

The Impact of Brand on Customer Satisfaction on the Indian Banking Industry

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Abstract

In today's extremely competitive market, an Indian customer behaves as the largest potential for the Indian Banking sector. In the recent few years, we have noticed that Indian banks have been more concerned of their brands and have begun to distinguish, preserve and take care of their brands in the market. Branding in India is a challenging job as we have to deal with the huge number of consumers growing from the various sets of groups, cultures, life styles, etc. The customer acts as a feedback opportunity to the bank by using the services of their bank. Competition in the banking sector has made the effect of bank brand image on customer attitudes and behaviours more important. Bank brands are increasingly becoming one of the most critical differentiators and determinants of success in today's banking sector. The aim of this study is to examine the relationship between consumer satisfactions and the brand image of a commercial bank. The ANOVA, Pearson correlation and regression results show that there is a significant relation among brand image and consumer satisfaction.

Key Words: Customer satisfaction, Banking Services, Loyalty, Banking Industry, Brand.

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1. INTRODUCTION

A brand is the identity of your bank, which includes its beliefs, values, and characteristics. It is a tangible and intangible firm asset that offers shareholder value and longevity and indisputably distinguishes your business from competitors. Typically, powerful brands are Memorable, Fascinating, Relevant, and Appealing. A brand is more than a company's logo, slogan, marketing, public relations, and commercial endeavours. These are the means by which your brand is communicated and made easily identifiable. A strong brand provides you greater influence over the expansion of your bank. It facilitates consistent communication with consumers, peers, and the public at large. It facilitates the development of relevant and engaging multichannel marketing. In addition, it fosters an internal culture that inspires and motivates individuals. Successful companies provide a comprehensive experience that inspires confidence, trust, and loyalty. Thus, consumer loyalty provides a reliable business foundation and promotes brand value. Branding is not a new concept in the commercial sector. Brands are vital in the banking sector and other organisations, but they are difficult to measure in terms of performance and real added value. Most financial products are commoditized, which makes building a brand challenging in this industry. Due to the brand, banks have learned to upgrade themselves by focusing on effective customer related services. Brand recognition is essential in the financial services sector. Since it helps categories and name a wide range of new products, it is essential to the financial sector. In this environment, branding is particularly important for the financial sector, as investors and other large investors are wary of undertaking large financial transactions. These investors can be wooed only when the brand of the bank is big and credible.

Bank brands are increasingly becoming one of the most critical differentiators and determinants of success in today's banking industry. To discourage customers from shifting to a competitive bank, banks must maintain a consistent brand image. Consequently, banks are placing a greater emphasis on customer-centric marketing. Banks endeavour to develop marketing strategies that build brand image among clients in order to increase customer satisfaction and loyalty while also boosting performance. Despite the fact that bank brand image is becoming a more critical issue in the competitive banking business, there are few research in this area.

"Branding is a relatively new concept for the financial industry. They are slowly realizing that they need to manage their strategic assets, too." Very slowly. "Most banks earmark very little of their annual operating budgets to brand building and management when compared to infrastructure allocations (facilities, equipment, information technology, etc.) – and it shows."- International Business Consultancy Prophet.

1.1 Branding and its Significance in Banking Industry

Branding is one of the least understood activities by banks and corporate sector. Branding is viewed as a subset of advertising, and many managers and business writers believe that branding is merely the management of product image, a separate task that can be separated from the business model. This offers an additional perception, suggesting that:

- It is a critical instrument for developing and retaining competitive advantage.
- They are traditions that spread in community as conventional stories.
- Effective programmes must convey the four unique aspects of brand value.
- The brand policies should be incorporated into the marketing strategy.
- It is crucial to improving customer satisfaction, not just graphics.

1.2 The Indian Banking Sector's Branding

The banking industry in India has the most to gain from the Indian consumer. Building a powerful corporate brand will result in customer preference and brand loyalty, allowing the bank to attain a sustained competitive advantage. A behavioural perspective of customer brand loyalty demonstrates that the perception of corporate brands has a substantial impact on the purchasing choice. The perception of the Indian consumer changes as demographic changes, lifestyle changes or cultural changes. Nowadays, the Indian consumer aims to achieve his or her lifestyle goals at a younger age by using a mix of equity and debt to support spending and asset growth. As a result, there is a growing need for financial services that are competitive and innovative.

1.3 Significance of Brands

1.3.1 *Creates Faith among Potential Consumers*

With an effective branding approach, you will acquire the trust of potential customers. According to research, consumers perceive powerful brands as lower risk and better value. It may also increase staff pride, decreasing employee turnover and supporting you in hiring top personnel.

1.3.2 *A Strong Brand Increases Strong Competition*

A powerful brand not only resonates with consumers but is also easily recognisable. Your message rises above the everyday flood of irrelevant information when you have earned the right to be heard. Customers will choose you more frequently if they can hear you. Your financial institution is less vulnerable to external forces aiming to steal your consumers.

1.3.3 *A Strong Brand Directly Talks to your more Preferred Consumers*

In today's content driven society, everyone is a decision-maker. Strong brands help to achieve this by creating themselves as useful resources instead of merely providers of services and products. This increase customer's good faith and confidence.

1.3.4 *Strong Brand Reduces Financial Stress*

Banks are businesses also. Which are following banking regulations and acts. Financial services organisations are facing unpredictable financial times as a result of changing tax laws, increased regulation, and the need to decrease expenses while also finding new revenue streams. A solid brand alleviates these risks by increasing consumer loyalty and actual company value.

1.3.5 *Strong Brand Empowers in Simplifying the Decision Making*

If your bank has a strong brand, it will be easier for potential customers to decide and choose you as their banking partner, as well as a strong brand will help reinforce the customer's decision for years to come.

2. LITERATURE REVIEW

Nawaz, Aayasha & Mishra, Deepak & Ali, Anwar (2018), This study tried to identify the concept of customer satisfaction and the elements influencing customer satisfaction in Indian banking using a qualitative approach. If banks are aware of their clients' requirements and expectations, Indian retail banks will be able to compete more effectively. while subsequent studies have attempted to comprehend the causes, However, the criteria have been developed based on the current customer satisfaction model. It was necessary to conduct an exploratory investigation to identify the aspects that contributed to consumer satisfaction.

Onyancha, G. K. (2013), This research evaluates that banks executive try to make and retain the favorable banks brand image in order to increase consumer satisfaction, and loyalty. The study's findings also revealed that customer happiness is the key to loyalty intention; based on the findings, we can claim that there is a optimistic relationship between consumer satisfaction and loyalty intention; if users of banking services are happy, they can easily develop a basis of loyalty; so, the second hypothesis is completely validated. The research demonstrates the significance of brand image to consumers of banking services in terms of brand loyalty and consumer satisfaction.

Arora, Sangeeta & Chaudhary, Neha (2016), The study's findings indicate a strong association between brand value and ROA, ROE, stock prices, and EPS, showing a considerable influence of brand value on bank financial performance. It is noticeable that ROA, ROI, and stock prices are significant predictors of brand value. The study also showed a positive relationship between share prices and brand value, which is significant at the 1% level of significance. As a result, banks should be more concerned with making the most use of their brand investments and attempting to minimise expenses as effectively as possible. This is important for enhancing their return and providing benefits to equity shareholders.

Sujith, M. S. (2018), The research looked at brand recognition, perceived quality, consumer satisfaction, and loyalty. Various tools were used to conduct the study, including percentage analysis, mean, standard deviation, and co-efficient of variation. The findings revealed that SBI consumers are neither happy nor dissatisfied with how the bank operates. Consequently, the effect of brand on customer loyalty among SBI customers is average. The total mean score of SBI banking customers' perceived quality on customer loyalty is 3.49, indicating that the element perceived quality of SBI banking consumers is neither satisfied nor dissatisfied. Furthermore, consumer satisfaction and brand loyalty have typical mean scores of 3.46 and 3.43, respectively. SBI's overall mean score for the effect of brand on customer loyalty is 3.49. That is, SBI's consumers are neither happy nor unsatisfied with the way the company operates.

3. RESEARCH METHODOLOGY

3.1 Problem Statement

Impact of brand on customer satisfaction on the Indian Banking Industry.

3.2 Objectives of the Study

- To evaluate the brand effect on customer loyalty in the Indian Banking Industry.
- To study the perceived service quality and level of satisfaction of customers in the Indian Banking Industry.
- To recognize customer Satisfaction from Brand Banking Services.
- The aim of this study to find out brand image and specifically brand awareness.

3.3 Sample Design and Collection of Data

This study is based on primary data Sources. Primary data collected through questionnaire. Questionnaire distributed to 400 bank customers but only 305 bank customers could respond. Customer who regularly use service of the banks are respondents of the questionnaire. Questionnaire consists of age, gender, and education of respondents utilising for attitude on their

banks brand. Respondents were limited to retail banks operating in the urban areas of Moradabad district.

4. DATA ANALYSIS

Table No. 1: Gender of the Respondent

Genders	Frequency (f)	Percentage	Valid Percentage	Cumulative Percentage
Male	180	59.01	59	59
Female	125	40.98	41	100
Total	305	99.99	100	

Out of 400 only 305 total respondents participated in this questionnaire and were able to response. Gender is used for classification category. Both genders participated out of 180 males respondents and 125 females respondents, who participated in this questionnaire. According to research, male respondents are higher as compare to females in this survey.

Table No. 2: Age wise Customer Respondents

Age Group	Frequency (f)	Percentage (%)
Below 20	33	10.82%
20-29	64	21.00%
30-39	77	25.24%
40-49	56	18.36%
50-59	53	17.38%
60 & Above	22	7.21%
Total	305	100%

From the Table No. 2, Age group of 30-39 are more happy with the bank brand i.e., 25.24%. And 21% of age group 20-29 is satisfied after 30-39 age group. Least satisfaction found in age group 60 & above which is showing only 7.21%. Therefore, it is necessary to closer attention in this age group which also called senior citizen.

Table No. 3: Education Level of the Respondents

Groups	Frequency(f)	Percentage	Valid Percentage	Cumulative Percentage
Up to 8 th class	58	19.01	19	19
10 th class	113	37.05	37	56
12 th class	61	20.00	20	76
Graduates & Above	73	23.93	24	100
Total	305	99.99	100	

Table No. 3 Represents the educational qualifications of the consumer responders The majority of respondents have completed 10th class (High School) accounting for 37.05% of the total, while respondents of up to 8 class have least participation with 19.01% of the total. This means that the

lowest degree of education forecasts that the brand image will not function with that level of education. It can be shown that respondents with 10th Class (High School) level of education are the most happy customers of their linked bank's brand name. While graduates and above qualification stands for 23.93%.

Table No. 4: Descriptive Analysis of Bank's Brand Image

Bank's Brand Image Related Questions	Mean	Std. Deviation
i. Did you select your present bank on the strength of its branding?	3.16	1.406
ii. Did brand name of this bank tells you all the latest information?	3.25	1.408
iii. Did you select your present bank on the strength of its branding?	3.42	1.333
iv. Do you agree that branding is significant for banks?	3.53	1.275
v. Are you familiar with bank branding strategies?	3.30	1.405
vi. Do you agree banks provide a variety of products and services?	3.20	1.34
vii. Do you think banks are different from other banks?	3.22	1.38

Table No. 5: Descriptive Analysis of Customer Satisfaction

Customer Satisfaction Related Questions	Mean	Std. Deviation
i. You are satisfied with the service provided by your bank.	3.34	1.303
ii. Banks fulfill to my bank's essential services.	3.28	1.299
iii. The service provided by your bank is very satisfactory.	3.31	1.402
iv. You believe that dealing with your bank is typically a very satisfying experience.	3.48	1.377
v. You made the right decision when you decided to use this bank.	3.12	1.448

Customer satisfaction with their respective banks is also high in Table No. 5, with a mean of 3.48 and a standard deviation of 1.377. Customer satisfaction is interacted with the service offered, and they are happy with their bank's products and services.

4.1 Correlations between Bank's Brand Image and Consumer Satisfaction

Table No. 6: Analysis of Pearson Correlation

		Customer Satisfaction
Bank's Brand Image	Pearson Correlation	.286**
	Sig. (2-tailed)	.000
	Sum of Squares and Cross-Products	105.131
	Covariance	.346
	N	305

**Correlation is Significant at the 0.01 level (2-tailed)

The statistical significance of the correlation when two continuous variables are linked statistically, Pearson's correlation is used where there is a linear relationship exists between two quantitative variables. Using the Pearson correlation, we can examine that customer happiness rises as the bank's brand image increases. From the above table Pearson correlation showing the customer satisfaction i.e., 0.286 and it is also representing the covariance is 0.346.

Table No. 7: Analysis of ANOVA

ANOVA ^a						
Model		Sum of Squares	DF	Mean Square	F	Sig.
	Regression	33.726	1	33.726	54.859	.000b
1	Residual	186.280	303	.615		
	Total	220.007	304			

a. Dependent Variable: Customer Satisfaction Level

b. Predictors: (Constant), Bank's Brand Image

The statement indicates that brand image has a positive relationship with customer satisfaction based on these findings. You may reject the statement and infer that brand image has a substantial impact in consumer satisfactions since the p-value is 0.000, which is less than the significance level of 0.05.

Table No. 8: Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.018	.180		11.227	.000
Bank's Brand Image	.387	.052	.392	7.407	.000

a. Dependent Variable: Customer Satisfaction Level

The model that had the best fit between the dependent variable of consumer satisfactions and the independent variable of brand name was discovered. According to the ANOVA and regression study, brand image has a positive relationship with customer satisfaction.

5. CONCLUSION

Various studies have been conducted to investigate the relationship between service provided by bank and customer satisfaction in the banking sector. However, the results are conclusive when looking at both direct and indirect relationships. It has also been found that there is a brand impact on consumer loyalty in the Indian banking industry.

It is a fact that customer is always looking for good service quality. In today's era, the banking industry in India is undergoing major changes due to competition and introduction of new technology. Because of which the bank should improve itself, otherwise the customer will switch to another bank when the time comes. It is recognized customer Satisfaction from Brand Banking Services. Also, the bank should provide its service to the customers with time so that they remain customers. This study also revealed brand image and specifically brand awareness. Banks should regularly examine and review how consumers experience bank's services in order to determine if

the bank meets, fulfills, or below of its customers' expectations. So that improves their bank branch. The ANOVA, Pearson correlation and regression results show that there is a significant relation among brand image and consumer satisfactions.

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