CHAPTER VI

FINDINGS OF THE RESEARCH

6.1 Introduction

The data analysis discussed in the previous chapter empirically verified the structure of a service brand. This chapter focuses on findings of the research.

- The balanced orientation between the internal brand based on employee based brand equity (EBBE) and external brand based on customer based brand equity (CBBE) have been operationalised through this study.

- Literature review did not bring forth any significant study of measurement of internal brand. This study makes some contribution towards this. Applying this methodology to measure employee based brand equity and customer based brand equity leads to the understanding of the structure of internal and external brand, based on the conceptual model proposed under this study.

- The methodology of the study also assist, in arriving at an employee based brand equity score and customer based brand equity score for any bank.

6.2 Service Brand

- The service branding model proposed in the study has been empirically verified to be valid. Literature had revealed that service brand is composed of internal and external brand (Balmer, 1995; Balmer, 2001b; Blackston, 1993; de Chernatony, 1999; deChernatony et al., 2003; de Chernatony and Segal Horn, 2003; Harris and de Chernatony, 2001; Zeithaml et al., 2006).

- The structure of internal brand was proposed and empirically verified by this study.

- The factor structure for measuring the external brand has been found in previous studies (Berry, 2000; Keller, 2003; Grace & O’Cass, 2006). This factor structure was verified and redefined through this study.
6.3 Internal Brand Dimensions

- Internal brand has been found to comprise of dimensions such as corporate brand, modernity, reputation, effective human interface, perceived customer satisfaction. The indicator of employee brand has been found to be employee satisfaction (Hesket, 1987; Berry, 1987; Keller, 2000) as specified in the theoretical framework. To build a successful internal brand, banks should improve each of the internal brand dimensions.

- Corporate brand of the bank captures most of the organizational features of the brand such as top management’s vision, the work culture, the profit generated, innovation, growth opportunities of employees, the branch ambience, the number of branches etc. In short, the organizational features of the brand play a very important role in the employees’ perception of how strong the internal brand of the bank is. This dimension has been found to contribute significantly to employee satisfaction.

- Modernity of the bank has been found to be the second important factor contributing to employee satisfaction. Employees prefer to work in a bank which is modern and which uses efficient modern banking practices.

- Employees regard the reputation of the bank as a significant factor which contributes to the overall employee satisfaction. Employees prefer to work in organizations which have good image, good visibility and association with social activities and major events.

- Effective human interface of the bank have been found to significantly contribute to the overall employee satisfaction and thereby leading to the development of a strong internal brand.

- Effective conflict handling and courteous employees leads to effective human interface.

- The fifth factor of internal brand has been found to be the satisfaction of end customers as perceived by employees. Employees deem this dimension to be
significant to their overall satisfaction towards the bank. This finding is also supported by literature (Hesket, 1987; Berry, 1987, Mitchell, 2002).

6.4 External Brand Dimensions (Customer Based Brand Equity)

- The study verified the external brand factors found in literature (Berry, 2000; Keller, 2003; Grace & O’Cass, 2006, Venkatesh & Ghai, 2010) and found it to be valid in the banking sector in the Indian scenario. The external brand has been found to consist of brand name, price/value for money, servicescape, core service, employee service, feelings, self-image congruence, controlled communication, uncontrolled communication, satisfaction, brand attitude and brand verdict.
- Overall brand verdict of the customer is positively associated to the expectations generated in the minds of the customer through the brand name of the bank. Positive brand associations that comes to the mind of the customer while hearing the brand name of the bank has been found to have an association with the overall brand verdict.
- Overall brand verdict is positively associated to the perception of customers on price/value for money for that particular bank. When the customers perceive that the bank provides higher value for money, the overall brand verdict has been found to go up.
- Overall brand verdict has a positive association with servicescape/ambience of the bank. A pleasing servicescape or ambience inside the banks has been found to associate with overall brand verdict. Servicescape consists of physical facilities inside the branches, visual attractiveness of the interiors of the branches, neat appearance of the employees and up-to-date facilities available in the bank. However it has been found that an increase in servicescape or ambience inside the banks may not create a subsequent significant increase in the overall brand verdict. In short, a good servicescape is appreciated by the Indian customer but has not been found mandatory by them in evaluating the bank overall.
Core service has a large positive association with overall brand verdict of banks. Core service is the basic service provided by the banks such as saving account, current account, investment services, loans etc. Customers satisfaction towards these services have been found to have a high association with customers overall brand verdict.

Employee service has a positive association with overall brand verdict. Customers’ rating on prompt attention extended to them, willingness of the employees in helping customers, trustworthiness and politeness of the employees have been found as components of employee service.

Positive feelings generated in the minds of customers have positive association with overall brand verdict of the bank by the customer. Feelings expressed can be happiness, pleasure, confidence etc., or irritation, frustration or nervousness etc.

Self Image congruence has been found to have positive association with overall brand verdict. This finding establishes the connection between self expressive benefit perceived by customers and his/her overall brand verdict. The customers’ perception that the image of the banks is consistent with his/her image and his/her perception that customers similar to him/her use the bank has been found to have a positive association with overall brand verdict.

Controlled communication (integrated marketing communication) has been found to have a positive association with overall brand verdict. Controlled communication consist of the advertising and promotions of the bank, and customer perception on this dimension when measured on (1) appreciation of the advertising and promotions from the bank, (2) favorable reaction to the controlled communication, (3) feeling positive towards the controlled communication of the bank and whether (4) rating the advertising and promotions of the bank as good.

Uncontrolled communication such as the public image of the bank and recommendation from opinion leaders such as family and friends of the customers has been found to have small association with overall brand verdict. This finding leads to the conclusion that publicity about the bank and opinions
of friends and family of the customer on the bank has only a mild effect on overall brand verdict of the customer about the bank.

- Customer satisfaction has been found to have a positive association with the overall brand verdict. The customers’ perception that the he/she is satisfied with the service provided by the bank, his/her perception that the bank provides a satisfying experience and the reinforcement that he/she took the right decision in choosing the bank comprises of satisfaction as a dimension. It has been found that higher customer satisfaction scores lead to higher overall brand verdict scores.

- Brand attitude has been found to have a positive association with overall brand verdict. Customers’ attitude towards the bank brand as nice, very attractive, desirable, extremely likable has been found to consist of brand attitude.

- Brand name, price/value for money, core service, feelings, uncontrolled communication, customer satisfaction, and brand attitude have been found to predict the variations in overall brand verdict. The three most important factors for external brand have been found to be brand attitude, customer satisfaction and core service.

6.5 Comparison of private sector, public sector and foreign banks

6.5.1 Internal Brand Comparison

- The ownership of the bank i.e., whether the bank is a private sector, public sector, or foreign one is a good predictor of overall satisfaction of employees. Ownership type of the bank has been found to be an influencing factor in the overall satisfaction of the employees.

- The employees of the three types of banks have been found to perceive their banks differently from each other across all the five brand dimensions. A summated score was calculated for the scale. Out of the nine banks which were studied, HSBC bank scored as the best internal brand; followed by Standard Chartered Bank. Interestingly Oman International Bank (OIB), a foreign bank scored average on internal branding in comparison to the other two foreign banks in the study. Kotak Mahindra, ICICI Bank and HDFC Bank achieved good scores. Public sector banks SBI and Andhra Bank scored
medium scores. Oriental Bank of Commerce got an average score on internal branding. In short, employees of HSBC and Standard Chartered Bank found their banks to be very attractive employer brands whereas OBC and OIB employees perceived their organizations to be average. Another interesting finding is that none of the banks were found to be bad or worse as internal brand, which is a good sign indicating the robustness of these as organizations.

6.5.2 External Brand Comparison

- The customers of the three types of banks based on ownership perceived the banks to be similar to each other in all dimensions except in servicescape, core service and employee service.
- A summated score was calculated for all the banks. None of the banks achieved overall scores equal to, or above 5 which would have indicated customers’ agreement on various brand dimensions as possessed by the bank. The highest scores achieved in the study indicated average agreement of customers to brand dimension variables, which means that there is a lot of room for improvement for Indian banks as far as customer based brand equity is concerned.
  - Axis Bank and Dhanalaxmi Bank have scored high among private banks.
  - Deutsche bank and HSBC bank have scored high among foreign banks.
  - Oriental Bank of Commerce and Indian Overseas Bank scored highest among public sector banks.
- Overall brand evaluation of customers does not differ across private, public and foreign banks based on their demographic factors such as age, income and educational qualifications. In other words demographic segment perceive the banks to be similar in comparison to each other.