

Customer Based Brand Equity in the Banking Sector

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Abstract

A strong brand can create significant opportunities for a company in a competitive marketplace. Strong brands can be leveraged to build value to the stakeholders. In order to do so, a company must begin with customers and work backwards in shaping its brands. The process of molding a brand requires carefully sequenced brand-building efforts and an understanding of why a customer prefers one brand over another. Brand management has emerged as a discipline to cater to such crucial branding related activities. Among various models, Customer Based Brand Equity (CBBE) model developed by Kevin Lane Keller addresses brand management issues in a holistic manner. The current study aims at understanding the Keller's CBBE model from the point of view of banking services. The authors have attempted to find out various components in the CBBE model through a primary research with reference to Public sector Banks. For this purpose, a sample of 150 respondents were taken from select of Public sector Banks in Hyderabad. It is found that Public sector Banks stands high on overall dimensions of CBBE model.

INTRODUCTION

Brand management has become an important ingredient of any marketing activity. Significant research has been happening on issues relating to branding (Kapferer, 1997; Aaker, 1997; Urde, M., 1999;). Brand management has been witnessing developments in the form of modern theories like the Customer Based Brand Equity (Keller, 1993) and Brand Indispensability (Ram Raj, 2006).

Literature is available on research in branding in various sectors specifically banking sector in India (Veloutsou, et. al., 2004; Bijoor, Harish 2005; Mishra, 2010; Monga & John, 2010). Banking sector in India comprises of a number of private and public sector banks such as SBI, IOB ,Andhra Bank, ICICI Bank, Axis Bank, HDFC etc. Consumers have different mindsets when they opt for services in various banks (Jain &

Hundal, 2006). Their expectations and demands from various banks can be different from each other (Dutta & Dutta, 2009). Banking in India dates back to the last decades of 18th Century with SBI being the oldest bank. The Indian banking sector has emerged as one of the largest sectors with more than 96 banks.

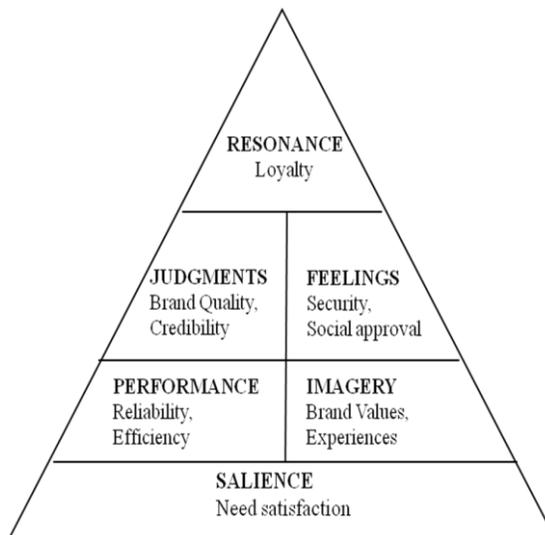
METHODOLOGY

Primary data has been collected through a structured questionnaire comprising of

various select components of six dimensions of the CBBE model. The sample size is 150 respondents, selected from two Banks i. e, Indian Overseas Bank at Maulana Azad National Urdu University Branch and State Bank of India at University of Hyderabad branch in Hyderabad. Respondents are the existing customers of the banks. Respondents are selected based on Convenience Sampling method.

Customer Based Brand Equity (CBBE) Model

According to Keller’s CBBE model, brand equity can be understood as the value of a brand mostly based on the (positive) perceptions of customers (Atilgan, et. al., 2009). Due to presence of many brands in a given category, companies attempt to protect their brand equity by creating sustainable brand differentiation (Davis, et. al., 2009). The CBBE model integrates theoretical aspects of brand management with the consumer behaviour (Keller, 2009). It suggests solutions to key questions before brand managers viz, what makes a strong brand, how can strong brands be built, how should the brand equity be measured and managed, etc. According to the Kevin Lane Keller, six key components make the CBBE model. They are Salience dimensions, Performance dimensions, Imagery dimensions, Judgment dimensions, Feelings dimensions and Resonance dimensions.



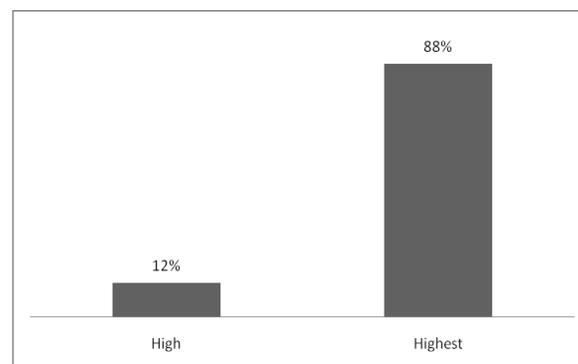
Brand resonance is the most important block as it is the final objective of any brand building programme (Kerri-Ann, et. al., 2008). At this level, the customer loyalty will be very high which can be noticed in the form of active seeking of brand by the customers and also through high frequency interaction between the brand and its customers. At the Resonance stage, the brand association will be high and customers show willingness to share their (positive) experiences with others (Lopo, et. al., 2009). The following text presents research on CBBE model.

DATA ANALYSIS

BRAND SALIENCE: Need Satisfaction

According to the CBBE Model, Brand Salience has brand awareness as the main component and need satisfaction as sub-component. As the respondents are the customers of Public Sector Bank, there was no need for measuring the brand awareness and hence, the level of need satisfaction was measured. It was seen that most of the consumers gave high rating to Need Satisfaction. As, Need Satisfaction forms the most basic part of Brand Salience, it was found that out of the 150 respondents, 132 (88%) gave it the highest rating of 5 on a scale of 1 to 5 followed by only 18 (12%) respondents giving it a rating of 4. It can be interpreted that the Public Sector Bank's customers are highly satisfied with the bank

(Graph 1).



Graph 1: Need satisfaction dimension

**BRAND PERFORMANCE:
 Reliability & Efficiency**

Brand Performance describes how well the product or service meets customers functional needs. Though there are 5 important attributes in Brand Performance, two key components are Reliability and Efficiency (Taylor, et. al., 2007) which are considered for the

study. In the current survey, the customers of Public Sector Bank have rated the bank high in these two parameters. 80% of the respondents have rated Public Sector Banks as high and above on Reliability dimension. All respondents (100%) rated the bank high and above in Efficiency dimension (Table 1).

Table 1: Respondents’ opinion of Efficiency of Banks

Scale	% of respondents
Lowest	---
Low	---
Average	---
High	12%
Highest	88%

BRAND IMAGERY: Brand Value & Experiences

Brand Value and Brand Experience refer to the intangible aspects of the brand. Consumers form an imagery of a brand with their own experience or indirectly through advertising or by some other source of information. The respondents were asked to rank their experiences with the Banks and how they value the brand Public Sector Bank. Findings are presented in Table 2. It reveals that

most of the Public Sector Bank customers ranked the bank as high on Brand Value (80%). 52% of the respondents rated that the bank high in terms of their experience with the brand (Table 3). However the imagery depends on the extrinsic properties of the product or service including the ways in which the brand attempts to meet the customers’ psychological or social needs (Schreuer, 2000). It is mainly the way people think about a brand abstractly.

Table 2: Customers’ rating of brand value of Public Sector Bank

Scale	% of respondents
Lowest	---
Low	---
Can't say	16%
High	80%
Highest	4%

Table 3: Customers' rating of their experiences with the Bank

Scale	% of respondents
Lowest	---
Low	---
Moderate	34%
High	52%
Highest	14%

BRAND JUDGEMENTS: Quality & Credibility

The important aspects of Brand Judgements are Quality and Credibility. These are the customers' personal opinions about quality of services of Public Sector Bank mostly based on their experiences and also other sources. 62% of the respondents have rated the bank high on quality of services (Table

4). It can be interpreted that the bank succeeded in providing customer value and satisfaction. Brand credibility describes the extent customers see the brand as credible in terms of 3 dimensions viz., perceived expertise, trustworthiness and likability. Ratings on the Credibility parameter (Table 5) are attractive with 66% of the respondents rating Public Sector Bank high.

Table 4: Customers' perception on quality of services of Bank

Scale	% of respondents
Lowest	---
Low	2%
Average	18%
High	62%
Highest	18%

Table 5: Customers' rating Credibility dimension of Bank

Scale	% of respondents
Lowest	---
Low	---
Can't say	---
High	66%
Highest	34%

BRAND FEELINGS: Security & Social approval

These are the customers’ emotional responses and reactions to the brand. Fun, warmth, excitement, security, social approval and self respect are all important aspects of the brand feelings. Two aspects, Social approval and Security were considered in the study as these are the important aspects in determining the brand value in a

customer’s mind (Tolba & Hassan, 2009). Security and social approval dimensions are the important factors that influence the customers’ evaluation of the brand value of a bank. The survey results showed that Public Sector Bank as a brand is rated as highest in terms of social approval with 70% rating (Graph 3) and high in terms of security with 48% rating (Table 6).

Table 6: Customers’ rating on Security dimension of Banks

Scale	% of respondents
Lowest	---
Low	4%
Can’t say	12%
High	58%
Highest	26%

BRAND RESONANCE: Loyalty

The final step of the CBBE Model focuses on the ultimate relationship and level of identification that a customer has with the brand. It can be divided into 4 main categories namely, Loyalty, Attachment, Sense of community and Engagement. As Loyalty is the most important dimension influencing the

brand equity of a brand (Xiao & Hawley, 2009), this component is considered for the study. The survey proved that Public Sector Bank consumers are loyal to the bank as more than 60% of the respondents have expressed high degree loyalty towards the brand (Table 7).

Table 7: Customers’ rating on Loyalty dimension on Bank

Scale	% of respondents
Lowest	2%

Low	10%
Can't say	26%
High	46%
Highest	16%

CONCLUSION

Thus ,with the survey conducted on Public Sector Bank as a brand, it was seen that most of its customers have rated Public Sector Banks as an excellent bank in terms of services offered, efficiency, need satisfaction, etc. Basically the Keller’s CBBE model was applied in measuring the brand equity of Public Sector Bank. Total responses provided by the respondents were compiled to find out the rating of Banks by its customers on overall dimensions of the CBBE model. It was found that 46% of the respondents have rated Public Sector Bank high on a scale of 1-5 in the over all parameters considered for the study (Graph 4). Strong brand name not only wins customers but also creates significant opportunities for the companies. Once built, a strong brand can be leveraged to achieve greater market share and increased profits (Torres & Bijmolt, 2009). In the process of building strong brands companies

must focus on creating maximum impact on customers’ minds. Thus the conclusion drawn from the above study is that Public Sector Banks have become one of the leading banks due to its excellent services, efficiency and security for their money when compared to Private sector Bank. which enabled the bank attain high degree Brand equity.

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