journal of Marketing*, 2-22 (1988)
37. Kotler P., Principles of Marketing, translated by Bahman Foroozandeh, Atropat publishing, third edition (2000)
38. Parasuraman A., Zeithaml V.A., Berry. SERVQUAL: A Multiple-Item Scale for Measuring Customer Perceptions of Service Quality, *Journal of Retailing*, 12-40 (1988)
39. Ketabi S., Select the appropriate marketing mix determined using AHP with for strategic planning approach, *Journal of Administrative Sciences and Economics*, University of Isfahan, **7(1)**, 93-79 (2005)
40. Dargi P., Sale and personal sale management with Iran's market theory, 1<sup>st</sup> edition, Tehran, *Torang publication*, (2005)
41. Borden N. H., The Concept of the Marketing Mix, *Journal of Advertising Research*, **4(June)**, (1964)

42. McCarthy J., Basic Marketing: A managerial approach, Irwin, Homewood Il, 13st ed. (2001)
43. McCarthy E. Jerome, Basic Marketing: A managerial Approach. Homewood, Il: Richard D. Irwin, Inc. (1960)
44. Frey A., Advertising, 3rd ed., Ronald Press, New York, (1961)
45. Bitner J. and Booms B., Marketing strategies and organizational structures for service firms, in Donnelly, J. and George W., *Marketing, American Marketing Association, Chicago (1981)*
46. Heuvel J., Diensten Marketing (Services marketing). The Netherlands Wolters-Noordhoff Groningen.Hodder Education (n.d) (1993)
47. Doyle P., Marketing Management and Strategy. Prentice Hall. (1994)
48. Goldsmith R.E., The Personalized Marketplace: Beyond the 4Ps. *Marketing Intelligence and Planning*, 17(4), 178-185 (1999)
49. Lovelock C. and Wright L., Principles of marketing and services, translated by Abolfazl Taj Zade Namin, Samt publication, 2<sup>nd</sup> edition. (2010)
50. Moheb Ali, D. Market Management, Amir Kabir publication, 2<sup>nd</sup> edition. (2002)
51. Bolourian Tehrani M., Marketing and market management, publishing and commercial printing, first edition (1999)
52. Kotler P. nda Armstrong G., Principles of Marketing, translated by Bahman Foroozandeh, Amookhteh Publishing, Tehran (2006)
53. Azizi S., Pricing; approaches and processes, Tadbir, 127, 38-42 (2002)
54. Alvday H., Marketing and Market Management, Payam Noor University Press, second edition (2005)
55. Fakhimi Azar S., Marketing and market management, Azad Islamic University of Tabriz, 1<sup>st</sup> edition (2009)
56. Keegan W., Global marketing manager, translated by Abdul Hamid Ebrahimi, publications of Cultural Researches Office (2001)
57. Branch A., Export Marketing Management, translated by Mohammed Ibrahim Goharian, publishing and commercial printing, second edition (2001)
58. Mohammadian M., Management advertisements, publications of Horoofiyeh, second edition (2003)
59. Esmailpoor H., International Marketing Manager, Agah publications, fifth edition (2006)
60. Mehrani H. and Hosseyni Kia T., The role of marketing in the hotel industry success, *Journal of Marketing* 8, (2003)
61. Cundiff E. and Hilger M.T., Markets in the International, Environment Printtic- Hall, 403 (1988)
62. Baker M.J., The Marketing Manual, The chartered Institue of marketing plant a tree, 1st.ed. (1998)
63. Bozorgi A. and Nasiri S., Feasibility of marketing programs in the National Library of the Islamic Republic of Iran, *Journal of Hydrology*, 6, (2009)
64. Chen H.C. and Green R., Marketing mix and branding: competitive hypermarket strategies, *International Journal of Management and Marketing Research*, 2(1), (2009)
65. Moghimi A., Investigating the effective marketing mix elements in attracting customers' in body building gyms in Isfahan, Master degree thesis, Azad Islamic University, Khoorasgan (2010)
66. Khaki G., Research Methods in Management, Islamic Azad University Press, first edition, Tehran (2000)
67. Hassanzadeh R., Salavan, publications of research methods in the behavioral sciences, Third edition, Tehran (2004)
68. Sarmad Z., Bazargan A. and Hejazi E., Research methods in behavioral sciences. Agah Publications, Tehran, 2<sup>nd</sup> edition. (2006)
69. Schumacher andamp; amp; Lomax. A Beginner's Guide to Structural Equation Modeling. (2004)
70. Seyednezhadfahim S.R., Eghdami E., Yosefnezhad S. and Maleki M., Investigating the Procedure of Financial Factors in Successful Companies, *Research Journal of Recent Sciences*, 2(3), 44-48 (2013)
71. Eskandar J., Intellectual Capital and its Effects on Firms' market value and Financial Performance in Iran: An Investigating Public Model, *Research Journal of Recent Sciences*, 2(3), 1-6 (2013)
72. Mangang P.N., Health Beliefs and Perception of Well-being among the Lois of Thanga in Manipur, India, *Research Journal of Recent Sciences*, 1(4), 46-52 (2012)
73. Nwajei G.E., Okwagi P., Nwajei R.I. and Obi-Iyeke G.E., Analytical Assessment of Trace Elements in Soils, Tomato Leaves and Fruits in the Vicinity of Paint Industry, Nigeria, *Research Journal of Recent Sciences*, 1(4), 22-26 (2012)
74. Amanchi N.R. and Mohd M.H., Ecophysiological and cytopathological impact of delfin insecticide (*Bacillus thuringiensis*) to a unicellular ciliate protozoan, Euplotes patella, *Research Journal of Recent Sciences*, 1(4), 64-67 (2012)