

An Appraisal of Brand Resonance of Banking Services among Commercial Banks in Kerala

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Abstract

Banks are significant in the economic life of a country. A well developed financial system is essential for economic growth. A sound banking system stimulates the growth of an economy. Banking industry is highly competitive. So it is critical for banks to improve the customer base for attaining sustainable banking business development. That will increase the performance of banks and maintain the competitive position in the market. There are certain key processes, practices, strategies and technologies that can help banks to retain competitive edge. Banks are focusing on to become more customer oriented. Banks are trying to differentiate their bank by using various brand building strategies. Building Brand Resonance is the ultimate aim of every brand. It has emerged as processes and strategies that have become vital for the businesses in the banks. The present research tries to identify the competitive edge of the banks for the sustainable banking business development. The study focuses on identify the factors influencing in imperative components of Brand Resonance in banking business development. It comprises of brand salience, brand performance, brand judgement and brand feeling. It also helps to understand the implications of brand relationship in banking business. This study is based on primary data with a sample of 160 respondents. The area of study covers the customers in Thrissur district, Kerala. Analysis of data has done with the help of statistical tools such as factor analysis, correlation, regression and percentage analysis. The paper identified the determinants influencing Brand Resonance in the banking business.

Keywords: Brand Resonance; Brand Salience; Brand Performance; Brand Judgement and Brand Feeling.

Introduction

Today's businesses whether big or small, global or local are under incredible pressure to deliver profitable growth in face of increasing competition, globalization, and advances in information and communication technology. With the increasing number of banks and bank branches, it becomes easy for the customers to switch branches where they get the better services and products. So the banks should realise the fact that, customer satisfaction

is the realm of success in banking industry. If the quality of services deteriorates, it becomes difficult for the banks to survive in the industry as the customers easily shift to new branches without any additional cost. A robust strategy has to be adopted by banks to win the hearts of the customers to bring in more business and add to the bottom line of the banks. The prime focus of the banks should be in ensuring finest quality in the delivery of services to the customers. For this, it is very important to understand the needs and wants of the customers. The banks should take all the strategies to fill the gap between the customer expectation and the customer perception. Today, the banks are under incredible pressure to attract new customers and retain the existing customers to gain competitive edge in the industry. The main challenges faced by the banks are problems of customers, maintain the quality of performance, matching the demand and supply in the market etc. All these concerns have to be addressed properly to save the banks

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from facing the danger of closure in the future. Attracting and retaining the customers is the key to all the problems which is vital for success in the long run. Realising the importance of customer satisfaction and customer retention, it is crucial for all the banks to focus on Brand Resonance to reduce the customer turnover and improve the overall performance of the bank.

Brand Resonance is one of the strategies used by the banks to retain the customers. It refers to relationship that a customer has with the services/product and how well he can connect to it. Banks used strategies to manage and evaluate customer interactions throughout the customer's lifecycle in order to improve business relationships with customers to get support from the customers. This ultimately drives the sales growth. For larger organizations creating brand resonance would be their ultimate objective. Brand resonance begins with brand identification followed by brand establishment and build association with customers. Final step is to convert the response into strong relationship. Brand salience tells how well the customers are informed about the services and how often it is evoked under the purchase situation. Brand performance tells how well the functional needs of the customers are met. How efficiently banks full fill the needs of their customers. Brand imagery tells what service image the customers create in their minds. It deals with customer's psychology or the feeling that relate to the service in terms of their social needs. Brand judgement tells what customer decides with respect to the service. The customers make the judgement about the service in terms of its perceived quality, credibility, consideration and superiority. Brand feeling tells what customers feel for the service and how the customer is emotionally attached to the service. Banks are seeking to implement customer relationship management to stay alive and compete in the world. This study tried to explore the influence of brand resonance determinants in the Indian banking industry with special reference to Thrissur.

Statement of the Problem

In this highly competitive and volatile market, it is very critical for the banks to undertake brand resonance activities to ensure customer loyalty. The main challenge faced by the banks is to retain the existing customers due to rise in the number of banks and branches. In Kerala, the presences of banking and non-banking sector to cater to the financial needs of the customers are numerous. So it

becomes essential for the banks to focus on special strategies to retain the customers to gain competitive advantage in the future. Though there have been very few studies conducted on the significance of brand resonance in retaining customers. Thus, the current study focuses to identify the determinants of brand resonance and also try to determine the relationship between the components of brand resonance among the commercial banks in Kerala. Our study focuses on the leading banks in India, SBI from public sector banks and SIB from Private sector bank.

Objectives

1. To identify the determinants of brand resonance of banking services among commercial banks in Kerala.
2. To determine the relationship between the components of brand resonance among commercial banks in Kerala.
3. To analyse the effect of brand salience, brand performance, brand judgement and brand feeling on brand resonance of banks in Kerala.

Hypotheses

H1: There is a significant relationship between the components of brand resonance among commercial banks in Kerala.

H2: There is a significant effect of brand salience, brand performance, brand judgement and brand feeling on brand resonance of banks in Kerala.

Research Methodology

Sampling Design

This study aims to identify the factors influencing brand resonance in banking business development. The population for the study consists of all customers of selected banks operating in Kerala. For the present study Thrissur district has been selected. Two categories of banks were identified namely public sector bank and private sector banks. One bank from each category was selected. State Bank of India from public sector and South Indian Bank from private sector was selected. From the two selected banks (eighty respondents from each bank), 160 respondents were selected for study. Keeping in mind the time and cost factors of the study, data from the population were derived using non probability based convenience sampling method. The sample was drawn from all the

existing customers of the selected banks operating in Thrissur.

Data Collection

The analytical frame of the present study is based on both primary and secondary data. The secondary data collected for the study from the books and from various research journals. A well structured questionnaire and personal interview was used for primary data collection.

Statistical Tools

Analysis of data has done with the help of various statistical tools such as correlation, regression, factor analysis and percentage analysis. Consumers were asked directly to rate the predefined closed end statements, they were measured on five-point likert scale. Where 1 denotes strongly disagree and 5 denotes strongly agree. SPSS 20.0 was used to identify the significant relationship between the components of brand resonance and to identify the significant effect of components of brand resonance.

Data Analysis

Table 1: Demographic profile of responded.

	SBI		SIB		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Age						
Below 20	2	1.25	6	3.75	8	5.0
20-39	43	26.88	33	20.62	76	47.5
40-59	28	17.50	33	20.61	61	38.1
60 and Above	7	4.38	8	5.02	15	9.4
Total	80	50.00	80	50.00	160	100.0
Gender						
Male	32	20.05	38	23.75	70	43.8
Female	48	30.00	42	26.20	90	56.2
Total	80	50.00	80	50.00	160	100.0
Education						
SSLC	2	1.25	10	6.25	12	7.5
HSE	12	7.50	10	6.30	22	13.8
Diploma	7	4.38	13	8.12	20	12.5
Graduate	34	21.25	36	22.55	70	43.8
Post Graduate	25	15.62	11	6.88	36	22.5
Total	80	50.00	80	50.00	160	100.0
Occupation						
Students	15	9.42	11	6.88	26	16.3
Salaried	28	17.52	35	21.88	63	39.4
Business	14	8.75	10	6.25	24	15.0
Agriculture	6	3.75	9	5.65	15	9.4
Retired	7	4.38	9	5.62	16	10.0
Professional	10	6.25	6	3.75	16	10.0
Total	80	50.00	80	50.00	160	100.0
Annual Income						
Below 2,00,000	27	16.88	26	16.23	53	33.1
2,00,000 – 5,00,000	22	13.75	27	16.85	49	30.6
5,00,000 – 10,00,000	27	16.88	24	15.02	51	31.9
10,00,000 Above	4	2.50	3	1.88	7	4.4
Total	80	50.00	80	50.00	160	100.0
Banking Experience						
Less than 2	3	1.88	0	0	3	1.9

2-5	18	11.25	24	15.05	42	26.3
5-10	29	18.12	35	21.88	64	40.0
10-15	11	6.88	10	6.25	21	13.13
15-20	11	6.88	6	3.75	17	10.63
20 and Above	8	5.00	5	3.13	13	8.13
Total	80	50.00	80	50.00	160	100.0

Source: Primary Data.

Table 1: represent the demographic profile of respondents of 160 respondents of selected 2 banks, namely State Bank of India and South Indian Bank. Most of the respondents are having different demographic background, which represents well distributed sample. The age distribution of respondents shows that the majority of the respondents belong to the age group of 20 to 39 with 47.5%. Only 5% of respondents are in the age group of below 20 years and hence they are the least. 56.2% of respondents were female and 43.8% were male. 43.8% of the respondents were graduates and 39.4% of respondents were salaried people. Majority of respondents having a monthly income belongs to below 2, 00,000 category with 33.1%. Most of the respondents have more than 5 years of total banking experience with their bank brand.

Table 2: Reliability analysis of questionnaire.

Factors	Cronbach's Alpha
Brand Saliance	.783
Brand Performance	.738
Brand Judgement	.776
Brand Feeling	.763
Brand Resonance	.855
Overall	.794

The cronbach's alpha is most widely used index for determining internal consistency (Kerlinger 1986). In order to check the internal consistency of the scaled statements, reliability analysis using Cronbach's Alpha Reliability Test was done. Overall Cronbach's Alpha for different scaled statements was .794 which is higher than the standard Cronbach's Alpha of 0.7. Hence it is proved that internal consistency of the scale as a whole is high and the questionnaire can be considered as highly reliable (Table 2).

Table 3: KMO and bartlett's test.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.838
Bartlett's Test of Sphericity	Approx. Chi-Square	1654.421
	df	190
	Sig.	.000

The result obtained from 160 respondents had been thoroughly analysed and the outputs of the result had been clearly explained in this section. To analyze the strength of association among variables the Kaiser-Meyer-Olkin measure of sampling adequacy was computed to determine the suitability of using factor analysis. It certifies whether data are suitable to perform factor analysis. KMO score .838 (greater than .7) indicates adequacy for testing (Table 3).

Table 4: Extraction method: principle compound analysis (Total Variance).

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.009	35.046	35.046	7.009	35.046	35.046	3.718	18.588	18.588
2	1.716	8.580	43.626	1.716	8.580	43.626	3.354	16.772	35.360
3	1.501	7.507	51.133	1.501	7.507	51.133	2.064	10.318	45.678
4	1.264	6.322	57.455	1.264	6.322	57.455	1.837	9.183	54.860
5	1.132	5.662	63.117	1.132	5.662	63.117	1.651	8.257	63.117
6	.935	4.677	67.794	-	-	-	-	-	-
7	.796	3.978	71.772	-	-	-	-	-	-

8	.749	3.745	75.518	-	-	-	-	-	-
9	.665	3.326	78.844	-	-	-	-	-	-
10	.617	3.087	81.931	-	-	-	-	-	-
11	.586	2.928	84.860	-	-	-	-	-	-
12	.567	2.833	87.693	-	-	-	-	-	-
13	.518	2.591	90.284	-	-	-	-	-	-
14	.407	2.035	92.319	-	-	-	-	-	-
15	.357	1.787	94.107	-	-	-	-	-	-
16	.299	1.495	95.601	-	-	-	-	-	-
17	.254	1.271	96.872	-	-	-	-	-	-
18	.235	1.176	98.048	-	-	-	-	-	-
19	.202	1.010	99.057	-	-	-	-	-	-
20	.189	.943	100.000	-	-	-	-	-	-

Extraction Method: Principal Component Analysis.

Source: Primary Data.

Applying SPSS, the principal component analysis (PCA) was carried out to explore the underlying factors associated with 20 factors. All factors with Eigen values greater than 1 are extracted which leaves us with 20 variables reduced to five factors. First factor explain approximately 35 % of variance and other four factors also explain the significantly high variance. Also, it shows a cumulative percentage of 63% of the total variance explained by the five factors and leaving 37% of the variance to be explained by the other 15 components (Table 4).

Table 5: Rotated component matrix.

Brand	Variables	Component				
		1	2	3	4	5
Brand Performance	BP1	.842				
	BP2	.760				
	BP3	.657				
	BP4	.513				
	BP5	.507				
Brand Judgement	BJ1		.790			
	BJ2		.788			
	BJ3		.692			
	BJ4		.632			
	BJ5		.595			
Brand Feeling	BF1			.849		
	BF2			.701		
	BF3			.563		
	BF4			.536		

Brand Imagery	BI1	.828
	BI2	.764
	BI3	.633
Brand Saliency	BS1	.769
	BS2	.622
	BS3	.562

Extraction Method: Principal Component Analysis.
a. components extracted.

This study has identified five important factors those have been named on the variables clustered under a particular factor. The first component based factor is named as Brand performance. This factor explains the highest percentage of total variance of 63.11%. The primary influencing factor is the customers experience with the brand. This factor explains how well the functional needs of the customers are met by the banks. Second factor is Brand Judgement. The customers make the judgement about the service in terms of its perceived quality, credibility, consideration and superiority. Third factor is Brand feeling, what customers feel for the service and how the customer is emotionally attached to the service brand. Next factor is brand imagery, the service image that the customer creates in their mind. The last factor is brand saliency. This factor explains how well the customers are informed about their service brand. The bank tries to provide timely, trustworthy and accurate information to their customers (Table 5).

Table 6: Pearson’s Correlation between factors affecting Brand Resonance of banks in Kerala.

Particulars	Brand Salienc	Brand Performance	Brand Judgement	Brand Feeling	Brand Imagery	Brand Resonance
Brand Salienc	1	.391**	.514**	.500**	.374**	.496**
Brand Performance		1	.686**	.706**	.655**	.831**
Brand Judgement			1	.653**	.579**	.680**
Brand Feeling				1	.683**	.723**
Brand Imagery					1	.647**
Brand Resonance						1

** Correlation is significant at the 0.01 level (2 – tailed)

It is clear from the table 6: that there was a significant level of correlation between the variables determining brand resonance for the commercial banks in Kerala. The highest correlation was found between brand performance and brand resonance (.831) and the lowest correlation was found between brand salience and brand resonance (.496). This indicate that customer prefer a bank brand on the basis of how well the functional needs of the customers are met and not simply on the basis of identity and awareness. Brand judgement and brand feeling also have significant correlation with brand resonance. Thus brand performance, brand judgement, brand feeling, brand imagery and brand salience leads to brand resonance (Table 6).

Table 7: Table showing the effect of factors on Brand Resonance of the bank brand.

Independent Variables	Unstandardized Coefficients	Standard Beta	t	Sig. value	
Constant	-.020	.202	-.099	.921	
Brand Salienc	.107	.073	.090	1.465	.045
Brand Imagery	.132	.051	.127	2.615	.010
Brand Feeling	.179	.061	.184	2.929	.004
Brand Judgement	.180	.061	.184	2.950	.004
Brand Performance	.524	.056	.590	9.375	.000

Table 7 explain the purpose of predicting the effect of changes in variables on brand resonance for the bank brand, regression was used. More brand performance will result in more brand resonance. 1 unit of change in brand performance will result in .524 changes in brand resonance. At the same time a standard deviation of 1 unit of brand performance will result in .590 times standard deviation in brand resonance. For developing regression equation,

brand salience, brand performance, brand judgement, brand feelings and brand imagery were considered as independent variables and brand resonance was taken as dependent variable.

Regression Model was- $Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + u_i$.

Brand Resonance = $-.020 + .524$ (brand performance) $+ .180$ (brand Jugement) $+ .179$ (brand feeling). $.132$ (brand imagery) $+ .107$ (brand salience).

u_i - Radom disturbance.

Table 8: Model summery.

R	R Square	Adjusted R Square	F Value	Sig. Value
.865a	.748	.741	114.953	0.000

a. Predictors :(Constant), brand performance, brand feeling, brand Judgement, brand imagery, brand salience.

b. Dependent Variable: Brand Resonance.

Table 8 reveals R square for the equation was found to be .748 with F value significant at 1% level of significance. 74.1% of variance of dependent variable is explained by the independent variables. From the analysis it was observed that brand performance (.524) was emerged as the most important factor influencing brand resonance followed by brand feeling, brand judgement, brand imagery and brand salience. Regression result interpreted that the more favourable the brand performance, higher will be the brand resonance.

Findings

- ❖ The demographic profile of respondents of 160 respondents of selected 2 banks, namely State Bank of India and South Indian Bank. Most of the respondents are having different demographic background, which represents well distributed sample. The age distribution of respondents shows that the majority of the

respondents belong to the age group of 20 to 39 with 47.5%. Only 5% of respondents are in the age group of below 20 years and hence they are the least. 56.2% of respondents were female and 43.8% were male. 43.8% of the respondents were graduates and 39.4% of respondents were salaried people. Majority of respondents having a monthly income belongs to below 2,00,000 category with 33.1%. Most of the respondents have more than 5 years of total banking experience with their bank brand

- ❖ The first component based factor is named as Brand performance. This factor explains the highest percentage of total variance of 63.11%. The primary influencing factor is the customers experience with the brand. This factor explains how well the functional needs of the customers are met by the banks. Second factor is Brand Judgement. The customers make the judgement about the service in terms of its perceived quality, credibility, consideration and superiority. Third factor is Brand feeling, what customers feel for the service and how the customer is emotionally attached to the service brand. Next factor is brand imagery, the service image that the customer creates in their mind. The last factor is brand salience. This factor explains how well the customers are informed about their service brand. The bank tries to provide timely, trustworthy and accurate information to their customers.
- ❖ Study reveals that there was a significant level of correlation between the variables determining brand resonance for the commercial banks in Kerala. The highest correlation was found between brand performance and brand resonance (.831) and the lowest correlation was found between brand salience and brand resonance (.496).
- ❖ Analysis was observed that brand performance (.524) was emerged as the most important factor influencing brand resonance followed by brand judgement, brand feeling, brand imagery and brand salience. Regression result interpreted that the more favourable the brand performance, higher will be brand resonance. 74.1% of variance of dependent variable is explained by the independent variables.

Suggestions

- ❖ The banks need to focus on full filling the needs of their customers by keeping their expectations.

- ❖ Banks has to treat their customers in the best possible manner and manage with their expectations for successful organization.
- ❖ Commercial banks would be ready on their toes to serve their existing customers all the time.
- ❖ Banks are advised to organize consumer education programmes, effective advertising campaign and customer grievance cell to improve the brand performance.

Conclusion

In this competitive world almost all the banks whether public or private strongly believe that it is more costly to acquire new customers rather than satisfying and retaining the existing customers. The study attempts to find out the factors influencing brand resonance in sustainable banking business development. Study identified five important factors to be considered in brand resonance as brand performance, brand feeling, brand Judgement, brand imagery and brand salience. Study also identified the most influencing brand resonance factor to be brand performance. Banks have to strengthen their brand resonance and ensure customer loyalty. This would ultimately help them to maintain and enhance the customer base resulting in more vibrant and dynamic banking institutions in the economy.

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