

An Investigation into the Factors Influencing Customer Mental Image about the Performance of Iran Melli Bank

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Abstract

Today, most firms demand a positive reputation among employees, customers, investors and the public. Hence, the ability to satisfy the needs of various stakeholders contributes the organization to create a positive feeling among people. To manage customers' subjective perception, it is necessary to study the process in which the image is created for customers and the general public. The present study aimed to investigate the factors affecting the mental picture of customers from the Bank Melli Iran. Research is practical and descriptive - analytical. The population of this survey contains all customers of Bank Melli Iran in North Tehran branches, and the sample size is 384 customers of the bank. Study is started using a questionnaire to collect data from the population. In this study, to evaluate the validity of the questionnaire, Cronbach's alpha was used. The software SPSS calculated Cronbach's alpha coefficient. The descriptive statistics such as median, mean, and standard deviation and the analytical ones for testing hypotheses, such as T-student, Pearson correlation, and regression were used. The results showed that the bank's identity, advertising, bank brand, and employee behavior affect the mental picture of customers upon the performance of Bank Melli Iran.

Keywords: Mental Picture of Customers, Performance of the Bank, The Controllable Factors, Bank's Brand

Introduction

During previous years, the banking industry, due to various problems of economic, social, governmental, and most important of all, the excess of demand over supply neglected customer focus. But with the arrival of private sector banks, the industry is walking slowly toward competitiveness. Gradual changes in the banking industry, arisen because of the entry of the private banking sector, increased frequent customer expectations in all areas related to customer service. Therefore, banks must identify the exact dimensions of customer loyalty systems in order to establish customer satisfaction, and ultimately obtain loyalty. Image of an organization is the result of past actions, and a mirror of the organization about the quality of products and services. Customers, according to their

experiences in referring to the organization to get the service or purchase a product, create an image for themselves, and the image affects the decision to refer again to the organization. In today's competitive world, the differences and unique characteristics of each specific company are known as strategic variables which have a direct impact on corporate performance. Customers' perceptions of the organization's image can affect customers purchase behavior and loyalty, and satisfaction.

Many organizations spend a lot of time, cost, and effort creating a positive image in the minds of customers and the general public about the company and its products. In this regard, they may incur exorbitant fees in company advertising or different charities asking for making organization social responsible in the minds and creating a positive image of themselves. Various stakeholders and corporate organizations, in different ways, are linked to organizations having different understandings of the organization. Considering the modern competitive environment, most companies and organizations need to have a strong positive reputation among stakeholders, including employees, customers, investors, and the general public. Hence, the ability to satisfy the needs of various stakeholders related to companies and organizations helps create a positive feeling. To manage customers' subjective perception, it is necessary to refer to the process in which the image is created in the minds of customers and the general public, as well as orientation and individual beliefs about the products and services. That's because almost all researchers in the field believe that mental image, is the result of a process. This process is the result of ideas, sensitivities, expectations, and feelings of people about organizations. People retrieved it in memory forming an image in their mind. Hence, customers may consciously or unconsciously, have feelings and ideas which the image is as foundation. Factors creating a mental image are either controllable (such as the identity and character of the organization, advertising, brand image, the behavior of front line staff, public relations), or uncontrollable external factors (such as industry picture, the image of the country, beliefs in a society, news reporting, public relations). Identify both of these factors is required to obtain the Company image [1].

Image of various subjects is the result of the perception of the topics and phenomena around us. Inevitably, the images lead to the stereotype. Stereotyping process is an integral component of classification that people use it as a means to cope with the world around use [2].

Usually, the customer, in order to buy the product, expects something has formed based on mental images created by their purchasing experience, as well as those who are close to the customer, such as colleagues, relatives, friends, and finally advertising. Hereupon, advertising is a significant tool to create a positive mental image that marketing companies take advantage of it. Banks also benefit from this method to create a good mentality. They also use this type of advertising to deal with situations under which customers of banks have altered their mental image. Marketing efforts a bank can only be effective if the organization, in reality, moves along with the favorite image. If it doesn't fit the reality of the image, no advertising budget and public relations programs can convince people during the long term period. The first step in evaluating the mental image is mining the current mental image of individuals through the bank branches. Different people may have different mentality about a bank. A branch of the bank may be satisfied with the current mental image, or conclude that there are some shortcomings. For example, banks are capable of evaluating the mental picture of customers by marketing research, and the outcome of the survey is gaining more confidence about the level of being friendly with customers. Banks, in general, ought to act appropriately against these results. Initially, the bank must decide what kind of mental image they desire to achieve among the members of society. For instance, banks may seek for mental image which reveals a friendly face, dedicated service provider, customer-oriented, large, reliable and flawless organizations. At this stage, the bank can provide a detailed marketing plan which can present a real image, the image that will become desirable. In fact, after this stage, a lot of delicacy should be considered in principles and concepts of marketing, and the organization should uphold the principles and concepts of internal marketing, and interactive marketing. If in the first place banks are seeking to lead the mentality of society in the way that introduce their friendly and good service provider, it must teach cashiers and staff who communicate with customers to deal with customers more intimate. After ensuring that the goal of improving performance is achieved in the context of important criteria, it can prepare marketing plans to transfer this new image to customers. Also, the bank can undertake some public activities using some public relations tools; For example, encouraging managers to give speeches to industrialists and social groups; Also

conducting public seminars in family investment, and finally, publishing valuable information on its banking activities. Advertising is an important tool to create a positive mental image that marketing companies take advantage of it. Banks also benefit from this method to create a good mentality. They also use this type of advertising to deal with situations under which customers of banks have altered their mental image. Marketing efforts a bank can only be effective if the organization, in reality, moves along with the favorite image. If it doesn't fit the reality of the image, no advertising budget and public relations programs can convince people in the long term period [3]. In this context, the aim of the paper is to study factors affecting the mental picture of customers about the Bank Melli Iran.

Banking Marketing Advertisement Purposes

In the banking sector, perception of small consumer is so important. In this sense, bankers analyze focusing on the company's brand image, how to create financial brand relations, and how these relationships influence on consumer behavior. Deregulation, developments, and achievements in technology have led financial firms to a growing competition and to revise their marketing strategy. Today, Success is more complicated rather than in the past, because of the financial crisis, and global markets the have been completely destroyed. Despite the importance of quality and quantity, and the changes made, considerable researches have been done on the role of consumer perception in financial institutions and supporting them against rivals. In fact, many financial brands, with an emphasis on financial performance, and success indicators they receive little attention. Each person's self-concept is a compact collection of his inner wealth, and an inexhaustible force and power, which can force mankind towards a healthy lifestyle and values, or pain and instability. Self-concept is a strong effective internal system that people feel about themselves and try to improve it during the life. Image is what you think you are, the image you draw in your mind of what others know about you. That's how they introduce themselves for judgment. Financial institutions should establish strong brands to reduce the risk incurred by consumers' alternative solutions to be different. In this regard, the company's brand image is a valuable strategic tool which can facilitate the long-term success. By and large, most advertising activities in banks are aligned with their purposes. But what distinguishes a good advertising plan from a weak advertising design is quality of the designated purpose. An accurate definition of purpose and indicators help proper selecting media and message, and as a result, making more correct choices. Also, determining precise goals in

advertising makes it possible to measure the effectiveness of advertisement easier, also to make better use of the results of previous advertising [4].

Banking and Customers

The first step in this process is to identify customers' expectations. Reference [5] studied one of the factors causing the value of the services in terms of the physical environment. Appearance of environment helps forming appropriate feelings and reactions of customers and staff and affects the behavior in three ways:

- Drawing customers' attention to the services' appearance, staying ahead of competitors and attracting customers from the target area;
- Using symbolic messages to communicate with target audiences about the nature and quality of service experience;
- Impacting, use of color, composition, sounds, scents and space design to create or increase a desire for goods and services or specific experiences [6].

Environmental characteristics include factors that determine the organization of activities [7]. All these objective factors can be controlled by the organization to strengthen the actions of employees and customers, and improve their understanding of services.

In general, it can be said that the physical environment perceived by customers and employees is a combination of the three dimensions of the environment, space, functions, and signs, as well as symbols and artifacts.

- Environmental conditions: ambient conditions such as temperature, light, noise, music and scents and fragrances affect us on all five senses.
- Spatial arrangement and its function: The arrangement of furniture and equipment and visual and functional link between them creates a vision of the service. This perspective can lead employees and customers to order and efficiency or to chaos and stress.
- Signs, Symbols and artifacts: a lot of physical items act as overt or covert signs transferring behavioral norms. Obviously, such "do not smoke" signs which recall a behavioral rule; while the mark of "recyclable trash cans" is to encourage responsible actions [6].

Organizational Mental Image

Bank Melli Iran, in order to enforce the laws more correctly, and to use bank's resources and people's deposits for economic growth, has taken effective steps. Due to the growth of technology and being aligned with IT, Bank Melli Iran has done significant activities in connection with investments in various sectors to meet the needs of customers and create satisfaction and loyalty in them. Growing concern of Bank Melli Iran to

provide banking services through development has increased competition with other banks.

Bank Melli Iran needs to develop services in line with changes in technology. It has recently been shown that banking is affected by a kind of identity crisis. The research about image must be performed related to important financial performance. Image is mainly discussed in the scientific literature. People can form images on a variety of products, brands and organizations. Images help people to think about the facility and subsequent actions which would affect them [8].

Creating a mental image is an essential tool to attract and keep customers. Thus, satisfaction and creation of a mental image are linked processes. There are different images in people's mind about different ideas and goods such as products, brands, organizations, and chains (networks) organizations. Therefore, customers may shape the image of the bank or a network to which they belong. In this situation, a model of competition among chains or networks is emerging. It seems that banking networks compete, and not the banks. In the current situation, considering the market competition between banks to create more profitability and to increase the interests of shareholders, managers and employees of the banks should pay special attention to various aspects of the relations between banks and their customers, and to increase loyal customers.

Researchers have identified customer loyalty towards a special bank as a behavior with prejudice (i.e. non-random), or a recourse by some decision making units, compared to other banks over time, which is a function of psychological processes (decision-making and evaluation) and resulted in commitments to the brand [9]. A vital part of the definition of loyalty to the bank is creation of a strong commitment to the bank. According to the class-based processing model, it is proposed that information about how a customer interprets the characteristics should be judged conjointly with the image of the bank. Relation between image and loyalty is remained as a point of debate. On the other hand, organizations have found that losing a client means losing total purchase that the customer might have during his/her life, or the period when he/she could purchase products. Also, the cost of attracting a new customer is about 7 to 10 times the cost of maintaining current customer [10]. In this regard, in this study, the following hypotheses are described:

- Bank Melli Iran commercials are effective in the mental picture about its performance.
- Bank Melli Iran identity is effective in our mental picture about its performance.
- Brand image of Bank Melli Iran is effective in shaping the image of customers about performance.

□ Employee behavior of Bank Melli Iran is effective in shaping the image of customers about its performance.

Materials and Methods

This research is descriptive-analytical. The population of this survey are customers of Bank Melli Iran in branches in north of Tehran. Due to the large number of customers, and due to the fact that unattended banking service is impossible to be measured accurately, using Morgan table, and random sampling, 384 is accepted as sample size. In this paper, in order to access the literature and basic concepts and ideas of similar studies, the library method was used. Also, we benefited from the field research in order to collect numerical data and statistics. Using a questionnaire we collected information of the population, and after scoring the received responses, the data was analyzed using SPSS.

Results and Discussion

Statistical indicators of variables

Statistical indicators such as mean, median, standard deviation and percent errors are measured for variables.

□ Commercial

As can be seen from the table below, the average scores obtained by this variable is 3.66. The data deviation from the mean is 0.89. Median, which is the number that according to the gained scores divides population into two equal groups, is calculated to be 4. The max and min data on this variable are respectively 5 and 2.

Table 1: Statistical indicators of Commercial

Statistical Indicators	Value
Mean	3.66
Median	4
Standard deviation	0.89
Max	5
Minimum	2

□ Identity

As can be seen from the table below, the average scores obtained by this variable is 3.33. The data deviation from the Mean is 0.48. Median, which is the number that divides respondents according to the points earned into two equal groups, is 3. The Max and Min amount of data in this variable are respectively 4 and 3.

Table 2: Statistical Indicators of Identity

Indicator	Data
Mean	3.33
Median	3
Standard deviation	0.48
Max	4
Minimum	3

□ Brand Image

As can be seen from the table below, the average is 4.06. The data deviation from the Mean is 1.09.

Median, which is the number that divides respondents according to the scores earned into two equal groups, is 4. The Maximum and Minimum amount of data, in this variable are respectively 5 and 2.

Table 3: Statistical Indicators of Brand image

Indicator	Data
Mean	4.06
Median	4
Standard deviation	1.09
Max	5
Minimum	2

□ Employee Behavior

As can be seen from the table below, the average scores obtained by this variable is 4.53. The data deviation from the Mean is 0.74. Median, which is the number that divides respondents according to the scores gained into two equal groups, is 5. The maximum and minimum data in this variable are respectively 5 and 3.

Table 4: Statistical Indicators of Employee Behavior

Indicator	Data
Mean	4.53
Median	5
Standard deviation	0.74
Max	5
Minimum	3

Hypotheses

Bank Melli Iran identity is effective in mental picture about the performance.

H0: Bank Melli Iran identity is not effective in mental picture about the performance.

H1: Bank Melli Iran identity is effective in mental picture about the performance.

Table 5: F test for Significance of Regression

Variable	Sum of Squares	Mean Squares	df	F	Sig
Regression	1.63	1.63	1	10.11	.00
Residual	2.1	0.16	382	-	-
Total	3.73	-	383	-	-

Table 5 demonstrates information about the relationship between independent variable (identity) and the response (mental picture of customers). As you can see, the significant level is smaller than 0.05, so in general it can be said that the independent variable is effective on the dependent variable.

Table 6: Regression Coefficients

Variable	β	T	Sig
Constant	-	1.07	0.00
Mental image	0.26	3.18	0.00

The constant is the intercept that shows dependent variable without independent variable interference. T-statistics indicate the relative importance of independent variables in the model. According to

the statistics and the level of error of less than 0.05 it can be said this variable have had as significant impact on the changes in the dependent variable. So we can say that identity affects the formation of customer's mentality.

Table7: Pearson Test

Correlation Coefficient	Sig
0.26	0.00

As you can see in Table 7, the p value is less than 0.05, so there is a significant correlation between identity and formation of mental image. The coefficient and its sign in this test also show the direction and strength of the correlation. So the hypothesis is confirmed.

Bank Melli Iran commercials are effective on customers mental picture about its performance.

H0: Bank Melli Iran commercials are not effective on customer's mental picture about its performance.

H1: Bank Melli Iran commercials are effective on customer's mental picture about its performance.

Table8: F test for Significance of Regression

Variable	Sum of Squares	Mean Squares	df	F	Sig
Regression	1.92	1.92	1	13.78	00
Residual	1.81	0.13	382	-	-
Total	3.73	-	383	-	-

Table 8 illustrates information on the relationship between independent variable (commercials) and the response (mental picture of customers). As you can see, the significant level is smaller than 0.05, so in general it can be said that the independent variable is effective on the dependent variable.

Table 9: The Effect of Regression Coefficients

Variable	β	T	Sig
Constant	-	0.05	0.00
Mental Image	0.32	3.71	0.00

The constant is the intercept that shows dependent variable without independent variable interference. T-statistics indicate the relative importance of independent variables in the model. According to the statistics and the level of error of less than 0.05 it can be said this variable have had a significant impact on the changes in the dependent variable. So we can say that identity affects the formation of customer's mentality.

Table10: Pearson Test

Correlation Coefficient	Sig
0.32	0.00

As you can see in Table 10, the p value is less than 0.05, so there is a significant correlation between human factors and customer's behavior. The coefficient and its sign in this test also show the direction and strength of the correlation. So the hypothesis is confirmed.

Bank Melli Iran brand image is effective on customer's mental picture about its performance.

H0: Bank Melli Iran brand image is effective on customer's mental picture about its performance.

H1: Bank Melli Iran brand image is effective on customer's mental picture about its performance.

Table11: F test for Significance of Regression

Variable	Sum of Squares	Mean Squares	df	F	Sig
Regression	2.47	2.47	1	25.4	00
Residual	1.26	0.09	382	-	-
Total	3.73	-	383	-	-

Table 11 shows information about the relationship between independent variable (Brand image) on the response (mental picture of customers). As you can see, the significant level is smaller than 0.05, so in general it can be said that the independent variable is effective on the dependent variable.

Table 12: The Effect of Regression Coefficients

Variable	β	T	Sig
Constant	-	0.06	0.00
Mental image	0.39	5.04	0.00

The constant is the intercept that shows dependent variable without independent variable interference. T-statistics indicate the relative importance of independent variables in the model. According to the statistics and the level of error of less than 0.05 it can be said this variable have had a significant impact on the changes in the dependent variable. So we can say that identity affects the formation of customer's mentality.

Table13: Pearson Test

Correlation Coefficient	Sig
0.39	0.00

As you can see in Table 10, the p value is less than 0.05, so there is a significant correlation between brand image and formation of customer's mental image. The coefficient and its sign in this test also show the direction and strength of the correlation. So the hypothesis is confirmed.

Bank Melli Iran employee behavior is effective on customer's mental picture about its performance.

H0: Bank Melli Iran employee behavior is not effective on customer's mental picture about its performance.

H1: Bank Melli Iran employee behavior is effective on customer's mental picture about its performance.

Table 14: F test for Significance of Regression

Variable	Sum of Squares	Mean Squares	df	F	Sig
Regression	1.8	1.8	1	12.13	00
Residual	1.93	0.14	382	-	-
Total	3.73	-	383	-	-

Table 14 shows information about the relationship between independent variable (employee behavior) on the response (mental picture of customers). As you can see, the significant level is smaller than 0.05, so in general it can be said that the

independent variable is effective on the dependent variable.

Table 15: The Effect of Regression Coefficients

Variable	β	T	Sig
Constant	-	1.03	0.00
Mental Image	0.51	3.48	0.00

The constant is the intercept that shows dependent variable without independent variable interference. T-statistics indicate the relative importance of independent variables in the model. According to the statistics and the level of error of less than 0.05 it can be said this variable have had a significant impact on the changes in the dependent variable. So we can say that identity affects the formation of customer's mentality.

Table16: Pearson Test

Correlation Coefficient	Sig
0.51	0.00

As observed in Table 10, the p value is less than 0.05, so there is a significant correlation between employee behavior and formation of customer's mental image. The coefficient and its sign in this test also show the direction and strength of the correlation. So the hypothesis is confirmed.

Conclusion

Now, organizations have a lot of different ways to spend their resources to create a positive image in the minds of customers about the company and its services. Perhaps that's why, as can be seen in certain commercials, organizations and companies spend amounts for cost of advertising on the social responsibilities of organization, or participate in social activities to leave a positive image of their minds. Also, organizations are spending most on their brands. All this is done with the aim of creating positive image in the minds of customers; an image which can be effective on customer decision making, and perception of society. Of course, advertising is just part of activities that can lead to the creation of the image. Factors such as performance of the organization, human resources, product quality, structure and appearance, and public relations can create an image in the minds of customers; also affect perceptions and attitudes of them. So, all the internal and external factors are effective on the formation of customer image. Also, according to research data analysis and hypothesis testing we achieved the following results:

□ Results showed that the identity of Bank Melli Iran is effective in forming a mental picture of customers on their performance. Keller 2014 identified measures of brand image for a university. According to the results of a qualitative study, 13 attributes of brand image of the university were identified. The research stated that the measures identified in this study, allow managers to compare their brand image with other universities by

quantifying these measures in the future to develop a competitive strategy, and to identify their strengths and weaknesses. Therefore, the results of that study are fully consistent with the results of current study.

□ Results showed that advertising is effective on customer's mental picture about the performance of the Bank. Landrum et al, 2012 presented a model to assess the impact of advertising on loyalty to bank's brand, taking into account the role of brand image and perceived quality. The results showed that factors such as advertising and brand image have a significant impact on mental picture. Therefore, the results of that study are fully consistent with the results of the current study.

□ Results showed that the brand image of Bank Melli Iran is effective in shaping the image of customers on their performance. Kritou and Brody (2009) performed a study in the field of cosmetic products in India. Therefore, the results of this study are fully consistent with the results of current study.

□ Results showed that the behavior of employees of Bank Melli Iran is effective in forming a mental picture of the customers of the bank. Reference [11] reached some results. The results, in terms of influencing factors such as identity and ads, are consistent with them. Explaining the reason for this conclusion is that, ads or commercials, as one of the most important communication tools in marketing activities, play an important role in creating awareness among customers. When customers' awareness towards a particular brand increases, they will have a better understanding of the brand, and this will affect the mental picture. Therefore, the results of this study are fully consistent with the results of current study.

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