

EXPLAINING THE IMPACT OF SERVICE QUALITY ON IDENTITY AND BRAND PERSONALITY

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Abstract: The aim of this research was to evaluate the impact of service quality dimensions on identity and brand personality in Iran Insurance Company. This research is an applied research in terms of results and correlational type of descriptive-survey in terms of the nature and methodology. The research population included buyers of insurance services of Iran Insurance Company in the city of Shiraz. Due to the large size of population, available sampling method was used in this research. The statistical sample size based on unlimited population Cochran Formula was determined to be 384 people. Data were collected through a questionnaire. For the analysis of data, structural equation modeling was used. The results showed that five dimensions of service quality including tangible factors, reliability, assurance, responsiveness, and empathy have positive and significant impact on brand identity. In addition, all these dimensions, except for responsiveness, have positive impact on brand personality.

Key words: service quality, dimensions of service quality, Servqual model, brand personality, brand identity, Iran insurance company.

DOI: 10.17512/pjms.2017.16.2.08

Article's history:

Received July 20, 2017; Revised July 28, 2017; Accepted September 9, 2017

Introduction

In the current world, due to high competitive pressures, one of the most significant strategies that organizations through it can achieve sustainable competitive advantage is improving the quality of their services (Roosta and Madani, 2011). Quality as one of the competitive priorities has been entered to service area from manufacturing strategy literature (Buil et al., 2015). Investigations conducted in this area indicate that improving the quality of service brings valuable results for organizations and finally it leads to satisfaction and loyalty of customers and to gain more market share and profitability for organization (Roosta and Madani, 2011). On the other hand, branding strategy as another competitive strategy can help various businesses and organizations in achieving their performances. In addition, due to high cost of creating new brand, organizations invest on their current brands in order to maximize their profit by increasing the brand value and to have more reputation in the today's competitive arena (Roosta and Madani, 2011). Relying on external brands such as brand equity, brand identity, and brand personality, customers determine and understand the quality of service. These

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factors are more important for net services such as insurance in which the quality of the provided services is less tangible and it is relative in many of the transactions (Siddiqui and Sharma, 2010).

Following large developments occurred in recent years in providing insurance services in the world; insurance companies in Iran have been influenced by these changes. The quality of service in the insurance industry depends to performance of employees and assets and resources of this industry. Therefore, the insurance companies have realized that they should improve the quality of service provided to their customers in order to attract and retain their customers as well as obtaining competitive advantage (Siddiqui and Sharma, 2010). Investigations show that each of the researchers has used specific approach to investigate the effect of the dimensions of the quality of services and no research has been conducted on impact of service quality dimensions on identity and personality of brand. In the insurance service sector, with respect to the importance of brand identity and brand personality in increasing the brand preference, feeling towards the brand, and loyalty to it, it is necessary to conduct a research to investigate the impact on service quality dimensions on brand identity and personality. Accordingly, the key question is that: Are service quality affect brand identity and personality of Iran Insurance Company? The research was conducted in branches of Iran Insurance Company in Shiraz city. The main objective of this research is to examine the impact of service quality dimensions and level of impact of each of them on brand personality and identity in order to identify the dimensions of service quality affecting the brand identity and personality and use them in branding.

Research Literature Review

Service, Service quality, and Measurement of the service quality

The word service has several meanings and it includes a wide range of personal services to service as a product. Kotler and Armstrong (2016) defined it as an activity or benefit that one side supplies to other side and it is essentially intangible and it does not involve the ownership of something. Grönroos (2004) defines services as a process occurring in the interaction between customers and employees, physical resources, products, or systems providing service to be solution for issues of the customers. Service has features that make them to be different from goods. Precisely description of the term quality is difficult, because quality is a multidimensional phenomenon. From marketing management view, quality is all features, which fulfill customer needs. Therefore, any product that has features providing customer needs is high-quality product (Jalali et al., 2014). According to Parasuraman et al. (1988), quality of service is the difference between customer expectations of service and his actual perception of service performance. Quality of service is considered as an organizational asset and important financial performance and marketing factor of the company (Kassim and Abdullah, 2010). The quality of services is emphasized in many service organizations. Improving the level of service quality can help an organization differentiate itself from other

organizations and achieve sustainable competitive advantage (Ganguli and Roy, 2011). By increasing efficiency and effectiveness in service providing, the profitability of the organization increases (Lee and Chen, 2005). Behavior and performance of employees are effective in providing the services (Tirado et al., 2016). If satisfaction of employees is met, service is provided with better quality for customer; leading to customers' satisfaction (Moreira and Silva, 2015).

The question is always that how quality of services can be provided. Experts have provided different methods and models to assess the quality of services provided in the organizations. The most known scale to measure service quality is SERVQUAL model. SERVQUAL model was introduced by Parasuraman et al. (1991). In this model, service quality has standardized components used to measure people's expectations and perceptions about the quality of public services (Esmailpour et al., 2016). This model introduces five dimensions for evaluating the quality of services. These dimensions include:

- Physical dimensions or tangibility: physical dimensions include the existence of facilities, equipment, personnel, and communicative goods. In other words, these factors include modern equipment, physical facilities, workers with clean and tidy appearance, and ordered documents (such as booklets, ledgers, billing, etc.).
- Reliability: it is the ability to perform services in safe and reliable manner, so that the customer's expectations are satisfied. Reliability factors include performing the task or service promised to given time, showing an interest in solving customer problems, reforms in services in the first time, and providing and performing service at promised time, offering correct.
- Responsiveness: responsiveness means willing to cooperate and help the customer. This dimension of service quality has an emphasis on showing sensitivity and alertness against demands, questions, and complaints of customers. These factors include the following cases: employees tell customers what they will do exactly, employees provide immediate services for customers (in the shortest time), employees are always willing to help customers, and employees are always ready to respond customers' questions.
- Assurance: it includes competence and the ability of employees to induce the sense of reliability and credibility of organization to customers. Assurance factors include the following cases: the behavior of the employees create trust in customers gradually, customers feel security in their interactions with the organization, employees are always polite in dealing with customers, and employees have enough knowledge to respond customers' questions.
- Empathy: it means dealing with customers according to spirit of each of them, so that customers are convinced that organization have understood them and they are important for the organization. The empathy factors include the following cases: personal attention to customers, the business hours appropriate for all of the customers, employees show personal attention to customers,

employees are demanding the best interests for customers, and employees understand unique needs of the customers (Jalali et al., 2014).

Brand identity

Brand identity is one of the most important issues in the field of marketing, but few studies have considered it (Ghasemi et al., 2014). Brand identity refers to visible elements of a brand (such as colors, design, logo, type, name, and symbol) that together determine the identity and cause recognizing and identifying the brand in the consumer mind (Keller, 1993). Brand identity shows that how an organization wants to be perceived in the market. Each organization transfers its identity to customer through branding and marketing strategies (Kapferer, 2004). The process of creating a brand identity involves developing the mentalities that the brand is going to create and ensuring the identification of the brand by customer and making it relevant with a certain class of need (Loureiro et al., 2014). A brand has a distinctive identity when it provides relevant, durable, and believable promises regarding the value of the product, service, or organization and it shows the source of the promises (Buil et al., 2015). Companies that provide integrated, distinctive, and relevant brand identity can create superiority in market, add value to their products and service, and may provide benefits through price leadership (Ghasemi et al., 2014). One brand with a strong identity is a safer place for customers because it leads to reduced uncertainty, and purchasing and consuming a product (Buil et al., 2015). Kapferer (2004) considers six dimensions for brand identity including body, personality, culture, relationship, reflection, and self-image.

Brand personality

Brand personality is considered as core variable in customer decisions when choosing a product or service (Loureiro et al., 2014). According to Aaker (1997), brand personality is the set of characteristics and properties associated with the brands. According to Aaker, brand personality includes a series of human characteristics attributed to the brand. Although the human personality and brand personality have a similar concept, they differ in terms of formation. Brand personalities obtained from direct relationship are in fact personality characteristics of people who use one brand that these human personality characteristics are transferred to that brand. Indirect type of it includes the characteristics of the product such as product class, brand name, symbol, type of advertising, price and distributing channels, which form the personality of the brand (Alizadeh et al., 2014). If brand has personality in the mind of consumer, it will leads to increased consumers' preferences, improvement of relationship between consumers and brand, loyalty, preference and feeling to brand (Ghasemi et al., 2014). Many researchers have provided views personality of brand, but Aaker (1997) was the first person who developed a model to assess the brand personality. Aaker considered five dimensions for brand personality, including intimacy, passion and excitement, competence, sophistication, and hardiness.

Hypotheses and the research conceptual model

Researching theoretical and experimental literature of research and given the results of studies conducted by Loureiro et al. (2014), Alizadeh and et al. (2014) and Roosta and Madani (2011), the hypotheses of this research were developed. In addition, by identifying fundamental variables of research and establishing the relationship among them through theoretical and experimental background, the conceptual model of this research was developed. The conceptual model of this research was developed by integrating the model of Parasuraman et al. (1991) assessing dimensions of service quality; the dimensions of brand identity of Kapferer (2004) as well as the dimensions of brand personality of Aaker (1997). The conceptual framework of this research is presented in the Figure (1).

Dimensions of Service Quality

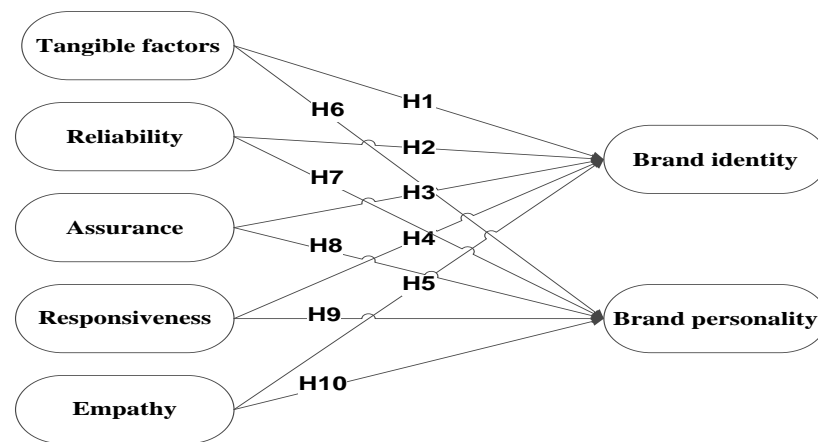


Figure 1. Research conceptual model

Methodology

This research is applied in terms of results, and correlational type of survey-descriptive in terms of nature and implementation. Population of the research includes all customers of Iran Insurance Company branches in the city of Shiraz. Available sampling method was used to collect the data of the research. Sample size of the research was determined 385 people based on Cochran formula. Questionnaire was used as research tool to collect the data. To assess the main variables of the research, 65 questions was used through the integration of the three questionnaires including Servqual service quality assessment questionnaire (Parasuraman et al., 1991), brand personality assessment questionnaire of Aaker (1997) and Kapferer (2004) brand identity assessment questionnaire. The scale of measurement of the variables in this research was five-point Likert scale (from completely agree to completely disagree). In this research, by attending in Iran Insurance Company and its branches during five day in week, 384 questionnaires

were distributed among customers receiving insurance services. As the questionnaire of this research was developed based on standard questionnaires that their validity has been already proven, it can be said that the research questionnaire has required validity. To assess the validity of the questionnaire of research, the most common method of evaluating the validity of the questionnaire that is Cronbach's alpha coefficient was used. Cronbach's alpha coefficient for all variables was higher than 0.7, and it is 97% for the entire questionnaire. It suggests that the reliability of the research tool is in the appropriate level. In addition, in order to assess the validity of the questionnaire questions, average variance extracted was used and to assess the reliability of the questionnaire, composite reliability was used. Table (1) shows the information regarding designing the questions of the questionnaire and the results of the reliability and validity indices of the questionnaire.

Table 1. Variables of research and source of extraction of the items and the results of the reliability of the data collection tool (questionnaire)

Variables and their dimensions		Number of items (questions)	Source of extraction of the items	AVE	Composite reliability	Cronbach's alpha coefficient
Service quality dimensions	Tangible factor	4	(Parasuraman et.al., 1988)	0.70	0.90	0.86
	Reliability	5		0.57	0.86	0.81
	Responsiveness	4		0.60	0.85	0.78
	Assurance	4		0.56	0.83	0.74
	Empathy	5		0.51	0.83	0.76
Brand identity		25	(Aaker, 1997)	0.70	0.93	0.92
Brand personality		15	(Kapferer, 2004)	0.71	0.92	0.92
Entire questionnaire		62				0.97

In order to calculate the convergent validity, AVE criterion was used. In this research, an average variance extracted (AVE) is more than 0.5 for all variables, so convergent validity of model variables is confirmed (Hair et al., 2011). Composite reliability (CR) and Cronbach's alpha coefficient assess the reliability of measurement tool. As table (1) shows, coefficient of the composite reliability (CR) and Cronbach's alpha coefficient for all variables were more than 0.7, so the reliability of the questions of variables included in the questionnaire is at an acceptable level (Hair et al., 2011).

To test the hypotheses and the conceptual model of the research, structural equations modeling method (the method of partial least squares) through PLS Smart software was used.

Research Findings

Conceptual model and research hypotheses were tested using structural equation modeling and smart PLS software. Structural equation modeling method is multivariate analysis analyzing the causal relationship between a set of variables. Using structural equation modeling, the consistency of theoretical model with experimental data can be examined. Structural Equation Modeling helps the researcher test and examine theoretical model that consists of different components. Figure (1) shows the results of the structural equation modeling test along with standardized coefficients (path coefficients) and significance coefficients (t-value).

Dimensions of Service Quality

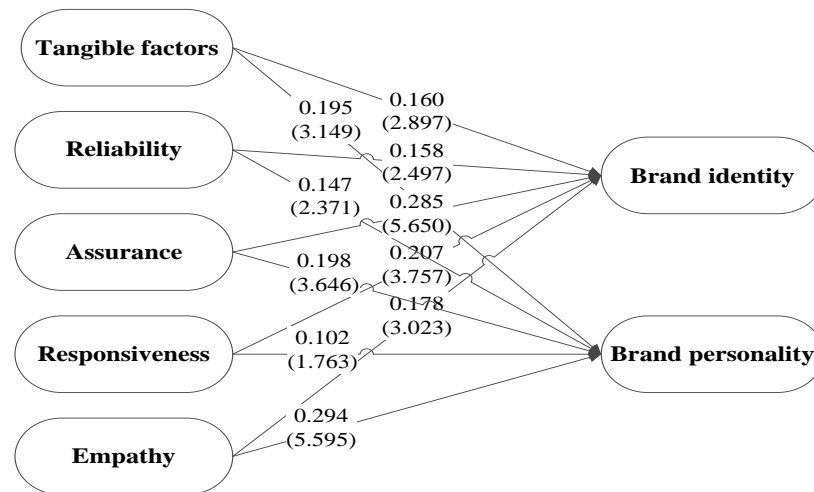


Figure 2. Implementation of structural equation model, along with standardized coefficients (path coefficients) and significance coefficients (t-value)

Indices of model fit are one of the important stages in analyzing structural equation modeling. These indices are used to answer this question whether the model represented by the data confirms the conceptual model. In order to examine the measurement model fit and internal consistency of measurement items, we should consider the coefficients such as Cronbach's alpha coefficients, composite reliability, and average variance extracted, which the related data are shown in the table (1). Another index that is used to assess the overall structural model is the GOF index. The GOF index calculated for this research model is 0.62, which suggest model fir is good. As it was found, measurement and structural model fit indices show good fit for the model. However, the general approval of the conceptual model of research does not mean that all relationships have been approved in the model. After overall fit of the model, the relationships of the model

must also be tested to find that if the relationships defined in the model are approved or not. After extracting data of structural equation model, we can test the hypotheses of research. The results of main research hypothesis are shown in Table (2).

Table 2. Results of the research hypotheses testing

Hypothesis	Independent variable	Dependent variable	Standardized path coefficient	Test statistic (t-value)
1	Tangible factors	Brand identity	0.160	2.897
2	Reliability	Brand identity	0.158	2.494
3	Assurance	Brand identity	0.285	5.650
4	Responsiveness	Brand identity	0.207	3.757
5	Empathy	Brand identity	0.178	3.023
6	Tangible factors	Brand personality	0.195	3.149
7	Reliability	Brand personality	0.147	2.371
8	Assurance	Brand personality	0.198	3.346
9	Responsiveness	Brand personality	0.102	1.763
10	Empathy	Brand personality	0.294	5.595

Implementation of structural equation modeling analysis shows a significant positive relationship between the elements of various layers of conceptual model of research. According to the results obtained from the standardized path coefficients and significance coefficients or statistics t (Figures 2), and what has been shown in Table (2), it can be said that the dimensions of service quality (tangible factors, responsiveness, reliability and empathy) have a positive and significant impact on brand identity and personality at the 95% confidence level. In addition, all these dimensions, except for responsiveness, have positive impact on brand personality at the 95% confidence level. But, the variable of responsiveness has positive and significant impact on brand personality at the confidence level of 90%.

Discussion and Conclusion

The aim of this research was to evaluate the impact of service quality dimensions on identity and brand personality in Iran Insurance Company. The results of this research showed that the five dimensions of service quality (tangible factors, reliability, assurance, responsiveness, and empathy) have positive impact on brand identity and personality in Iran insurance company. As table (2) shows, the findings of this research represent a significant and positive impact of tangible factors on the brand identity and personality. Research conducted by Loureiro et al. (2014) and Alizadeh et al. (2014) confirmed this hypothesis. Hence, by considering the positive impact of tangible factors on brand identity and personality, it is recommended for Iran insurance company managers and its representatives to use modern physical facilities in the location where services are provided. In addition, it is recommended for employers of branch to be dressed well and have ordered

working place, in which things are arranged well and beautifully. According to the results obtained from Table (2), it can be said that the reliability has a positive and significant effect on the brand identity and personality. The findings of the research carried out by Loureiro et al. (2014) and Ebrahimi et al. (2014) confirmed this hypothesis. Therefore, it is recommended for employers of Iran Insurance Company and its representatives to perform their task at specified time to maintain the reliability of the company and its branches for customers. Employers should always solve the customer problems honestly and meet their demands to increase their reliability. According to the results extracted from Table (2), this research indicates that assurance has positive and significant impact on brand identity and personality. Research conducted by Loureiro et al. (2014), Ebrahimi et al. (2014) and the Alizadeh et al. (2014) also confirmed the result testing this hypothesis. Hence, it is recommended for Iran insurance company managers and its representatives to enhance the sense of security in interactions between customers and company through providing assured services. It is also recommended for them to employ those employers who have required knowledge to provide information for customers. In addition, other research finding of this research showed that responsiveness of Iran insurance company employers has a significant and positive impact on brand identity and personality. Research conducted by Loureiro et al. (2014) and Roosta and Madani (2011) confirmed the results of testing this hypothesis. Therefore, it is recommended for managers and employees of Iran insurance company to increase the willingness and desire to collaborate and help to their customers because customers expect better and quick responsiveness by managers and employers of Iran Insurance Company against the cost they pay. Managers and employees of Iran insurance company and its representatives must be sensitive to customer requests and complaints. According to the results of the present research, it is recommended that managers of the Iran Insurance Company and its representatives to have high accuracy in recruiting people with high responsibility to employ employers with high sense of responsibility. The results of this research show that empathy of managers and employers of Iran insurance company and its representatives has significant and positive impact of brand identity and personality. Research conducted by Loureiro et al. (2014) and Alizadeh et al. (2014) confirmed this hypothesis. In order to enhance the brand personality and identity of Iran insurance company through empathy in providing services, it is recommended to managers and employees of Iran insurance company and its representatives to have enough humility, allocate enough time for customers, meet their demands, and guide them in choosing the insurance type provides the best benefits for customers.

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WYJAŚNIENIE WPŁYWU JAKOŚCI USŁUG NA TOŻSAMOŚĆ I OSOBOWOŚĆ MARKI

Streszczenie: Celem artykułu była ocena wpływu wymiarów jakości usług na tożsamość i osobowość marki w Irańskim Towarzystwie Ubezpieczeniowym. Niniejsza analiza jest zaawansowanym badaniem pod względem wyników i korelacyjnego typu analiz opisanego pod względem natury i metodologii. Populacja badana obejmowała nabywców usług ubezpieczeniowych Irańskiego Towarzystwa Ubezpieczeniowego w mieście Shiraz. Ze względu na dużą liczebność populacji w badaniach wykorzystano dostępną metodę wyboru próbek. Statystyczna wielkość próby oparta na nieograniczonej populacji Formuły Cochran została ustalona na 384 osoby. Dane zebrano za pomocą kwestionariusza. Do analizy danych zastosowano modelowanie równań strukturalnych. Wyniki wykazały, że pięć wymiarów jakości usług, w tym czynniki fizyczne, rzetelność, pewność, zdolność reagowania i empatia mają pozytywny i znaczący wpływ na tożsamość marki. Ponadto wszystkie te wymiary, z wyjątkiem reakcji, mają pozytywny wpływ na osobowość marki.

Słowa kluczowe: jakość usług, wymiary jakości usług, model Servqual, osobowość marki, tożsamość marki, Irańskie Towarzystwo Ubezpieczeniowe

解讀服務質量對身份和品牌形象的影響

摘要: 本研究旨在評估服務質量維度對伊朗保險公司身份和品牌形象的影響。本研究從描述性調查的性質和方法論的角度對結果和相關類型進行了應用研究。研究人員包括伊朗保險公司在設拉子市的保險服務買主。由於人口規模龐大，本研究採用現有的抽樣方法。基於無限人口Cochran公式的統計樣本量確定為384人。數據通過問卷收集。為了分析數據，使用了結構方程模型。結果顯示，服務質量的五個維度包括有形因素，可靠性，保證性，回應性和移情性對品牌認同具有積極和顯著的影響。另外，除了響應性外，所有這些方面都對品牌個性有積極影響。

關鍵詞: 服務質量，服務質量維度，Servqual模型，品牌個性，品牌形象，伊朗保險公司