CHAPTER VII

CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

1. While building a service brand, firms should focus on building both the internal and external brand by instilling in employees a strong attachment to the brand along with developing a strong customer base. This can be done by strengthening the brand’s relationship with the customers and ensuring customer loyalty.

2. A service brand organization should conduct internal as well as external brand audit.

3. Employee satisfaction and customer satisfaction are the antecedents for a strong internal and external brand respectively.

4. Theoretical framework for service branding proposed that banking service brand consists of internal and external brand which is suitable for measuring the brand strength of banking services.

5. Internal brand of banking services consists of factors such as the bank’s corporate brand, reputation, modernity, effective human interface and customer satisfaction.

6. External brand of banking services consists of brand name, price/value for money, servicescape, core service, employee service, feelings, self-image congruence, controlled communications, uncontrolled communications, satisfaction, brand attitude and brand verdict.

7. Building a strong service brand ensures customer and employee satisfaction which can be leveraged in marketing the services of the bank effectively.
8. Employees of private, public and foreign banks perceive their banks to be different from each other on internal brand dimensions.

9. Ownership type of bank is a good predictor for employee satisfaction.

10. Customers of private, public and foreign banks found their banks to be similar across service dimensions except servicescape, core service and employee service. In other words, these three dimensions have been found to be the differentiating factors across various banks by customers.

11. Customer’s overall evaluation of banks do not differ across different demographic variables such as age, income, education and occupation.

7.2 Recommendations

1. Banks should focus on both employee satisfaction and customer satisfaction to develop strong brands.

2. Banks should develop a strong internal brand as part of their brand building activities.

3. Banks should work towards developing strong brand attitude among customers, delivering core service and offering employee service efficiently thereby offering customers’ value for money and evoking positive feelings among them.

4. The highest customer based brand equity score of Indian banks was found to be lying between average and good which leads to the recommendation that banks should improve the brand factors to improve brand equity.

5. Banks should periodically conduct brand audits for internal and external brand to understand their brand positioning among customers and employees which will help in devising strategies for strengthening their brands.

7.3 Managerial Implications

1. This research is relevant to services brand industry, specially banking industry as it provides a methodology for effectively measuring customer as well as employee based brand equity.
2. Effective brand management requires that employees should internalize the brand meaning well and external customers should have positive brand associations as well as brand experiences. Therefore, internal communications should be strengthened to internalize the brand. A suitable internal environment which can develop strong internal brand equity should be cultivated in banks.

3. Price/value for money, core service, initiating positive feeling, communication, customer satisfaction and overall positive brand attitude are identified as the drivers for a positive brand verdict from customers. Hence, banks should strengthen their service quality, focus on developing positive brand image and evoke positive associations among bank customers.

4. The internal brand for banking services has been found to consist of banks’ corporate brand, reputation, modernity, effective human interface and customer satisfaction. Banks should focus on building on these factors for creating a strong internal brand.

5. The study has contributed a branding model for banks in particular and services industries in general with both internal and external brand as components of service brand. The model has further identified the components of external and internal brand which can be used for improving brand equity.

6. The study has also revealed that banks have to create service brands which will lead to positive verdict from customers, which can thus improve the marketing initiatives of the bank.

7. Building a strong brand in the banking services has been found to be critical in marketing the banking services effectively. Hence banks in India should focus on building successful service brands.

7.4 Limitations

1. The questionnaires used for both the surveys were prepared in English. Language used in the questionnaire did not pose a problem for the employee survey but for the customer survey, it posed a problem in collecting data from customers who did not understand the language. This may have resulted in a
non inclusion of those bank customers who do not have proficiency in the language especially rural customers.

2. The study has not included co-operative banks, as their value proposition has been found to be radically different with many service branding dimensions.

3. The sampling method used in the study is convenient sampling. Random sampling of bank customers could have been a better method but the fact that there were no customer databases easily available or selecting customers through any other method for random sampling would have been time consuming.

4. Non-coverage of rural customers is another limitation of the study.

7.5 Future Research Potential

This study can be further extended to more detailed theoretical framework which includes the role of brand centered HR activities in participation with the marketing department in creating strong internal brands. The linkage between external and internal brand can be established.

In this study both internal and external brand equity has been measured separately and no mathematical modeling has been provided which can explain service brand equity through a combination of both external and internal brand. A study combining the two could be the next logical step.