

Research Paper

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# Investigating the impact of social media marketing on brand loyalty with the mediating role of trust and brand equity (case study: Isfahan Mellat Bank branches)

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**Abstract**

The purpose of the present research is to investigate the impact of social media marketing on brand loyalty with the mediating role of trust and equity of the brand in Isfahan Bank Mellat branches. This research is applicable in terms of purpose, and correlative in terms of research method, and required data have been collected by using questionnaire and survey method. The statistical population of this research is the clients of Isfahan Bank Mellat branches. 384 acceptable samples were collected by simple random sampling method. Four social media marketing questionnaires with 11 questions, brand trust with 10 questions, brand special value with 16 questions, and brand loyalty with 15 questions were used as data collection tools. Data analysis was done using structural equation modeling and PLS software, and the research results show that social media marketing has an effect on brand loyalty with the mediating role of trust and brand equity. That is, if the bank tries to create content in the virtual space through which attracts the attention on those platforms and encourage the readers to share it among social media, the loyalty of the bank's customers will improve. The bank should spread its advertisements through the virtual space and attract the attention of the audience, as a result, trust in the brand will improve.

**Keywords:**

social media marketing,  
brand loyalty,  
brand trust,  
brand equity.

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## Extended Abstract

### Introduction

Today, a large number of users with different goals have joined virtual social networks and engage in various activities (Barreto, 2014). Organizations, either small or large, have entered social media and are slowly trying to discover its benefits (Bakeri, 2020). They have used Twitter, created fan pages on Facebook, posted videos on YouTube, and perhaps even created websites in the late 20th century (Zhang & Liu, 2021). Organizations today feel that the Social media are and will be a means of business (Naeem, 2021).

The main goal of social media marketing is to create a business based on customer orientation and the credibility of a company in order to develop and manage work (Kim, 2012). No one can claim that there are only advantages and benefits in the field of social media marketing. Rather, in social media marketing, like all aspects of life, there are advantages and disadvantages together and side by side (Rosen, 2013). However, in our country, social networks have not been able to find their desired place in people's lives, and after all, culture creating in this field has not been done, and producers of products and services cannot make proper use of these networks. This issue has become the main problem in creating trust and loyalty of customers to the brand in social networks. In e-commerce, trust is considered the most important success factor. It should be said that according to previous studies, the recommendations of acquaintances and online opinions of consumers (word of mouth advertising) are the most reliable type of advertising in the world and the most important source of information for purchasing decisions. Many researchers consider the power of the internet as a social structure in creating and increasing brand trust and loyalty. It is argued that brand community in social networks increases brand loyalty through increasing brand trust. By increasing the capabilities of social networks, trust in the brand and then loyalty to the brand increases; therefore, brand trust plays a mediating role.

According to the mentioned materials, the main problem of the research is whether social media marketing has an effect on brand loyalty with the mediating role of trust and special value of the brand in Bank Mellat branches of Isfahan.

### Theoretical framework

A social network is a social structure made up of groups - generally individual or organizational - which are connected by one or more types of dependencies. Social networks in the context of a complex information society depict the effective functioning of the network (convergence) and with a more detailed look, society is a combination of multiple networks: inter-organizational networks, intra-organizational networks, personal networks, computer networks, and furthermore, cross-border networks and information flows through these highways (Zhang & Liu, 2021).

Brand equity has been defined in different ways for different purposes. But so far, no common consensus has been reached. The concept of brand equity has been the subject of a large number of studies, has been examined from different perspectives, and is often described as the value that a brand gives to a product (Rezaeian, M., Asgar, 2021; Shams Lahroudi, 2018)

According to Aker, brand loyalty is one of the foundations of brand equity, and many factors play a role in creating this loyalty, one of the main of which is the experience of using the brand (Song, 2012). Oliver defines brand loyalty as a consumer's strong commitment to purchase or reuse a brand regularly in the future.

Fukuyama (1995) defines brand trust as: an expectation that arises from inside of an orderly, honest community with cooperative behaviors based on commonly shared norms, on the part of community members. He believes that the industrial revolution has played a significant

role in the importance of trusting the brand to recognize and understand business behaviors such as marketing.

Mirzaee Azandariani and Arya (2022) conducted a research titled investigating the impact of the characteristics of second-hand goods platforms on brand loyalty intentions with the mediating role of customer satisfaction (the study of Divar and Sheipour platform in Iran). Research findings showed that ease of use has a positive and indirect effect on brand loyalty intentions with a mediating role of customer satisfaction, perceived usefulness has a positive and indirect effect on brand loyalty intentions with a mediating role of customer satisfaction, and the entertainment aspect has a positive and indirect effect on Brand loyalty intentions with the mediating role of customer satisfaction, and the sense of belonging to a community has a positive and indirect effect on the intention of brand loyalty with the mediating role of customer satisfaction, and seller credibility has a positive and indirect effect on the intention of loyalty to the brand with a mediating role of customer satisfaction, and the recognition of a third party has a positive and indirect effect on the intentions of brand loyalty with the mediating role of customer satisfaction.

Farzin et al. (2020) conducted a study with the aim of investigating the effect of brand equity from the consumer's point of view on brand satisfaction and loyalty in the wood and paper industries of Mazandaran province. The results of the research showed that there is a positive and significant effect between the dimensions of brand equity and consumer satisfaction (except for employee behavior and brand awareness) and brand loyalty (except for ideal self-concept and brand identity) and also between consumer satisfaction and brand loyalty is a positive and significant effect.

### Research methodology

The research method is descriptive-correlative in nature and applicable in terms of purpose. The statistical population of this research is the clients of Isfahan Bank Mellat branches and simple random sampling method was used and 384 acceptable samples were collected. In order to collect data related to the variables, four social media marketing questionnaires were used with 11 questions, brand trust with 10 questions, brand equity with 16 questions, and brand loyalty with 15 questions; and based on a 5-point Likert scale (completely agree to completely disagree).

### Research findings

Structural equations and PLS were used to investigate the research hypothesis and data analysis, and the results showed that social media marketing has an effect on brand loyalty with the mediating role of trust and brand equity in Isfahan Bank Mellat branches. Social media marketing has an effect on brand loyalty in Isfahan Bank Mellat branches. Social media marketing has an effect on brand trust in Isfahan Bank Mellat branches. Social media marketing has an effect on brand equity in Isfahan Bank Mellat branches. Brand trust has an effect on brand loyalty in Isfahan Bank Mellat branches. Brand equity has an effect on brand loyalty in Isfahan Bank Mellat branches. Social media marketing has an effect on brand loyalty with the mediating role of brand trust in Isfahan Bank Mellat branches. Social media marketing has an effect on brand loyalty with the mediating role of brand value in Isfahan Bank Mellat branches. All factor loading coefficients are greater than 0.4, which shows that this model is suitable.

### Conclusion

The present study was conducted with the aim of investigating the impact of social media marketing on brand loyalty with the mediating role of trust and brand value in Isfahan Mellat

Bank branches. The results of this research corresponds with the results of research findings of Frzin et al. (2020); Shirkhodaei (2017); Imran Khan et al. (2017). If the bank tries to create content in cyber space through which can attract the attention of the audience on those platforms and encourage readers to share it among social media, the loyalty of the bank's customers as a result, will improve. The bank should spread its advertisements through the virtual space and attract the attention of the audience, as a result, trust in the brand will improve.

According to the present research, it is suggested that the bank employees have sufficient knowledge and information about the services to provide to the customers. The employees solve the problems faced by the customers regarding the services in the best way; follow up and respond to the requests of the customers regarding the services quickly and in different ways such as phone, email, etc.; provide a platform so that customers can fully use the bank's services anywhere and at any time of the day or night; and by improving the level of value and the mental image of the brand of services and the quality level of relations with customers, provide the possibility of strengthening customer satisfaction, which ultimately leads to customer loyalty.