Identifying the Factors Influencing Positive Word of Mouth Advertising (Case Study: Sina Bank)

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Abstract
The purpose of this study is to identify the factors influencing positive word of mouth advertising (case study: Sina Bank). This is an applied study with descriptive methodology. The study population consists of clients of Sina Bank in Tehran. A standard questionnaire with Likert Spectrum was used in this research. Validity of the questionnaire was approved by banking experts. Reliability of the questionnaire was approved based on Cronbach’s alpha coefficient of 0.9. The research sample consists of 393 clients of Sina Bank’s branches in Tehran. To test the hypotheses and analyze data, a single sample t-test and structural equation modeling along with LISREL software, was used. The results suggest that the special treatment benefits and social benefits affect functional quality and confidence benefits do not affect functional quality. Also confidence benefits and special treatment benefits affect technical quality and social benefits do not affect technical quality. Special treatment benefits and social benefits affect relationship quality, and do not affect confidence benefits. Finally, technical quality and relationship quality affect positive word of mouth Advertising, and functional quality does not affect positive word of mouth Advertising.

Keyword
Advertising, word of mouth advertising, quality dimensions, benefit dimensions, Sina Bank

Introduction
Today, new methods of marketing to the world that the old methods more efficient, cheaper and more effective that they can telephone marketing, distance marketing, viral marketing, word of mouth marketing noted.

Word-of-mouth is especially important for service providers whose offerings are largely intangible, and experience or credence based. In these services customers rely heavily on the advice and suggestions from others who have experienced the service (Kinard and Capella, 2006). Furthermore, consumers often trust each other more than they trust communication from firms, thus highlighting the importance of WOM (Zeithaml and Bitner, 1996). While the literature recognizes the importance of WOM, research examining the antecedents of WOM and particularly the impact of customer-employee relationships and service quality perceptions on WOM intentions, it remains limited (Gremler et al., 2001).

The problem statement
One of the most widely accepted concepts in customer behavior is word-of-mouth or recommended communications, which plays an important role in giving shape to behavior and attitude of the consumer (Brown and Reingen, 1987). In marketing, the word-of-mouth communication is often used to describe the recommendations and suggestions of customers to each other. Speed and the lack of commercial bias to a specific brand or service makes the word-of-mouth communication an effective source of information for business selections of customers, especially in cases where previous experiences of purchasing are limited (Buttle, 1998).

Today, the word-of-mouth communication seems more important in the service sector. Compared to the commodity market, customers rely on personal information sources in service sectors more; and accordingly, in these sectors, the word-of-mouth communication has a higher effect on the purchase decision of people; because, services, unlike goods, are intangible and experimental and the customer, relying on the word of mouth communication, tries to reduce the level of...
risk perception and uncertainty that often exists regarding the purchase of services.

The present research mainly emphasizes the banking industry as a service industry. As it is obvious, the banking industry is the foundation of the economy of any country. Therefore, the development of this industry not only makes profit for it, but also causes other industries to profit as well. Sound and success competition in this industry is considered as one of the factors contributing to the growth.

Sina Bank, aimed at offering financial and monetary operations as well as attracting public deposits to grant credit facilities to various economic sectors, was established in 1985 as the Bonyad Finance and Credit Company. The bank succeeded in receiving banking license from the Central Bank in 2009; however, due to increasing licenses issued by the Central Bank of the Islamic Republic of Iran for the establishment of banks and financial institutions during the last two years and uncontrolled growth of financial institutions, the bank’s profitability was slightly affected and its market share has fallen; on the other hand, due to the large number of banks advertising on TV and other promotional means as well as costly activities of sponsors, it is necessary to pay more attention to low-cost and more effective tools in this regard. Hence, the bank seeks to identify tools such as the word-of-mouth advertising and viral and buzz marketing to achieve some of their goals at the lowest cost; and in the meantime, it is highly emphasized on the positive word-of-mouth advertising about the bank. Accordingly, the researcher attempts to investigate the factors affecting the positive word-of-mouth advertising in Sina Bank’s branches in Tehran.

Studies conducted on interpersonal relationships and their impact show that the word-of-mouth advertising is nine times more effective than traditional advertising and four times more effective than individual sales in converting negative tendencies of people to desirable ones. So, it should be noted that since the word-of-mouth advertising has been accepted as a form of advertisement, generating the positive word-of-mouth advertising is not enough for achieving an effective communication, but the positive reaction of the recipient is also very important issue that must be considered in this respect. Therefore, identifying the factors increasing the effectiveness of the positive word-of-mouth advertising in the service sector, especially in banking industry, can help marketers control this matter as a logical and advertising tool.

For this purpose, here, the collective impact of benefits (Gwinner et al., 1998), services and relationship quality on the word-of-mouth behaviors has been assessed; and using the research literature, relationship benefits are conceptualized in three different types of benefits, namely, confidence, social, and special treatment benefits. These benefits are offered to customers beyond core services.

By taking into account the issues discussed so far, the main question of the present research is what factors are effective on the positive word-of-mouth advertising among the clients of Sina Bank’s branches in Tehran?

The research hypotheses

There are 12 hypotheses studied in this research as follows:

1. The first hypothesis: confidence benefits affect the functional quality.
2. The second hypothesis: special treatment benefits affect the functional quality.
3. The third hypothesis: social benefits affect the functional quality.
4. The fourth hypothesis: confidence benefits affect the technical quality.
5. The fifth hypothesis: special treatment benefits affect the technical quality.
6. The sixth hypothesis: social benefits affect the technical quality.
7. The seventh hypothesis: confidence benefits affect the relationship quality.
8. The eighth hypothesis: special treatment benefits affect the relationship quality.
9. The ninth hypothesis: social benefits affect the relationship quality.
10. The tenth hypothesis: the functional quality affects the positive word of mouth advertising.
11. The eleventh hypothesis: the technical quality affects the positive word of mouth advertising.
12. The twelfth hypothesis: the relationship quality affects the positive word of mouth advertising.

The research literature

In today’s competitive and changing market, the basis of marketing strategies and tactics of an organization is to make a profit and contribute to the growth of the organization. Most of organizations study, evaluate, and apply marketing strategies to improve the customer retention and maximize the market share of clients.
DEFINITIONS OF THE WORD-OF-MOUTH ADVERTISING

The word-of-mouth advertising has drawn the attention of many researchers; accordingly, many definitions have been provided in this regard, some of which are as follows:

Gremler and Brown as well as Hartline and Jones define the word-of-mouth advertising as clear recommendations by which consumers encourage others to benefit from their desired goods and services (Fullerton and Taylor, 2002). Arndt (1967) has defined the word-of-mouth advertising as the face to face relationship between the donor and recipient, where the recipient receives information about a brand, a product or a service from non-commercial channels. The definition includes two points of special consideration. Firstly, the face to face relationship between the donor and recipient, which needs to be adapted and updated in cases such as electronic communications (chat rooms and forums); because today the Internet has become an important source of individual recommendations and complaints. For this reason, emails, faxes and electronic messages can provide opportunities for the word of mouth advertising. Therefore, such talks and conversations may not be face to face. Secondly, the recipient is necessary to conclude that the donor has no connection with the discussed goods or services.

CONFIDENCE BENEFITS

Confidence benefits have been considered the most important of all relationship benefits as they increase trust, reduce anxiety, and decrease perceived risk (Berry, 1995; Bitner, 1995; Kinard and Capella, 2006).

Examples of confidence benefits include feelings of security in knowing what will result from the service encounter and some researchers imply that confidence benefits better align customer expectations of a service experience (Kinard and Capella, 2006).

Drawing on these theories suggests that as confidence benefits increase and customers are more confident in the service encounter, they will more easily be able to evaluate and reflect on the positive aspects of the quality of the core offering.

SPECIAL TREATMENT BENEFITS

Special treatment benefits include monetary and non-monetary benefits offered by a specific service firm as a result of the customer being in a relationship with that provider (Gwinner et al., 1998; Reynolds and Beatty, 1999). Examples include special price discounts, quicker service, or specialized services offered over and above the core service (Hennig-Thurau et al., 2002).

Since special treatment benefits are often tangible in nature and refer to benefits such as price breaks and quicker service than expected (Patterson and Smith, 2001), it is likely that they result in perceptions of relationship quality. Specifically, research suggests that special treatment benefits enhance relationship quality variables such as satisfaction (Reynolds and Beatty, 1999) and commitment (Hennig-Thurau et al., 2002).

SOCIAL BENEFITS

Social benefits reflect the interpersonal relationships that customers have with service firms and employees. Based on attribution theory, customers that are satisfied as a result of the social benefits offered by a firm are then likely to attribute positive feelings towards that firm and have positive perceptions of the core offering. Furthermore, since social interactions play a key role in the development of customer perceptions of quality (Reynolds and Beatty, 1999).

Prior research has examined the positive relationship between social benefits and relationship quality constructs such as commitment (Goodwin and Gremler, 1996) and customer satisfaction with the service provider (Hennig-Thurau et al., 2002). Finally, customers that feel social bonds with employees will likely have a higher trust level (Bendapudi and Berry, 1997).

FUNCTIONAL QUALITY

Functional quality refers to the process of core service delivery and the interactions that take place between a customer and service provider (Bell et al., 2005).

Since service quality includes functional elements such as friendly and engaging employees (Bell et al., 2005), it is likely that functional quality may be driven by special treatment benefits. Indeed, prior research has shown that employee behaviors can positively enhance customer perceptions of functional quality (Bitner, 1995; Brady and Cronin, 2001).

Indeed, prior research suggests that functional benefits and quality are positively related to relational outcomes such as satisfaction and overall commitment to the firm (Caceres and Paparoidamis, 2007; Sweeney and Webb, 2007).

TECHNICAL QUALITY

Technical quality refers to the actual outcome resulting from an encounter with a service provider (Bell et al., 2005; Brady and Cronin, 2001; Sharma and Patterson, 1999). Examples include customers receiving helpful advice from employees or customers perceiving the service performance as meeting their expectations (Bell et al., 2005). Related to the outcome customers receive from service encounters (Bell et al., 2005; Sharma and Patterson, 1999), technical quality (e.g. receiving helpful advice) could impress customers and result in the customers telling others about high quality experiences (Bell et al., 2005; Ferguson et al., 1999).

RELATIONSHIP QUALITY

While past research has offered different conceptualizations of relationship quality, we view relationship quality as consisting of satisfaction, trust, and commitment. This is an appropriate measure of relationship quality, because trust, satisfaction, and commitment, are often evaluated by consumers in service contexts, as a part of the quality of the relationship being examined (Caceres and Paparoidamis, 2007; Hennig-Thurau et al., 2002).
Different types of quality associated with customers’ experiences with service providers can have different, but influential, impacts on customer attitudes and behaviors (Bell et al., 2005; Ferguson et al., 1999).

Prior literature reports the positive impact of technical, functional, and relationship quality on behavioral outcomes, but scant research has examined the effect of these types of quality on WOM behaviors.

**POSITIVE WORD OF MOUTH ADVERTISING**

Many firms focus on building relationships with customers to enhance positive WOM. Research suggests that customer-employee relationships enhance positive WOM among customers (Gremler et al., 2001). Given that WOM is also considered an important service outcome construct (Freiden and Goldsmith, 1988; Hennig-Thurau et al., 2002) research has shown that customers’ perception of high performance is positively related to WOM intentions (Soderlund, 2002).

**BENEFITS OF THE WORD OF MOUTH ADVERTISING**

Parbiax and Vanhamme (2002) explained benefits of the word-of-mouth advertising in this way: a type of advertising which is more valid and reliable than the other types of advertising such as television advertisements or sponsorship. Accordingly, many consumers acquire their required information from friends, family and other trusted people rather than commercial advertising. Such marketing communications are actually a two-way flow of communication while as it is apparent, types of commercial advertising are a one-way flow of communication. In fact, the word-of-mouth advertising is resulted from the interaction between two people in a social network and creates a full (two-way) flow of communication.

**THE RESEARCH BACKGROUND**

1. According to a study conducted by Taghizadeh et al. (2012) as “investigating the impact of customer satisfaction on the word of mouth advertising and the willingness to change (case study: the branches of Bank Melli Iran in Mazandaran province)”, the competence of employees has a negative impact on the word of mouth advertising and a positive impact on the willingness to change. Also, reliability has a positive effect on the word of mouth advertising and a negative impact on the willingness to change. In addition, physical evidence positively affects the word of mouth advertising while it has no impact on the willingness to change. However, the other components of satisfaction such as innovation in services, perceived price, and comfort and convenience have no effect on the word of mouth advertising and the willingness to change.

2. The results of a study conducted by Ranaweera and Jayawardhena (2014) as “talk up or criticize? Customer responses to the word of mouth advertising about competitors during social interactions” showed that the effects of positive and negative word-of-mouth (P/N WOM) advertising about competitors and perceived presence of critical incidents (PCCs) are far beyond intuitive perceptions. The study recommends organizations to convey a message that is consistent with the nuanced views expressed by friends in social circles rather than a uniformly superior positioning.

**THE RESEARCH METHODOLOGY**

Considering the purpose of this study, it is deemed to be an applied research while it is a descriptive-survey one in terms of the method. The research population consists of all over-18-year old clients who visit different branches of Sina Bank in Tehran to receive banking services. Considering the research plan and its population as well as the geographical coverage of the study, the convenient sampling method has been used to select the statistical samples. Sina Bank has 70 branches in Tehran, which are almost evenly scattered in two Tehran West and East supervisions. To collect the research data, 400 questionnaires were distributed among the 70 branches, from which 393 questionnaires were useable and their data was analyzed. Using the Cronbach’s alpha, the reliability of the questionnaire was examined in terms of its components; and at an appropriate level, it was confirmed for all items of the questionnaire. Also, the correlation coefficient test along with the SPSS and LISREL software was used for the data analysis.

**INFERENCE STATISTICS AND TESTING THE HYPOTHESES**

**The first hypothesis:** confidence benefits affect the functional quality.

According to the results obtained from the data analysis, the factor “confidence benefits” has no significant impact on the functional quality; however, the study conducted by Ng et al. (2011) showed reverse results indicating that “confidence benefits” significantly affects the functional quality.

**The second hypothesis:** special treatment benefits affect the functional quality.

According to the results obtained from the data analysis, the factor “special treatment benefits” has a direct, positive and significant impact on the functional quality; also, the study conducted by Ng et al. (2011) confirmed the results; in other words, they found that “special treatment benefits” positively and significantly affects the functional quality.

**The third hypothesis:** social benefits affect the functional quality.

According to the results obtained from the data analysis, the factor “social benefits” has a direct, positive and significant impact on the functional quality; also, the study conducted by Ng et al. (2011) confirmed the results; in other words, they found that “social benefits” positively and significantly affects the functional quality.

**The fourth hypothesis:** confidence benefits affect the technical quality.

According to the results obtained from the data analysis, the factor “confidence benefits” has a direct, positive and significant impact on the technical quality; also, the study
conducted by Ng et al. (2011) confirmed the results; in other words, they found that “confidence benefits” positively and significantly affects the technical quality.

The fifth hypothesis: special treatment benefits affect the technical quality. According to the results obtained from the data analysis, the factor “special treatment benefits” has a direct, positive and significant impact on the technical quality; however, the study conducted by Ng et al. (2011) confirmed the results; in other words, they found that “special treatment benefits” positively and significantly affects the technical quality.

The sixth hypothesis: social benefits affect the technical quality. According to the results obtained from the data analysis, the factor “social benefits” has no significant impact on the technical quality; however, the study conducted by Ng et al. (2011) showed reverse results indicating that “social benefits” positively and significantly affects the technical quality.

The seventh hypothesis: confidence benefits affect the relationship quality. According to the results obtained from the data analysis, the factor “confidence benefits” has no significant impact on the relationship quality; however, the study conducted by Ng et al. (2011) showed reverse results indicating that “confidence benefits” positively and significantly affects the relationship quality.

The eighth hypothesis: special treatment benefits affect the relationship quality. According to the results obtained from the data analysis, the factor “special treatment benefits” has a direct, positive and significant impact on the relationship quality; however, the study conducted by Ng et al. (2011) showed reverse results indicating that “special treatment benefits” has no positive and significant impact on the relationship quality.

The ninth hypothesis: social benefits affect the relationship quality. According to the results obtained from the data analysis, the factor “social benefits” has a direct, positive and significant impact on the relationship quality; however, the study conducted by Ng et al. (2011) showed reverse results indicating that “social benefits” has no positive and significant impact on the relationship quality.

The tenth hypothesis: the functional quality affects the positive word of mouth advertising. According to the results obtained from the data analysis, the factor “functional quality” has no significant impact on the positive word of mouth advertising; however, the study conducted by Ng et al. (2011) showed reverse results indicating that that the functional quality has no positive and significant impact on the positive word of mouth advertising.

The twelfth hypothesis: the relationship quality affects the positive word of mouth advertising. According to the results obtained from the data analysis, the factor “relationship quality” has a direct, positive, and significant impact on the positive word of mouth advertising; also, the study conducted by Ng et al. (2011) confirmed the results; in other words, they found that the relationship quality positively and significantly affects the positive word of mouth advertising.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Amount of Relationship</th>
<th>Significance</th>
<th>Results of Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Confidence benefits affect the functional quality.</td>
<td>0.10</td>
<td>1.24</td>
<td>Rejected</td>
</tr>
<tr>
<td>2- Special treatment benefits affect the functional quality.</td>
<td>0.26</td>
<td>2.33</td>
<td>Confirmed</td>
</tr>
<tr>
<td>3- Social benefits affect the functional quality.</td>
<td>0.28</td>
<td>2.93</td>
<td>Confirmed</td>
</tr>
<tr>
<td>4- Confidence benefits affect the technical quality.</td>
<td>0.25</td>
<td>3.74</td>
<td>Confirmed</td>
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<td>5- Special treatment benefits affect the technical quality.</td>
<td>0.55</td>
<td>5.89</td>
<td>Confirmed</td>
</tr>
<tr>
<td>6- Social benefits affect the technical quality.</td>
<td>0.14</td>
<td>1.77</td>
<td>Rejected</td>
</tr>
<tr>
<td>7- Confidence benefits affect the relationship quality.</td>
<td>0.07</td>
<td>1.23</td>
<td>Rejected</td>
</tr>
<tr>
<td>8- Special treatment benefits affect the relationship quality.</td>
<td>0.31</td>
<td>3.77</td>
<td>Confirmed</td>
</tr>
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<td>9- Social benefits affect the relationship quality.</td>
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<td>Confirmed</td>
</tr>
<tr>
<td>10- The functional quality affects the positive word of mouth advertising.</td>
<td>0.05</td>
<td>1.17</td>
<td>Rejected</td>
</tr>
<tr>
<td>11- The technical</td>
<td>0.23</td>
<td>3.46</td>
<td>Confirmed</td>
</tr>
</tbody>
</table>
THE CONCLUSION AND SUGGESTIONS BASED ON THE RESEARCH FINDINGS

Suggestions regarding the impact of confidence benefits on the functional quality:
Improving the quality of services in effort to reduce customer anxiety about revisiting
Clarifying the process of providing services to facilitate receiving services by the customer
- Suggestions regarding the impact of confidence benefits on the technical quality:
Designing and implementing the customer respect plan
Re-engineering customer service processes
- Suggestions regarding the impact of confidence benefits on the relationship quality:
Training employees of the bank how to do marketing, attract the confidence of customers and negotiate with them
Developing and designing the customer relationship management system
- Suggestions regarding the impact of special treatment benefits on the functional quality:
Providing a specific package of services for each customer
Accelerating and facilitating customer service
- Suggestions regarding the impact of special treatment benefits on the technical quality:
Improving the banking knowledge of employees to provide fast and accurate responses to customers
Upgrading the technical capabilities of systems to accelerate and facilitate the delivery of services to customers
- Suggestions regarding the impact of special treatment benefits on the relationship quality:
Holding the communication skills courses for employees of the bank
Compilation and announcement of instructions on how to communicate with customers
- Suggestions regarding the impact of social benefits on the functional quality:
Developing the customer-oriented and service spirit in the bank
Donation of gifts by bank personnel to customers to improve relations
- Suggestions regarding the impact of social benefits on the technical quality:
Getting feedback from customers to improve services
Holding focus groups consisting of representatives from banks and various classes of customers
- Suggestions regarding the impact of social benefits on the relationship quality:
Providing grounds for cross-functional communications between employees and clients of the bank

Encouraging employees to enhance intimacy with clients
- Suggestions regarding the impact of the functional quality on the positive word of mouth advertising:
The image of the bank is considered as the most important factor in customer satisfaction and increasing the positive word of mouth advertising; hence, the bank should improve the impact of this variable through the use of strategies such as the accurate selection of qualified managers and widely and financially supporting local ceremonies and events.
Banks, through identifying the strengths and weaknesses of their competitors in providing services, should offer their services in a way that customers to be happy for and satisfied with the selection of the bank for their banking affairs.
- Suggestions regarding the impact of the technical quality on the positive word of mouth advertising:
Considering the significant effect of the perceived service quality on customer satisfaction and consequently creating the positive word of mouth advertising, it is recommended that managers of the bank try to increase the technical skills of employees, promote the diversity of services, grant various facilities based on customer needs, and widely train the use of electronic banking.
Banks should control the quality of services provided for clients to ensure them that the bank is commitment to customers; this ultimately leads to the formation of a mutual commitment between the customer and the bank, the loyalty of customers and their positive advertisement about the bank among their friends and relatives.
- Suggestions regarding the impact of the relationship quality on the positive word of mouth advertising:
It is recommended that the bank, by taking into account the benefit of consumers as a priority in its programs, schedule commitments with greater use of concepts such as time and project management to enhance customers’ perceived mental value of services.
Since reliability positively affects the positive word of mouth advertising, banks should do their best to increase the reliability to enhance this type of advertising.
By taking into account the potential impact of the word of mouth advertising and its value for organizations as well as considering the results of this study, managers of the bank, through proper and strategic planning and efficient use of the factors, can increase the positive word-of-mouth advertising about the bank and achieve steady and more profits in today’s competitive market.

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in the context of varying levels of customer expertise and switching costs”, Journal of the Academy of Marketing Science, Vol. 33 No. 2, pp. 169-83.


