Analysis of Brand Equity and Resonance of Private Banking Services in India

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This study attempts to validate the determinants of brand equity of services based on consumers' perception of a private banking service. The theoretical framework of this study is based on customer-based brand equity called the Brand Resonance model, which comprises six brand equity constructs, namely, brand performance, brand judgment, brand resonance, brand imagery, brand salience and brand feelings. Factor analyses were performed on all items measuring the six constructs and the results produced only five factors i.e. brand resonance, brand performance, , brand feelings, brand judgments and brand salience, as the determinants of brand equity of services. For testing the reliability, alpha test on all these factors was produced. Further, correlation analysis was performed on the study variables and the results indicate that there are strong, positive and significant relationships between brand performance and brand judgment, and between brand performance and brand feelings. From the findings it was identified that there is a significant relationship between brand performance and brand resonance, between brand judgment and brand resonance as well as between brand feelings and brand resonance. The multiple regression results mention that only Brand Feelings, Brand Judgments and Brand Performance have a significant influence on Brand Resonance.

Keywords: Brand resonance, Brand equity, Banking services, Consumer

Introduction

Brand Equity is the value and strength of the Brand that decides its worth. It can also be defined as the differential impact of brand knowledge on consumer response to the Brand Marketing. The concept of Brand Equity comes into existence when consumer makes a choice of a product or a service. It arises when the consumer is familiar with the brand and holds some favorable positive strong and distinctive brand associations in the memory. The importance aspect of brand equity is not confined to tangible goods, but is also of utmost requirement in the intangible services sector. In the present time, business is not restricted to boundaries of nations or cultures. However, there is a concept of the global market, where brands are considered as global brands.

Branding is not only associated with tangible goods but also it is relevant for intangible goods such as services. With the tangible goods, the physical product is the primary brand. In case of services, the service organization or the service provider is the primary brand. There are basic differences between goods and services, which may have implications for brand equity. For instance, the branding efforts for tangible products can be materialized through the product, packaging, labelling, and logo design etc. On the other hand, services lack the tangibility that allows packaging, labelling and displaying etc.

Literature Review

Despite the availability of numerous definitions of brand equity in the literature, there is little consensus on what brand equity means (Park and Srinivasa, 1994).

Brand equity is defined as the marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name (Aaker 1991; Keller 2003). The specific effects may be either consumer-level constructs, such as attitudes, awareness, image, and knowledge, or firm level outcomes, such as price, market share, revenue, and cash flow. Aaker (1991, 1996) has provided the most elaborate concept of brand equity and defined brand equity as "a set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firms customers". He further explained 5 dimensions of brand equity i.e. brand awareness, brand associations, perceived quality, brand loyalty and other brand-related assets.

Lassar et al. (1995) suggested that customer-based brand equity consists of two components: brand strength and brand value. According to him, brand strength refers to the brand associations held by customers and brand values are the gains that accrue when brand strength is leveraged to obtain superior current and future profits. Keller (2003) has explained CBBE from two perspective a. brand knowledge, formed by the dimensions of awareness and b. brand image; in terms of strong, favourable and unique brand associations to the brand in the memory of consumers as an indicator of brand equity.

Services are unstandardized and are composed largely of abstract experience attribute, the value of which has to be inferred by the

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consumer (Cobb-Walgren, Ruble & Donthu, 1995). Brand equity has emerged as one of the crucial issues to be argued and understood in marketing area (Keller, 1993, Aaker, 1996, Kim and Kim, 2005, Dyson et al., 1996,). In addition, it has been discussed in a number of different ways and for various purposes (Keller, 2003; Atilgan et al', 2005).

According to Berry (2000), branding is a principal success driver for service organizations. Brand development is important in services because of the difficulty in discriminating products that lack physical differences (Zeithalm, 1981). Furthermore, the intense competition in the service markets also makes service branding very relevant. Branding plays a special role in services because strong brands increase customers' trust of the invisible purchasing process (Berry, 2000). It offers an opportunity for consumers to establish a mental picture of the service.

Strong service brands enable customers to better visualize and understand intangible products. Understanding brand equity in the marketing context is considered an attempt to define the relationship between customers and brands (Wood, 2000). Many service industries are facing increasing competition, which makes it more important for the service provider to establish a strong brand, not only in the market but also in the minds of the customer (Bamert & Wehrli, 2005, Kellar, 2003). Powerful brand is an important relational tool (Erdem and Swait, 1998) and important to consumers because it reduces perceived risk of consumption and ii) economize decision-making costs (Stigler, 1961; Stiglitz, 1987). In addition, Berry (2000) indicates that it is important to understand that in the context of services, the primary service brand and the organisation are often synonymous.

The relationship between brand performance and consumer based brand equity has been investigated by Oliveira-Castroa et al. (2008). They analyzed the relationship across thirteen product categories ranging from computer to soft drink products in Brazil and the UK. The result of the study illustrated a variation between the brand performance and consumer based brand equity across the product categories. Furthermore, this variation pointed out that products differ with respect to their level of brand ability, suggesting ways to measure it. Keller (2009) discussed the tools for building strong brands in the modern marketing environment.

The paper presents the customer based brand equity model which emphasizes the importance of managing and understanding the brand knowledge structure of the consumer. The finding of the paper helps marketers to manage and build their brands' image in the contemporary dramatically changing market. The brand resonance pyramid has been specifically reviewed as a means to trace the relationship between marketing communication and active loyalty of consumers and how this relationship is being affected by brand equity.

Objectives of the Study

The main objective of this study is to empirically test a conceptual model of brand equity that investigates the factors involved in building a strong brand based on the Brand Resonance Model as proposed by Keller (2001). This study mainly focuses on the following objectives:

1. To validate the determinants of brand equity of services
2. To determine the relationship between the components of brand equity.
3. To examine the extent that Brand Performance, Brand Salience, Brand Judgments and Brand Feelings account for the variance in Brand Resonance

Theoretical Model

The concept of brand equity is multi-dimensional. Various models of brand equity have been propounded by various researchers over a period of time. A few brand equity models are:

The Aaker Model of Brand Equity

A Customer-Based Brand Equity (CBBE) Model and the Brand Resonance Model (Keller 2001),

The Brand Asset Valuator by Advertising Agency Young and Rubicam, The BRANDZ Model of the brand strength by marketing research consultant Millward Brown and wpp.

According to literature review, for the concept of brand equity, empirical studies to test the proposed constructs in the Brand Resonance model for banking services in the context of India are quite limited. The theoretical framework for this study is based on the consumer based brand equity model also called the Brand Resonance model developed by Keller (2001).

Keller (2001) four main constructs, namely, brand meaning, brand responses, brand identity and brand relationships. These four constructs consist of six blocks, which were named by the author as brand building blocks. The author explained through the model that the power of brand lies in what consumers learnt, felt, saw and heard about the brand over time. The process of moving from bottom to top of the pyramid helps in creating brand equity.

According to Keller (2001), the six building blocks are:

1. Brand Salience, which relates to how often the brand is evoked in the situations of purchasing and consumption.

2. Brand Performance, the degree to which the product meets the functional needs of consumers.

3. Brand Imagery, which relates to the extrinsic properties of the goods or services.

4. Brand Judgments, which concentrate on the personal opinions and evaluations of consumers.

Research Methodology

Services offered by private sector banks in India will be investigated to meet the objectives of the present study. Rajasthan State is selected as the sampling area to get a heterogeneous sample comprising various demographic characteristics. Primary data was collected through a structured questionnaire adopted from Keller (2001). The questionnaire was based on all six constructs proposed by Keller (2001). Variables under study were measured through the perceptions of respondents in Rajasthan State. A stratified random sampling method was considered to collect the responses from the respondents. Randomly, 5 sectors were selected from all the strata.

A pilot study was conducted to determine the appropriateness of the brand equity construct (n = 87) in the Indian privet banking services because a reliability check has been done to know the suitability of the construct for this industry. After determining the suitability of the brand equity construct, a total of 478 questionnaires were administered to potential respondents chosen from various areas of Rajasthan State. A total of 416 usable questionnaires were returned, giving a response rate of 87%, administered to the customer's sample size of 416 respondents. As pilot study results were in favour of the construct, those responses were included in the sample too.

Demographic Presentation of Sample

The questionnaire included a separate section on customer's demographic profile. A demographic profile of the respondents included of age, gender, marital status, educational qualifications, employment status, and monthly income. Table 1 shows the detailed demographic profile of all respondents.

Table 1 Demographic Profile of Respondents

Demographic Profile (Total 416 Respondents)		Respondents (No.)	Respondents (%)
Age	18- 25	44.1	10.6
	26 - 35	126.4	30.4
	36- 45	186.3	44.8
	Above 45	59.0	14.2
Gender	Male	276	66.3
	Female	140	33.6
Marital Status	Married	286	68.8
	Unmarried	130	31.2
Education	Graduates	286	68.7
	Post Graduates	130	31.3
Occupation	Professionals	292	70.2
	Self Employed	36	8.6
	Wage Employed	26	6.3
	Others	62	14.9
Income	Below 25,000	157	37.6
	Above 25,000	259	62.4

Data Analysis and Findings

An Exploratory Factor Analysis, Multiple Regression Analysis a Correlation Analysis were used to analyse the data. The SPSS software was used for analyzing the data collected. The Microsoft Excel software package was also used to make some basic computations such as calculation of the mean values etc.

Reliability Analysis

Cronbach's alpha was constructed which is helpful in measuring how well a set of variables or items measures a single, one-dimensional latent construct. The alpha values of 0.70 or greater denotes the satisfactory reliability of the items measuring the constructs (dimensions). These alpha coefficients were found to be ranging from 0.779 to 0.913 for all of the brand equity constructs and for entire scales the alpha value was found to be 0.837.

Table 2 Reliability Coefficient for Brand Equity Constructs

Name of the Construct	Cronbach's Alpha Value
Brand Salience	0.779
Brand Performance	0.796
Brand Imagery	0.871
Brand Judgments	0.890
Brand Feelings	0.801
Brand Resonance	0.913

Exploratory Factor Analysis

Exploratory factor analysis was executed to decrease the total number of items to a small number of underlying factors. Additionally, a test was performed to determine whether the data collected were reliable with the prescribed structure.

The results for factor analysis gave Kaiser-Mayer-Olkin (0.892), Bartlett's Test of Sphericity (Chi-square 1943.231, significance 0.000), proving that the factor analysis done with the brand equity related variables was effective. Six factors extracted using the methods of principal component analysis.

Table 3 Kaiser- Mayer- Olkin Measure of Sample Adequacy and Bartlett Test of Sphericity

Kaiser- Mayer-Olkin Measure of Sample Adequacy		0.892
Bartlett Test of Sphericity	Approx Chi-Square	1942.230
	Significance	0.000

The extracted six factors explained 68.72% of the total variance. Principal Component Analysis using Varimax Rotation with Kaiser Normalization was done to find the dimensionality of the data set collected. The loadings of the factors recognized in factor analysis were stable. Each of the variables loaded high on a single factor. 0.40 was Cutoff point for the factor structure

Table 4 Factor Loadings Matrix

Variables	Factor loadings					
Brand Resonance 1		0.40		0.82		0.42
Brand Resonance 2				0.78		
Brand Resonance 3				0.82		
Brand Resonance 4	0.53			0.81		0.46
Brand Resonance 5				0.78		
Brand Resonance 6				0.76		
Brand Resonance 7				0.75		
Brand Judgment 1		0.76				
Brand Judgment 2		0.69				0.45
Brand Judgment 3		0.7				
Brand Judgment 4		0.82				0.46
Brand Judgment 5		0.79		0.52		
Brand Judgment 6		0.84				
Brand Judgment 7		0.78				

Brand Feeling 1						0.88
Brand Feeling 2						0.87
Brand Feeling 3		0.52				0.79
Brand Feeling 4						0.78
Brand Performance 1			0.51		0.89	
Brand Performance 2					0.92	
Brand Performance 3	0.48				0.88	
Brand Performance 4					0.87	
Brand Performance 5		0.49			0.79	
Brand Performance 6					0.8	0.52
Brand Performance 7					0.76	
Brand Performance 8					0.81	
Brand Imagery 1	0.69		0.46			
Brand Imagery 2	0.7					
Brand Imagery 3	0.71				0.47	
Brand Imagery 4	0.72					
Brand Salience			0.92			
Brand Salience	0.43		0.94			
Brand Salience			0.91		0.45	
Brand Salience			0.89			0.42

Correlation Analysis

Average scores for all the six brand equity factors were calculated. Mean and standard deviations of the variables included in the study are depicted in the tabulated form (Table 5).

Table 5 Mean and Standard Deviation for Brand Equity Constructs

Construct	Mean	Standard Deviation
Brand Salience	4.49	1.48
Brand Performance	3.7	0.74
Brand Imagery	3.72	0.66
Brand Judgment	3.67	0.59
Brand Feelings	3.55	0.74
Brand Resonance	3.33	0.84

In order to develop further understanding of relationships among all the brand equity constructs, the Pearson correlation technique was calculated in the study. Numerical values of the correlation coefficients reflect the degree of association between each of the brand equity constructs. (Table on next page)

From the table 6, correlation results show that there is a strong, positive correlation between brand judgment and brand performance ($r = 0.733$) at 1% significance level. A strong, significant and positive correlation between brand judgment and brand feelings ($r = 0.710$)

Table 6 Pearson Correlation

Variables	Brand Resonance	Brand Judgment	Brand Feelings	Brand Performance	Brand Imagery	Brand Salience
Brand Resonance	1.000	0.686**	0.691**	0.700**	0.172**	0.039
Brand Judgment		1.000	0.710**	0.733**	0.160**	0.067
Brand Feelings			1.000	0.600**	0.136**	0.030
Brand Performance				1.000	0.197**	0.075
Brand Imagery					1.000	0.020
Brand Salience						1.000

** Correlation is significant at 0.01 level of significance (two-tailed).

Multiple Regression Analysis

Multiple regression equation was developed to relate the construct of brand resonance with other brand equity constructs. For the purpose of developing the regression equations, the five brand equity factors, i.e. brand judgments; brand feelings brand salience; brand performance and brand imagery were taken as an independent variables and the brand resonance as a dependent variable.

The Expected Regression Model Used in the Study

$$Y1 = \beta0 + \beta1X1i + \beta2X2i + \beta3X3i + \beta4X4i + \beta5X5i + \mu i, \quad (1)$$

Where i = 1 to 416, Y is the Brand Resonance, X1 is Brand Salience, X2 is Brand Performance, X3 is Brand Imagery, X4 is the Brand Judgments, X5 is the Brand Feelings, and μ is the random error term.

Table 7 Multiple Regression Results

Independent Variable	(1)	(2)	(3)	(4)
Constant	-0.294	0.054		
Brand Judgment	0.307	0.054	6.774	0.000
Brand Feelings	0.428	0.054	9.058	0.000
Brand Performance	0.497	0.054	10.755	0.000
Brand Imagery	0.094	0.054	2.755	0.101
Brand Salience	0.139	0.054	3.605	0.010

Notes- (1) unstandardized beta, (2) standard error, (3) t-value, (4) sig. R= 0810, R2 = 0.657, F-value significant

Overall R2 for the estimated regression model was 0.657, with F- value significant at 1% significance level. From the above (table no. 7), it is evident that brand performance emerged as the most important determinant of brand resonance, followed by brand feelings (0.428) and brand judgments (0.307). Hence, it can be concluded that the higher the performance of the brand, the higher will be the brand resonance among the customers.

Discussion

The above mentioned Exploratory Factor Analysis results give six relevant factors in building brand equity for private banking services in the Indian context. The study used the brand equity constructs proposed in the Brand Resonance Model by Keller (2001). Six factors brand salience, brand performance, brand judgment, brand feelings and brand resonance which were predictors of service brand equity. Among these variables, strong, significant and positive correlation was found between brand performance and brand judgment, brand feelings and brand resonance. Apart from this, brand judgment is also found positively related to brand feelings and brand resonance. Additionally, a strong, significant, and positive relationship between brand feelings and brand resonance was evident from the correlation results.

Brand feelings and Brand Judgments are more important as compared to brand resonance in order to build the relationship between the service provider and consumer. In this study, Brand performance, Brand feelings and Brand judgments are evident to be important determinants that are helpful in developing Brand resonance. Since it has been found that the technical and functional service quality cannot be separated from each other, because services are intangible in nature. The functional aspect of service quality will help service providers to develop relationships with customers, and later this may help them to build loyalty among customers. In the context of services, brand focuses upon the experience of the customer with the service provider, which helps in understanding the meaning of brand. Further from the banking services point of view, the functional quality of the services cannot be taken separately from the technical quality of the services. Hence, to achieve the brand resonance and brand equity, banking service provider needs to integrate customers' perspectives, employees' efforts, and the process of delivering services. The process of service delivery includes entire steps of internal operation, which helps in the production and consumption of services. This will help the service providers to make improvements in brand resonance.

Service providers should also think about customized services to satisfy banking customers and, additionally, banking service providers can also work out the possibilities of rewards to delight their customers or attract them for re-patronizing the service provider.

Conclusion

The particular study confirms that the customer-based brand equity model called the brand resonance model works in series of steps in a logical manner to build a strong brand which is also explained by Keller (2001). These steps followed in the process of brand building involve the establishment of brand identity followed by creation of brand meaning appropriately by drawing the right response and developing customer relationships over a period of time. The model used in this study works as a guide to private banking service providers in the process of developing strong brands in the consumer market. The model tells about the sequence from building the meaning of brand to establishing the customer brand relationship.

From the findings of this study, it can be concluded that all six factors contribute to the entire brand equity constructs, and a strong, significant and positive relationship among all six factors of the brand equity construct. The deviation in brand resonance is described by its predictors to the some level of extent, but there may be other factors which may be explaining brand resonance in the context of banking services. Brand performance was found to be the most important factor followed by brand judgments, and then brand feelings in predicting brand resonance. In the case of private banking service, brand has been identified as a relational tool and is valuable to consumers. The model also involved that service providers must focus on designing and implementing brand building programs to get resonance with the customers.

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