Investigating the Effect of Perceived Service Quality, Perceived Value, Brand Image, Trust, Customer Satisfaction on Repurchase Intention and Recommendation to Other
Case study:LG Company

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Abstract

In todays competitive world to have a dominant position in the market provide superior quality products to our customers is an important issue which can be used as a lever to create a sustainable competitive advantage by name. pervious studies show that customer satisfaction is the main source of competitive advantage often leads to customer loyalty and repeat purchase. In addition, service quality, perceived value of the product, consumers will not impact on their satisfaction. Another factor is that brand trust and brand image in the minds of the individuals. According the importance of each of these elements, in this study, the researcher sought the efficacy of each of these on each other and than, assess their impact on offer products or services to others. In this study, the questionnaire to 420 consumers of LG Household Products and for data analysis Spss software was used for regression through the findings suggest the hypothesis is accepted.

Keywords: Factors influencing Customer Satisfaction, Repurchase Intention, Recommendation to Other**,** LG Company

1. Introduction

One of the important issues that organizations deal with it in the current competitive level of customer satisfaction and their ideas about the organization performance, and of its services. Monitoring customer satisfaction policy areas suitable for survival in a competitive environment and gain a greater share of the market will provide. Many organizations, ways to gather information about their customers opinion and ideas are developed (Lee, 2000). In every corner of the world economy in the exclusive atmosphere that sweeps competitive, customer-oriented attitude and customer satisfaction and fine disobeyed the first rule of business is considered and insubordination fines are removed from the brutal rule of the market.In recent years, research on factors affecting consumer repurchase and recommend to others in the field of marketing of a brand increased.The reason for this is that in these studies, it is possible that the factors that consumers would be willing to repurchase and manufacturing companies can increase profit.

Describe strategies that deliver high quality services to its success, intensive competition, especially when there are both internal and international.This means many of the conceptual and empirical studies and generally is accepted the quality has a positive reference for effectiveness of the organizations competitive position (Kim, 2003).

Conscious suppliers considered necessary expenses to the customers satisfaction and loyalty in the hope of their keeping as an investment for future purchase. Today, services or manufacturing organizations consider customer satisfaction as the most important criterion for measuring the quality of their work (Lee,2000). LG Company offers household products, (side by side, dishwashers, washing   machines, refrigerators, vacuum cleaners, conditioners), variety of tv and audio systems.

2. Literature Review

2,1 Perceived Service Quality

Perceived service quality is defined as "the consumer's judgment about a product's overall excellence or superiority" (Zeithaml, 1988).

Definitions of service quality revolve around the idea that it is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Lehtinen, 1982; Grönroos, 1984) give a three dimensional view of service quality.

1.Reliability:Ability to perform the promised service dependably and accurately

2. Responsiveness: Willingness to help customers and provide prompt service

3.Empathy: Caring, individualized attention which the firm provides for its customers.

4.Assurance: Knowledge and courtesy of employees and their ability to convey trust and confidence.

5.Tangibles:Appearance of physical facilities, equipment, personal and communication material (Parasuraman et al, 1988).

Berry et al. (1985) argued that the service quality attributes of search, experience, and credence are used

by consumers to evaluate service quality. Search attributes, such as physical facilities, appearance of personnel, and the supplier's image can be considered before consuming the service.

Perceived service quality is a global judgment, or attitude, relating to the superiority of the service, while satisfaction is related to a specific transaction. Parasuraman, Zeithaml, and Berry (1985), respondents gave several illustrations of instances when they were satisfied with a specific service but did not feel the service firm was of high quality.

2,2 Perceived Value

Perceived value takes into account the price of the service in addition to the quality. According to Zeithaml *et al.* (1988), there are four consumer definitions of product value for which supporting literature can be identified. These are:

1. value is low price;
2. value is whatever I want in a product;
3. value is the quality I get for the price I pay; and
4. value is what I get for what I give.

Perceived value is the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given. Consumers' perception of value is influenced by differences in monetary costs, nonmonetary costs, customer tastes, and customer characteristics (Bolton and Drew, 1991).

2,3 Brand Image

The company brand image is a valuable intangible capital that is hard to imitate and it can help an organization to achieve a sustainable and superior financial performance (Roberts and Dowling, 2002).

Brand Image is that a good mentality about brand will have positive effects on consumer behavior such as preferential pricing opportunities to manage Premium Prices, more faithful buyers, and more positive verbal advertisings.

Research conducted by Huber and Herman (2001) has proven a significant and positive relationship between Brand Image and customer loyalty (Clotty et al, 2008).

2,4 Brand Trust

Trust therefore is defined as the confidence that one will find what is desired from another,rather that what is feared (Deutsch, 1973). It represents the confidence that the relational party in an exchange will not exploit another's vulnerability. Accordingly, to trust a brand implicitly means that there is a high probability or expectancy that the brand will result in positive outcomes for the consumer.brand trust is defined by Delgado *et al.* (2003) as "the confident expectations of the brand's reliability and intentions". Brand trust is therefore conceptualized as having two distinct dimensions that reflect different perspectives from which a brand may be considered trustworthy.

2,5 Satisfaction

satisfaction applies to both tangible and intangible goods the emphasis in this study is on the service setting where the concept has been the subject of investigation in many studies (Oliver and DeSarbo, 1988).

Moreover, many authors make it a point to highlight that service quality and satisfaction are distinct constructs (Bitner and Hubbert, 1994; Parasuraman *et al.,* 1988). The expectancy/disconfirmation paradigm in process theory provides the grounding for the vast majority of satisfaction studies and encompasses four constructs:

1. Expectations
2. Performance;
3. Disconfirmation; and
4. Satisfaction.

Satisfaction can be considered at two levels: the transaction or encounter level and overall satisfaction (Bitner and Hubbert, 1994).
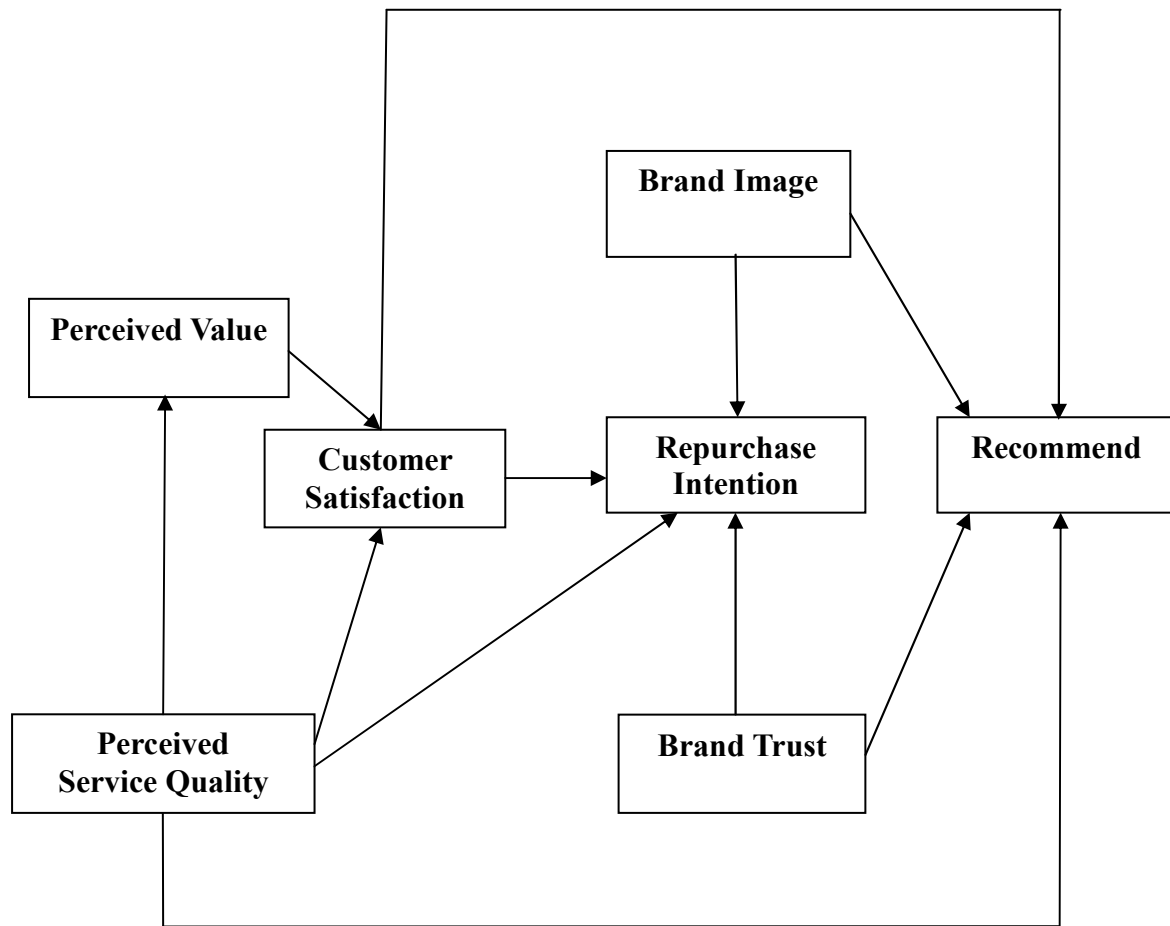
3. Research Model

Figure 1: Conceptual Model

4. Hypotheses

H1: Perceived value has a direct positive effect on customer satisfaction.
H2: Perceived quality of service has a direct positive effect on customer satisfaction.
H3: Perceived quality of service has a positive effect on likelihood of recommending.
H4: Perceived quality of service has a positive effect on repurchase intention.
H5: Customer satisfaction has a positive effect on repurchase intention.
H6: Customer satisfaction has a positive effect on likelihood of recommending.
H7: Perceived service quality has a direct positive effect on the perceived value of the service.
H8: Brand Image has a positive direct effect on repurchase intention.
H9: Brand Image has a positive direct effect on recommendation.
H10: Brand Trust has a positive direct effect on repurchase intention.
H11: Brand Trust has a positive direct effect on recommendation.

5. Research Methodology

5,1 Design
This study is a descriptive study which has been conducted through a survey. The conceptual model of the research is shown in the figure. This model conssider the effects of Perceived Service Quality, Perceived Value, Brand Image,Brand Trust, Customer Satisfaction, Repurchase Intention and Recommendation to Other in Tehran LG stores.

5,2 Data Gathering Tool
The questionnaire used was composed of two parts. First part was designed with the goal of gathering personal data and the opinions of the respondents who used the services of department stores. The second part discussed

each of the constructs of the study model from the respondents' point of view. All questions have been assessed on a five-point Likert scale: from item 1= totally agree to item 5= totally disagree was used.

In order to confirm the reliability of the Questionnaire Cronbach`s alpha coefficient was used. In the first stage, 28 questionnaires were distributed and the Cronbach`s alpha coefficient was calculated equal to 0.71. Cronbach`s alpha analysis results showed that the removal of some questions would cause a significant increase in internal correlation of the items. Necessary editions were carried out for scond time again 28 questionnaires were distributed as a second pre-test. Results showed that Cronbach`s alpha coefficient of the entire questionnaire was equal to 0.77. So it could be claimed that the data collection tool's reliability is desirable.

Table 1. Cronbach`s Alpha Coefficient for Research Variables

Variables	Perceived Service Quality	Perceived Value	Customer Satisfaction	Brand Image	Brand Trust	Repurchase Intention	Recommend to Others
Chronbach a	0.82	0.78	0.81	0.70	0.71	0.76	0.78

5,3 Statistical Population, Samples, and Sampling

The statistical population of this study included all customers of North , South, East and West (Hyper Star) of Tehran LG department stores'. Considering the population of 420 people in this city.

6. Data Analysis

6.1 Demographic Characteristics of Samples6

Among the samples collected, women with 73 percent were in the majority. 65percent of the respondents were between 30 to 40years of age, 25 percent were between 40 to 50years of age, 8 percent were between 20 to 30years of age and 2 percent were over 50. With respect to their educational levels, about 49percent of respondents had bachelors degree, about 37 percent were master degree, about 8 percent had phd and about 6 percent had diplomas degree. In order to avoid wrong answers to the respondents' income, "family life spending per month" was asked.Considering the family living expenses 36 percent were spending between 1000000 and 3000000 Tomans per month, 30 percent were spending between 500000 and 1000000 Tomans per month,20 percent were spending between 3000000 and 5000000 Tomans per month, about 12 percent below 500000 Tomans per month and about 2 percent above 5000000 Tomans per month.

6,2 Inferential

Investigate the relationship between the independent and dependent variables and examine research hypotheses using the SPSS software. And using Regression analysis to examine the correlation independent and dependent variables , Friedman Test.

Table 2. Hypotheses Analytical Results

Independent Variables	Dependent Variables	R	R Square	F	Sig	Result
Perceived Value	Customer Satisfaction	0.557	0.310	55.321	0.000	Accepted
Perceived Service Quality	Customer Satisfaction	0.538	0.289	50.090	0.000	Accepted
Perceived Service Quality	Recommend to Others	0631	0.398	81.394	0.000	Accepted
Perceived Service Quality	Repurchase Intention	0.529	0.280	47.800	0.000	Accepted
Customer Satisfaction	Repurchase Intention	0.744	0.553	152.092	0.000	Accepted
Customer Satisfaction	Recommend to Others	0.436	0.190	28.804	0.000	Accepted
Perceived Service Quality	Perceived Value	0.598	0.398	68.536	0.000	Accepted
Brand Image	Repurchase Intention	0.443	0.196	29.984	0.000	Accepted
Brand Image	Recommend to Others	0.472	0.222	35.177	0.000	Accepted
Brand Trust	Repurchase Intention	0.556	0.309	55.076	0.000	Accepted
Brand Trust	Recommend to Others	0.518	0.268	45.133	0.000	Accepted

Table 3. Friedman Test Analytical Results

Variables	Mean	Sig
Perceived Value	68 .2	
Brand Image	50 .3	
Brand Trust	42 .3	0.000
Customer Satisfaction	36 .4	
Perceived Service Quality	25 .4	

7. Result

Evaluation of Conceptual Research Model

All of Hypotheses have been confirmed strongly. Research results are shown below:

Table 2 shows the result of testing Regression for all hypotheses is meaningful in 0.05 level of detection. So, these hypotheses confirmed with 0.95 confidence level.

1) Perceived value and Perceived quality of service have a direct positive effect on Customer satisfaction. As expected customer satisfaction is affected directly and significantly by two variables of the Perceived Value (R=0.557) and Perceived quality of service (R=0.538), so the first and second hypotheses are confirmed.

2) Perceived quality of service has a positive effect on likelihood of recommending. Perceived quality of service has a direct positive effect on Recommend to Others (R=0.631). So the third hypothesis is confirmed.

3) Perceived quality of service and Customer satisfaction have a direct positive effect on Repurchase Intention. As expected Repurchase Intention is affected directly and significantly by two variables of the Perceived quality of service (R=0.529) and Customer satisfaction (R=0.744), so the fourth and fifth hypotheses are confirmed.

4) Customer satisfaction has a positive effect on likelihood of recommending. Customer satisfaction of service has a direct positive effect on Recommend to Others (R=0.436). So the sixth hypothesis is confirmed.

5) Perceived service quality has a direct positive effect on the perceived value of the service. Perceived quality of service has a direct positive effect on perceived value of the service (R=0.598). So the seventh hypothesis is confirmed.

6) Brand Image and Brand Trust have a positive direct effect on Repurchase Intention. As expected Repurchase Intention is affected directly and significantly by two variables of the Brand Image (R=0.443) and Brand Trust (R=0.556), so the eighth and tenth hypotheses are confirmed.

7) Brand Image and Brand Trust have a positive direct effect on Recommendation. As expected Recommendation is affected directly and significantly by two variables of the Brand Image (R=0.472) and Brand Trust (R=0.518), so the ninth and eleventh hypotheses are confirmed.

According to table 3, for the test significance level of less than 0.05, the same claim can not be accepted preference variables. So, in order to prioritize the independent variables in this study is the Perceived Service Quality, Customer Satisfaction, Brand Trust, Brand Image, Perceived Value.

8. Conclusion

In this study, the relationships among Perceived Service Quality, Perceived Value, Brand Trust, Brand Image and Customer Satisfaction on Re-purchase Intention and Recommend to others were investigated in Tehran LG department stores. Research model was strongly confirmed by the collected data. The Perceived Service Quality strongly influence on brand image, customer satisfaction, and Re-purchase intention. This suggested that by upgrading the services' quality in Iranian it department stores, the store brand image and customer satisfaction will be enhanced. Among, all hypotheses were confirmed with %95 confidence. Therefore in order to upgrade the perceived service quality, regular assessment of customers' needs, desires, tastes, and interests is recommended. Also, managers must be more careful about the quality of the goods in stores and speed of service. Other findings suggest that the store brand image affects customer satisfaction. In other words, a higher store brand image can lead to more satisfied customers. Moreover, research results indicate that customer satisfaction and perceived service quality affect Re-purchase intention and recommend to others.

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