

The effect of electronic banking advertising on customer brand loyalty with the mediating role of perceived value in Bank Shahr.

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Abstract

The aim of this study is "The Effect of Electronic Banking Advertisements on Customer Brand Loyalty with Emphasis on the Mediating Role of Perceived Value in the Shahr bank". To achieve this goal, a statistical population consisting of the Shahr bank customers in Tehran and a sample of 350 people were studied using a convenience (non-probability) method. Data collection was carried out by a questionnaire whose validity was confirmed by experts and its reliability by Cronbach's alpha coefficient. SmartPLS3 statistical software was used to analyze data and test hypotheses. This is a descriptive-survey and applicable research, and a correlational type in terms of relationships between variables. The findings of this study show that. Electronic advertising has a positive and significant effect on customer loyalty to the bank brand, and perceived value also plays a mediating role in the relationship between banking electronic advertising and customer loyalty to the brand.

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Extended Abstract

Introduction

The growing trend of information technology in banking and other businesses has led to the computerization of banking and other business transactions. This information technology-based development has created new ways for business organizations to communicate with their customers, which supports the improvement of banking and financial services (Raza et al., 2020). Banks and financial institutions started the business of “home banking” through touch phones in the 1970s, and cable television was considered an ideal tool for home banking in the 1980s (Yang et al., 2023).

Electronic banking is an innovative method for banks and financial institutions. It offers several services such as accessing their account balance, transferring funds from one account to another, paying various bills, purchasing goods and services without cash, and sending checks to its customers (Ayinaddis et al., 2023). Banks and financial institutions allow users to conduct financial transactions digitally rather than physically, which can increase e-customer satisfaction and loyalty to increase the perceived value of the business. E-banking is transforming the financial services sector by promoting innovation, fostering growth, and enhancing domestic and foreign competition (Yang et al., 2023).

Advertising can create value for the intended brand, which can also increase customer loyalty and satisfaction. The term brand is considered a complex concept for marketers. Some perceptions imply the ratio of what is received in a transaction versus what is paid. Traditional perceptions of value have been largely self-centered, passive, and randomly determined (Salameh et al., 2022). Value is actually a unique concept composed of quality and satisfaction. Perceived value is the core driver for delivering the right products and services to the right customers at the right time and in the right way. Perceived value also provides organizations with a relative value-price opportunity. The role of perceived value has increasingly attracted the attention of customers and marketers because customer perceived value is one of the most powerful forces in today's market (Norouzi et al., 2021).

Theoretical framework of the study

The concept of customer brand loyalty

One of the most famous and perhaps most important marketing concepts today, which was first formulated in the 1980s, is the concept of customer brand loyalty. However, the emergence of this concept for marketing professionals includes both positive and negative aspects. The positive aspect is that customer loyalty to the brand highlights and emphasizes the importance of the brand in the marketing strategy and maintains its focus on research activities and ultimately responding to the demands of the organization's top management (Gao et al., 2024). However, its negative aspect is that it has been presented in various ways and with different purposes, and there is still no single approach to the method of introducing, depicting and measuring customer loyalty to the brand.

Perceived value

Customer perceived value is one of the prerequisites for customer satisfaction, trust, commitment and customer loyalty. Perceived value is defined as the ratio of perceived benefits to perceived disadvantages. Perceived disadvantages are all the costs that the buyer faces when making a purchase, including items such as purchase price, acquisition costs, transportation, installation, ordering, repair and maintenance, risk of failure or poor performance. Perceived benefits are a combination of physical features, service features, and technical support associated with using a product. Customer perceived value is defined as a customer's comprehensive assessment of the desirability of a product or service based on their perceptions of what they have gained and what they have lost (Asgarnezhad et al., 2019).

Perceived value has been identified as one of the main predictors of customer loyalty and all dimensions of loyalty, including word-of-mouth, repurchase intention, and price insensitivity. The higher the perceived value of a service, especially in service industries, the greater is the customer loyalty (Rezaei et al., 2016).

Electronic Banking

Internet banking is actually a virtual, 24-hour branch of a bank that allows customers to make financial transactions regardless of time and place. Internet banking does not just include simple web pages used solely for information purposes. It is a two-way transaction system and a bank branch in the home of each customer. With the growth of the Internet in the world, the expansion of financial services is also obvious. Internet banking allows customers to carry out all their banking transactions without using cash, with just a click of the mouse button at home or at work. Internet banking is the performance of financial activities and transactions using the Internet through the bank's website; or in other words, it is the provision of banking services through a personal computer at home or at work, without the need to visit bank branches. Therefore, success in Internet banking requires providing financial services that are tailored to the needs, preferences, and expected quality of customers. Online banking is the format for conducting monetary and financial transactions in the digital age. The necessity of digital transformation in the banking system and financial management is the use of online banking (Siamul et al., 2025).

Research Method

The present study is a descriptive-survey type of correlation that aims to investigate the effect of electronic banking advertising on customer loyalty to the brand with the role of perceived value mediator in the Shahr bank. First, by explaining the theoretical foundations of the research and describing the existing conditions by designing and distributing a questionnaire, the necessary information was collected and then analyzed by statistical software. Given that the purpose of this study is to investigate the effect of electronic banking advertising on customer loyalty to the brand with the role of perceived value mediator in the Shahr bank, this research can be considered applicable. The statistical population of the study consists of the Shahr bank customers in Tehran, from which a sample of 350 people was selected by a convenience (non-probability) method, and a questionnaire was distributed among them.

In this study, structural equation modeling using partial least squares and PLS software was used to test the hypotheses and model accuracy. PLS is a variance-based approach that requires fewer conditions compared to similar structural equation techniques such as LISREL and EMON, and its main advantage is that it requires fewer samples compared to LISREL modeling.

Research findings

Modeling in PLS is carried out in two stages. In the first stage, the measurement model should be examined through reliability and validity analyses; and in the second stage, the structural model was analyzed by estimating the path between variables and determining the model fit indices. According to the results obtained from the path coefficient (indicating the intensity and type of relationship between two latent variables) and the t-statistic, electronic advertising has a positive and significant effect on customer loyalty to the bank brand, and perceived value plays a mediating role in the relationship between electronic banking advertising and customer loyalty to the brand.

Discussion and Conclusion

In this study, the results of data analysis indicate that all the main hypotheses of the study have been confirmed; meaning that the positive and significant effect of electronic banking advertising on both customers perceived value and their loyalty to the bank brand, as well as the mediating role of perceived value in this relationship, has been statistically proven. These findings indicate that the more targeted, transparent, and with an emphasis on the practical and emotional benefits of services, the more value customers receive from interacting with the bank increases, which in turn leads to strengthening their commitment and loyalty to the bank brand. These results are in line with the studies of Vajdani et al., (2024) and Wu & Wang (2024). Ziad Alzaydi (2023) also stated that branding plays a key role in achieving customer loyalty in the Saudi banking sector. Khajeh Saeed et al., (2022) also reached results in line with the results of the present study.

In further analysis of the findings, it can be said that improving the quality and content of e-banking service advertisements leads to increased trust, transparency, and perception of innovation by customers, which directly increases perceived value in functional (convenience, security, speed) and emotional (satisfaction, confidence, sense of worth). This improvement in perceived value, in turn, strengthens the likelihood of re-selecting bank services and recommending the brand to others; a topic that has also been confirmed in previous studies. In the competitive environment of Iranian banks, where most services are very similar, the orientation of advertising towards explaining benefits and unique user experience can create competitive advantage and sustainable loyalty. Also, the mediating role of perceived value showed that even if advertisements are extensive, without real promotion of customer expected values (including efficiency, security and usefulness), a sustainable impact on loyalty will not be formed; therefore, banks should focus on the quality of messages and their suitability with the real needs of customers in addition to the volume of advertisements.

In conclusion, the research findings highlight the necessity of a strategic link between effective e-banking advertisements and the promotion of real customer experiences; in such a way that perceived value, as the leader of loyalty motivations, is continuously strengthened; and banks move beyond mere information provision and focus on creating practical and emotional added value for customers. This approach is considered vital, especially for Iranian banks, given the digital transformation and the need for brand differentiation.