A study on effective inter-organizational factors for creating a valuable brand (A case study of Isfahan Steel Company)

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Abstract: The main purpose of this study was to investigate about the effective inter-organizational factors for creating a valuable brand for Isfahan Steel Company (ESCO). This study was descriptive-survey, applied and cross-sectional research. Surveying method and library studies and Questionnaire were used in order to collect data. Population was managers, assistants, marketers and marketing experts in ESCO. Simple random sampling method was used. A descriptive and inferential data analysis has been done. Parametric and nonparametric statistical tests have been used according to data distribution. Results showed that organizational culture, technology of organization, product features, marketing intelligence of organization have significant impact on forming brand.

Key words: Organizational culture; Technology of organization; Product features; Marketing intelligence of organization; brand

1. Introduction

One of the most valuable assets of a company is its' brand. Higher value of brand in consumers' minds will have more gains and profits for company. Continuous monitoring and controlling of this concept is an essential step in effective management. In recent decades, investigation and research on brand has had an important role in various fields including academic and business market.

Many researchers and managers have concluded that the most valuable asset of a company in order to improve marketing is knowledge of making brand that will be done by means of investing in marketing programs and makes an image of brand in consumer mind. One reason for importance of concept of brand value is that it creates value for both customers and company .consequently, marketers are able to use higher brand value to gain competitive advantage.

This research helps Employees of ESCO to know inter-organizational factors and their impact on creation valuable brand and move toward a valuable Brand. Because more valuable brand will cause increasing in internal and external sales and market share .thus ESCO products will have better situation in market. Also, the understanding of environmental inter-organizational factors, and comparing their impact intensity on brand value enable managers to make proper planning in order to achieve brand objectives.

2. Impact of organizational culture on creation of brand

Organizational culture includes strong evidence in values that forms characteristics of brand. There are many definitions of organizational culture. A common definition of organizational culture considers culture as a set of values that encourages behavior. For example, Hankinson (1999) knows organizational culture as overall philosophy of organization. Set of values and beliefs that shape a path through which people think and behave.

Deshpandeh and Webster (1989), offer a similar definition of culture. They know it as a pattern of common values and beliefs in order to help people to understand organizational operations and on the other hand to create behavioral norms in organization. The concept of values that was defined in culture is an agent to guide interactions between employees and customers.

2.1. Core values of organization as part of organizational culture

Values are important for brand for some reasons. First, values are behavioral driving and from internal view, and are clusters to from values that lead to specific behaviors. Defining core values for a brand enables organizations to be clearly aware about reasons of distinction. Collins and Porras (1990) know core values of organization as critical and sustainable ideas of organization and endless small set of guidelines that does not need any external matching.

2.2. Effect of marketing intelligence on brand creating

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The concept of intelligence has 2000 years of history. The concept of intelligence was added to marketing concepts as part of a marketing strategy to increase the competitive power of the company and its strategic planning process. The concept of intelligence generally and marketing intelligence particularly are developing in academic atmosphere of universities and business world. Also, this is not unusual because marketing intelligence is an important factor of organization strategy and key of success in market. Michael Porter believed that competitive intelligence is an excellent tool in order to create competitive advantage. Intelligence is a practicable suggestion that stems from a systematic process and can be useful for a company or a country.

2.3. Effects of technology of organization in creating brand

There is general agreement among experts that technology is information, equipment, technics and essential process in order to transform inputs into outputs. Despite the fact that technology has implicative automotive and industrial concept, but almost all experts believe that technology is applicable to any organization, whether industrial or service. Regardless of type of organization, industrial companies, hospitals, service institution, research laboratory, office or military, it uses a type of technology in order to produce or service. Numerous studies have been conducted on the impact of technology on organizations. For example an investigation by Woodward that divided technology into three sections, producing in unit, mass and process.

2.4. The effect of product on creating brand

On the one hand, product satisfies customer needs and on the other hand it is a tool to achieve goal of government. What do customers really want? Answering this question determines product.one problem that managers always are faced is that they consider physical properties of their good instead of considering the interests of customers and what they want. This leads to loss of their competitive position in market.

Brand is different according to product properties such as form of product, product composition, performance, matching, durability and reliability, ability to repair, style and design. Services includes ease of ordering, delivery, installing, customer training, consulting with customers, maintenance. A company's reputation is based on quality of his product knowledge. The name and address of product in mind of customer resembles an image of quality in his mind.

2.5. The effect of distribution channels to create brand

Alderson (1957) discussed about lack of a strategic approach to distribution .He stated that marketing activities and creating brand are not separate from sale activities. From distribution network view, communication between dealers and producer and website, is a preliminary step in buying process.

Proposed theories about brand show that customers similar to stakeholders collect brand messages. This reality forces producers to manage communicating process of their brands in order to control brand. Thus, all activities of distribution network members should properly be aligned.

2.6. Brand identity

The most important and unique brand personality appears in brand identity. Professor John Kapferer believes that "having an identity means you, as you are, following your fixed but personally plan". Brand identity defines individuality, aspirations and goals, values and a brand identification sign, Kapferer believes that the difference between identity and image is that identity is what you are, while image is inferred in connection with your consumer. Part of the brand identity will be in its outward manifestations, such as colors and designs. Although visual identity of brand is considered, a necessary and preliminary step, but does not cover all aspects of identity. Elegant appearance expresses brand's identity. Selecting symbol requires a clear definition of the meaning of brand. Brand has different aspects such as visual and graphical elements of brand, brand Personality, brand relationship with audience, culture, quality and other factors. One of the most important factors in forming an image is brand identity. Identity can reflect quality of brand. For example, Kraft has been known as a supplier of food products with high quality and brand identity is formed on the basis of quality and quality parameters.

2.7. Brand image

Brand image is the simple phenomena of perception that is effected by company's activities. Professor Kevin Keller, a prominent scientist and theorist in the field of brand management believed that brand image is perception of customer about brand. Brand image is all perceptions of product in consumer's mind. In other words, it is consumer's perception of the outstanding features of the product. Customer forms a shape of product by mixing all transmitted signs by brand such as outward signs, products, advertisements, messages, official announcements and etc. These perceptions can be called by good indicators.it has been proved that a positive image of brand, reduces Customer Perceived Risk about brand and increases level of consumer satisfaction and loyalty.

2.8. Brand features

Nowadays, brand is considered as a surrounding crust, in order to create a simple idea of product. Below this crust, there is a core which is nature of good such as form, functional features, performance and etc. Any change in core leads to change in features of product.

Crust includes packing, price, warranty, after sales service and etc. Any change in crust only leads to change in competitive rates. Crust is an aspect of product that forms a view of product which includes brand and communications.

2.9. Selecting a brand

Finding the best brand is not a simple task and should be done with careful consideration of product, market, and the marketing strategies. Desirable features of brand are as follows

• Brand should describe the product benefits such as razor-sharp as an adjective to describe the products featured.
• Brand should reflect something about the quality of the product and its'advantages.
• People should be able to easily pronounce and recognize brand. Short names are more useful.
• Brand should be expressive and impressive, and should remain in memories.
• Brand should easily translate into foreign languages.
• It should be recorded and placed under legal protection.

3. Literature

Heidarzadeh et al., (2011), in an investigation entitled "Effect of brand credibility on customer loyalty in banking industry of Iran" showed that brand reputation has direct effect on a commitment to loyalty, continuous commitment and satisfaction. Satisfaction has direct effect on loyalty and obligation to oral recommendations. Satisfaction does not lead to reduce desire to change brand. Commitment to loyalty does not affect any dependent variables, i.e., reduce desire to change brand and oral recommendations to buy. Continuous commitment has inverse effect on desire to change brand and reduces willingness of consumers to change brand.

Karbassi var and Yardel (2011), in an investigation entitled "Brand equity and influencing factors from consumer's view, by David Aaker's brand equity model" found that factor of brand loyalty and brand associations have a direct impact on brand equity.

Yamen Kobe (2008), in an investigation entitled" country of origin, brand image perception, and brand image structure" showed that country of origin has effect on brand and brand image perception.

Foushet and Foushet (2008), in an investigation entitled" Effect of culture on brand perception" Showed that there is a significant different between culture and brand perception.

Apasolomou and Verontos (2006) in an investigation entitled" Creating brand through internal marketing" showed that 4 factor should be considered in creating brand in service companies such as internal customers, education and training, quality standards, and reward systems.

4. Methodology

This study was descriptive-survey, applied and cross-sectional research. Surveying method and library studies and Questionnaire was used in order to collect data. Population was managers, assistants, marketers and marketing experts in ESCO. Simple random sampling method was used. A descriptive and inferential data analysis has been done. Parametric and nonparametric statistical tests have been used according to data distribution.

5. Results and discussion

5.1. Descriptive results

According to Fig. 1, 89.3% of respondents were male and 10.7% of respondents were female.

According to Fig. 2, 34.3% of respondents were presidents and vice presidents and 65.7% of respondents were experts and supervisors.

According to Fig. 3, 3.70% of respondents had less than 30 years old. 23.30% of respondents were in 31-40 years age-group. 45% of respondents were in 41-50 years age-group and 28% of respondents had greater than 50 years old.

5.2. Inferential results

5.2.1. Testing hypotheses

The main hypothesis
The inter-organizational environment has effect on forming brand.
H_0: The inter-organizational environment has not effect on forming brand.
H_1: The inter-organizational environment has effect on forming brand.

T-test has been used in order to evaluate effect of inter-organizational environment on forming brand. Table 1 shows mean value and standard deviation value of inter-organizational environment. According to Table 1 mean value was 3.1142 and standard deviation value was 0.66747.

Table 1: mean value and standard deviation value of inter-organizational environment

	Num	Mean	SD
Inter-organizational environment	300	3.1142	0.66747

Table 2 shows t-test parameters. According to Table 2 t statistic value was 2.894 and p-value was

0.004.Thus it can be said that H_0 was rejected. This means that inter-organizational environment has effect on forming brand. Also with 95% confidence it can be said that mean value is in 3.0777 and 3.3061 interval.
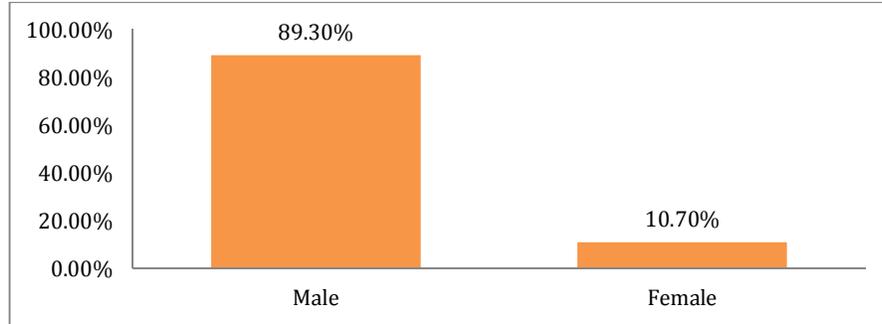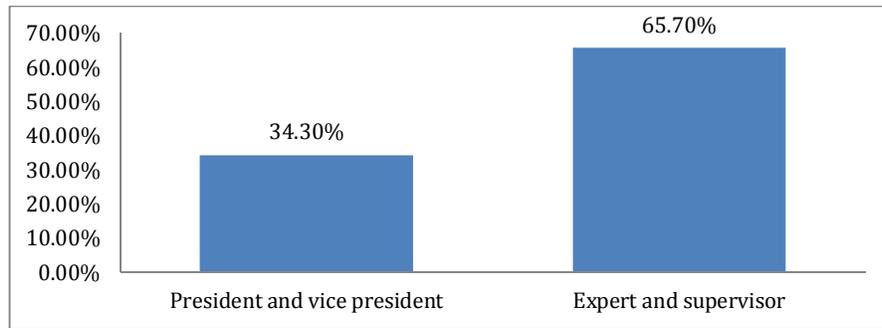
5.2.2. Sub-hypotheses

First Sub-hypotheses

Organizational culture has effect on forming brand.

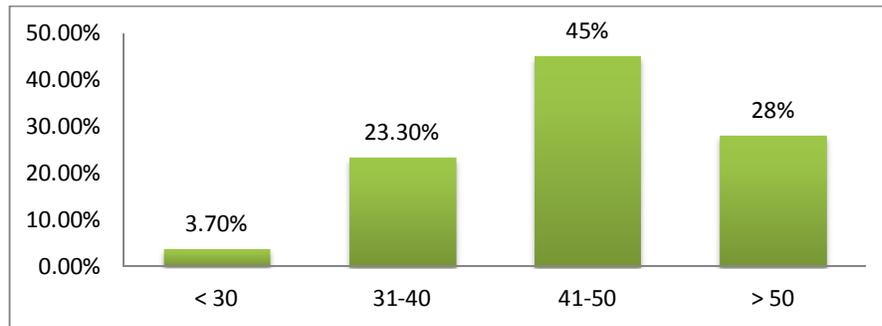H_0: Organizational culture has not effect on forming brand.

H_1: Organizational culture has effect on forming brand.

Fig. 1: Frequency distribution in sample according to gender

Fig. 2: Frequency distribution in sample according to position

Table 2: T-test statistic for main hypothesis

One sided T-test					
	Test value=3				
				95% confidence interval	
Inter-organizational environment	T	df	p-value	Lower limit	Upper limit
	2.894	299	0.004	0.365	0.1919

T-test has been used in order to evaluate effect of organizational culture on forming brand.Table-3 shows mean value and standard deviation value of organizational culture. According to Table 3 mean values was 3.4613 and standard deviation value was 0.33738.

Table 4 shows t-test parameters. According to Table 4 t statistic value was 23.68 and p-value was 0.000. Thus it can be said that H0 was rejected. This means that organizational culture has effect on forming brand. Also with 95% confidence it can be said that mean value is in 3.0991 and 3.5373 interval.

Second Sub-hypotheses

Technology of organization has effect on forming brand.

H$_0$: Technology of organization has not effect on forming brand.

H$_1$: Technology of organization has effect on forming brand.

T-test has been used in order to evaluate effect of technology of organization on forming brand. Table 5 shows mean value and standard deviation value of technology of organization. According to Table 5

mean values was 3.8293and standard deviation value was 0.24578.

Table 3: Mean value and standard deviation value of organizational culture

	Num	Mean	SD
Organizational culture	300	3.4613	0.33738

Table 4: T-test statistic for first sub-hypothesis

One sided T-test					
	Test value=3				
Organizational culture	T	df	p-value	95% confidence interval	
				Lower limit	Upper limit
	23.68	299	0.000	0.4229	0.4996

Table 6 shows t-test parameters. According to table-6 t statistic value was 58.445 and p-value was 0.000.Thus it can be said that H0 was rejected. This means that technology of organization has effect on forming brand. Also with 95% confidence it can be said that mean value is in 3.0991 and 3.5373 interval.

Table 5: Mean value and standard deviation value of technology of organization

	Num	Mean	SD
Organizational culture	300	3.8293	0.24578

Third Sub-hypotheses

Product features have effect on forming brand.

H$_0$: Product features have not effect on forming brand.

H$_1$: Product features have effect on forming brand.

T-test has been used in order to evaluate effect of product features on forming brand. Table 7 shows mean value and standard deviation value of product features. According to Table 7 mean value was 3.40898 standard deviation value was 0.40898.

Table 8 shows t-test parameters. According to table-8 t statistic value was 17.223 and p-value was 0.000.Thus it can be said that H$_0$ was rejected. This means that of product features have effect on forming brand. Also with 95% confidence it can be said that mean value is in 3.0998 and 3.4308 interval.

Table 6: T-test statistic for second sub-hypothesis

One sided T-test					
	Test value=3				
Technology of organization	T	df	p-value	95% confidence interval	
				Lower limit	Upper limit
	58.445	299	0.000	0.8014	0.8573

Fourth Sub-hypotheses

Marketing intelligence has effect on forming brand.

H$_0$: Marketing intelligence has not effect on forming brand.

H$_1$: Marketing intelligence has effect on forming brand.

T-test has been used in order to evaluate effect of marketing intelligence on forming brand. Table 9

shows mean value and standard deviation value of marketing intelligence.

Table 7: Mean value and standard deviation value of Product features

	Num	Mean	SD
Product features	300	3. 40898	0.40898

According to Table 9 mean value was 3.1840 standard deviation value was 0.30296.

Table 8: T-test statistic for third sub-hypothesis

One sided T-test					
	Test value=3				
Product features	T	df	p-value	95% confidence interval	
				Lower limit	Upper limit
	17.223	299	0.000	0.4531	0.3602

Table 10 shows t-test parameters. According to table-10 t statistic value was 67.691 and p-value was 0.000.Thus it can be said that H_0 was rejected. This means that of marketing intelligence has effect on forming brand. Also with 95% confidence it can be said that mean value is in 2.8337 and 2.9984 interval.

Table 9: Mean value and standard deviation value of marketing intelligence

	Num	Mean	SD
Product features	300	3. 40898	0.40898

6. Conclusion

According to results of this study it can be said that
- Inter-organizational environment has effect on forming brand.
- Organizational culture has effect on forming brand.
- Technology of organization has effect on forming brand.
- Product features have effect on forming brand.
- Marketing intelligence has effect on forming brand.

Table 10: T-test statistic for fourth sub-hypothesis

One sided T-test					
	Test value=3				
				95% confidence interval	
Marketing intelligence	T	df	p-value	Lower limit	Upper limit
	67.691	299	0.000	1.1496	1.2184

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