

A Review of the Effect of the Role of Purchase Rewards to Customers, as a Purchase Intention Mediator, on the Profitability of SMEs (Small and Medium-sized Enterprises) in Sanandaj City

Arezoo Nazari

M.A. in Financial Management, Department of Management, Sanandaj Branch
Islamic Azad University, Sanandaj, Iran, Email: arzoonazari1983@gmail.com

Parastoo Sedaghat

Assistant Professor, Management Department, University of Kurdistan, Sanandaj
Iran, Corresponding Author: Email: parastoo.sedaqat@gmail.com

Doi:10.5901/mjss.2015.v6n6s6p261

Abstract

The present research study intended to investigate the impact of the Role of Purchase Rewards to Companies' Customers, as a Purchase Intention Mediator, on the Profitability of SMEs in Sanandaj City in 2014. Three different types of variables, including Independent, Dependent and Intervening variables, are specified in this study; Purchase Rewards to Customers is the Independent Variable, Profitability is the Dependent Variable and the Purchase Intention Mediator is the Intervening Variable. The ultimate research application of the current study is that of Applied Research implementations based on the descriptive research methods. To this end, correlational research and survey research methods were selected as the branches of descriptive research. The study's statistical population consists of 444 companies' Managers and an unlimited number of Customers of SMEs in Sanandaj city among which 206 managers and 384 clients were selected as sample population based on Cochran's Sample Size Formula. Moreover, Likert Scale Questionnaire was employed to accomplish the survey research in order to collect research data required. The research data were analyzed both descriptively and inferentially, using LISREL8.7 and SPSS18 softwares, based on Pearson Correlation Coefficient test and Structural Equation Modeling (SEM). To estimate the reliability of the Questionnaire, Cronbach Alpha Reliability measure of estimation was adopted; accordingly, the reliability of the questionnaires of the research three different variables such as Purchase Rewards to Customers Variable, Profitability variable and Purchase Intention Mediator variable were estimated as 0.841, 0.747 and 0.839 successively. Furthermore, the research hypotheses were confirmed at %95 confidence level. Consequently, it was concluded that, based on the research results, the role of purchase rewards to customers had a statistically significant effect on the profitability of SMEs in Sanandaj city. The type of rewards and the time of the rewardings were ranked accordingly; the former got the first rank while the latter got the second rank. It was concluded that the more the purchase intentions of the customers, the lesser the relationship between the role of purchase rewards and the profitability of SMEs.

Keywords: Purchase Rewards to Customers; Profitability; Purchase Intention Mediator; Small and Medium-sized Enterprises in Sanandaj.

1. Introduction

The role of customers in companies' customer service processes is the utmost influential factor on the organizational efficiency, performance and profitability of the service providing firms; hence, customer services not only are considered as value and quality resources and staff; but also, play a crucial role in determining service delivery time and service capacities of the service providing firms. Consequently, service managers eventually attempt to encourage customers' behaviours by providing customers services particularly in cases clients' demand capacity increases. If such customer behaviours continue to occur voluntarily, the potential negative effects of the customer behaviours possibly remain insignificant. Customer service providers are accounted as part-time staff. As one can categorize the staff's expected behaviours into Duty Behaviours (Task Behaviours) and Off-duty Behaviours (Organizational Citizenship Behaviours), customers' behaviours are classified in the same order. Although customers' duty behaviours are defined as their expected behaviours in order to assist companies fulfil successful production and service providing, their off-duty behaviours are defined as those behaviours customers perform optionally and voluntarily and which are appreciated by demonstrating the behaviours' tenderness, usefulness and solidarity on the behalf of service companies' administrators.

Citizen customers, in other words off-duty customers, involve themselves in companies' customer service processes by expressing positive encouraging words, using additional customer services, recommending services to others, showing higher price tolerance regarding the provided services. This study considers the voluntarily behaviours of the citizen customers as their cooperative engagement in customer service providing processes and especially in service delivery time reduction (at staff meal time, for instance). The cooperative behaviors customers perform in the process of companies' service providing is, on the one hand, a vital key factor in customers' satisfaction with service process experience and service quality perception; on the other hand, it is an attempt for customers to show that not only they are gracious and appreciative for the provided services but also they comply with the companies' laws and policies and trust the service providers' consultations (Noone et al, 2007). Profitability depends mainly on the companies' ability to balance service supply and customers' demand for the SMEs with a relatively a fixed service capacity and, at the same time, diverse demand. To give an example, consider that an airline's capacity is depleted by a number of airplanes, their operations and airplane seats whereas their client's demands are considerably diverse within different hours, days, weeks and years. As a consequence, an airline can enhance revenue and profitability depending on two factors; for one thing, its ability to select the most profitable combination of demand during times of excess or peak demand and, for the other thing, the way they choose to stimulate customers' demands during the periods of low demand both are the subjects of concern for an airline to enhance profitability. Hotels, restaurants and Golf courts all meet about the similar challenges. Since companies have a restricted control over service capacity management, alternatively, they turn their focus to demand management involving demand stimulation or demand motivation. The customers' cooperative behaviours arise from their intrinsic motivations. According to dual terms of titling customers' perception of and/or their reaction to the corporate's initiatives are significantly different from one customer to the other, relying on the fact that how they perceive the underlying reasons of the corporate's initiatives (Bazerman, 1985). For example, unjustifiable price increase is accounted as being unfair whereas it is assumed to be fair to increase price due to the increase in costs. It is concluded that the customers' perception of the business effect of service delivery time reduction is most probably influenced by their cooperative behaviours. It is proposed that companies should profit while customers should set the price. The majority of customers found that companies which commit themselves to profitability and hence provide services which enhance revenues can possibly better adapt themselves to customers' cooperative behaviours.

2. Literature Review

Nakhei and Kheiri (2013) conducted a research to investigate "The Effect of Influential Factors on Customers' Purchase Intention towards Green Products." They concluded that public awareness and concerns about health and environmental protection led the consumers to take account of environmental issues. Nakhei and Kheiri (2013) state that with regard to the increasing importance of environmental issues and the concept of social responsibility among consumers, it seems that recognizing the influential factors on consumers' purchase intention towards green products is compulsory and can not be overlooked. Thus, regarding the fact that purchase intention is considered as an appropriate consumers' behavior predictor, the purpose of the study was investigating the effect of Influential Factors on Customers' Purchase Intention towards Green Products. The required data for this study were collected by means of an organized questionnaire distributed to a sample of 400 populations selected from Qazvin citizens. The results of the data were analyzed by LISEREL and SPSS softwares using structural equation modeling techniques. The research outcomes illustrated that factors such as the increasing spread of Green Brands, Marketing Communications Activities, Attitudes towards expanding Marketing Communications, Environmental Sciences and the perceived effectiveness of the consumer's roles are all influential in consumers' purchase intentions towards Green Products. In 2013, a research study titled as "A Conceptual Review of the Relationship between Consumers' Attitudes and their Overall Evaluations of the Role of the Promotional Gifts, and Consumers' Purchase Intention" was conducted by Mortezaazadeh. He underlined the prominent role of the factors influencing consumers' purchase intentions in today's competitive world and emphasized that organizations need to consider these influential factors to improve their sales performance. The research intended to investigate whether there is any statistically significant relationship between consumers' purchase intentions and their attitudes and overall evaluations of the role of the promotional gifts in a conceptual review research study. The modeling of this study was composed of different variable categories. Purchase intention was considered as the dependent variable of the study whereas consumer's attitude and perception, the nature of the purchasing product, the nature and the attraction of the promotional gifts fell into the category of the independent variables. Mortezaazadeh attempted to present a conceptual model of the influential factors on consumers' purchase intentions based on a comprehensive review of the preceding related research studies; therefore, the study aimed at proposing suggestions for the objected research variables' relationships instead of putting forward research hypotheses. Ebrahimi et al (2012) studied "The Effect of

Influential Factors on Consumers' Attitudes and Purchase Intentions towards Buying Counterfeit Products of Luxury Brands of Apparel Industry in Sari." They assume that one of the pervasive global trends which is worth warning is producing, distributing and consuming the counterfeit products of luxury brands. Ebrahimi et al (2012) found that the Apparel Industry is one of the most susceptible industry which is severely at risk of involving in such aforementioned crisis. As a consequence, the purpose of their study was to investigate and identify the influential factors affecting consumers' attitudes and purchase intentions towards buying counterfeit products of luxury brands of apparel industry in Sari, Mazandaran Province.

Hume and Mort (2010) investigated "The Effect of Appraisal Emotions, Service Quality, Customer Satisfaction and Perceived Value on Repurchase Intention." Based on the research findings, they concluded that customers' repurchase intention is developed by the involvement of customers' perceived value of the buying products. Gunaxi et al (2008) conducted a research study investigating "The Relationship between Customers' Loyalty and Purchase Intention among Mobile Users." They concluded that there is a positive correlation between the research variables.

2.1 Conceptual Framework

The conceptual model of the current study has been derived from the research model studied by Samuee et al (2013). The model illustrates how providing purchase rewards to companies' customers, as the purchase intention mediator, influence SMEs' profitability.

Graph 1: Research Conceptual Model, Samuee et al (2013)



3. Research Hypotheses

For the purpose of this study, the following hypotheses were developed:

1. The Main Hypothesis:

H₁: Purchase Rewards to companies' customers has a statistically significant effect on the profitability of SMEs in Sanandaj.

2. The Alternative Hypotheses:

H₁: The type of rewards to customers has a statistically significant effect on the profitability of SMEs in Sanandaj.

H₂: The time of rewarding to customers has a statistically significant effect on the profitability of SMEs in Sanandaj.

H₃: Customers' purchase intention has a statistically significant effect on the relationship between the rewards and the profitability of SMEs in Sanandaj.

4. Methodology

Research studies are categorized into different types. The current study is considered as an Applied Research Study regarding its purpose and objectives of the research. Thus, it is classified as a Correlational Research and Survey Research as branches of Applied and Descriptive research method.

Regarding the survey research objectives, the present study describe, predict and analyse the variables' relationships; and considering the time of the research data collection, this study is accounted as a cross-sectional research. The current study, indeed, is aiming both at collecting data for describing the existing research circumstances

and at hypothesis-testing of the research questions.

To accomplish the purpose of this study, the following research questions was addressed:

RQ1: Does purchase rewards to customers have any statistically significant effect on the profitability of SMEs in Sanandaj?

In the analytical model of the research, the variables were specified as being Rewards, Profitability and Purchase Intention. The main data collecting tool employed in this research study was a questionnaire designed for the different objected variables of the study. To this end, diverse types of question were proposed; on the one hand, the Purchase Reward variable got 7 questions, 3 and 4 of which were addressing the time of rewarding and the type of rewards correspondingly; on the other hand, 17 questions were determined for the Purchase Intention variable, 3 for needs analysis, 4 for data collection, 3 for factors evaluation, 4 for purchase intention and 3 for post-purchase behaviours respectively; finally, the Profitability variable got 8 questions based on the Likert's 5-point Scale.

In order to estimate the reliability of the research results, an archetypal sample of 30 questionnaires was pretested, based on the results of which its coefficient confidence index was estimated based on Cronbach Alpha Reliability estimation. Consequently, the coefficient confidence interval for the research objected variables showed different values. As a result, a total index of % 0.801 was estimated for Purchase Reward variable (divided into 0.77 for the time of rewarding and 0.738 for the type of rewards); the estimated index for the Purchase Intention variable pointed % 0.837 (0.791 for needs analysis, 0.745 for data collection, 0.766 for factors evaluation, 0.777 for Purchase Intention and 0.731 for post-purchase behavior). These findings indicate that the questionnaire has the expected dependability or in other words the required reliability was achieved.

The validity of the questionnaire was tested through one of the factor analysis validity measurements i.e. construct validity attained by factor analysis. Factor analysis is a statistical technique which is the most applicable method in Humanities sciences and is necessary in the field of studies which has a number of latent variables and make use of different questionnaires and tests (Byrne, 1994). The current study used first-order exploratory factor analysis technique to elicit the primary factors influencing the variables for service repair/recovery strategies. The findings of are indicated in Table 1 as follows:

Table 1: First-order Exploratory Factor Factor Analysis for the Marketing Knowledge Management and Organizational Performance

First-order Exploratory Factor Analysis	KMO Score / Bartlett Test Score	The Obtained Factors Indexed in Variance in Order of Importance	Variance Percentage
Purchase Rewards to Customers	KMO: 0.880 The data has the required conditions to administer the Factor Analysis.	Type of Rewards (% 61.82) Time of Rewarding (% 17.68)	% 79.5
Purchase Intention	KMO: 0.873 Sig.: 0.000 The data has the required conditions to administer the Factor Analysis.	Data Collection (% 43.48) Factors Evaluation (% 12.68) Needs Analysis (% 10.51) Purchase Intention (% 7.68) Post-purchase Behaviour (% 6.5)	% 80.85
Profitability	KMO: 0.941 Sig.: 0.000 The data has the required conditions to administer the Factor Analysis.	Profitability (% 70.82)	% 70.82

4.1 Statistical Population

The statistical population of the current study consists of the managers and the customers of SMEs in Sanandaj. Therefore, 444 companies participated from which 206 managers and 384 customers were selected as a sample population based on Cochran's Sample Size Formula.

5. Research Findings

The descriptive statistics of the research demographic variables are presented in Table 2 and 3 below:

Table 2: The descriptive statistics of the research manager participants as the demographic variable

Demographic Variable	Level / Range	Frequency Percentage
Gender	Female	% 3.8
	Male	% 96.2
Education	Diploma	% 2.9
	Associate Degree	% 9.5
	B.A. / B.S.	% 64.3
	M.A. / M.S.	% 18.1
	PhD	% 5.2
Age	Under 25 Years	% 5.7
	25 – 35	% 31
	36 – 45	% 31.9
	46 – 55	% 25.2
	Above 55	% 6.2
Job Experience	Under 5 years	% 9
	6 – 10	% 40
	11 – 15	% 17.1
	16 – 20	% 23.8
	Above 20	% 10

Regarding gender frequency distribution of the subjected population, the findings of the research indicate that the most frequency was related to 202 males (% 96.2) while there were 8 females (% 3.8). Moreover, age frequency distribution shows that population aging from 36 to 45 years old consist of 67 people and got the most frequency distribution; on the contrary those aging under 25 were considered as the least frequent distribution i.e. 12 people (% 5.7). Besides, a number of 135 people (% 64.3) of the educated population were associated to Bachelor degree as the most frequent distribution of education whereas diploma degree was held by 6 people (% 2.9) as the least frequent distribution. Finally the table displays that the frequency distribution of job experience gave its most frequency to 84 people (% 40) who are experienced for 6 to 10 years and those who are experienced under 5 years are 19 people (% 9) as the least frequent distribution.

Table 3: The descriptive statistics of the research customer participants as the demographic variable

Demographic Variable	Level / Range	Frequency Percentage
Gender	Female	% 2.1
	Male	% 97.9
Education	Diploma	% 3.6
	Associate Degree	% 16.4
	B.A. / B.S.	% 72.1
	M.A. / M.S.	% 5.5
	PhD	% 2.3
Age	Under 25 Years	% 6.2
	25 – 35	% 17.7
	36 – 45	% 33.9
	46 – 55	% 31
	Above 55	% 11.2

According to the data provided in Table 3 above, the findings illustrate that, on the one hand, the most frequency distributions point to 376 male customers (% 97.9) for Gender factor, 130 customers (%33.9) aging 36 to 45 years old for Age Factor, and 277 participants (% 72.1) holding Bachelors degree for Education factor. On the other hand, 8 female participants (% 2.1), 24 customers (% 6.2) aging under 25 years old and 9 participants (% 2.3) holding PhD degree are considered as the least frequency distribution associated with Gender, Age and Education distributions successively.

5.1 Data Analysis of Research Variables

To interpret the findings based on the data given in Table 4, it is generally concluded that the mean of the purchase rewards to customers as purchase intention mediator equals (3.466) and it is conveniently functioning.

Likewise, Table 5 below indicates the T-test value index 12.805 which is greater than +1.96 and is accounted as the most critical point of the research data analysis.

Table 4: Mean of the statistical population ($H_0: \mu = 3$)

Variable	Mean	SD	T-Test Value	Sig.	Lowest QTY	Highest QTY	Functioning Status
Rewards	3.466	0.713	12.805	0.000	0.395	0.538	Convenient
Time of Rewarding	3.569	0.788	14.141	0.000	0.490	0.648	Convenient
Type of Rewards	3.389	0.745	10.241	0.000	0.315	0.464	Convenient

According to the following data, it is concluded that the mean of the purchase intention as a mediator points to (3.171) and is in a conveniently functioning condition. Furthermore, the index of the T-test value equals 4.577 which is greater than +1.96 and is accounted as the most critical point in the research data analysis.

Table 5: The mean of the statistical population ($H_0: \mu = 3$)

Variable	Mean	SD	T-Test Value	Sig.	Lowest QTY	Highest QTY	Functioning Status
Purchase Intention	3.171	0.733	4.577	0.000	0.098	0.245	Convenient
Needs Analysis	3.170	0.942	3.540	0.000	0.076	0.265	Convenient
Data Collection	3.242	0.782	6.050	0.000	0.163	0.320	Convenient
Factors Evaluation	3.051	0.853	1.176	0.240	-0.034	0.137	Moderate
Purchase Decision	3.228	0.751	5.943	0.000	0.153	0.303	Convenient
Post-purchase Behaviour	3.122	0.906	2.648	0.000	0.032	0.213	Convenient

The given data presented in Table 6 hereunder are interpreted. With regard to the profitability variable, the mean is estimated as (3.058) and thus considered as being in a conveniently functioning condition. In the same way, the T-test indicator shows an index of 1.262 which is greater than +1.96 in values and thus and is accounted as the most critical point in the research data analysis.

Table 6: The mean of the statistical population ($H_0: \mu = 3$)

Variable	Mean	SD	T-Test Value	Sig.	Lowest QTY	Highest QTY	Functioning Status
Profitability	3.058	0.663	1.262	0.209	-0.033	0.141	Convenient

5.2 The Analysis of the Research Structural Equation Modeling

The structural equation modeling (SEM) is AKA Covariance Structure Analysis, Causal Modeling or LISEREL. However, nowadays researchers refer to SEM as the most common expression. Structural Equation Modeling (SEM) or in other words LISEREL (Linear Structural RELations) is a very general Linear Model considered as a combination of Covariance Statistical Analysis Modeling Technique and Multivariate Regression Equations designed to test the regression equations variables simultaneously. SEM is a series of powerful and comprehensive techniques that is used for the purpose of the research hypothesis testing regarding the complex relationships between the observed variables and the latent variables (Hooman, 2005, p. 11).

The following graphs 2, 3, 4 and 5 illustrate the Structural Equation Modeling regarding the Standard Estimation and Significance Value of the research hypotheses i.e. Research Main Hypothesis and Alternative Hypotheses mentioned hereunder:

1. The Main Hypothesis:

H_1 : Purchase Rewards to companies' customers has a statistically significant effect on the profitability of SMEs in Sanandaj.

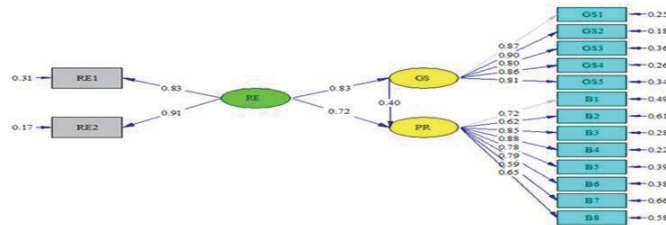
2. The Alternative Hypotheses:

H_1 : The type of rewards to customers has a statistically significant effect on the profitability of SMEs in Sanandaj.

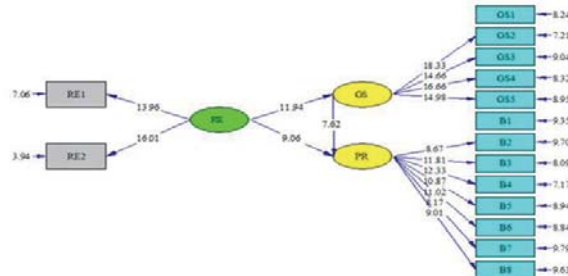
H₂: The time of rewarding to customers has a statistically significant effect on the profitability of SMEs in Sanandaj.

H₃: Customers' purchase intention has a statistically significant effect on the relationship between the reward and the profitability of SMEs in Sanandaj.

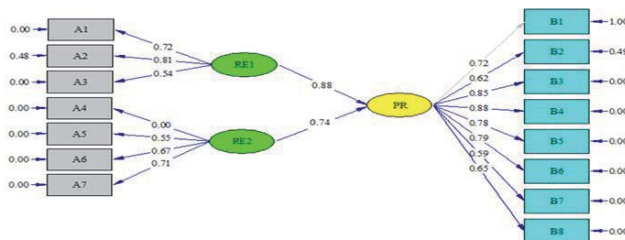
Graph 2: SEM as a Standard Estimation (Research Main Hypothesis)



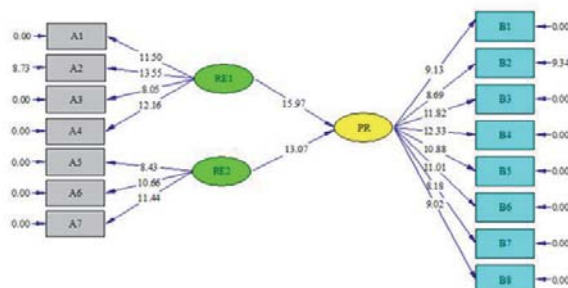
Graph 3: SEM as a Statistical Significance Value (Research Main Hypothesis)



Graph 4: SEM as a Standard Estimation (Research Alternative Hypotheses)



Graph 5: SEM as a Statistical Significance Value (Research Alternative Hypotheses)



Since the T Coefficient of all the research Hypothesis (the main and the alternatives) were indexed as greater than 1.96, the hypotheses are all confirmed as a consequence. Purchase Rewards to customers (taking a coefficient of 0.72 and a statistical significance value of 9.06) has a statistically significant effect on the profitability. The other hypotheses' ranking are illustrated in Table 7 below:

Table 7: The Results of the Research Hypotheses Testing

Reserch Hypotheses	Trend	Trend Coefficient	T-test Value	Results	Rank
The Main Hypothesis	The Role of Purchase Reward to Customers on Profitability	0.72	9.06	Confirmed	-
The Alternative Hypotheses	H ₁ The Type of Rewards to Customers on Profitability	0.88	15.97	Confirmed	1
	H ₂ The Time of Rewarding to Customers on Profitability	0.74	13.07	Confirmed	2
	H ₃ Customers' Purchase Intention on the Relationship Between Reward and Profitability	$0.83 \times 0.40 = 33$	-	Confirmed	-

5.3 Goodness-Of-Fit Statistics Analysis

Although there exist many different measures of Fitness indices for modeling analysis which are constantly compared and improved, researchers have not yet reached to a collective agreement to decide which test is the most optimum one to measure the model fitness indices. The fact is that not only a majority of modeling articles such as SEM have introduced a various range of indices for the estimation of model goodness-of-fit of the observed data; but also, diverse versions of famous programs including AMOS, EQS LISEREL provided a collection of softwares regarding the estimation methods of fitness indices for the same purpose. However, the issue of how the model that best represents the data reflects the underlying theory, known as model fit, is by no means agreed. Generally, researchers use several indices to measure the model fitness. Yet, in order to confirm the model fitness, using 3 to 5 indices would suffice. The current study is an attempt to make use of all the standard criterions used aiming at estimating model goodness-of-fit including RMR, DGI, AGFI, RMSEA, NFI, NNFI and CFI indices, the value of each of which is presented in Table 8 hereunder:

Table 8: Goofness-of-Fit Indices

Index	Type of Index	Limitation /Range	The Range of Accepted Value for Modeling Fitness	The Range of Value for the Research Modeling	Results
Chi-Square	-	-	P-Significance Level Greater than 0.05	Chi- Square: 128.43 P: 0.32	Fitness Confirmed
AIC¹	Information Criterion	N/A	Lower than Values of Independence Model	125.24	The Value of the Independence Model: 452.21 Confirmed
CAIC	Information Criterion	N/A	Lower than Values of Independence Model	241.20	The Value of the Independence Model: 563.21 And Confirmed
Standard RMR²	Information Criterion	0 or 1	Lower than 0.05	Standardized RMR: 0.0024	Fitness Confirmed
GFI³	Comparative	0 to 1	Greater than 0.9	0.92	Fitness Confirmed
TLI / NNFI⁴	Comparative	0 to 1	Greater than 0.9	0.90	Fitness Confirmed
CFI⁵	Comparative	0 to 1	Greater than 0.9	0.91	Fitness Confirmed
Critical N	Sample Content Sufficiency	N/A	Varied for Diverse Models	154	Sample Content was ≤ 210 And Confirmed

¹ Akaike Information Criterion

² Root Mean Square Residual

³ Goodness-of-Fit Index

⁴ Non-Normed Fit Index

⁵ Comparative Fit Index

6. Discussion and Further Suggestions

To sum up, all the research hypotheses were confirmed.

According to the Main Hypothesis of the research, the findings displayed that providing purchase rewards to customers (having a coefficient of (0.795)) had a statistically significant effect on the profitability of SMEs in Sanandaj. It seems that providing customers with purchase rewards is necessary for institutionalizing companies' Profitability (Maximizing Revenues) and their Performance Management; therefore, it is a must for companies to include purchase rewards to customers in their management administratorship.

Considering the alternative hypotheses, the first hypothesis i.e. the type of the rewards got the first rank and thus it is confirmed that the type of rewards has a statistically significant effect on the profitability of SMEs in Sanandaj while the second alternative hypothesis i.e. the time of rewarding was ranked for the second position. Research results showed that the time of rewarding is an influential factor on the profitability as well. In order words, customers' continual endeavors to reduce the companies' service delivery time for the purpose of the pleasure of purchasing is effective in enhancing companies' profitability.

Companies must be cautious enough to prevent customers sensing injustice just because they are designating their company for the sake of enhancing profitability and to this end devaluing their customers as they are setting rates. As illustrated by the results of the alternative hypotheses, the type of rewards had a statistically significant effect on the profitability. As a consequence, customers' justifiable perception of the fact that companies attempt to select the most appropriate types of rewards is considerably effective in eliciting customers' enthusiastic purchasing behaviours. If customers fail to perceive the companies' efforts, the more companies try to stimulate customers' behavior, the more they fail to encourage their customers' purchasing behaviors. In other words, the type of the rewards companies can offer is as much important as the customers' commitment to purchase intention.

Furthermore, the last alternative hypothesis which has been thoroughly explained in Chapter 4, indicates that the customers' purchase intention has a significant effect of the relationship between the reward and the profitability of SMEs even though the intensity of the variables' relationship index a much lower coefficient i.e. 0.358. According to the results, it was concluded that purchase rewards affect the profitability; however, one cannot ignore the crucial role of customers in the effectiveness of purchase rewards on companies' profitability. The findings of testing the effectiveness of the two factors of the reward variable (Type and Time) on the Customers' Purchase Intention variable display that rewards are effective depending on the customers' ultimate purchase intention. That is, on the one hand, the type of rewards is significant only if the customers' intention is for the sake of the pleasure of purchasing; these way indirect rewards are more persuasive. On the other hand, the time of rewarding is significant provided that the purchase intention is sought to companies' profitability. Therefore, companies should try to benefit from their customer's purchase intention as an influential factor on enhancing their profitability.

7. Research Practical Implementations

The following practical implementations are suggested as a result of the present research study:

- ✓ Determining and setting strategic goals for providing purchase rewards to customers
- ✓ Modeling and systematizing the purchase rewarding programs which leads to enhancing profitability
- ✓ Auditing the personnels' salaries payroll and customers' rewards to assure that the amount of income they are paid submit to the level of the efforts and commitments they make.
- ✓ The management board should improve their ability in marketing and management, and to this end, consult with specialists who have sufficient knowledge and expertise in their field and consider management as a science.
- ✓ The management board should seek to reach common values and perspectives with their customers. So doing, customers will commit themselves to the company's goals and objectives; thus, they regard the company's goals as a way to achieve their own goals.

References

- Ebrahimi, A., Jafarzadehkenari, M., Bozorgimakerani, S., (2012). Factors affecting consumer attitude and intention to purchase counterfeit luxury brands in the garment industry (case: Sari). *Journal of modern marketing research*. Vol. 2(3).
- Parsaeian, A. (2002). Accounting theories, Tehran: Office of Cultural Research.
- Mortezazadeh, A. (2013). Conceptual Study of the relationship between consumer attitudes and overall assessment of the plan to buy souvenirs. *Marketing and Advertising*.
- Nakhaei, A., Kheyri, B., (2013). The effect of selected factors on purchasing green products. *Issues* 15, Summer.
- Human, H.A. (2005). Understanding the scientific method in the behavioral sciences (basic research). Tehran: Publication Parsa.
- Bazerman, M.H., 1985. Norms of distributive justice in interest arbitration. *Industrial and Labor Relations Review* 38 (July), 558–570. <http://dx.doi.org/10.2307/2523991>
- Hellriegel, Don, Slocum, John, Woodman, Richard (1995). *Organizational Behavior*, New York: Westpublishing Company.
- Homans, G., 1958. Social behavior as exchange. *American Journal of Sociology* 62, 597–606. <http://dx.doi.org/10.1086/222355>
- Hume, M., & Mort, G. S. (2010). "The consequence of appraisal emotion, service quality, perceived value and customer quality, perceived value and customer performing arts". *Journal of Services Marketing*, 24(2), 170–182. <http://dx.doi.org/10.1108/0887>

6041011031136

- Kim, S.H, 2011. Customer satisfaction and choice attributes of family restaurants in Seoul. *Korean Journal of Hotel Administration* 10 (3), 25–47.
- Kuang Chi, H., Yeh, H. R., & Yang, Y. T. (2009). "The Impact of Brand Awareness on Consumer Purchase Intention: The Mediating Effect of Perceived Quality and Brand Loyalty".
- Noone, B., Kimes, S.E., Mattila, A., Wirtz, J., 2007. The effect of meal pace on customer satisfaction. *Cornell Hotel and Restaurant Administration Quarterly* 48, 231–244. <http://dx.doi.org/10.1177/0010880407304020>
- Sheemerhorn, John (1993). *Management for Productivity*. New York: John Wiley.
- Sunmee Choi, Sooyeon Kim. (2013). Effects of a reward program on inducing desirable customer behaviors: The role of purchase purpose, reward type and reward redemption timing. *International Journal of Hospitality Management* 32 (2013) 237–244. <http://dx.doi.org/10.1016/j.ijhm.2012.06.003>