Chapter 1
Outline:

1.1: Background to the problem

1.2: Statement of the Problem

1.3: Generic Approach to the Problem

[In this chapter, the researcher has tried to explain the definition of the problem as well the theoretical and graphical in this chapter, the researcher has tried to explain the definition of the problem as well the theoretical and graphical representation of the problem statement. The chapter contains a literature review on introduction to the background of the problem starting from the history of banking, what is all branding and brand management and how the marketers are using them in Indian as well as international banking environment. Some of the theoretical background on the branding, brand management, service branding, financial services branding and branding in banks are explained later in the chapter. At the end the researcher has tried to define the problem with key research objectives, questions and hypothesis and also tried to display the path followed during this research study.]
Chapter 1: Problem Definition & Approach to the Problem

According to the American Marketing Association (AMA), brand is a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition." Technically speaking, whenever a marketer creates a new name, logo, or symbol for a new product or service, he or she has created a brand. Marketing is not a battle of products; it's a battle of perceptions. The power of a brand lies in what resides in the minds of customers – what they learned, felt, seen, and heard about the brand as a result of their experiences over time. Whereas ‘Brand Equity’ relates to the fact that different outcomes result from the marketing of a product or service because of its brand name or some other brand element that if that same product or service did not have that brand identification. It represents the marketing effects uniquely attributable to the brand and the added value endowed to a product or service as a result of past investments in the marketing activity for a brand. "Brand equity serves as the bridge between what happened to the brand in the past and what should happen to the brand in the future.

In this chapter, the researcher has tried to explain the definition of the problem as well the theoretical and graphical representation of the problem statement. The chapter contains a literature review on introduction to the background of the problem starting from the history of banking, what is all branding and brand management and how the marketers are using them in Indian as well as international banking environment. Some of the theoretical background on the branding, brand management, service branding, financial services branding and branding in banks are explained later in the chapter.

1 http://www.1000ventures.com/business_guide/marketing_brands.html
## 1.1: Background to the Problem

Without a sound and effective banking system in India, it cannot have a healthy economy. The banking system of India should not only be hassle free but it should be able to meet new challenges posed by the technology and any other external and internal factors.

For the past three decades India's banking system has several outstanding achievements to its credit. The most striking is its extensive reach. It is no longer confined to only metropolitans or cosmopolitans in India. In fact, Indian banking system has reached even to the remote corners of the country. This is one of the main reasons of India's growth process.

The government's regular policy for Indian bank since 1969 has paid rich dividends with the nationalization of 14 major private banks of India.

Not long ago, an account holder had to wait for hours at the bank counters for getting a draft or for withdrawing his own money. Today, he has a choice. Gone are days when the most efficient bank transferred money from one branch to other in two days. Now it is simple as instant messaging or dial-a-pizza. Money has become the order of the day.

The first bank in India, though conservative, was established in 1786. From 1786 till today, the journey of Indian Banking System can be segregated into three distinct phases. They are as mentioned below:

- Early phase from 1786 to 1969 of Indian Banks
- Nationalization of Indian Banks and up to 1991 prior to Indian banking sector Reforms.
New phase of Indian Banking System with the advent of Indian Financial & Banking Sector Reforms after 1991

The development of Indian banking can be divided into three phases:

**Phase I**

The General Bank of India was set up in the year 1786. Next Bank of Hindustan and Bengal Bank came into existence. The East India Company established Bank of Bengal (1809), Bank of Bombay (1840) and Bank of Madras (1843) as independent units and called it Presidency Banks. These three banks were amalgamated in 1920 and Imperial Bank of India was established which started as private shareholders banks, mostly Europeans shareholders.

In 1865 Allahabad Bank was established and first time exclusively by Indians, Punjab National Bank Ltd. was set up in 1894 with headquarters at Lahore. Between 1906 and 1913, Bank of India, Central Bank of India, Bank of Baroda, Canara Bank, Indian Bank, and Bank of Mysore were set up. Reserve Bank of India came in 1935.

During the first phase the growth was very slow and banks also experienced periodic failures between 1913 and 1948. There were approximately 1100 banks, mostly small. To streamline the functioning and activities of commercial banks, the Government of India came up with The Banking Companies Act, 1949 which was later changed to Banking Regulation Act 1949 as per amending Act of 1965 (Act No. 23 of 1965). Reserve Bank of India was vested with extensive powers for the supervision of banking in India as the Central Banking Authority.

During those days’ public has lesser confidence in the banks. As an aftermath deposit mobilization was slow. Abreast of it the savings bank facility provided by the Postal department was comparatively safer. Moreover, funds were largely given to traders.
Phase II

Government took major steps in this Indian Banking Sector Reform after independence. In 1955, it nationalized Imperial Bank of India with extensive banking facilities on a large scale especially in rural and semi-urban areas. It formed State Bank of India to act as the principal agent of RBI and to handle banking transactions of the Union and State Governments all over the country. Seven banks forming subsidiary of State Bank of India was nationalized in 1960 on 19th July, 1969, major process of nationalization was carried out. It was the effort of the then Prime Minister of India, Mrs. Indira Gandhi. 14 major commercial banks in the country were nationalized.

Second phase of nationalization Indian Banking Sector Reform was carried out in 1980 with seven more banks. This step brought 80% of the banking segment in India under Government ownership.

The following are the steps taken by the Government of India to Regulate Banking Institutions in the Country:

- 1949: Enactment of Banking Regulation Act.
- 1955: Nationalization of State Bank of India.
- 1959: Nationalization of SBI subsidiaries.
- 1961: Insurance cover extended to deposits.
- 1971: Creation of credit guarantee corporation.
- 1975: Creation of regional rural banks.
- 1980: Nationalization of seven banks with deposits over 200 carore.

After the nationalization of banks, the branches of the public sector bank India rose to approximately 800% in deposits and advances took a huge jump by 11,000%.
Banking in the sunshine of Government ownership gave the public implicit faith and immense confidence about the sustainability of these institutions.

**Phase III**

This phase has introduced many more products and facilities in the banking sector in its reforms measure. In 1991, under the chairmanship of M Narasimham, a committee was set up by his name which worked for the liberalization of banking practices.

The country is flooded with foreign banks and their ATM stations. Efforts are being put to give a satisfactory service to customers. Phone banking and net banking is introduced. The entire system became more convenient and swift. Time is given more importance than money.

The financial system of India has shown a great deal of resilience. It is sheltered from any crisis triggered by any external macroeconomics shock as other East Asian Countries suffered. This is all due to a flexible exchange rate regime, the foreign reserves are high, the capital account is not yet fully convertible, and banks and their customers have limited foreign exchange exposure.

### 1.1.1: Nationalization of Banks in India

The nationalization of banks in India took place in 1969 by Mrs. Indira Gandhi the then prime minister. It nationalized 14 banks then. These banks were mostly owned by businessmen and even managed by them:

- Central Bank of India
- Punjab National Bank
- Indian Bank
- Union Bank
- UCO Bank
- Bank of Maharashtra
- Syndicate Bank
- Indian Overseas Bank
- Allahabad Bank
- Bank of India
- Dena Bank
- Canara Bank
- Bank of Baroda
- United Bank of India
Before the steps of nationalization of Indian banks, only State Bank of India (SBI) was nationalized. It took place in July 1955 under the SBI Act of 1955. Nationalization of Seven State Banks of India (formed subsidiary) took place on 19th July, 1960.

The State Bank of India is India's largest commercial bank and is ranked one of the top five banks worldwide. It serves 90 million customers through a network of 9,000 branches and it offers -- either directly or through subsidiaries -- a wide range of banking services.

The second phase of nationalization of Indian banks took place in the year 1980. Seven more banks were nationalized with deposits over 200 crores. Till this year, approximately 80% of the banking segment in India was under Government ownership.

After the nationalization of banks in India, the branches of the public sector banks rose to approximately 800% in deposits and advances took a huge jump by 11,000%.

- 1955: Nationalization of State Bank of India.
- 1959: Nationalization of SBI subsidiaries.
- 1980: Nationalization of seven banks with deposits over 200 cores.

The commercial banking structure in India consists of:
- Scheduled Commercial Banks in India
- Unscheduled Banks in India

Scheduled Banks in India constitute those banks which have been included in the Second Schedule of Reserve Bank of India (RBI) Act, 1934. RBI in turn includes...
only those banks in this schedule which satisfy the criteria laid down vide section 42 (6) (a) of the Act.

As on 30th June, 1999, there were 300 scheduled banks in India having a total network of 64,918 branches. The scheduled commercial banks in India comprise of State Bank of India and its associates (nationalized banks (19), foreign banks (45), private sector banks (32), co-operative banks and regional rural banks.

"Scheduled banks in India" means the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955), a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959), a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970), or under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), or any other bank being a bank included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934), but does not include a co-operative bank".

"Non-scheduled bank in India" means a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949), which is not a scheduled bank".

The following are the Scheduled Banks in India (Public Sector):

<table>
<thead>
<tr>
<th>Table 1.1: Public Sector Scheduled Banks in India</th>
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<tbody>
<tr>
<td>o State Bank of India</td>
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<td>o State Bank of Bikaner and Jaipur</td>
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<td>o State Bank of Hyderabad</td>
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<td>o Bank of Baroda</td>
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<td>o Bank of Maharashtra</td>
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<td>o Canara Bank</td>
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</tbody>
</table>
CHAPTER I: PROBLEM DEFINITION & APPROACH TO THE PROBLEM

Brand Management in Banking Industry with Special Focus on Corporate Branding of Banks:

A Case Study of Corporate Banks Operating in Gujarat State

- Central Bank of India
- Corporation Bank
- Dena Bank
- Indian Overseas Bank
- Indian Bank
- Oriental Bank of Commerce
- Punjab National Bank
- Punjab and Sind Bank
- Syndicate Bank
- Union Bank of India
- United Bank of India
- UCO Bank
- Vijaya Bank

The following are the Scheduled Banks in India (Private Sector):

Table 1.2: Private Sector Scheduled Banks in India

| o Vysya Bank Ltd | o Axis Bank Ltd |
| o Indusind Bank Ltd | o ICICI Banking Corporation Bank Ltd |
| o Global Trust Bank Ltd | o HDFC Bank Ltd |
| o Centurion Bank Ltd | o Bank of Punjab Ltd |
| o IDBI Bank Ltd |

The following are the Scheduled Foreign Banks in India (Foreign Sector):

Table 1.3: Foreign Sector Scheduled Banks in India

| o American Express Bank Ltd. | o ANZ Gridlays Bank Plc. |
| o Bank of America NT & SA | o Bank of Tokyo Ltd. |
| o Banque Nationale de Paris | o Barclays Bank Plc |
| o Citi Bank N.C. | o Deutsche Bank A.G. |
| o Honkong and Shanghai Banking Corporation | o Standard Chartered Bank. |
| o The Chase Manhattan Bank Ltd. | o Dresdner Bank AG. |
1.1.2: Current Scenario

Currently, overall, banking in India is considered as fairly mature in terms of supply, product range and reach—even though reach in rural India still remains a challenge for the private sector and foreign banks. Even in terms of quality of assets and capital adequacy, Indian banks are considered to have clean, strong and transparent balance sheets—as compared to other banks in comparable economies in its region. The Reserve Bank of India is an autonomous body, with minimal pressure from the government. The stated policy of the Bank on the Indian Rupee is to manage volatility—without any stated exchange rate—and this has mostly been true.

With the growth in the Indian economy expected to be strong for quite some time—especially in its services sector, the demand for banking services—especially retail

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2 http://en.wikipedia.org/w/inded.php?title=indian_banking
banking, mortgages and investment services are expected to be strong. M&As, takeovers, asset sales and much more action (as it is unraveling in China) will happen on this front in India.

Recently (March 2006), the Reserve Bank of India allowed Warburg Pincus to increase its stake in Kotak Mahindra Bank (a private sector bank) to 10%. This is the first time an investor has been allowed to hold more than 5% in a private sector bank since the RBI announced norms in 2005 that any stake exceeding 5% in the private sector banks would need to be vetted by them.

Currently, India has 88 scheduled commercial banks (SCBs) - 28 public sector banks (that is with the Government of India holding a stake), 29 private banks (these do not have government stake; they may be publicly listed and traded on stock exchanges) and 31 foreign banks. They have a combined network of over 53,000 branches and 17,000 ATMs. According to a report by ICRA Limited, a rating agency, the public sector banks hold over 75 percent of total assets of the banking industry, with the private and foreign banks holding 18.2% and 6.5% respectively.

1.1.3: Private Banks in India

Initially all the banks in India were private banks, which were founded in the pre-independence era to cater to the banking needs of the people. In 1921, three major banks i.e. Banks of Bengal, Bank of Bombay, and Bank of Madras, merged to form Imperial Bank of India. In 1935, the Reserve Bank of India (RBI) was established and it took over the central banking responsibilities from the Imperial Bank of India, transferring commercial banking functions completely to IBI. In 1955, after the declaration of first-five year plan, Imperial Bank of India was subsequently transformed into State Bank of India (SBI).

Following this, occurred the nationalization of major banks in India on 19 July 1969. The Government of India issued an ordinance and nationalized the 14 largest commercial banks of India, including Punjab National Bank (PNB), Allahabad Bank, Canara Bank, Central Bank of India, etc. Thus, public sector banks revived to take up leading role in the banking structure. In 1980, the GOI nationalized 6 more commercial banks, with control over 91% of banking business of India.

In 1994, the Reserve Bank of India issued a policy of liberalization to license limited number of private banks, which came to be known as New Generation tech-savvy banks. Global Trust Bank was, thus, the first private bank after liberalization; it was later amalgamated with Oriental Bank of Commerce (OBC). Then Housing Development Finance Corporation Limited (HDFC) became the first (still existing) to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector.

At present, Private Banks in India includes leading banks like ICICI Banks, ING Vysya Bank, Jammu & Kashmir Bank, Karnataka Bank, Kotak Mahindra Bank, SBI Commercial and International Bank, etc. Undoubtedly, being tech-savvy and full of expertise, private banks have played a major role in the development of Indian banking industry. They have made banking more efficient and customer friendly. In the process they have jolted public sector banks out of complacency and forced them to become more competitive.

Major Private Banks in India:

☞ Bank of Rajasthan

A leading private sector bank, the Bank of Rajasthan was founded on the auspicious day of Akshya Tritiya on May 8, 1943, at Udaipur. Shri Rai Bahadur P.C. Chatterji, the then finance minister of the erstwhile Mewar Government, extensively contributed towards the establishment of the Bank.
Catholic Syrian Bank
With the Swadeshi Movement of early 20th century as its base, Catholic Syrian Bank was incorporated on 26th November 1920, in the Thrissur district of Kerala. The bank commenced its operations on 1st January 1921, with an authorized capital of Rs. 5 lakhs and a paid up capital of Rs. 45270.

Dhanalakshmi Bank
The foundation of Dhanalakshmi Bank Limited was laid down on 14th November 1927, in the Thrissur district of Kerala. A group of innovative entrepreneurs had started the bank with a capital of Rs.11,000 and only 7 employees.

Federal Bank
Federal Bank Limited was founded as Travancore Federal Bank Limited in the year 1931, with an authorized capital of Rs. 5000. It was established at Nedumpuram, a place near Tiruvalla, in Central Travancore (a princely state later merged into Kerala), under Travancore Company's Act.

HDFC Bank
Housing Development Finance Corporation Limited, more popularly known as HDFC Bank Ltd, was established in the year 1994, as a part of the liberalization of the Indian Banking Industry by Reserve Bank of India (RBI). It was one of the first banks to receive an 'in principle' approval from RBI, for setting up a bank in the private sector.

ICICI Bank
ICICI Bank started as a wholly owned subsidiary of ICICI Limited, an Indian financial institution, in 1994. Four years later, when the company offered ICICI Bank's shares to the public, ICICI's shareholding was reduced to 46%. In the year 2000, ICICI Bank offered made an equity offering in the form of ADRs on the New York Stock Exchange (NYSE).
ING Vysya Bank

ING Vysya Bank Ltd came into being in October 2002, when erstwhile Vysya Bank Ltd was merged with ING, a global financial powerhouse boasting of Dutch origin. Vysya Bank Ltd, one of initial banks to be set up in the private sector of India.

Jammu & Kashmir Bank

The origin of Jammu and Kashmir Bank Limited, more commonly referred to as J&K Bank, can be traced back to the year 1938, when it was established as the first state-owned bank in India. The bank was incorporated on 1st October 1938 and it was in the following year (more precisely on 4th July 1939) that it commenced its business, in Kashmir (India).

Karnataka Bank

Karnataka Bank Limited is a leading private sector bank in India. It was incorporated on 18th February 1924 at Mangalore, a town located in the Kannada district of Karnataka. The bank emerged as a major player during the freedom movement of 20th Century India.

Karur Vysya Bank

The Karur Vysya Bank Limited commonly known as KVB was set up by Late Shri M.A. Venkatarama Chettiar and the Late Shri Athi Krishna Chettiar, the two great visionaries in 1916 in Karur, a textile town in the Tamil Nadu state of India.

Kotak Mahindra Bank

Kotak Mahindra Bank is one of India's leading financial private banking institutions. It offers a banking solution that covers almost every sphere of life. Some of its financial services include commercial banking, stock broking, mutual funds, life insurance and investment banking.
SBI Commercial and International Bank
SBI Commercial and International Bank, (SBICI) is a completely owned private auxiliary of India's biggest banking and financial services set up, the State Bank of India. Established in 1995 to back SBI's corporate and international banking services, the SBI Commercial and International Bank is the only bank in India to be been awarded ISO-9002 quality systems certification for the Bank as a whole.

AXIS Bank
Axis Bank was formed as UTI when it was incorporated in 1994 when Government of India allowed private players in the banking sector. The bank was sponsored together by the administrator of the specified undertaking of the Unit Trust of India, Life Insurance Corporation of India (LIC) and General Insurance Corporation Ltd.

YES Bank
Yes Bank is one of the top most private Indian banks. Awarded by the only Greenfield license award by RBI in last 14 years, this bank is established and run by Rana Kapoor and Ashok Kapur with the financial support of Rabo bank Netherland, the world's single AAA rated private Bank.

1.1.4: Nationalized Banks in India (Public Sector)\(^4\)
Nationalized banks dominate the banking system in India. The history of nationalized banks in India dates back to mid-20th century, when Imperial Bank of India was nationalized (under the SBI Act of 1955) and re-christened as State Bank of India (SBI) in July 1955. Then on 19th July 1960, its seven subsidiaries were also nationalized with deposits over 200 crores. These subsidiaries of SBI were State Bank of Bikaner and Jaipur (SBBJ), State Bank of Hyderabad (SBH), State

Bank of Indore (SBIR), State Bank of Mysore (SBM), State Bank of Patiala (SBP), State Bank of Saurashtra (SBS), and State Bank of Travancore (SBT).

However, the major nationalization of banks happened in 1969 by the then-Prime Minister Indira Gandhi. The major objective behind nationalization was to spread banking infrastructure in rural areas and make cheap finance available to Indian farmers. The nationalized 14 major commercial banks were Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce (OBC), Punjab and Sind Bank, Punjab National Bank (PNB), Syndicate Bank, UCO Bank, Union Bank of India, United Bank of India (UBI), and Vijaya Bank.

In the year 1980, the second phase of nationalization of Indian banks took place, in which 7 more banks were nationalized with deposits over 200 crores. With this, the Government of India held a control over 91% of the banking industry in India. After the nationalization of banks there was a huge jump in the deposits and advances with the banks. At present, the State Bank of India is the largest commercial bank of India and is ranked one of the top five banks worldwide. It serves 90 million customers through a network of 9,000 branches.

List of Public Sector Banks in India is as follows:

- Allahabad Bank
- Bank of Baroda
- Central Bank of India
- Dena Bank
- Indian Overseas Bank
- Oriental Bank of Commerce
- State Bank of Bikaner & Jaipur
- State Bank of India (SBI)
- State Bank of Mysore
- State Bank of Saurashtra
- Syndicate Bank
- Andhra Bank
- Bank of Maharashtra
- Corporation Bank
- Indian Bank
- Punjab and Sind Bank
- Punjab National Bank
- State Bank of Hyderabad
- State Bank of Indore
- State Bank of Patiala
- State Bank of Travancore
- Union Bank of India
1.1.5: Foreign Banks in India

Foreign banks have brought latest technology and latest banking practices in India. They have helped made Indian Banking system more competitive and efficient. Government has come up with a road map for expansion of foreign banks in India. The road map has two phases. During the first phase between March 2005 and March 2009, foreign banks may establish a presence by way of setting up a wholly owned subsidiary (WOS) or conversion of existing branches into a WOS. The second phase will commence in April 2009 after a review of the experience gained after due consultation with all the stakeholders in the banking sector. The review would examine issues concerning extension of national treatment to WOS, dilution of stake and permitting mergers/acquisitions of any private sector banks in India by a foreign bank.

Major foreign banks in India are:

- **ABN-AMRO Bank**
  The history of ABN Amro Bank dates back to the year 1924, when King Williem – I issued a Royal Decree declaring the establishment of the Nederlandsche Handel-Maatschappij (Netherlands Trading Society, NTS). The NTS had been established with an aim to promote the trade between the Netherlands and the Dutch East Indies.

- **Abu Dhabi Commercial Bank Ltd.**
  Abu Dhabi Commercial Bank (ADCB) is one of the most prominent nationalized banks of the United Arab Emirates (UAE). Three different banks viz. the Khalij Commercial Bank, the Emirates Commercial Bank and the Federal Commercial

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Bank merged in the month of July 1985, leading to the incorporation of the Abu Dhabi Commercial Bank.

- **American Express Bank Ltd**
  With its headquarters located in New York, U.S., American Express Company is a global financial services provider, also known as “AmEx” in short. American Express had been established in the year 1850, and is well known all around the world for its dedicated Credit Card, Traveler’s Cheque and Charge Card services.

- **BNP Paribas**
  BNP Paribas is one of the oldest banks in the continent of Europe, and the largest bank in the Eurozone (consortium of countries having adopted Euro as their primary currency), as reported by The Banker magazine. The bank is present in 87 countries with a 162,700-strong workforce offering its services to the bank.

- **Citibank**
  Citibank is one of the largest banks in the U.S., and is a part of the financial services company Citigroup. Citibank had been founded in the year 1812. Initially its name was City Bank of New York, which was later changed to First National City Bank of New York.

- **DBS Bank Ltd**
  DBS Bank is a Singapore-based bank, and is known to be one of the largest banks to exist in South East Asian region by asset value. The government of Singapore established the DBS Bank in the year 1968, and it was primarily aimed at providing development oriented financial services.

- **Deutsche Bank**
  Deutsche Bank, headquartered at Frankfurt in Germany, ranks among the global leaders in corporate banking and securities, transaction banking, asset
management, and private wealth management. It is one the world’s leading international financial service providers with roughly EURO 2.2 trillion in assets and approximately 80,000 employees.

 HSBC Ltd

HSBC Bank is a subsidiary of HSBC Holdings plc, a London based banking giant, which according to the Forbes magazine, is the largest banking group in the world, and the 6th largest company in the world as of April 2009.

 Standard Chartered Bank

Standard Chartered Bank is a London based bank, currently operational within over 70 nations with more than 1,700 branches and 73,000 strong workforces as of April 2009. Although the bank is located in Britain, still a huge chunk of its revenues originate from the continents of Asia, Africa and Middle East.

 Barclays Bank

Barclays GRCB India is led by Samir Bhatia as its Managing Director. In a short period of just two and a half years, Barclays GRCB India has placed itself amongst the most respected foreign banks in the country that is serving more than 830,000 clients.

1.1.6: Short Introduction about the Banks under Current Study

There are key seven banks from the various industry segments like private, public and foreign sectors have been selected under current study, i.e. HDFC, ICICI, AXIS, CITI, HSBC, SBI, BOB. Somehow it is not possible to have the detailed information available for all the banks. So lets us study the key important highlights of each bank. The following banks are considered under the current research study, and the short introduction, services and history of these bank brands are as below:
1.1.6.1: HDFC Bank

HDFC Bank Ltd. (BSE: 500180, NYSE: HDB) is a commercial bank of India, incorporated in August 1994, after the Reserve Bank of India allowed establishing private sector banks. The Bank was promoted by the Housing Development Finance Corporation, a premier housing finance company (set up in 1977) of India. HDFC Bank has 1,412 branches and over 3,295 ATMs, in 528 cities in India, and all branches of the bank are linked on an online real-time basis. As of September 30, 2008 the bank had total assets of INR 1006.82 billion. For the fiscal year 2008-09, the bank has reported net profit of Rs.2,244.9 crore, up 41% from the previous fiscal. Total annual earnings of the bank increased by 58% reaching at Rs.19,622.8 crore in 2008-09.

HDFC Bank is one of the Big Four Banks of India, along with State Bank of India, ICICI Bank and Axis Bank — its main competitors. The short history of HDFC bank is as follows:

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Table 1.4: HDFC Bank Ltd. (Brief)

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<th>Type</th>
<th>Public (BSE: 500180, NYSE: HDB)</th>
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<td>Banking</td>
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<td>Financial services</td>
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<td>Founded</td>
<td>August 1994</td>
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<td>Founder(s)</td>
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<tr>
<td>Revenue</td>
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<td>Profit</td>
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<td>Total assets</td>
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<tr>
<td>Employees</td>
<td>52,687 (2009)</td>
</tr>
<tr>
<td>Website</td>
<td>HDFCBank.com</td>
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</tbody>
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6 http://www.moneycontrol.com/stocks/company_info/company_history.php?sc_did=HDF01
Business Focus
HDFC Bank deals with three key business segments - Wholesale Banking Services, Retail Banking Services, and Treasury. It has entered the banking consortia of over 50 corporate for providing working capital finance, trade services, corporate finance and merchant banking. It is also providing sophisticated product structures in areas of foreign exchange and derivatives, money markets and debt trading and equity research.

Wholesale Banking Services
The bank's target market ranges from large blue-chip manufacturing companies in the Indian corporations to small & mid-sized corporate and agri-based businesses. For these customers, the Bank provides a wide range of commercial and transactional banking services, including working capital finance, trade services, transactional services, cash management, etc. The bank is also a leading provider of structured solutions, which combine cash management services with vendor and distributor finance for facilitating superior supply chain management for its corporate customers. HDFC Bank has made significant inroads into the banking consortia of a number of leading Indian corporate including multinationals, companies from the domestic business houses and prime public sector companies. It is recognized as a leading provider of cash management and transactional banking solutions to corporate customers, mutual funds, stock exchange members and banks.

Retail Banking Services
The objective of the Retail Bank is to provide its target market customers a full range of financial products and banking services, giving the customer a one-stop window for all his/her banking requirements. The products are backed by world-class service and delivered to customers through the growing branch network, as
well as through alternative delivery channels like ATMs, Phone Banking, Net Banking and Mobile Banking.

HDFC Bank was the first bank in India to launch an International Debit Card in association with VISA (VISA Electron) and issues the MasterCard Maestro debit card as well. The Bank launched its credit card business in late 2001. By March 2009, the bank had a total card base (debit and credit cards) of over 13 million. The Bank is also one of the leading players in the “merchant acquiring” business with over 70,000 Point-of-sale (POS) terminals for debit / credit cards acceptance at merchant establishments. The Bank is well positioned as a leader in various net based B2C opportunities including a wide range of internet banking services for Fixed Deposits, Loans, Bill Payments, etc.

**Treasury**

Within this business, the bank has three main product areas - Foreign Exchange and Derivatives, Local Currency Money Market & Debt Securities, and Equities. These services are provided through the bank's Treasury team. To comply with statutory reserve requirements, the bank is required to hold 25% of its deposits in government securities. The Treasury business is responsible for managing the returns and market risk on this investment portfolio.

**Distribution Network**

HDFC Bank is headquartered in Mumbai. The Bank has a network of 1,725 branches spread in 771 cities across India. All branches are linked on an online real-time basis.

Customers in over 500 locations are also serviced through Telephone Banking. The Bank has a presence in all major industrial and commercial centers across the country. Being a clearing/settlement bank to various leading stock exchanges, the Bank has branches in the centers where the NSE/BSE has a strong and active member base.
The Bank also has 3,898 networked ATMs across these cities. Moreover, HDFC Bank's ATM network can be accessed by all domestic and international Visa/MasterCard, Visa Electron/Maestro, Plus/Cirrus and American Express Credit/Charge cardholders.

History
HDFC Bank was incorporated in the year of 1994 by Housing Development Finance Corporation Limited (HDFC), India's premier housing finance company. It was among the first companies to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector. The Bank commenced its operations as a Scheduled Commercial Bank in January 1995 with the help of RBI's liberalization policies.

In a milestone transaction in the Indian banking industry, Times Bank Limited (promoted by Bennett, Coleman & Co. / Times Group) was merged with HDFC Bank Ltd., in 2000. This was the first merger of two private banks in India. As per the scheme of amalgamation approved by the shareholders of both banks and the Reserve Bank of India, shareholders of Times Bank received 1 share of HDFC Bank for every 5.75 shares of Times Bank.

In 2008 HDFC Bank acquired Centurion Bank of Punjab taking its total branches to more than 1,000. The amalgamated bank emerged with a strong deposit base of around Rs. 1, 22,000 crore and net advances of around Rs. 89,000 crore. The balance sheet size of the combined entity is over Rs. 1, 63,000 crore. The amalgamation added significant value to HDFC Bank in terms of increased branch network, geographic reach, and customer base, and a bigger pool of skilled manpower.

The timeline of HDFC bank is as follows:

1994

☑️ The Bank was incorporated on 30th August 2004. A new private sector Bank promoted by housing Development Corporation Ltd. (HDFC), a premier
Housing finance company. The bank is the first of its kind to receive an in-principle approval from the RBI for establishment of a bank in the private sector. Certificate of Commencement of Business was received on 10th October 1994 from RBI.

The Bank transacts both traditional commercial banking as well as investment banking. HDFC, the promoter of the bank has entered into an agreement with National Westminster Bank Pc. and its subsidiaries (Natwest Group) for subscribing 20% of the banks issued capital and providing technical assistance in relation to the banks proposed banking business.

1995

- 70 No. of equity shares issued to subscribers to the Memorandum & Articles of Association on 30th August 1994. On the same date 500, 00,000 equity shares were allotted to HDFC promoters. 509, 20,000 shares were allotted to HDFC Employees Welfare Trust and HDFC Bank Employees Welfare Trust on 22nd December, 1994.
- On 16.1.1995, 90, 79, 930 No. of equity shares were allotted to Jarrington Pte. Ltd. Another 400, 00,000 equity shares were allotted on private placement basis to NatWest Group on 9.5.1995. 500, 00,000 shares were allotted to the public on 9.5.95 (all were taken up).
- The Bank opened its first branch in Ramon House at Churchgate, Mumbai on January 16th.
- The Bank has created an efficient operating system using well tested state-of-the-art software.

1996

- HDFC Bank has entered the banking consortia of over 50 corporates, including some leading multinational companies, flagship companies of local business houses and strong public sector companies.
- HDFC Bank has set up a state-of-the-art dealing room to handle all transactions possible in Indian financial markets.
- The Certificates of Deposits were awarded a PP1+ rating which is the highest rating for short term instruments indicating superior capacity for repayment.

1997

- The bank is one of the largest mobilisers of retail deposits through its network of 20 branches. Its credit deposits ratio was 53.8%.
- The bank has set up a ultra-modern hub at Powai in Mumbai where the bank's central computer is housed. This hub housed in 35,000 square feet of space, houses data of all the branches and facilitates the introduction of new products and services.
- HDFC has installed state-of-the-art systems to facilitate inter-connectivity between branches and link up with on line system.
The bank has also recently signed up as a depository participant, under the newly set up NSDL, wherein the members clearing accounts settlement for dematerialized shares can be done through the bank.

HDFC Bank, one of the nine new-generation private sector banks, has planned to set up an all-India on-line automated teller machine (ATM) network.

HDFC Bank proposed to launch tele-banking for the first time in June in Mumbai at its Chandiveli branch.

HDFC Bank has become the first private sector bank to conclude a structured interest rate option deal.

HDFC Bank, as part of its expansion plans in the South, has opened another branch in Chennai.

HDFC Bank has entered into strategic alliances with 10 overseas banks to provide customers with a wide range of derivatives including interest rate and foreign currency swaps.

HDFC Bank on October 14 introduced ATMs that converse in a regional language.

HDFC Bank has introduced the Freedom Account for the average retail customer located in the major metros as a means to wean away the middle-income market from nationalized banks.

1998

HDFC Bank has tied up with the Ahmedabad Stock Exchange (ASE) to act as its clearing bank.

HDFC Bank proposes to strengthen its branch network in Calcutta with the addition of two new branches in the first quarter of the next fiscal.

HDFC Bank has signed an agreement with the National Stock Exchange (NSE) which will give it a second charge over the brokers deposit for providing loan against share facility to NSE brokers.

The bank will also provide phone-banking facility in Bangalore.

HDFC has tied up with Visa International to offer its Debit Card.

HDFC Bank Ltd has entered into a memorandum of understanding for strategic business collaboration with Chase Manhattan Bank.

HDFC Bank has become the first bank in India to link up its automated teller machine (ATM) network with all the three major payment systems world-wide.

HDFC Bank will be the first bank in the Asia-Pacific region to connect the American Express (Amex) payment system.

The HDFC Bank is expanding its ATM network to connect to American Express Interchange based in Phoenix, Arizona, USA. With this connectivity, HDFC Bank has become the first bank in the Asia-pacific region to connect to the Amex Interchange.

HDFC Bank was the first to sign up with AMEX in December of 1998.
The Bank has tied up with ITC Threadneedle Mutual Fund to provide its investors with the High Interest Fund (HIF), a facility to encash their units through the bank's Automated Teller Machines in addition to a cheque book facility also to be provided by the bank.

Sony India Ltd (SIL) has joined hands with HDFC Bank to work out an innovative car finance package under which a Sony car audio system would be installed to a new car for no additional upfront cash outflow.

HDFC Bank, has tied up with BPL Ltd to offer Internet-enabled supply-chain management and business-to-consumer (B2C) e-commerce services to corporates.

Hutchison Max Telecom and HDFC Bank introduced the country's first-ever mobile-banking services in the city.

2000

A new company called SESAMi.com (India) has been formed by a strategic alliance between HDFC Bank and Singapore Telecom's e-commerce company SESAMi.com, to offer e-commerce solutions for the Indian market.

HDFC Bank has a tie-up with Maxtouch for giving the facility to the latter's customers in Mumbai. This is the first and only service of this sort in the country, he said.

HDFC Bank entered into a tie-up with Telco by which the bank would provide preferential financing options for Tata's range of passenger cars including the Indica, Sumo, Safari, Estate and Sierra.

HDFC Bank allotted 1.98 crore shares of Rs 10 each at an issue price of Rs 94 per share to promoters and strategic investors on March 29.

HDFC Bank is also set to become the first bank in the country to offer wireless application protocol (WAP) services to customers.

The bank has tied up with 12 utility companies nationwide including BSES, MSEB, BEST, Orange, BPL and MTNL.

The Bank has tied up with financial portals, e-brokerages and the National Stock Exchange to enable broker payments for e-brokering ventures.

HDFC Bank has launched its first B2C payment gateway which allows Visa and MasterCard credit card-holders to do transaction online and realtime.

HDFC Bank plans to extend its mobilephone banking services introduced in select metros to mobilephone broking when it introduces its Internet on-line trading in July.

Indianfoline.com signed an agreement with HDFC bank for the use of payment gateway to enable online financial transactions.

BPL Mobile has tied up with HDFC Bank to offer Internet banking through the mobile phone.

HDFC Bank has been identified as the best domestic commercial bank for the second consecutive year by FinanceAsia.com, which provides a network for financial decision makers.
 CHAPTER 1: PROBLEM DEFINITION & APPROACH TO THE PROBLEM

- HDFC Bank has got the Kerala-based Nedungadi Bank as its first customer for its new joint venture company with I-Flex Solutions.
- HDFC Bank has tied up with about 25 equity brokerages for enabling third party transfer of funds and securities through its business-to-business portal -- `e-Net'.
- The Bank has launched ‘Freedom - The e-Age Savings Account’ for cellular phone users.
- HDFC Bank and Cosmos Bank launched a co-branded ATM card.
- The HDFC Bank and Airtel launched their mobile-banking service through WAP in Delhi.

2001

- The Bank has opened its first branch in Aurangabad.
- HDFC Standard Life Insurance has entered into a memorandum of understanding with the Chennai-based Indian Bank.
- The Bank has launched the international Maestro debit card in association with Master Card.
- HDFC Bank will launch its credit card in June through link-ups with MasterCard and Visa.
- LTtrade.com has entered into a strategic tie-up with HDFC Bank to provide Net banking services to online investors.
- Standard Chartered Bank, HDFC Bank and Bharat Petroleum Corporation have joined the eCash Forum which has been set up by the Smart Card Forum of India.
- HDFC Bank has launched a new campaign for its eage savings account.
- HDFC Bank entered into a strategic tie-up with Tally Solutions Pvt. Ltd. to offer online real time accounting services to small and medium enterprises.
- The Bank has opened four ATMs outlets in Bangalore at Coles Road, RT Nagar, Rajaji Nagar and Jaya Nagar on March 26.
- HDFC Standard Life Insurance has launched a 'Development Insurance Plan' a low cost life insurance product developed specifically to meet the needs of economically weaker sections.
- HDFC launched 'One View' service to customers
- Mrs. Renu Karnad has been co-opted as an Additional Director of the Bank. Mrs Karnad shall represent the promoters of the bank i.e. HDFC Ltd. Also Mr. Deepak Satwalekar, Managing Director of HDFC Standard Life Insurance Company Ltd, has been on the Board of the Bank as nominee of HDFC Ltd since September 12, 1994 and shall complete the period of 8 yrs before the next scheduled board meeting. In view of the provisions of the Banking Regulation Act, 1949, Mr. Satwalekar has submitted his resignation as Director of the Bank and the Board has accepted the same.
- HDFC Bank launched new products to its wealth management programme to increase its customer base. The bank introduced a non-interactive product named Financial Planner, which would be available for all its customers for an annual fee starting from Rs 10,000. The bank is offering fee based advisory programme to the mass affluent segment, which was earlier offered
to high net worth customers. The wealth management programme would cater to individual needs taking into account various factors such as customer's age, financial goals and risk profile, which includes equity, MFs and debt instruments such as RBI Relief Bonds.

2003

- HDFC Bank unveils resident foreign currency account.
- HDFC Bank unveils co-branded credit card with e-Seva.
- The Board of Directors of HDFC Bank Ltd at their meeting held on January 15, 2003 approved the appointment of Mr. Arvind Pande as an Additional Director pursuant to section 260 of the Companies Act, 1956.
- HDFC Bank, IRCTC in tie up for online railway booking.
- HDFC Bank inks pact with ANB for remittance service.
- HDFC Bank introduces 'HDFC Bank Health Plus Credit Card'.
- Uma Krishnan resigns HDFC Bank as country head.
- Escotel ties up with HDFC Bank for Global Debit Card.
- HDFC Bank launches India's first mobile payment solution.
- HDFC Bank's debt programme of Rs 400-crore has received triple A (ind) rating from CREDIT rating agency FITCH.
- HDFC Bank in collaboration with Tally Solutions is planning to launch electronic data interchange (EDI) system for small and medium enterprises (SMEs).

2004

- Mr Ranjan Kapur & Mr Bobby Parikh appointed as Additional Directors
- NMCE inks pact with HDFC Bank for warehouse receipts
- HDFC Bank has entered into an alliance with Clearing Corporation of India Ltd (CCIL). The tie-up offers the latter's collateral borrowing and lending obligation (CBLO) product to cooperative banks that are not direct members of the negotiated dealing system (NDS).
- HDFC Bank repurchases HDFC loans worth Rs 208 cr
- Launches Quickremit, a unique online service that enables NRIs in the US to send money to their relatives in India from the comfort of their homes.
- Andhra Bank has entered into an alliance with HDFC Bank for sharing its network of automated teller machines (ATMs). On March 29, 2004
- HDFC Bank and Bahraini Saudi Bank (BSB) have announced an alliance to cater to service the needs of the non-resident Indians (NRIs) in Bahrain.
- HDFC Bank has launched an online bill payment facility for its customers who are also subscribers to Tata Teleservices
- HDFC Bank join hands with NCR Corporation to offer managed ATM services
IKF Finance Ltd has entered into a Joint Lending Arrangement with HDFC Bank Ltd

2005

- TMB forges alliance with HDFC Bank
- HDFC Bank inaugurates first ATM in Hotel
- HDFC Bank ties up with the International Bank of Qatar (IBQ) to launch banking services in Qatar.
- HDFC Bank launches loyalty rewards programme for its debit and credit cardholders under the name InstaWonderz.
- HDFC Bank has tied up with US-based WL Ross and company LLC for investing in corporate restructuring
- HDFC Bank unveils credit card for farmers

2006

- HDFC sets up two more branches in AP
- Osim to join hands with HDFC Bank for consumer loans
- HDFC Bank inaugurates VbV facility for online shopping
- HDFC sets up two more branches in AP

2007

- HDFC Bank has signed an agreement with Tata Pipes to offer credit facilities to farmers across the country.
- HDFC Bank Ltd has appointed Mr. Pandit Palande as an additional Director of the Bank at the Board Meeting held today i.e. on 24th April 2007.
- HDFC Bank Ltd has informed that the Board of Directors of the Bank at its meeting held on October 12, 2007, has been appointed Mr. Paresh Sukthankar & Mr. Harish Engineer as Executive Directors on the Board of Directors of the bank. Mr. Sukthankar & Mr. Engineer have been senior employees of the Bank since 1994 and have held various positions of responsibility. The above appointments as Executive Directors of the Bank are subject
- To approval of Reserve Bank of India and of the Bank's shareholders.

2008

- HDFC Bank Ties Up With Postal Department, Extends Rural Reach
- HDFC Bank Wins ‘Nasscom IT User Award The Year’
- HDFC Bank Opens Its First Overseas Branch In Bahrain
- HDFC Bank and Centurion Bank of Punjab merger at share swap ratio of 1:29
- HDFC Bank Launches India’s First Rural Banking BPO At Tirupathi
HDFC Bank Launches India’s First Online Market Linkage Programme For Self Help Groups  

2009

- HDFC Bank Bags Asiamoney Award for the Best Domestic Bank  
- HDFC Bank offers electronic payment collection facility to Guruvayoor Devaswom.  
- HDFC Bank launches ‘Meritus’ Scholarship Programme.  
- The Asian Banker declares HDFC Bank the Best Retail Bank

2010

- With a view to attract long term deposits and prevent premature withdrawal when the interest rates peak, HDFC, the housing finance major, has decided to pay variable interest rate on recurring deposits.
- HDFC Bank on Feb 19 increased the fixed deposit rates by up to 150 basis points across maturities, a move that follows the Cash Reserve Ratio hike of 75 basis points by the Reserve Bank of India last month.

1.1.6.2: AXIS Bank

Axis Bank was formed as UTI when it was incorporated in 1994 when Government of India allowed private players in the banking sector. The bank was sponsored together by the administrator of the specified undertaking of the Unit Trust of India, Life Insurance Corporation of India (LIC) and General Insurance Corporation Ltd. and its subsidiaries namely National insurance company Ltd., the New India Assurance Company, the Oriental Insurance Corporation and United Insurance Company Ltd. However, the name of UTI was changed because of the disagreement on terms and conditions of the bank authority over certain stipulations including royalty charged over the name from UTI AMC. The bank also wanted to have a new name from its pan-Indian as well as international business perspective. So from July 30, 2007 onwards the UTI bank was named as Axis Bank.

Branches and Business

http://en.wikipedia.org/wiki/Axis_Bank
Set up with a capital of Rs. 115 crore- with UTI contributing Rs. 100 crore, LIC contributing Rs. 7.5 crore and GIC and its four subsidiaries contributing Rs. 1.5 crores, the bank came in operation with its first registered office at Ahmadabad. Today, Axis Bank has more than 726 branch offices and Extension Counters spread over 341 cities, towns and villages of the country. Presently, the authorized share capital of Axis Bank is Rs. 300 Crores and the paid up share capital is Rs. 232.86 Crores. The Axis bank is currently capitalized with Rs. 282.65 Crores with a public holding of 57.05% apart from the promoters. The FY2009 shows a net profit of Rs. 500.86 crore up by 63.24% yoy over the Net Profit of Rs. 306.83 crores for the thirdquarter of last year.

Facilities and Services

Axis Bank it’s customers with all kinds of facilities that should be provided by a modern Bank. It deals with personalized as well as commercial banking. It has one of the largest spread ATM network in the country.

Corporate Facilities

- Cash Credit
- Working Capital Demand Loan
- Export Finance
- Short Term Loan
- Term Loan
- Clean Bill Discounting
- LC Backed Bill Discounting
- Co-Acceptance of Bills

<table>
<thead>
<tr>
<th>Table 1.5: Axis Bank (Brief)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
</tr>
</tbody>
</table>
| **Industry** | Banking  
Financial services |
| **Founded** | 1994 |
| **Headquarters** | Mumbai, India |
| **Key people** | Adarsh Kishore  
(Charmian)  
Shikha Sharma  
(MD & CEO) |
| **Products** | Investment Banking  
Commercial Banking  
Retail Banking  
Private Banking  
Asset Management  
Mortgage  
Credit Cards |
| **Employees** | 13,389 (2010) |
| **Website** | Axisbank.com |
• Credit Facilities against Guarantee or Stand by Letter of Credit issued by Foreign Banks
• Letter of Credit
• Bank Guarantee
• Solvency Certificates

Personal Facilities
• Home Loans
• Personal Loans
• Car Loan
• Zero Balance Savings Accounts
• VBV - Online purchases using Credit Card
• VBV / MSC - Online purchases using Debit Card
• Mobile Banking
• NRI Account
• Study Loans
• Mohur Gold
• Easy Savings Account

1.1.6.3: ICICI Bank

ICICI Bank started as a wholly owned subsidiary of ICICI Limited, an Indian financial institution, in 1994. Four years later, when the company offered ICICI Bank's shares to the public, ICICI's shareholding was reduced to 46%. In the year 2000, ICICI Bank offered made an equity offering in the form of ADRs on the New York Stock Exchange (NYSE), thereby becoming the first Indian company and the first

bank or financial institution from non-Japan Asia to be listed on the NYSE. In the next year, it acquired the Bank of Madura Limited in an all-stock amalgamation. Later in the year and the next fiscal year, the bank made secondary market sales to institutional investors.

With a change in the corporate structure and the budding competition in the Indian Banking industry, the management of both ICICI and ICICI Bank were of the opinion that a merger between the two entities would prove to be an essential step. It was in 2001 that the Boards of Directors of ICICI and ICICI Bank sanctioned the amalgamation of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. In the following year, the merger was approved by its shareholders, the High Court of Gujarat at Ahmadabad as well as the High Court of Judicature at Mumbai and the Reserve Bank of India.

Present Scenario
ICICI Bank has its equity shares listed in India on Bombay Stock Exchange and the National Stock Exchange of India Limited. Overseas, its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE). As of December 31, 2008, ICICI is India's second-largest bank, boasting an asset value of Rs. 3,744.10 billion and profit after tax Rs. 30.14 billion, for the nine months, that ended on December 31, 2008.

Branches & ATMs
ICICI Bank has a wide network both in Indian and abroad. In India alone, the bank has 1,420 branches and about 4,644 ATMs. Talking about foreign countries, ICICI Bank has made its presence felt in 18 countries - United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. The Bank proudly holds its subsidiaries in the United Kingdom, Russia and
Canada out of which, the UK subsidiary has established branches in Belgium and Germany.

**Products & Services**

1. Personal Banking
   - Deposits
   - Loans
   - Cards
   - Investments
   - Insurance
   - Demat Services
   - Wealth Management

2. NRI Banking
   - Money Transfer
   - Bank Accounts
   - Investments
   - Property Solutions
   - Insurance
   - Loans

3. Business Banking
   - Corporate Net Banking
   - Cash Management
   - Trade Services
   - FXOnline
   - SME Services
   - Online Taxes
   - Custodial Services
### Table 1.6: History of ICICI

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>The Industrial Credit and Investment Corporation of India Limited (ICICI) incorporated at the initiative of the World Bank, the Government of India and representatives of Indian industry, with the objective of creating a development financial institution for providing medium-term and long-term project financing to Indian businesses. Mr. A. Ramaswami Mudaliar elected as the first Chairman of ICICI Limited. ICICI emerges as the major source of foreign currency loans to Indian industry. Besides funding from the World Bank and other multi-lateral agencies, ICICI was also among the first Indian companies to raise funds from international markets.</td>
</tr>
<tr>
<td>1956</td>
<td>ICICI declared its first dividend of 3.5%.</td>
</tr>
<tr>
<td>1958</td>
<td>Mr. G. L. Mehta appointed the second Chairman of ICICI Ltd.</td>
</tr>
<tr>
<td>1960</td>
<td>ICICI building at 163, Backbay Reclamation, inaugurated.</td>
</tr>
<tr>
<td>1961</td>
<td>The first West German loan of DM 5 million from Kredianstalt obtained.</td>
</tr>
<tr>
<td>1967</td>
<td>ICICI made its first debenture issue for Rs. 6 crore, which was oversubscribed.</td>
</tr>
<tr>
<td>1969</td>
<td>The first two regional offices in Calcutta and Madras set up.</td>
</tr>
<tr>
<td>1972</td>
<td>The second entity in India to set up merchant banking services. Mr. H. T. Parekh appointed the third Chairman of ICICI.</td>
</tr>
<tr>
<td>1978</td>
<td>Mr. James Raj appointed the fourth Chairman of ICICI.</td>
</tr>
<tr>
<td>1979</td>
<td>Mr. Siddharth Mehta appointed the fifth Chairman of ICICI.</td>
</tr>
<tr>
<td>1982</td>
<td>1982 : ICICI became the first ever Indian borrower to raise European Currency Units. ICICI commences leasing business.</td>
</tr>
<tr>
<td>1984</td>
<td>Mr. S. Nadkarni appointed the sixth Chairman of ICICI.</td>
</tr>
<tr>
<td>1985</td>
<td>Mr. N. Vaghul appointed the seventh Chairman and Managing Director of ICICI.</td>
</tr>
<tr>
<td>1986</td>
<td>ICICI became the first Indian institution to receive ADB Loans. ICICI, along with UTI, set up Credit Rating Information Services of India Limited, India’s first professional credit rating agency. ICICI promotes Shipping Credit and Investment Company of India Limited. The Corporation made a public issue of Swiss Franc 75 million in Switzerland, the first public issue by any Indian entity in the Swiss Capital Market.</td>
</tr>
<tr>
<td>1987</td>
<td>ICICI signed a loan agreement for Sterling Pound 10 million with Commonwealth Development Corporation (CDC), the first loan by CDC for financing projects in</td>
</tr>
</tbody>
</table>

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http://www.icicibank.com/pfsuser/aboutus/newsroom/history/history.htm
1988
Promoted TDICI - India's first venture capital company.

1993
ICICI Securities and Finance Company Limited in joint venture with J. P. Morgan set up.
ICICI Asset Management Company set up.

1994
ICICI Bank set up.

1996
ICICI Ltd became the first company in the Indian financial sector to raise GDR.
SCICI merged with ICICI Ltd.
Mr. K.V.Kamath appointed the Managing Director and CEO of ICICI Ltd.

1997
ICICI Ltd was the first intermediary to move away from single prime rate to three-tier prime rates structure and introduced yield-curve based pricing.
The name The Industrial Credit and Investment Corporation of India Ltd changed to ICICI Ltd.
ICICI Ltd announced the takeover of ITC Classic Finance.

1998
Introduced the new logo symbolizing a common corporate identity for the ICICI Group.
ICICI announced takeover of Anagram Finance.

1999
ICICI launched retail finance - car loans, house loans and loans for consumer durables.
ICICI becomes the first Indian Company to list on the NYSE through an issue of American Depositary Shares.

2000
ICICI Bank became the first commercial bank from India to list its stock on NYSE.
ICICI Bank announces merger with Bank of Madura.

2001
The Boards of ICICI Ltd and ICICI Bank approved the merger of ICICI with ICICI Bank.

2002
ICICI Ltd merged with ICICI Bank Ltd to create India’s second largest bank in terms of assets.
ICICI assigned higher than sovereign rating by Moody’s.
ICICI Bank launched India’s first CDO (Collateralised Debt Obligation) Fund named Indian Corporate Collateralised Debt Obligation Fund (ICCDO Fund).
"E Lobby", a self-service banking centre inaugurated in Pune. It was the first of its kind in India.
ICICI Bank launched Private Banking.
1100-seat Call Centre set up in Hyderabad
ICICI Bank Home Shoppe, the first-ever permanent aggregation and display of housing projects in the county, launched in Pune,
ATM-on-Wheels, India’s first mobile ATM, launched in Mumbai.

2003
The first Integrated Currency Management Centre launched in Pune.
ICICI Bank announced the setting up of its first ever offshore branch in Singapore. The first offshore banking unit (OBU) at Seepz Special Economic Zone, Mumbai, launched.

ICICI Bank’s representative office inaugurated in Dubai.

Representative office set up in China. ICICI Bank’s UK subsidiary launched. India’s first ever "Visa Mini Credit Card", a 43% smaller credit card in dimensions launched.

ICICI Bank subsidiary set up in Canada.

Temasek Holdings acquired 5.2% stake in ICICI Bank. ICICI Bank became the market leader in retail credit in India.

2004

Max Money, a home loan product that offers the dual benefit of higher eligibility and affordability to a customer, introduced.

Mobile banking service in India launched in association with Reliance Infocomm.

India’s first multi-branded credit card with HPCL and Airtel launched.

Kisan Loan Card and innovative, low-cost ATMs in rural India launched.

ICICI Bank and CNBC TV 18 announced India’s first ever awards recognizing the achievements of SMEs, a pioneering initiative to encourage the contribution of Small and Medium Enterprises to the growth of Indian economy.

ICICI Bank opened its 500th branch in India.

ICICI Bank introduced partnership model wherein ICICI Bank would forge an alliance with existing micro-finance institutions (MFIs). The MFI would undertake the promotional role of identifying, training and promoting the micro-finance clients and ICICI Bank would finance the clients directly on the recommendation of the MFI.

ICICI Bank introduced 8-8 Banking wherein all the branches of the Bank would remain open from 8 a.m. to 8 p.m. from Monday to Saturday.

ICICI Bank introduced the concept of floating rate for home loans in India.

2005

First rural branch and ATM launched in Uttar Pradesh at Delpandarwa, Hardoi.

"Free for Life" credit cards launched wherein annual fees of all ICICI Bank Credit Cards were waived off.

ICICI Bank and Visa jointly launched mChq – a revolutionary credit card on the mobile phone.

Private Banking Masters 2005, a nationwide Golf tournament for high networth clients of the private banking division launched. This event is the largest domestic invitation amateur golf event conducted in India.

First Indian company to make a simultaneous equity offering of $1.8 billion in India, the United States and Japan.

Acquired IvestitionnoKreditny Bank of Russia.
ICICI Bank became the largest bank in India in terms of its market capitalization. ICICI Bank became the first private entity in India to offer a discount to retail investors for its follow-up offer.

**2006**

ICICI Bank became the first Indian bank to issue hybrid Tier-1 perpetual debt in the international markets.

ICICI Bank subsidiary set up in Russia.

Introduced a new product - ‘NRI smart save Deposits’ – a unique fixed deposit scheme for nonresident Indians.

Representative offices opened in Thailand, Indonesia and Malaysia.

ICICI Bank became the largest retail player in the market to introduce a biometric enabled smart card that allow banking transactions to be conducted on the field. A low-cost solution, this became an effective delivery option for ICICI Bank’s micro finance institution partners.

Financial counseling centre Disha launched. Disha provides free credit counseling, financial planning and debt management services.

Bhoomi puja conducted for a regional hub in Hyderabad, Andhra Pradesh.

**2007**

ICICI Bank’s USD 2 billion 3-tranche international bond offering was the largest bond offering by an Indian bank.

Sangli Bank amalgamated with ICICI Bank.

ICICI Bank raised Rs 20,000 crore (approx $5 billion) from both domestic and international markets through a follow-on public offer.

ICICI Bank’s GBP 350 million international bond offering marked the inaugural deal in the sterling market from an Indian issuer and also the largest deal in the sterling market from Asia.

Launched India’s first ever jewellery card in association with jewelry major Gitanjali Group.

ICICI Bank became the first bank in India to launch a premium credit card -- The Visa Signature Credit Card.

Foundation stone laid for a regional hub in Gandhinagar, Gujarat.

Introduced SME Toolkit, an online resource centre, to help small and medium enterprises start, finance and grow their business.

ICICI Bank signed a multi-tranche dual currency US$ 1.5 billion syndication loan agreement in Singapore.

ICICI Bank became the first private bank in India to offer both floating and fixed rate on car loans, commercial vehicles loans, construction equipment loans and professional equipment loans.

In a first of its kind, nation wide initiative to attract bright graduate students to pursue a career in banking, ICICI Bank launched the "Probationary Officer Programme".
Launched Bank@home services for all savings and current a/c customers residing in India

ICICI Bank Eurasia LLC inaugurated its first branch at St Petersburg, Russia.

ICICI Bank enters US, launches its first branch in New York
ICICI Bank enters Germany, opens its first branch in Frankfurt
ICICI Bank launched iMobile, a breakthrough innovation in banking where practically all internet banking transactions can now be simply done on mobile phones.

ICICI Bank concluded India’s largest ever securitization transaction of a pool of retail loan assets aggregating to Rs. 48.96 billion (equivalent of USD 1.21 billion) in a multi-tranche issue backed by four different asset categories. It is also the largest deal in Asia (ex-Japan) in 2008 till date and the second largest deal in Asia (ex-Japan & Australia) since the beginning of 2007.

ICICI Bank launches ICICIACTIVE - Banking Interactive Service - along with DISHTV, which will allow viewers to see information about the Bank’s products and services and contact details on their DISHTV screens.

ICICI Bank and British Airways launch co-branded credit card, which is designed to earn accelerated reward points to the card holders with every British Airways flight or by spending on everyday purchases

ICICI Bank Board appoints Mr K. V. Kamath as non-executive Chairman and Ms Chanda Kochhar as Managing Director & CEO effective May 1, 2009, while the existing non-executive Chairman Mr N Vaghul retires after completing his term on April 30, 2009

ICICI bank ties up with BSNL Cell One for bill payments, it will facilitate bill payment for BSNL Cell One users through www.icicibank.com across all the 27 circles of BSNL.

ICICI Bank Limited acting through its Hong Kong Branch (ICICI Bank) signed an agreement on Export Credit Line totaling up to US$100 million with the Japan Bank for International Cooperation (JBIC) which constitutes the international wing of Japan Finance Corporation.

ICICI Bank Limited acting through its Hong Kong Branch (ICICI Bank) signed a loan agreement with the Export-Import Bank of China (China Exim) for USD 98 million under the Two-step Buyer Credit (Export Credit) arrangement. ICICI Bank is the first Indian Bank to have entered into this arrangement with China Exim

ICICI Bank with Singapore Airlines launched “ICICI Bank Singapore Airlines Visa Platinum Credit Card”, the Card has exclusive privileges especially designed for the members.

ICICI Bank announced an association with mChek, India’s leading mobile payment solutions provider, to facilitate mChek services to all ICICI Bank Debit and Credit
Card customers. These are electronic cards issued to the customers with mChek application on their mobile phone.

Ms Chanda Kochhar takes charge as the Managing Director & CEO of ICICI Bank from May 1, 2009

1.1.6.4: CitI Bank, India

bank is one of the largest banks in the U.S., and is a part of the financial services company Citigroup. Citibank had been founded in the year 1812. Initially its name was City Bank of New York, which was later changed to First National City Bank of New York.

In over 100 countries worldwide, Citibank has been carrying out its operations, which comprise of regular banking services along with credit card, insurance and investment services. The bank claims to have a customer base of 15 million users catered by its online services division alone.

As Citibank was badly affected by the financial crisis of 2008, the U.S. government provided the bank with an aid of US$ 50 billion in two installments of US$ 25 billion each.

Presence in India

In India, Citibank is present at 28 locations as of April 13, 2009. These locations include Jalandhar, Ludhiana, Chandigarh, Noida, Delhi, Gurgaon, Faridabad, Lucknow, Jaipur, Ahmedabad, Vadodara, Indore, Bhopal, Surat, Nashik, Aurangabad, Akola, Bhubaneshwar, Kolkata, Vapi, Mumbai, Pune, Hyderabad, Bangalore, Chennai, Pondicherry, Cochin and Coimbatore.

Products and Services

The bank offers a variety of services and products under the Personal Banking, NRI Banking and Corporate Banking categories.

The services offered by the bank under Personal Banking are Loans and Credit Cards, Regular Banking services such as savings account, business banking solutions including Personal Wealth Management and investment options such as Mutual Funds and Demat Services. The bank also offers various insurance solutions and hi-tech banking services such as Online Bill Pay, Pre-paid Mobile Recharge, Internet Banking and CitiAlert account statements on the mobile phone.

**NRI Oriented Services**

For its Non-Resident Indian (NRI) customers, Citibank provides a wide range of services including Rupee Checking Account, Money Remittance, Investment solutions and Home Loans for the NRIs.

Citibank also pays specialized attention to its corporate customers in India through its Corporate Banking services, which comprises of an array of customized banking solutions tailor-made according to the needs of its corporate customers in India. These services include Cash Management, Trade Services, Loans, Securities and Fund Services, and Investment Banking services.

**Global Commercial Bank Services**

Apart from it, Citibank also offers Global Commercial Bank services through its Commercial Relationship Banking wing and Global Subsidiaries Group. The Commercial Relationship Banking services are aimed at helping the Small and Medium Enterprises (SMEs) and Mid Market Enterprises, while the Global Subsidiaries Group provides comprehensive banking services for the top multinational corporate and their subsidiaries in India.
1.1.6.5: HSBC Bank\textsuperscript{11}, India

HSBC Bank is a subsidiary of HSBC Holdings plc, a London based banking giant which, according to the Forbes magazine, is the largest banking group in the world, and the 6th largest company in the world as of April 2009. HSBC Holdings had been established in Hong Kong in the year 1990 as the parent company to the Hongkong and Shanghai Banking Corporation (HSBC). Further, the bank moved its headquarters from Hong Kong to London.

**Key Attributes**

With a loan-deposit ratio of 90%, HSBC Bank is said to be one of the five British banks that claim to have more deposits than loans. Such a high loan-deposit ratio of the bank has been able to retain the trust of its investors and customers, keeping them assured of its financial strengths. The sound financial position of the bank can also be attributed to the fact that its stocks maintained relatively high price even during the credit crunch phase, something not commonly seen to have happened to other banks.

**Presence in India**

In India, the introduction of HSBC Bank can be dated as early as the year 1853, with the establishment of the Mercantile Bank of India in Mumbai. Currently, HSBC Group operates through a number of its subsidiaries in India, viz. The Hongkong and Shanghai Banking Corporation Limited (HSBC), HSBC Asset Management (India) Private Limited, HSBC Global Resourcing / HSBC Electronic Data Processing (India) Private Limited, HSBC Insurance Brokers (India) Private Limited, HSBC Operations and Processing Enterprise (India) Private Limited, HSBC Private Equity Management (Mauritius) Limited, HSBC Professional Services (India) Private Limited, HSBC Securities and Capital

\textsuperscript{11} http://www.iloveindia.com/finance/bank/foreign-banks/hsbc-bank.html
Markets (India) Private Limited and HSBC Software Development (India) Private Limited. The group carries out its Commercial Banking, Banking Technology, Asset Management, Global Resourcing, Insurance and Data Processing operations in the country through its subsidiaries.

**Commendable Achievements**

HSBC Bank is well known for having established the first ATM (Automatic Teller Machine) in India in the year 1987. As of April 2009, the bank is present in many prominent cities of the country including Mumbai, New Delhi, Bangalore, Hyderabad, Jaipur, Chandigarh etc.

**HSBC Bank History**

HSBC Bank History includes a wide range of acquisitions and expansions around the world. Hong Kong and Shanghai Banking Corporation Limited, the founding member of The HSBC Group, was established in 1865 in order to finance the increasing trade between China, India and Europe. The key person behind the founding of HSBC bank was Thomas Sutherland who was then working with the Peninsular and Oriental Steam Navigation Company. A strong demand for banking needs was realized by Thomas with the growing trade on the China coast. With his help, Hong Kong and Shanghai Banking Corporation was established in Hong Kong in March 1865 and a month later in Shanghai.

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**HSBC Group History**\(^\text{12}\)

\(^{12}\) [http://www.onlinebanksguide.com/hsbc-bank/history.html](http://www.onlinebanksguide.com/hsbc-bank/history.html)
HSBC Group has a unique international pedigree and many of the principal companies were established for business more than a century ago. Soon after its establishment in Hong Kong the bank expanded its branches and agencies all over the world. The network of HSBC began to spread as far as North America and Europe. It then soon became a pioneer in offering modern banking services in a number of nations. In 1888, HSBC became the first bank to be ever established in Thailand and it printed the first bank notes for the country. In 1866, HSBC opened its Japan branch that acted as the adviser to the government of banking and currency of the country.

HSBC Holdings plc History
On the other hand, HSBC Holdings is a public limited company established in England in 1990 and headquartered in London from 1993. It is the parent company of the Hong Kong and Shanghai Banking Corporation and its headquarters were located in Hong Kong until 1992, when it was obliged to move with the acquisition of the Midland Bank. In 2009, it was announced as the largest banking group and 6th largest company by the Forbes Magazine. HSBC history in China, India and various other countries in Asia Pacific involves a number of acquisitions that enables the bank to expand its branches and subsidiaries. The following are some of major acquisitions made by HSBC International.

- 1980 - HSBC acquired 51% of shares in Marine Midland Bank based in New York.
- 1987 - The bank fully owns the Marine Midland Bank.
- 1999 - HSBC acquired the Republic National Bank and relocated its Head Office from Buffalo to 452 Fifth Avenue New York.

Today, HSBC Group has their presence in all the major financial markets of the world such as the Americas, Europe and Asia-Pacific. The bank has 8,500 offices in around 86 countries with 210,000 shareholders and over 128 million customers worldwide. It has become the world's leader in providing a huge variety of banking and financial services ranging from personal banking, business and corporate services, private banking and a number of international services.

**HSBC History Wall**
Moreover, the bank has developed the HSBC History Wall, which is a visual record of its history. This visual record was developed in London for the Group's headquarters. In 3,743 images, this History Wall showcases the rich and diverse pedigree of the HSBC Group. Visitors can see a number of historical images depicting major acquisitions and expansions undertaken by the financial services firm. To find more details on HSBC historical exchange rates, share price, stock price, prime rates, historical base rates and variable rate, logon to the official website of the bank.

1865-1899

13 [http://www.hsbc.com/1/2/about/history/1865-1899](http://www.hsbc.com/1/2/about/history/1865-1899)
The HSBC Group is named after its founding member, The Hongkong and Shanghai Banking Corporation Limited, which was established in 1865 to finance the growing trade between Europe, India and China.

The inspiration behind the founding of the bank was Thomas Sutherland, a Scot who was then working for the Peninsular and Oriental Steam Navigation Company. He realised that there was considerable demand for local banking facilities in Hong Kong and on the China coast and he helped to establish the bank which opened in Hong Kong in March 1865 and in Shanghai a month later.

Soon after its formation the bank opened agencies and branches around the world. Although that network reached as far as Europe and North America, the emphasis was on building up representation in China and the rest of the Asia-Pacific region. HSBC was a pioneer of modern banking practices in a number of countries. In Japan, where a branch was established in 1866, the bank acted as adviser to the government on banking and currency. In 1888, it was the first bank to be established in Thailand, where it printed the country’s first banknotes.

From the outset trade finance was a strong feature of the local and international business of the bank, an expertise that has been recognised throughout its history. Bullion, exchange, merchant banking and note issuing also played an important part. By the 1880s, the bank was acting as banker to the Hong Kong government and also participated in the management of British government accounts in China, Japan, Penang and Singapore. In 1874 the bank handled China’s first public loan and thereafter issued most of China’s public loans.

By the end of the century, after a strong period of growth and success under the leadership of Thomas Jackson (chief manager for most of that period from 1876 to 1902), the bank was the foremost financial institution in Asia.

1900-1945

In the early years of the twentieth century, HSBC widened the scope of its activities in the East. It became increasingly involved in the issuing of loans to national governments, especially in China, to finance modernisation and internal infrastructure projects such as railway building. The First World War brought disruption and dislocation to many businesses but the 1920s saw a return to prosperity in the East as new industries were developed and trade in commodities such as rubber and tin soared. The bank’s new head office in Hong Kong (1935) and the new buildings at major branches such as Bangkok (1921), Manila (1922) and Shanghai (1923) reflected this confidence.

In contrast the political outlook in China grew increasingly uncertain. Throughout the 1930s, in keeping with its long-standing connections with government finance in China, the bank took a leading part in efforts to stabilise the Chinese national currency.

In the Second World War, the majority of the bank’s staff in the East became prisoners of war as the Japanese advanced through Asia. The chief manager, Sir Vandeleur Grayburn and his

14 http://www.hsbc.com/1/2/about/history/1900-1945
designated successor died while prisoners in Hong Kong. The bank survived under the guidance of its London Advisory Committee who were empowered to act as a Board of Directors in 1943, and under the leadership of Arthur Morse who became Chairman and Chief Manager of the bank at the same time. With most of the branch network shut down the bank adjusted to wartime conditions whilst always making plans to return to its home.

1946-1979

After the Second World War HSBC quickly restored its head office powers and functions to Hong Kong. In the immediate post-war period the bank quickly took on a key role in the reconstruction of the Hong Kong economy. Its support for the skills and experiences of newcomers to Hong Kong was especially vital to the upsurge in manufacturing in this period.

In its other markets, however, the bank needed to make major readjustments. Most of the mainland offices in China were closed between 1949 and 1955, leaving only the Shanghai office to continue its long and eventful service. These changes carried the risk that the bank was over-concentrating its interests in Hong Kong. The bank addressed this concern by diversifying its business in a series of alliances and acquisitions.

In the Asia-Pacific region, key additions were the Mercantile Bank in 1959; a controlling interest in Hang Seng Bank Limited in 1965; and the formation of a merchant bank arm, Wardley Limited, in 1972.

The history of the Mercantile Bank stretched back to its foundation in Bombay (now Mumbai) in 1853 and the bank was particularly strong in the Indian sub-continent and Malaysia.

Hang Seng Bank, in contrast, was a local Hong Kong bank established in 1933. These developments were complemented by the purchase of The British Bank of the Middle East in 1959 and the establishment of the Hongkong and Shanghai Banking Corporation of California in 1955.

By the 1970s the bank had firmly developed a policy of expansion by acquisition or formation of subsidiaries with their own identities and expertise.

1980-1999

During the 1980s HSBC concentrated on moving into those markets where it was not yet fully represented. In the United States this expansion centred on the purchase of Marine Midland Bank. After taking a 51 per cent interest in the bank in 1980, full ownership was completed in 1987. In Europe the bank sought a similar investment and in 1987 it took a 14.9 per cent share in Midland Bank in the UK. A co-operation agreement between HSBC and Midland allowed the two banks to consolidate and rationalise their international activities by reciprocal transfers of business.

The formation of HSBC Holdings plc in 1991, creating a holding company for the entire Group with its shares quoted in London and Hong Kong, showed that the Group viewed Europe, and the London market in particular, as a vital part of its future development. This strategy was made clear

\[\text{http://www.hsbc.com/1/2/about/history/1946-1979}\]

\[\text{Source: http://www.hsbc.com/1/2/about/history/1980-1999}\]
when HSBC Holdings announced that it would make a recommended offer for full ownership of Midland. The final offer, which became unconditional in July 1992, valued Midland at £3.9 billion and lifted the Group’s total assets from £86 billion in 1991 to over £170 billion in 1992. HSBC’s acquisition of Midland created one of the largest financial organisations of its kind in the world.

**2009**

In 2009, HSBC garnered accolades and awards, released solid financial results, provided honest assessments of the economic landscape, supported victims of natural disasters in the developing world, and reaffirmed its position as the world's leading international emerging markets bank.

Delivering strong performance

In a year that saw many casualties in finance, HSBC stayed strong. It was one of a small number of financial institutions that did not receive government financial assistance in any form. Amid fluid market conditions, HSBC reported strong results, sending a positive message to the public and investors.

HSBC's success was recognized with the title 'Global Bank of the Year' in the Euromoney Awards for Excellence 2009. HSBC also won 14 regional awards along with 'Best Global Debt House' and 'Best Global Transaction Banking House'.

HSBC also scored a flurry of 'firsts' across Asia during the year. It pioneered renminbi-denominated trade settlement across all its ASEAN (Association of Southeast Asian Nations) markets under the RMB trade settlement pilot scheme. It became the first locally-incorporated foreign bank in Vietnam when it commenced operations in Ho Chi Minh City on 1 January 2009; it also set to be the first foreign bank to open a branch in Jaffna, Sri Lanka, and the first foreign bank in China to underwrite financial-institution-issued yuan-denominated bonds.

Sustainability and community

HSBC employees worldwide worked together to bring smiles to tens of thousands of children in Brazil, Argentina, Canada, Colombia, France, India, Malaysia, Mauritius, Mexico, Spain and the United States by donating over 60,000 toys through the Future First Toy Drive. HSBC branches and staff worked with different international and local non-governmental organizations (NGOs) and charities to reach the children.

**2008**

2008 was an exceptionally challenging year for HSBC.

The unprecedented turbulence in the financial markets and the risk of a worldwide downturn brought a range of government and central bank interventions across the globe. HSBC, whilst welcoming any support for the banking system, remained one of the most strongly capitalised and liquid banks in the world. In December HSBC announced a £750 million capital injection for its UK subsidiary from its own resources and also created a new $5 billion global fund for small and medium sized businesses to ensure that they have access to appropriate credit in the current economic climate.
HSBC continues to be committed to reducing the impact of its operations on the environment. In June solar panels were fitted to the roof of HSBC’s head office in Canary Wharf as part of the bank's US$90 million Global Environmental Efficiency Programme, launched in 2007, to introduce renewable energy technology, water and waste reduction programmes and employee participation across its 10,000 offices around the world. In December HSBC formally adopted The Climate Principles which will help to embed climate change considerations into core business strategies and activities.

2007

2007 was a year of challenges for HSBC. The weakness in the American property market affected its US subsidiary, HSBC Finance Corporation, and in February the bank issued a trading statement to warn investors about the impact of bad debts. Many other banks follow suit and by the end of the year HSBC is winning plaudits for its early announcement and prudent handling of the situation. In a strategic review of its consumer and mortgage lending businesses, the bank announces the closure of Decision HSBC continues its long-standing engagement with the environmental agenda when it launches the HSBC Climate Partnership in May. This five-year, US$100m project aims to tackle the causes and impact of climate change. The bank also appoints Nicholas Stern to the post of special advisor on Economic Development and Climate Change. The bank's principles are put into practice to good effect in its new HQ in Mexico which wins Gold awards for its environmental design, construction and operation. This is just one of many awards that HSBC receives throughout the year - others include Asia's top retail bank and the Best International Islamic Bank.

Both looking back, and looking forward, HSBC announces during the year that it has commissioned a new history of the bank to be published in 2015 to coincide with the bank's 150th birthday.

2006

2006 was a year of development and change for HSBC. Strategic acquisitions throughout the year increased market share and customer numbers especially in the Americas. In February HSBC Latin America Holdings (UK) Limited entered an agreement to acquire the majority of Lloyds TSB’s branch assets in Paraguay, and this was quickly followed by the acquisition in March of a stake in Financiera Independencia - one of Mexico’s leading companies in the sub-prime consumer loans market with over 100 offices throughout the country. In November, the bank entered fresh pastures with the purchase of Grupo Banistmo. This banking group, based in Panama, gave the bank access to the markets of Colombia, Costa Rica, El Salvador, Honduras and Nicaragua for the first time in its history.

Climate change and environmental issues remained important to HSBC during the year. Eight thousand bins were removed from HSBC’s head office in June as part of the programme to reduce the amount of waste sent to landfills by 8% by the end of 2007. In June HSBC signed up to the
UN principles for responsible investment and was also named the winner in the first FT Sustainable Banking Awards.

In May HSBC bid farewell to Sir John Bond, and welcomed Stephen Green as Group Chairman.

2005

In 2005, HSBC marked 140 years in China by increasing its stake in the country. The Group opened new branches in Chongqing and Chengdu in the west of the country and in March became the first foreign bank to provide local currency services from its branch in Beijing. HSBC began selling insurance through Ping An Insurance, China’s second largest life insurer, and increased its stake in the company to 19.9%. In November, HSBC was the title sponsor of the inaugural HSBC Champions golf tournament in Shanghai. In the Middle East, HSBC reopened its branch in Kuwait, while in the US, the integration of Household International with the Group’s North American operations was completed, under the name ‘HSBC Finance Corporation’.

In 2005, HSBC published the world’s most comprehensive survey of global attitudes to ageing and retirement, while in November, Sir John Bond, HSBC Chairman since 1988, announced he is to retire in May 2006.

2004

HSBC grew organically and through strategic acquisitions in 2004. The Bank of Bermuda joined the Group in February and minority stakes were acquired in India’s UTI Bank and China’s Bank of Communications Ltd. In the UK, HSBC bought the retail financial services arm of the Marks and Spencer Group. The HSBC brand was adopted by its Mexican subsidiary, G F Bital, early in the year and in September the majority of the bank’s North American businesses, including Household International, were united under the name HSBC North America.

2003

In April, the new Group head office in Canary Wharf in London officially opened to house some 8000 staff. HSBC’s purchase of Household International Inc. added substantially to the Group's business and profile in the United States; Household’s network of over 1300 branches in 45 states provided consumer finance to 53 million customers. In France CCF agreed to increase its stake in French private bank Banque Eurofin S.A. to 83.95 per cent and to acquire two further branches of Banque Worms. HSBC also acquired Keppel Insurance Pte Ltd, a provider of life insurance and Islamic insurance in Singapore; and took full ownership of Equator Holdings Ltd.

2002

From 2002, the HSBC identity carried the strapline of ‘The world’s local bank’, emphasising the Group’s experience and understanding of a great variety of markets and cultures. The Group also
began its five-year 'Investing in Nature' programme, a partnership in environmental projects with Earthwatch, WWF and Botanic Gardens International.

HSBC acquired and recapitalized Grupo Financiero Bital in Mexico at a total cost of US$1.9 billion. This new member of the Group brought 5.5 million new customers and 1,400 branches into the network. Elsewhere, HSBC acquired a 10 per cent share of Ping An Insurance Company of China, the second largest life insurance operator in the country.

2001

Purchases during the year included the NRMA Building Society Limited in Australia, Demirbank of Turkey and a 97 per cent interest in China Securities Investment Trust Corporation, Taiwan’s leading asset management company. In December, the bank also took an 8 per cent share in the Bank of Shanghai which was established in 1995 and operates a network of almost 200 branches in the city. 2001 also saw the opening of the only branch in the HSBC network that is open 365 days a year - in Pune in Western India.

2000

In April, HSBC announced a US$11 billion recommended offer for Crédit Commercial de France (CCF). Established in 1894, CCF brought into the Group a network of 650 branches in France and long experience of personal, corporate, investment and private banking, greatly strengthening HSBC’s presence in the euro zone. The deal was completed in July and in that month HSBC Holdings plc was listed on the Paris Stock Exchange for the first time.

During the year HSBC launched HSBC Premier, a new international service for HSBC’s most valuable personal customers.

1.1.6.6: State Bank of India17 (SBI)

SBI

State Bank of India (Hindi: भारतीय स्टेट बैंक) (SBI) (BSE: SBI, LSE: SBID) is the largest bank in India. The bank traces its ancestry to British India, through the Imperial Bank of India, to the founding in 1806 of the Bank of Calcutta, making it the oldest commercial bank in the Indian Subcontinent. The Government of India nationalized the Imperial Bank of India in 1955, with the Reserve Bank of India taking a 60%

stake, and renamed it the State Bank of India. In 2008, the Government took over the stake held by the Reserve Bank of India.

SBI provides a range of banking products through its vast network in India and overseas, including products aimed at NRIs. The State Bank Group, with over 16000 branches, has the largest branch network in India. With an asset base of $250 billion and $195 billion in deposits, it is a regional banking behemoth. It has a market share among Indian commercial banks of about 20% in deposits and advances, and SBI accounts for almost one-fifth of the nation’s loans.

SBI has tried to reduce over-staffing by computerizing operations and Golden handshake schemes that led to a flight of its best and brightest managers. These managers took the retirement allowances and then went on to become senior managers in new private sector banks.

The State bank of India is the 29th most reputed company in the world according to Forbes.

State Bank of India is one of the Big Four Banks of India, along with ICICI Bank, Axis Bank and HDFC Bank — its main competitors.

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The All India Rural Credit Survey Committee proposed the takeover of the Imperial Bank of India, and integrating with it, the former state-owned or state-associate banks. Subsequently, an Act was passed in the Parliament of India in May 1955. As a result, the State Bank of India (SBI) was established on 1 July 1955. This resulted in making the State Bank of India more powerful, because as much as a quarter of the resources of the Indian banking system were controlled directly by the State. Later on, the State Bank of India (Subsidiary Banks) Act was passed in 1959. The Act enabled the State Bank of India to make the eight former State-associated banks as its subsidiaries.

The State Bank of India emerged as a pacesetter, with its operations carried out by the 480 offices comprising branches, sub offices and three Local Head Offices, inherited from the Imperial Bank. Instead of serving as mere repositories of the community's savings and lending to creditworthy parties, the State Bank of India catered to the needs of the customers, by banking purposefully. The bank served the heterogeneous financial needs of the planned economic development.

**Branches**

The corporate center of SBI is located in Mumbai. In order to cater to different functions, there are several other establishments in and outside Mumbai, apart from the corporate center. The bank boasts of having as many as 14 local head offices and 57 Zonal Offices, located at major cities throughout India. It is recorded that SBI has about 10000 branches, well networked to cater to its customers throughout India.

**ATM Services**

SBI provides easy access to money to its customers through more than 8500 ATMs in India. The Bank also facilitates the free transaction of money at the ATMs of State Bank Group, which includes the ATMs of State Bank of India as well as the Associate Banks – State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, etc. You may also transact money through
SBI Commercial and International Bank Ltd by using the State Bank ATM-cum-Debit (Cash Plus) card.

**Subsidiaries**

The State Bank Group includes a network of eight banking subsidiaries and several non-banking subsidiaries. Through the establishments, it offers various services including merchant banking services, fund management, factoring services, primary dealership in government securities, credit cards and insurance.

The eight banking subsidiaries are:

- State Bank of Bikaner and Jaipur (SBBJ)
- State Bank of Hyderabad (SBH)
- State Bank of India (SBI)
- State Bank of Indore (SBIR)
- State Bank of Mysore (SBM)
- State Bank of Patiala (SBP)
- State Bank of Saurashtra (SBS)
- State Bank of Travancore (SBT)

**Products and Services**

**Personal Banking**

- SBI Term Deposits
- SBI Loan For Pensioners
- SBI Recurring Deposits
- Loan Against Mortgage Of Property
- SBI Housing Loan, Loan Against Shares & Debentures
- SBI Car Loan Rent Plus Scheme
- SBI Educational Loan Medi-Plus Scheme

**Other Services**

- Agriculture/Rural Banking
- NRI Services
- ATM Services
- Demat Services
- Corporate Banking
- Internet Banking
- Mobile Banking
- International Banking
- Safe Deposit Locker
- RBIEFT
- E-Pay
- E-Rail
- SBI Vishwa Yatra Foreign Travel Card
• Broking Services
• Gift Cheques

International presence

The bank has 131 overseas offices spread over 32 countries as on 31st Dec 2009. It has branches of the parent in Colombo, Dhaka, Frankfurt, Hong Kong, Johannesburg, London and environs, Los Angeles, Male in the Maldives, Muscat, New York, Osaka, Sydney, and Tokyo. It has offshore banking units in the Bahamas, Bahrain, and Singapore, and representative offices in Bhutan and Cape Town.

SBI operates several foreign subsidiaries or affiliates. In 1990 it established an offshore bank, State Bank of India (Mauritius).

In 1982, the bank established a subsidiary, State Bank of India (California), which now has eight branches - seven branches in the state of California and one in Washington DC that it opened on 23 November 2009. The seven branches in California are located in Los Angeles, Artesia, San Jose, Canoga Park, Fresno, San Diego and Bakersfield.

The Canadian subsidiary, State Bank of India (Canada) too dates to 1982. It has seven branches, four in the greater Toronto area and three in British Columbia.

In Nigeria SBI operates as INMB Bank. This bank began in 1981 as the Indo-Nigerian Merchant Bank and received permission in 2002 to commence retail banking. It now has five branches in Nigeria.

In Nepal, SBI owns 50% of Nepal SBI Bank, which has branches throughout the country. In Moscow SBI owns 60% of Commercial Bank of India, with Canara Bank owning the rest. In Indonesia it owns 76% of PT Bank Indo Monex.
State Bank of India already has a branch in Shanghai and plans to open one up in Tianjin.

**History**

The roots of the State Bank of India rest in the first decade of 19th century, when the Bank of Calcutta, later renamed the Bank of Bengal, was established on 2 June 1806. The Bank of Bengal and two other Presidency banks, namely, the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843). All three Presidency banks were incorporated as joint stock companies, and were the result of the royal charters. These three banks received the exclusive right to issue paper currency in 1861 with the Paper Currency Act, a right they retained until the formation of the Reserve Bank of India. The Presidency banks amalgamated on 27 January 1921, and the reorganized banking entity took as its name Imperial Bank of India. The Imperial Bank of India continued to remain a joint stock company. Pursuant to the provisions of the State Bank of India Act (1955), the Reserve Bank of India, which is India's central bank, acquired a controlling interest in the Imperial Bank of India. On 30 April 1955 the Imperial Bank of India became the State Bank of India. The Govt. of India recently acquired the Reserve Bank of India's stake in SBI so as to remove any conflict of interest because the RBI is the country's banking regulatory authority.

In 1959 the Government passed the State Bank of India (Subsidiary Banks) Act, enabling the State Bank of India to take over eight former State-associated banks as its subsidiaries. On Sept 13, 2008, State Bank of Saurashtra, one of its Associate Banks, merged with State Bank of India.

SBI has acquired local banks in rescues. For instance, in 1985, it acquired Bank of Cochin in Kerala, which had 120 branches. SBI was the acquirer as its affiliate, State Bank of Travancore, already had an extensive network in Kerala.

**Key Dates**

1806: The Bank of Calcutta is established as the first Western-type bank.

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1809: The bank receives a charter from the imperial government and changes its name to Bank of Bengal.

1840: A sister bank, Bank of Bombay, is formed.

1843: Another sister bank is formed: Bank of Madras, which, together with Bank of Bengal and Bank of Bombay become known as the presidency banks, which had the right to issue currency in their regions.

1861: The Presidency Banks Act takes away currency issuing privileges but offers incentives to begin rapid expansion, and the three banks open nearly 50 branches among them by the mid-1870s.

1876: The creation of Central Treasuries ends the expansion phase of the presidency banks.

1921: The presidency banks are merged to form a single entity, Imperial Bank of India.

1955: The nationalization of Imperial Bank of India results in the formation of the State Bank of India, which then becomes a primary factor behind the country's industrial, agricultural, and rural development.

1969: The Indian government establishes a monopoly over the banking sector.

1972: SBI begins offering merchant banking services.

1986: SBI Capital Markets is created.

1995: SBI Commercial and International Bank Ltd. are launched as part of SBI's stepped-up international banking operations.


2002: SBI networks 3,000 branches in a massive technology implementation.

2004: A networking effort reaches 4,000 branches.

**Associate banks**

There are seven associate banks that fall under SBI, and together these seven banks constitute the State Bank Group. All use the same logo of a blue keyhole and all the associates use the "State Bank of" name followed by the regional headquarters' name. Originally, the then seven banks that became the associate banks belonged to princely states until the government nationalized them between October, 1959 and May, 1960. In tune with the first Five Year Plan, emphasizing the development of rural India, the government integrated these banks into State Bank of India to expand its rural outreach. There has been a proposal to merge all the associate banks into SBI to create a "mega bank" and streamline operations. The first step along these lines occurred on 13 August.
2008 when State Bank of Saurashtra merged with State Bank of India, which reduced the number of state banks from seven to six. Furthermore on 19th June 2009 the SBI board approved the merger of its subsidiary, State Bank of Indore, with itself. SBI holds 98.3% in the bank, and the balance 1.77% is owned by individuals, who held the shares prior to its takeover by the government.

The acquisition of State Bank of Indore will help SBI add 470 branches to its existing network of 12,448 and over 21,000 ATMs. Also, following the acquisition, SBI’s total assets will inch very close to the Rs 10-lakh crore mark. Total assets of SBI and the State Bank of Indore stood at Rs 998,119 crore as on March 2009. The process of merging of State Bank of Indore is going on. The process will be completed by April 2010.

**Principal Subsidiaries:**
Bank of Bhutan (Bhutan); Indo Nigeria Merchant Bank Ltd. (Nigeria); Nepal SBI Bank Ltd. (Nepal); SBI (U.S.A.); SBI (Canada); SBI Capital Market Ltd.; SBI Cards & Payments Services Ltd.; SBI Commercial and International Bank Ltd.; SBI European Bank plc (U.K.); SBI Factors & Commercial Services Ltd.; SBI Funds Management Ltd.; SBI Gilts Ltd.; SBI Home Finance Ltd.; SBI Securities Ltd.; State Bank International Ltd. (Mauritius); State Bank of Bikaner & Jaipur; State Bank of Hyderabad; State Bank of Indore; State Bank of Mysore; State Bank of Patiala; State Bank of Saurastra; State Bank of Travancore.

**The subsidiaries of SBI in India are:**
- State Bank of Indore
- State Bank of Bikaner & Jaipur
- State Bank of Hyderbad
- State Bank of Mysore
• State Bank of Patiala
• State Bank of Travancore

Group companies
• SBI Capital Markets Ltd
• SBI Mutual Fund (A Trust)
• SBI Factors and Commercial Services Ltd
• SBI DFHI Ltd
• SBI Cards and Payment Services Pvt. Ltd
• SBI Life Insurance Co. Ltd - Bancassurance (Life Insurance)
• SBI Funds Management Pvt Ltd
• SBI Canada

Branches of SBI
• SBI has 21000 ATMs.
• SBI has 26500 branches, inclusive of branches that belong to its Associate banks.
• SBI alone has 18500 branches.
• SBI is the only bank consisting 26% participation in public sector banks and 39% participation in commercial banks in India.

Symbol & Slogan
Symbol is the Key Hole, whose meaning is "Welcome to SBI".
Slogans are:
1) With you all the way
2) Pure banking nothing else
3) The Banker to every Indian.
4) The Nation banks on

1.1.6.7: Bank of Baroda\textsuperscript{20} (BOB)

\textbf{BOB}

(Bank of Baroda (Hindi: बैंक ऑफ बरोडा)) is the third largest Public Sector bank in India, after State Bank of India and Punjab National Bank. BoB has total

\footnote{\url{http://wapedia.mobi/en/Bank_of_Baroda}}
assets in excess of Rs. 2.27 lakh crores, or Rs. 2,274 billion, a network of over
3000 branches and offices, and about 1100+ ATMs. It offers a wide range of
banking products and financial services to corporate and retail customers
through a variety of delivery channels and through its specialized subsidiaries
and affiliates in the areas of investment banking, credit cards and asset
management.
Maharajah of Baroda Sir Sayajirao Gaekwad III founded the bank on July 20,
1908 in the princely state of Baroda, in Gujarat. The bank, along with 13 other
major commercial banks of India, was nationalised on 19 July 1969, by the
Government of India.

International Presence
In its international expansion Bank of Baroda followed the Indian
diaspora, and especially that of the Gujaratis. It has significant international
presence with a network of 72 offices in 25 countries, six subsidiaries, and four
representative offices.
Among Bank of Baroda's 42 overseas branches are ones in the world’s major
financial centers i.e. New York, London, Dubai, Hong Kong (which it has upgraded recently), Brussels and Singapore, as well as a number in other countries. The bank is engaged in retail banking via 17 branches of subsidiaries in Botswana, Guyana, Kenya, Tanzania, and Uganda.

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Bank of Baroda also has a joint-venture bank in Zambia with nine branches. Bank of Baroda maintains representative offices in Malaysia, China, Thailand, and Australia. It plans to upgrade its offices in China and Malaysia shortly to a branch and joint-venture, respectively.

Bank of Baroda has received permission or in principle approval from host country regulators to open new offices in Trinidad and Tobago and Ghana, where it is seeking to establish joint ventures or subsidiaries. The bank has received Reserve Bank of India approval to open offices in the Maldives, and New Zealand. It is seeking approval for operations in Bahrain, South Africa, Kuwait, Mozambique, and Qatar and is establishing offices in Canada, New Zealand, Sri Lanka, Bahrain, Saudi Arabia, and Russia. It also has plans to extend its existing operations in the United Kingdom, the United Arab Emirates, and Botswana.

**History**

Prior to independence from the British Rule, the ancient India was ruled by princely states, scattered over the width and breadth of the large Indian nation. The Maharajas of the inner States of colonial India contributed to the welfare of their respective regions as well as the Indian nation as a whole. Their vision and foresight in founding various financial, charitable, social and philanthropic organizations during their time is still cherished by any one going into the history of modern India and its achievements in every walk of life.

The Maharaja of Baroda, a princely state of British India, by name Sir Sayyajirao Gaekwad III, had the same vision in establishing a bank for servicing the public at large and the citizens of Baroda State, a Gujarathi population in particular. On 20th July 1908, Bank of Baroda was established under the rules of Companies Act 1897, in a small building at Baroda, by the Maharaja with a paid up capital of Rs.10 lakhs. The guidelines set by the Maharaja for the bank was to serve the people of the State of Baroda as well as the neighboring regions with money lending, saving, transmission and encouraging the development of arts, science, commerce and trade for the people.

Even during the worst financial disaster caused by the First World War, during the period 1913 to 1917, when as many as 87 banks closed their shutters, Bank of India survived the turbulence with its clear vision, ethical standards and financial prudence to grow from strength to strength. There
were heroes to sustain the development of this bank to its present glory, from ordinary people as customers and the heirs of the Royal family of Baroda. The success story of the Bank of Baroda is studded with many a leaps and strides it made in the International presence, apart from establishing branches all over the Indian nation, by acquisition of already popular banking entities, as also commencing new commercial banking establishments, in the unique Gujarathi style. During the years of 1908 to 2007 (and the century year being round the corner) Bank of Baroda’s growth owes to the excellence in rendering financial products and services to the national and international population. Countries beginning from America to Zambia, in the alphabetical order have been enjoying the services of Bank of Baroda as of today.

A brief statistics will reveal the magnitude of growth Bank of India has achieved today: fifth largest bank in India; total assets over 1,78,000 crores; number of offices and branches 2800; more than 1000 ATMs, notwithstanding affiliates, subsidiaries and delivery channels all over the world.

**1908-1958**

- 1908: Maharaja Sayajirao Gaekwad III set up Bank of Baroda (BOB).
- 1910: BOB established its first branch in Ahmedabad.
- 1953: BOB established a branch in Mombasa and another in Kampala.
- 1954: BOB opened a branch in Nairobi.
- 1956: BOB opened a branch in Dar-es-Salaam.
- 1957: BOB established a branch in London.

**1960s**

- 1961: BOB merged in New Citizen Bank of India. This merger helped it increase its branch network in Maharashtra.
  
  BOB also opened a branch in Fiji.
- 1962: BOB opened a branch in Mauritius.
- 1964: BOB acquired two banks, Umbergaon People’s Bank in southern Gujarat and Tamil Nadu Central Bank in Tamil Nadu state.
- 1964: BOB lost its branch in Narayanjanj (East Pakistan) due to the Indo-Pakistan war. It is unclear when BOB had opened the branch.
- 1965: BOB opened a branch in Guyana.
- 1967: The Tanzanian government nationalized BOB’s three branches there and transferred their operations to the Tanzanian government-owned National Banking Corporation.
- 1969: The Government of India nationalized 14 top banks, including BOB.
BOB incorporated its operations in Uganda as a 51% subsidiary, with the government owning the rest.

1970s and 1980s

- 1972: BOB acquired Bank of India’s operations in Uganda.
- 1974: BOB opened a branch each in Dubai and Abu Dhabi.
- 1975: BOB acquired the majority shareholding and management control of Bareilly Corporation Bank (est. 1928) and Nainital Bank (est. in 1954), both in Uttar Pradesh. Since then, Nainital Bank has expanded to Uttarakhand State.
- 1976: BOB opened a branch in Oman and another in Brussels. The Brussels branch was aimed at Indian firms from Mumbai (Bombay) engaged in diamond cutting and jewellery having business in Antwerp, a major center for diamond cutting.
- 1978: BOB opened branch in New York and another in the Seychelles.
- 1979: BOB opened a branch in Nassau, the Bahamas.
- 1980: BOB opened a branch in Bahrain and a representative office in Sydney, Australia.

BOB, Union Bank of India and Indian Bank established IUB International Finance, a licensed deposit taker, in Hong Kong. Each of the three banks took an equal share.

- 1985: BOB (20%), Bank of India (20%), Central Bank of India (20%) and ZIMCO (Zambian government; 40%) established Indo-Zambia Bank (Lusaka).

BOB also opened an Offshore Banking Unit (OBU) in Bahrain.

- 1988: BOB acquired Traders Bank, which had a branch network in Delhi.

1990s

- 1990: BOB opened an OBU in Mauritius, but closed its representative office in Sydney.
- 1992 BOB incorporated its operations in Kenya into a local subsidiary with a small tranche of shares quoted on the Nairobi Stock Exchange.
- 1993: BOB closed its OBU in Bahrain.
- 1996: BOB Bank entered the capital market in December with an Initial Public Offering (IPO). The Government of India is still the largest shareholder, owning 66% of the bank's equity.
- 1997: BOB opened a branch in Durban.
- 1998: BOB bought out its partners in IUB International Finance in Hong Kong. Apparently this was a response to regulatory changes following Hong Kong’s reversion to the People’s Republic of China. The now wholly owned subsidiary became Bank of Baroda (Hong Kong), a restricted license bank.
BOB also acquired Punjab Cooperative Bank in a rescue.

- 1999: BOB merged in Bareilly Corporation Bank in another rescue. At the time, Bareilly had 64 branches, including four in Delhi.

In Guyana, BOB incorporated its branch as a subsidiary, Bank of Baroda Guyana.

BOB added a branch in Mauritius, but closed its Harrow Branch in London.

### 2000s

- 2000: BOB established Bank of Baroda (Botswana).
- 2002: BOB acquired Benares State Bank in Benares at the Reserve Bank of India’s request.
- 2002: Bank of Baroda (Uganda) was listed on the Uganda Securities Exchange (USE).
- 2003: BOB opened an OBU in Mumbai.
- 2004: BOB acquired the failed Gujarat Local Area Bank, and returned to Tanzania by establishing a subsidiary in Dar-es-Salaam.

BOB also opened a representative office each in Kuala Lumpur, Malaysia, and Guangdong, PRC.

- 2005: The Reserve Bank of India (RBI), has approved a joint venture between BOB, Bank of Maharashtra (BOM), and Oriental Bank of Commerce (OBC) to set up a bank in Malaysia. The new bank will reside in Kuala Lumpur, which has a large population of Indians. The initial capital required will be US$78 million; BOB will invest 40%, and the other two banks will invest 30% each. The JV is awaiting approval from the Malaysian Central Bank. Bank has built and commissioned its own State-of-the-Art Global Data Centre (DC) in Mumbai for running its centralized banking solution (CBS) and other applications in 1900+ branches across India and 20 other counties where the Bank is operating.

BOB also opened a representative office in Thailand.

- 2006: BOB established an Offshore Banking Unit (OBU) in Singapore.
- 2007: In its centenary year, BOB’s total business crossed 2.09 lakh crores, its branches crossed 1000, and its global customer base 29 million people.
- 2008: BOB opened a branch in Guangzhou, China (02/08/2008).
- 2009: Bank of Baroda registered with the Reserve Bank of New Zealand, enabling it to trade as a bank in New Zealand (2009/09/01)

### Bank of Baroda Financials

http://www.bankofbaroda.com/fin/investor.asp

- Sales Rs. 17,754 crores
- Profits Rs. 2,227 crores
- Assets Rs. 2,27,406 crores
1.1.7: Branding

The word brand is derived from the old Norse word “bradr”, which means to burn. Cattle owners in many countries including India, mark their animals for identity. Some analysts speak of branding in the Indian religious pantheon: the trinity where Brahma, Vishnu and Mahesh are branded as the creator, the provider and the destroyer respectively. Goddess Saraswati symbolizes education and talent, Goddess Laxmi brings riches, etc.

**Definition of Brand:** A Brand is a name, term, sign, symbol or design or combination of them, intended to identify the goods or services of on marketer from those of competitors.

The name could be like Videocon, Lux; the term could be like HMT, HLL, P&G, where as symbols or design could be like of HLL, ‘m’ of McDonald’s, the word LG of LG Electronics etc.

Branding is the process of stamping a product with some identifiable name or mark or combination of both. Branding means providing a distinct individuality to a product, a product can be manufactured in a factory, where as the brand takes birth in marketing office of the manufacture or ad-agencies office.
A product may die but well maintained brand never dies. For example in product brands, the brands like Dalda, Surf, Lifebuoy, are more than 50 years old and in corporate brands, the brands like TATA, Godrej, Singer are more than 100 years old.

Only those products become the brand which provide the value to the consumers and those which do not provide value, remain as commodity.

Brand Management starts with understanding what is meant by the word 'BRAND'!! This starts with the leaders of the company who define the brand and control its management. It also reaches all the way down to the company and especially to the people who interface with customers or who create the products which customers use.

A good brand promise is memorable and desirable. Brand cannot be effective if nobody remembers it, and is no good either if nobody wants it! A good brand promise evokes feelings, because feelings drive actions. For example, Volvo offers feelings of safety and Mustang offers feelings of excitement. The promise must be unique and identified with the company alone. Within an industry, promises can be very close, but if a company wants any hope of success, it must stake out the very specific territory of its promise and know clearly how it is different from the promises of other firms.

The right promise is not just something one makes up on a Friday afternoon. It comes through a deep understanding of company’s marketplace and its customers. It also comes from an in-depth knowledge of the capabilities and motivations of the people who make up the company. Creating a promise one cannot consistently keep, year after year, is plain suicide.

Once the company has created the promise, the next - and very important - step is to convincingly inject that promise into the minds of its customers, staff and every
person who interacts with the company or has any impact on what company delivers. This is where marketing staff has to put lots of efforts. Although this may not marketing staff’s sole objective, a large part of marketing, which includes advertising and public relation, is about positioning the company and its products in the minds of customers and against its competitors.

Creating and making the right promise is one thing, but then one has to keep it. The importance of this fact cannot be undermined. Keeping promises means 21

- Managing capability
- Consistent processes that are capable of delivering what is required
- Technology and systems that are reliable and usable and
- Motivated people who are willing and able to deliver the goods.

Coca-cola is the most valuable brand in the world, with the name alone worth billions of dollars. But why? What is a brand?

**A brand is a promise** 22

First and foremost, a brand is a promise. It says 'you know the name, you can trust the promise'. As all promises, it is trusted only as far as those promises are met. Trust is a critical first step and brands aim to accelerate that step by leveraging the implied promise of the brand.

**A brand is an associated image**

Most brands have a logo, which acts as a short-cut to remind us of the brand promise. The logo uses color, shape, letters and images to create a distinctive image that is designed both to catch our eye and to guide our thoughts in the right direction. The brand may also be associated with tunes, celebrities, catchphrases and so on.

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22 [http://changingminds.org/disciplines/brand_management/brand_is.htm#Promise](http://changingminds.org/disciplines/brand_management/brand_is.htm#Promise)
All parts of the brand image works as a psychological trigger or stimulus that causes an association to all other thoughts we have about the brand.

**Everything and everyone is a brand**

If you get down to the detail, everything is a brand, because we build our understanding of the world by creating associations about everything. A tree has an implied promise of beauty and shade. Even words are brands. When I say 'speed', you will conjure up images of fast cars, etc.

**People are brands, too.**

When people see you, or even hear your name, they will recall the image they have of you, (which is something you can actively manage or 'let happen'). In a company where people are visible to customers, such as a service business, the people are very much a part the brand.

For anyone new to brands, trying to grasp what branding is all about must be a complex task. Even more so if you are looking for straight answers. But considering that branding enjoyed a huge amount of interest during the 1990's, hopefully most people who are even remotely interested in brands have grasped that a brand is more than a logo.

But then what exactly is a brand? There are countless definitions for this term; a promise, a rumor, a relationship, an image, a unique position and so forth. But these descriptions are all results of branding, not the brand itself. A better description is "a person's collected experiences of a company, product or service with a certain name." But not even this description is spot on.

 Erotic  A brand is actually a memory

Everything you remember about a company, through interaction, what other people say about them, advertising, using their products or every other interaction is their brand for you.
Say that you particularly like a certain kind of car brand. You like the way they look, you think you look good in that kind of car, they don't break down too often and you think the overall quality is pretty Okay. That would be a strong brand for you. But let's imagine that you, God forbid, lose your memory through amnesia. Then you wouldn't have a clue about what kind of car you like.

**The brand as a memory**

By constructing a brand as a memory you get a better tool for managing your brand. The clever thing is that you actually start at the end. In order to be able to manage your brand over time you construct a Brand Memory Identity. This is a description of the ideal memory your customer should have of your brand. This is someone who wouldn't imagine buying anything else other than your brand, he preaches your excellence to everyone he knows, and is prepared to pay a little extra for your brand.

Our brains actually have three different memory systems. One is called the *Semantic memory* which remembers factual knowledge. The second is called *Procedural memory* and enables us to develop skills and habits. The third is called *Episodic memory* which consists of memories about which we are, values, dreams and self conception. Your Brand Memory Identity should be constructed to include all three of these memory systems, although you may want to emphasize one system over the other - depending on what your competitor's brands are like.

**Contextual branding**

We can’t just imagine up any kind of brand memory we like. The reason for that is that marketer can't really force a client to want to take in everything marketer say or do. It would perhaps be convenient, but impossible as long as everyone has their own will. Besides, it would spoil all the fun by turning everyone into buying drones.
You need to consider your customer's context. I suggest that all brands are contextual. They are of use to a certain type of person at a certain point in time. In order to find out about your customer's context, you can use a concept called a "Field". A Field can best be described as a world in its own, where people and institutions have something in common. For example, the Field of art, the Field of literature, the Field of branding, the Field of business and so on.

In every Field there are certain kinds of things that have acknowledged value, called Capital. Any asset works as a symbolic Capital in those contexts where it has acknowledged value. For example, an engineering education serves as an Educational Capital in the Field of business but not in the Field of literature. Through Strategies, individuals, groups and institutions try to maintain the value of their Capital and defend or improve their positions. These attempts are often more or less unconscious.

This is where your Brand Memory Identity becomes handy in that it can help your customers with their strategies, maintaining the value of their Capitals which enables them to improve or defend their positions. Your brand does this through supporting your customer's Knowledge (Semantic), Skills (Procedural) and Self image (Episodic).

This is the kind of winning situation you can accomplish for both parties. Organizations can help their customers and customers reward back by sticking with a particular company/brand.

**1.1.8: What is Brand Management?**

Brand management starts with understanding what 'brand' really means. This starts with the leaders of the company who define the brand and control its management.

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23 [http://changingminds.org/disciplines/brand_management/brand_management.htm](http://changingminds.org/disciplines/brand_management/brand_management.htm)
It also reaches all the way down the company and especially to the people who interface with customers or who create the products which customers use.

Brand management performed to its full extent means starting and ending the management of the whole company through the brand. It is simply far too important to leave to the marketing department. The CEO should be (and, in fact, always is) the brand leader of the company.

A Brand Management in the right sense means:

- **Creating the promise**

  Creating the promise means defining the brand. A good brand promise is memorable and desirable. We cannot be effective if nobody remembers it, and is no good either if nobody wants it!

  A good brand promise evokes feelings, because feelings drive actions. Volvo offers feelings of safety. Mustang offers feelings of excitement.

  The promise must be unique and identified with the company alone. Within an industry, promises can be very close, but if company wants any hope of success, it must stake out the very specific territory of its promise and know clearly how it is different from the promises of other firms.

  The right promise is not just something company makes up on a Friday afternoon. It comes through a deep understanding of company’s marketplace and its customers. It also comes from a deep understanding of the capabilities and motivations of the people working in company. Creating a promise company cannot consistently keep, year after year, is plain suicide.

- **Making the promise**

Once marketers have created the promise, the next (and not so trivial) step is to somehow inject it into the minds of their customers, their staff and everyone who receives anything from marketer or has any impact on what they deliver.

This is where marketing people come into their own. Although it is still not their sole preserve, a large part of marketing, which includes advertising and PR, is about positioning the company and its products in the minds of customers and against your competitors.

**Keeping the promise**

Ah, now. Creating and making the right promise is one thing, but then you have to keep it. If marketer does not, his brand will still exist, but now the promise will be of slipshod products and inconsistent delivery.

Keeping promises means managing capability. It means consistent processes that are capable of delivering what is required. It means technology and systems, which are reliable and usable. It means motivated people who are willing and able to deliver the goods.

**1.1.9: Branding and Business**

Branding is one of the hottest topics in business today. It has become the business buzzword. Indeed, some refer to it as a Branding Revolution. The reason couldn't be more straightforward and underscores a clear business message in today's crowded marketplace: Company’s brand defines the unique point of differentiation for its products and services and is, perhaps, company’s only real opportunity to stand out.

The paramount role that brands and branding now play has been accompanied by major shifts in the field of marketing. Brands are seen to be much more than names
or logos. Brands are as much a way of doing business, as they are a reputation or identity.

"The future of branding is here now, and it requires a complete reassessment of your communication. Take off your CEO or marketing VP hat and truly experience your brand from a consumer's point of view. Without strong branded customer service your marketing budget might as well be flushed. This new level of brand building can become a long-term competitive advantage for a company." The strongest brands tend to be the ones with the most consistent and clearest messages.

Brand identities create anticipation in the minds of both consumers who use the brand and the employees who deliver it. A strong brand character, according to Mark Kingsbury of Research International, provides the following benefits: "Consumers know how to 'connect' with a brand that has character, they know what it stands for and they also know what it's not trying to be."

Brand identity feelings are primarily unconscious. Estimated to be as much as 95 percent below conscious awareness, these feelings and judgments operate very quickly - much more quickly than conscious evaluation. This quick unconscious mental processing of such feelings impacts most of our consumer choices. All variations of these judgments are held in the minds of customers helping them make choices, define who they are, and simply get them through their days. Any brand is clearly more than just its name. Brands are the values, beliefs, and service experiences that underpin them. When put this way, it is easy to see how customer service is a brand in action.

Brand researchers have come to a profound conclusion with far-ranging impact: marketing must involve more than advertising and public relations. Branding success is no longer predominantly measured by how many consumers recognize
or are aware of brands and their logos or slogans, but by how strongly consumers feel connected to brands.

And, if we agree that the brand possesses an attitude about its customers, then organizations must consider how to manage the brand's attitudes. Because brands are largely perceptions, it makes sense to argue that brands are co-owned by consumers and organizations, equity partners in their shared relationship. This perceived co-ownership leads consumers to believe they are "owed" delivery of what they have been promised.

While branding once was seen as one-way communication from an organization to consumers, today branding is viewed as interactive communication. That is exactly what branded customer service is. It is a dynamic exchange between humans within a defined space that captures, and reflects, the attitudes of the brand. It reinforces, even magnifies, the brand in the hearts and minds of the consumer. As such, brands have lost their tight legal definitions and have come to represent an almost human way for organizations to communicate with the public. Part of that communication even includes the chatter that goes on inside the organization itself. Branding occurs when a distinct head and heart response happens in relationship to a company symbol or logo. This reaction is the purpose of branding because positive thoughts and feelings inspire such behaviors as saying favorable things about services and products, joining clubs that relate to brands, paying higher prices, tolerating errors and shortfalls, and purchasing more of branded products and services. Today's brands are likely to be seen as living entities complete with personalities. They have elaborate stories built around them that hopefully are elicited with a minimum of stimulation every time the consumer has contact with the brand.

A good brand story tells the truth about an organization - if not today's truth, then a truth that is aspired to. Successful brands incorporate good stories. A tag line on a
brand, such as, Nike's "Just do it," can begin to tell the story. But it is just a beginning. If the tag line does not match staff behavior, then a great deal of the service an organization delivers will be seen to be off-brand. A Brand stories can be used to broaden and deepen the brand concept further by relating memorable examples to human concerns, aspirations, and emotions. Ideally, brand stories capture both the essence of the past and a yearning for the future. They provide inspiration not only for customers but also provide motivation and direction for staff. An important aspect of the brand story is that it be consistent with everything the company does. To a large degree, customers return because they believe that what they bought last week (products, experiences, and feelings) is still available today. Brand stories are assets of an organization because they generate pride and inspire staff. They show staff how it is possible to deliver the brand.

1.1.10: Laws of Branding

Ten Commandments of branding are as follows:

1. Brands are not about you. Brands are about them.
2. If the branding is wrong, so is the everything else.
3. Advertising grabs their minds. Branding gets their hear hearts.
4. Build the brands from your strengths.
5. If you cannot articulate it, neither can anyone else.
6. The success of brand varies directly with the ability to accept mantle of the leadership.
7. The stronger the brand, the less susceptible you are to pricing issues and competition.
8. The brand begins in the business plans.
9. Advertising is not branding.
10. There is no such thing as co-branding.

1.1.11: Myths about Branding

Seven myths about branding are:
1. Branding is advertising and advertising is branding.
2. Branding is loyalty.
3. Branding changes consumer behavior.
4. Because a company focuses on price, it is not branding.
5. Because a brand fails, branding is bad or dead.
6. The web makes branding move difficult.
7. Because customers can broadcast their experiences, web-based branding is more difficult.

1.1.12: Significance of Brands from Consumers Point of View

Let us study, what difference branding brings to the business as compared to commodity marketing?

Significance of Brands from Consumers Point of View:
1) Brand provides a tool of self-expression.
2) Brands offer choice.
3) Brands simplify decision-making process.
4) Brands assure minimum quality.
5) Less risk.
6) Brands and emotional dimension.

1.1.13: Significance of Brands from Marketers Point of View

Following are the major advantages of brands form the marketer’s point of view:
1) Brands can be build for anything.
2) Brand building steps remain same.
3) Since brand is created around differentiation, marketer can avoid commodity trap.
4) Appropriate market positioning is key success factor.
5) Brand consumption experience.
6) Brand and profitability.
7) Brand and Internet.
8) Modes of Market segmentation are changing.
9) Brand and Mass customization.
10) Size of the marketer is less important.
11) Brand loyalty is difficult to maintain.

1.1.14: Commodity Marketing Vs. Brand Marketing

Kulkarni (2005) has discussed the differentiation between Commodity Marketing vs. Brand Marketing in detail. As everyone in commodity marketing there is more emphasis on commodity and not the brand, which makes the commodity as a generic term which can be used by any marketer or manufacturer, Whereas Brand marketing the emphasis is on developing a successful brand. A Tata Salt is the best example of a commodity converted to a brand. As everybody uses the salt it is just a commodity but Tata salt was the pioneer of branded salt in India, and still rules the market as a leader.

<table>
<thead>
<tr>
<th>Vision of Customer’s Needs</th>
<th>Competitor’s target and offerings</th>
<th>Pricing</th>
<th>Customer Loyalty</th>
<th>Investment Scope and focus</th>
<th>Ultimate Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity Marketing</td>
<td>Similar, Generic</td>
<td>All customers, Same Offering</td>
<td>Lowering PRICE</td>
<td>Low and Decreasing</td>
<td>Generic, Cost, Capacity</td>
</tr>
<tr>
<td>Brand Marketing</td>
<td>Different, Segmented &amp; Quantified</td>
<td>Selected Customers, Adapted offerings</td>
<td>Creating Value by increasing benefits in win-win solutions</td>
<td>Increasing Partnerships reinforced</td>
<td>Targeted Service Quality</td>
</tr>
</tbody>
</table>

1.1.15: India’s Most Trusted Brands

Although, Nokia has been losing its Mobile handset market share in troves, it has not stopped it from becoming the most trusted brand in India, 3rd year in succession, according to Brand Equity survey. Nokia first debuted at 71 in 2004, moved to 44th in 2006, 4th in 2007 and then shot up to number one and has been there since. The Brand Equity rankings are ruled by FMCG products with Hindustan Lever accounting for as many as 6 out of Top 10 most trusted Indian Brands.

Colgate, one of the oldest FMCG brands in India (since 1937) comes in at 2nd position behind Nokia. Colgate is also a brand that features consistently in top 10 and has maximum number one positions since the Brand Equity rankings started.

Table 1.10: Top 50 Brands of India

<table>
<thead>
<tr>
<th>2010 - Ranking</th>
<th>Brands</th>
<th>2009 - Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Nokia Mobile Phones</td>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
<td>Colgate</td>
<td>2.</td>
</tr>
<tr>
<td>3.</td>
<td>Lux</td>
<td>3.</td>
</tr>
<tr>
<td>4.</td>
<td>Dettol</td>
<td>5.</td>
</tr>
<tr>
<td>7.</td>
<td>Clinic Plus</td>
<td>15.</td>
</tr>
<tr>
<td>8.</td>
<td>Pond’s</td>
<td>16.</td>
</tr>
<tr>
<td>13.</td>
<td>Rin</td>
<td>43.</td>
</tr>
<tr>
<td>17.</td>
<td>Vodafone</td>
<td>30.</td>
</tr>
<tr>
<td>18.</td>
<td>Maggi</td>
<td>35.</td>
</tr>
<tr>
<td>23.</td>
<td>Coca – Cola</td>
<td>32.</td>
</tr>
<tr>
<td>25.</td>
<td>LG</td>
<td>20.</td>
</tr>
<tr>
<td>27.</td>
<td>Godrej</td>
<td>44.</td>
</tr>
<tr>
<td>28.</td>
<td>All Out</td>
<td>56.</td>
</tr>
</tbody>
</table>

http://trak.in/tags/business/2010/09/01/top-50-most-trusted-brands-india/
29. Wheel 75
30. Vaseline 79
31. Kurkure New Entry in 2010
32. Hero Honda 33
33. Sunsilk 52
34. Tata Tea 24
35. Amul 47
36. Frooti 29
37. Limca 58
38. BSNL 19
39. Bata 36
40. Head & Shoulders 50
41. Fevicol 54
42. Parle 22
43. Samsung 48
44. Johnson & Johnson 49
45. Complan 51
46. Boroplus 77
47. Philips 42
48. Tide 72
49. State Bank of India 13
50. Iodex 55

Source: http://trak.in/tags/business/2010/09/01/top-50-most-trusted-brands-india/

### 1.1.16: Brand Challenges

As per Kulkarni (2005), there are various challenges which marketers face while branding. As mentioned in the below table there can be different strategies at different level. Marketers normally face following five challenges in brand management:

<table>
<thead>
<tr>
<th>Branding decisions</th>
<th>Brand-Sponsor Decisions</th>
<th>Brand-Name decisions</th>
<th>Brand Strategy decisions</th>
<th>Brand responsibility decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>To brand or not to brand</td>
<td>1. Manufacturer’s Brand</td>
<td>1. Individual product names</td>
<td>1. Line Extensions</td>
<td>1. Re-positioning</td>
</tr>
</tbody>
</table>

1.1.17: Brand Identity

Philip Kotler says, “Building the brand identity requires the decisions on the brand’s name, logo, colors, tagline and symbol. At the same time a brand name is much more than name, logo, colors, tagline and symbol”.

As per Kotler the comparison of Brand Personality with Brand Image is as follows:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Brand</th>
<th>Brand Personality</th>
<th>Brand Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Horlicks</td>
<td>Marketing Communication</td>
<td>Energy</td>
</tr>
<tr>
<td>2</td>
<td>Philips Music System</td>
<td>Quality Leading electronics manufacturer</td>
<td>Reliable, technologically advanced</td>
</tr>
<tr>
<td>3</td>
<td>Honda Activa</td>
<td>Gearless, Button Start</td>
<td>Comfort</td>
</tr>
<tr>
<td>4</td>
<td>Dove Soap</td>
<td>Price, Soft</td>
<td>Money for value, Skin Care</td>
</tr>
<tr>
<td>5</td>
<td>Bajaj Pulser</td>
<td>Price, Button Start</td>
<td>Money for value, Comfort</td>
</tr>
<tr>
<td>6</td>
<td>Britannia Little Hearts</td>
<td>Puffed biscuits, innovative packaging, heart shaped biscuits</td>
<td>Novelty, Attractive, romantic</td>
</tr>
</tbody>
</table>

Figure 1.1: Brand Identity
1.1.18: Brand Loyalty

Loyalty is at the heart of equity and is one of the important brand assets. Brand loyalty is a conscious or unconscious decision expressed through intention or behavior to repurchase a brand continually.

Why Brand Loyalty is important? (refer fig.1.2)

**Figure 1.2: Brand Loyalty Advantages**

![Diagram showing Brand Loyalty advantages: Reduced Marketing Cost, Trade Leverage, Attracting New Customers, Time to Respond to Competitive Threats]


1.1.19: The Tangible and Intangible valuations of Brands

In FMCG and Pharmaceuticals, brands constitute significant intangible assets in acquisitions and mergers. In many cases, the corporate acquired only brands and not the business. The reasons for acquiring brand could be many. For example, Coca-Cola bought Parle soft drink brands for immediate visibility and possession of well-established distribution network. Colgate’s acquisition of Cibaca brand of toothpaste and toothbrushes was to kill competition and increase Colgate Palmolive’s Market Share.

<table>
<thead>
<tr>
<th>Indian Company</th>
<th>Book Value of Assets (in billions)</th>
<th>% of intangibles in Company value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infosys</td>
<td>21.4</td>
<td>95%</td>
</tr>
<tr>
<td>Pond’s India Ltd.</td>
<td>12.3</td>
<td>92%</td>
</tr>
<tr>
<td>Wipro</td>
<td>9.6</td>
<td>90%</td>
</tr>
</tbody>
</table>
Table 1.13(B): Brand Intangibles of Global Companies

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AT&amp;T</td>
<td>70.3</td>
<td>20.3</td>
<td>50</td>
<td>71%</td>
</tr>
<tr>
<td>2</td>
<td>Boeing</td>
<td>37.2</td>
<td>10.9</td>
<td>26.3</td>
<td>71%</td>
</tr>
<tr>
<td>3</td>
<td>Coca-Cola</td>
<td>130.9</td>
<td>6.2</td>
<td>124.7</td>
<td>95%</td>
</tr>
<tr>
<td>4</td>
<td>Eastman Kodak</td>
<td>26.7</td>
<td>4.7</td>
<td>22.0</td>
<td>82%</td>
</tr>
<tr>
<td>5</td>
<td>GE</td>
<td>162.8</td>
<td>31.1</td>
<td>131.7</td>
<td>81%</td>
</tr>
<tr>
<td>6</td>
<td>GLAXO</td>
<td>33.6</td>
<td>1.2</td>
<td>32.4</td>
<td>96%</td>
</tr>
<tr>
<td>7</td>
<td>Microsoft</td>
<td>71.9</td>
<td>7.5</td>
<td>64.4</td>
<td>90%</td>
</tr>
<tr>
<td>8</td>
<td>Smith Kline</td>
<td>22.2</td>
<td>3.5</td>
<td>18.7</td>
<td>84%</td>
</tr>
<tr>
<td>9</td>
<td>3M</td>
<td>34.7</td>
<td>6.3</td>
<td>28.4</td>
<td>82%</td>
</tr>
<tr>
<td>10</td>
<td>Wal-Marts</td>
<td>54.5</td>
<td>17.1</td>
<td>37.4</td>
<td>69%</td>
</tr>
</tbody>
</table>


Over 80% of the market value of top ten of fortune 500 companies is in intangibles (Kulkarni (2005)).

So we can say that brand is more important than assets and even if corporate do not have large assets than also they can win in the market with right brand image.

1.1.20: Brand Image

Brand Image is the totality of perceptions resulting from all experience with and knowledge of brand. It is how consumers perceive the brand.

Like brand personality, brand image is not something you have or you don't! A brand is unlikely to have one brand image, but several, though one or two may
predominate. The key in brand image research is to identify or develop the most powerful images and reinforce them through subsequent brand communications. The term "brand image" gained popularity as evidence began to grow that the feelings and images associated with a brand were powerful purchase influencers, though brand recognition, recall and brand identity. It is based on the proposition that consumers buy not only a product (commodity), but also the image associations of the product, such as power, wealth, sophistication, and most importantly identification and association with other users of the brand. In a consumer led world, people tend to define themselves and their Jungian "persona" by their possessions. According to Sigmund Freud, the ego and superego control to a large extent the image and personality that people would like others to have of them.

Good brand images are instantly evoked, are positive, and are almost always unique among competitive brands.

Brand image can be reinforced by brand communications such as packaging, advertising, promotion, customer service, word-of-mouth and other aspects of the brand experience.

Brand images are usually evoked by asking consumers the first words/images that come to their mind when a certain brand is mentioned (sometimes called "top of mind"). When responses are highly variable, non-forthcoming, or refer to non-image attributes such as cost, it is an indicator of a weak brand image27.

### 1.1.21: Brand Associations

Brand associations are anything a consumer associates with the brand in his or her mind. As David Aaker, “Guru” of Brand Management, points out these associations could be organizational, product related, symbolic, or personified.

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27 [http://www.asiamarketresearch.com/glossary/brand-image.htm](http://www.asiamarketresearch.com/glossary/brand-image.htm)
CHAPTER I: PROBLEM DEFINITION & APPROACH TO THE PROBLEM

Extent to which a particular brand calls to mind the attributes of a general product category. For example, asking for 'Pampers' when one wants disposable diapers\(^{28}\).

Brand Associations are driven by brand identity—what the organization wants the brand to stand for in the consumers mind. A key to brand building then is to develop and implement brand identity.

One key to successful brand building is to develop a \textit{brand identity}—to know what the brand stands for and to effectively express that identity.

Hyundai Santro has clearly positioned itself as the “sunshine” car and endorsed Preity Zinta known for her bubbly personality to match their positioning statement.

Invariably all brands come to acquire a meaning in the mind of the customer. Customers associate different dimensions of the product including its use and use situations to the brands. Brand association, therefore, is anything linked to the memory of a brand. Thus a jingle like “Happy days are here again” has been associated in the customer’s mind with Thumps Up. Surf is linked with the economy-minded middle class housewife—“Lalitaji” – in the advertisements.

\textit{The name Tata is associated with quality. It is important to know how strong this association is and for a family name like this, which are the products with which this association is the strongest}\(^{29}\).

\textbf{1.1.22: Brand Positioning}

Brand Position is the way the brand is perceived within a given competitive segment in the consumer’s mind (Kapferer, 2004). The factors affecting the positioning of the brand are innovation, perceived leadership, quality, price, trust, safety, reliability, performance, convenience, social responsibility, technology, superiority, etc.

\(^{28}\) http://www.businessdictionary.com/definition/brand-association.html

\(^{29}\) http://drypen.in/branding/brand-association-a-brand-building-concept.html
Kavin Lane Keller (2004) in his book on branding has coined an important new terms PoP and PoD to position your brand in to the market.

**Point of Parity (PoP) versus Point of Difference (PoD):**

**PoP:** To achieve a point of parity on a particular attribute or benefit, a sufficient number of consumers must believe that the brand is “good enough” on that dimension. It must match the industry standards.

**PoD:** Once the product is perceived at par with the industry standards organizations should start offering the unique benefit of the product/services, which is not offered by the other competitors, where the brand must demonstrate clear superiority.

**SBI (BANK):** Core-banking, Multicity Cheque book, ATM, Debit/Credit Cards.

**Marlboro:** Marlboro Classic, Marlboro Light, Marlboro Ultra Light

Often, the key to positioning is not so much in achieving a point of difference as in achieving necessary or competitive points of parity. Once your product is established compared to the quality benchmark of the industry, you can try for establishing a point of difference in order to secure clear value/benefit leadership in the market.

**1.1.23: Brand Promise/Brand Mantra/ Brand Essence**

This is the heart and soul of a brand - a brand’s fundamental nature or quality. Usually stated in two to three words, it’s the mantra or promise of your brand which is perceived by the customers.

Exhibit 1.4: Brand Mantra: Intel Inside
Nike: Authentic Athletic Performance
Hallmark: Caring Shared
Star Bucks: Rewarding Everyday Moments
ICICI Bank: Hum Hai Na
Parle-G: World’s Largest selling Glucose Biscuits
Intel: Intel Inside!!

1.1.24: Brand Personality

Brand personality refers to adjectives that describe the brand (such as fun, kind, safe, sincere, sophisticated, cheerful, old fashioned, reliable, progressive, etc.)

According the David Aaker there are five types of brand personality:

<table>
<thead>
<tr>
<th>Sincerity</th>
<th>Excitement</th>
<th>Competence</th>
<th>Sophistication</th>
<th>Ruggedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Down to earth</td>
<td>Daring</td>
<td>Reliable</td>
<td>Upper Class</td>
<td>Outdoorsy</td>
</tr>
<tr>
<td>Honest</td>
<td>Spirited</td>
<td>Intelligent</td>
<td>Charming</td>
<td>Tough</td>
</tr>
<tr>
<td>Wholesome</td>
<td>Imaginative</td>
<td>Successful</td>
<td>Glamorous</td>
<td>Masculine</td>
</tr>
<tr>
<td>Cheerful</td>
<td>Up-to-date</td>
<td>Hardworking</td>
<td>Good looking</td>
<td>Western</td>
</tr>
<tr>
<td>Family Oriented</td>
<td>Trendy</td>
<td>Secure</td>
<td>Feminine</td>
<td>Rugged</td>
</tr>
<tr>
<td>Small town</td>
<td>Exiting</td>
<td>Technical</td>
<td>Smooth</td>
<td>-</td>
</tr>
<tr>
<td>------------</td>
<td>---------</td>
<td>-----------</td>
<td>--------</td>
<td>----</td>
</tr>
<tr>
<td>Sincere</td>
<td>Cool</td>
<td>Corporate</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Real</td>
<td>Young</td>
<td>Leader</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Original</td>
<td>Unique</td>
<td>Confident</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sentimental</td>
<td>Independent</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Friendly</td>
<td>Contemporar y</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 1.14(B): Brand Personality Examples

<table>
<thead>
<tr>
<th>Product/Service</th>
<th>Sincerity</th>
<th>Excitement</th>
<th>Competence</th>
<th>Sophistication</th>
<th>Ruggedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>LifeBouy</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Dove</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Tata Motor</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>BMW</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Citi Bank</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBI Bank</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Brand Personification:

The other way we can identify the brand personality factor of a brand is to compare product/service brand with live personality, animals, birds, etc.

Table 1.14(C): Brand Personification of Different Banking Brand In India

<table>
<thead>
<tr>
<th>Brands/Animals</th>
<th>Elephant</th>
<th>FOX</th>
<th>Leopard</th>
<th>Lion</th>
<th>Turtle</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI Bank</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dena Bank</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICICI Bank</td>
<td></td>
<td>✓</td>
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<tr>
<td>HDFC Bank</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
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<tr>
<td>Citi Bank</td>
<td></td>
<td>✓</td>
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1.1.25: Brand Architecture (Brand Structure)

Brand architecture is the structure of brands within an organizational entity. It is the way in which the brands within a company’s portfolio are related to, and differentiated from, one another. The architecture should define the different
leagues of branding within the organization; how the corporate brand and sub-brands relate to and support each other; and how the sub-brands reflect or reinforce the core purpose of the corporate brand to which they belong. According to Rajagopal Brand architecture may be defined as an integrated process of brand building through establishing brand relationships among branding options in the competitive environment. The brand architecture of an organization at any time is, in large measure, a legacy of past management decisions as well as the competitive realities it faces in the marketplace.

It’s the Brand Family Tree:
- Master/Corporate Brand
- Brand/Sub brand
- Endorsed Brand
- Separate (Independent) Brands

1.1.26: Brand Trade Dress

A product's unique packaging that uniquely identifies that product. For example: the bottle for Coca-Cola is shaped like the brand's namesake. Trade dress can be trademarked.

- Packaging, color, design, shape
- Coke- Bottle’s Shape, Pepsi Bottle’s shape
- Parle-G Biscuits Packet Color yellow & white used for more than a decade
- The round Shape and transparent Design of Pears Soap (Johnson & Johnson Co.)
- Dettol Soap –Orange Color, matching in color with the dettol antiseptic lotion.

---

30 http://en.wikipedia.org/wiki/Brand_architecture
1.1.27: **Brand Mascots**

The term mascot – defined as a term for any person, animal, or object thought to bring luck – colloquially (informally) includes anything used to represent a group with a common public identity, such as a school, professional sports team, society, military unit, or brand name. Mascots are also used as fictional, representative spokespeople for consumer products, such as the rabbit used in advertising and marketing for the General Mills brand of breakfast cereal, Trix.

- 7up- Fido- Dido
- Ambuja Cem.- Cement Man
- Air India – Maharaja
- Amul – Butter Girl
- Vodafone – Dog (in India)
- ICICI Prudential - Chintamani

Exhibit 1.6: Brand Mascots of AMUL and ICICI Prudential Life Insurance

ICICI Prudential’s Chintamani (Exhibit 2.5) character and the first ad film of it cost about Rs. 7,00,000 only compared to RS. 5 to 6 mn., for an ad film with Bollywood or Sporting star.

1.1.28: **Music Equity**

The power of Music in Brand Equity is referred as Music Equity. These days few leading organizations have their corporate tune or background music, which helps consumers uniquely while identifying the brand name associated with product/service advertisements

- **Airtel**: A.R. Rehman Tune
- **Britania**: Tin Tin Tinin (Tune)

---

31 http://en.wikipedia.org/wiki/Mascot
32 Belch G, Belch M., Purani K. (2009), Advertising & Promotion, TATA Mcgrawhill, India, pg. 366


**Hutch (now Vodafone):** “You and I in this beautiful World”

The main advantage of the music in advertisement is, even though marketers keep on changing their product/service advertisements, they play the same background music in order to help consumer recall the brand easily.

### 1.1.29: Brand Extensions

Academics research and industry experience have revealed a number of principles concerning the power way to introduce brand extensions.

- **Product Line Brand Extensions:**
  - Pepsi- Diet Pepsi- Pepsi One, Colgate Active- Colgate Salt- Colgate Gel, TATA Indica – LXI, VXI, ZXI, VISTA.

- **Relevant Brand Extensions:**
  - Dove Soap & Dove Shampoo, ICICI Bank & ICICI Mutual Funds, Honda Bikes & Honda Cars.

- **Diversified Brand Extension:**
  - Tata Power- Tata Steel-Tata Salt- Tata Mutual Funds, Virgin Airlines-Virgin Cola-Virgin Financial-Virgin Books- Virgin Trains- Virgin Music- Virgin Mobiles, etc.

### 1.1.30: Brand Revitalization

When a particular brand is rebranded in to the minds of consumers it is known brand revitalization. Business requires continuous changes in today’s world, many of the
world famous brands have already changed their brands, position, image, logo, Color, Punch line, etc.

The corporate like Coca-Cola, Thomas Cook, Uniliver, etc are following branding practices for more than 100 years now and they kept on changing their logo style, color, etc. But they kept something in common in order to make consumers recall the brand easily. Brand Revitalization is a continuous process, you can never change your brand logo, color, style, image over night, it requires lot of marketing and advertising efforts.

Recent Brand Revitalization Examples are: Godrej, Onida, Videocon, Axis bank, Bank of Baroda, Union Bank of India, Reliance- Anil Dhirubhai Ambani Group, DSP Black Rock Mutual Funds, etc.

1.1.31: Brand Community

A brand community is a branding practice mostly used by premium product/service providers in order to differentiate their customers from mass and to give them unique experience for being loyal to the brand.

Some of the examples of Brand Communities are:
- Harley Davidson: HOG – Harley Owner’s Group
- Apple Computers: Apple User Group using its website
- Jeep: Jeep Jamborees and Camp Jeep owners and their families together for two days off-road adventures in more than 30 different locations from spring through autumn each year.
- Hero-Honda: Hero Honda Roadies
- Bajaj: Bajaj Mtv Stunt Mania

The time has changed if in today’s world you want to make the brand loyal customers, then the brand community is the best branding practice you need to
follow in today’s edge to stay competitive and make the customers more and more brand loyal.

1.1.32: Branding with the Help of its Nation of Origin

Some organizations want to cash on the power of the nation’s brand. For the same they take the help of its origin while branding their products globally as well as locally.

As everyone knows Japan is known for quality electronics, Germany is known for its superior engineering where as America is known for its super fast computing. India carries a lot of value of its ancient tradition of being honest and providing quality products/services.

Let’s take some local as well as global examples to understand this concept easily.

Nation’s Name In its punch line:
- Volkswagen: “The No.1 Car Maker from Germany”
- Sansui: “Born in Japan, Entertaining the World”

Nation’s Name in the name of Organizations:
- American Express: America
- Unilever: United Kingdom
- DKNY (Donna Karen New York): New York (America)
- HSBC (Hong Kong & Shanghai Banking Corporation): China
- Bank of India: India
- Indian Institute of Management: India
- Indiabulls Group: India

Exhibit 1.9: Nation’s Name in Branding: Indiabulls Real Estate
Sometimes the Brand Image of the Nation as well as the expertise of the nation helps the organization place its products uniquely into the global markets. Say for example Japan is always known for its efficient Quality electronics where as recently China is known for its cheaper electronic products at the cost of compromising quality of its products.

1.1.33: 360-Degree Branding Process

In today’s Turbulence Time to sustain as leaders in Business World organizations needs to go for 360 Degree Branding Process (See Figure 1.3).

Up till today most of the successful organizations of the world were focusing on the tradition process of Branding, but now the time has changed when we have to look for innovative ways to Brand our organizations not only in to the minds of our Customer but also with other intermediaries like Channel Partners, Investors/Share Holders, Employees and the most important society & Government.

To achieve 360 Degree Brand, organization needs to follow the given steps (refer Exhibit 2.11) on regular basis, to build a strong brand organization need to keep a track record of its activities & achievements which can be used to create corporate head office with corporate museum, corporate documentary films, Supporting young entrepreneurs with Business Ideas, training the youth with industry interface.

Figure 1.4: 360-Degree Branding of Organization
Exhibit 1.10: 360 Degree Branding Steps

- **Customers**
  - Customer Based Brand Equity
  - Customer Focused Advertising, Promotion, Direct Marketing, Personal Selling, Interactive/Internet Marketing, Campaigns, Brand Communities.
  - Reward Loyal Customers, visit to factory/offices, corporate museums, Seminars, Training & Educating, meetups, cust. feedback & inputs.

- **Business Partners**
  - Business Partner Based Brand Equity
  - Business Partner Focused Advertising, POP Material, Trade Fares, Dealer Meetings, Delar Training Programmes, Loyalty Benefits, Factory/Corporate office visits, Suppliers and Associates should be awarded for good job done.

- **Competitors**
  - Competitor Based Brand Equity.
  - Respect your Competitors, Make Industry Associations collectively, Run Industry Magazines Collectively, run Seminars, training, trade faires, technology changes on industry for healthy growth.

- **Investors**
  - Stack Holder Based Brand Equity.
  - Discount Coupons, Annual General Meeting, Strategic meetings area wise, Take regular feedback & Respond to them, Factory/Corporate office visits.

- **Employees**
  - Employee Based Brand Equity (Internal Branding).
  - Pay Perks in Match with industry, Listen to employees opinion towards your brand, give rewards, collect regular feedback and reply to them, allow for input, Training Opportunities, Remember important dates, have and abide by brand policies, Celebrate achievements, labour laws etc.

- **Society**
  - Society Based Brand Equity (Social Branding).
  - Sponsor Education, Health, Entertainment, Spiritual/Religious, Environment Conservation Programmes, Use materials that are less vulnerable to environments and ask the society to follow the same.

- **Government**
  - Government Based Brand Equity (Political Branding).
  - Sponsor Govt. Programmes, Follow the Rules and Regulations of the Govt., Publish Industry Related Magazines associating with Govt., Be honest in paying taxes, Help Govt to improve efficiency by your corporate expertise, Run ad campaigns to make the voters aware for their rights during elections, Run different welfare activities with Govt.
Flasch Helmut (2009), in his session on “How to Make Price War Irrelevant with Right Marketing”, organized by Indian Plastics Association at AMA (Ahmadabad Management Association), Ahmadabad, 5th December., recommended following strategies to brand the organization without spending a large amount on marketing and advertising (refer to Figure, 1.4).

![Zero-Cost Branding Vehicles](image)

**Figure 1.5: Zero-Cost Branding Vehicles**

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1.1.35: Neuro-Branding

A Neuro-Branding can be learned very easily by learning the atmosphere at Temple, the sound, sight and smell at temples, people feel peace over there and make gets delighted, the same ways some leading organizations are using the neuro-branding strategies (Kumar R, 2009). Examples are Vodafone store in India you will always find good room freshness smell, Bright Red color furniture’s & Walls, etc.

1) **Smell:** Hospitals, restaurants, Hotel rooms, Washrooms, etc.

2) **Sight:** Banks, Hotels, Corporate towers, Office/factory Location, etc.

3) **Sound:** Multiplexes, Airport, Railway Stations, restaurants, etc. Ex: McDonald’s restaurant plays loud music during lunch timings in order to make people eat fast, so that others waiting customers can be served fast.

![Three 'S' of Neuro-Branding](image)

**Figure 1.6:** Three 'S' of Neuro-Branding

1.1.36: Brand Benefit

The benefit must focus on point of difference and not point of parity. The ideal benefit has the following three Qualities:

---

CHAPTER 1: PROBLEM DEFINITION & APPROACH TO THE PROBLEM

1. It is extremely important to the target consumer
2. Your organization is uniquely suited to deliver it.
3. Competitors are not currently addressing it (not is it easy for them to address it in the future).

1.1.37: Building Brands, Building Meanings

Follow the below given steps in order to build strong brands:
1) Differentiation – the brand lifeline.
2) Values – the cornerstone of brand relationships.
3) The price and value relationship.
4) Your people define what your brand means.
5) Are your systems protecting your brand?
6) Using heritage to maintain meaning.


Exhibit 1.12: Crafting the most Powerful Brand Benefit

Exhibit 1.13: Building Brand Meanings: Walt Disney Pictures: The Entertainment Brand
7) Staying in shape.
8) Every experience counts.
9) A friend in need (for customers).
10) Use every opportunity to brand.
11) Be loyal to earn loyalty.
12) Using information to determine brand relationship.
13) A brand’s character determines its perspective.

1.1.38: ‘18’-Important Keys to success in Brand Building

Follow the below given steps in order to get success in Branding:

1. The Bottom Line: Brand Management is Essential
2. Brand Positioning and Design are Extremely Important
3. Brand Insistence Drivers (Brand Awareness, Image, etc.) should be followed strictly.
4. Focus and Differentiation on brand
5. A Brand is the Personification of a Product, Service, or organization (Brand Personification, Brand Personality).
6. A Brand must Deliver a good Value
7. A Brand Must be Accessible and Convenient
8. Focus on Delivering the Brand Promise/Brand Mantra.
10. Focus & understand the advantage of Choosing the Right Brand Benefits (Brand Benefit Model).
11. A brand must be based upon the leader’s vision and the employees’ passion.
12. Use a wide array of brand identity elements for maximum effect.
13. The importance of Superior Products and services to strong brands.
14. Create a total brand experience for your customers.
15. Co-creating Products, Services, and Experiences with customer is the future of brands.
16. Use direct Marketing, the Internet and Direct Experiential Interaction with consumers.
17. Recognize that your people and brands are your most important assets.
18. Determining how fast and in what ways to grow the brand is a key brand manager role.

**1.1.39: Brand Plan**

Follow the below given Brand Plan to Mark any brand effectively in to the minds of all brand intermediaries:

- **Brand Awareness:**
  Increase the level of awareness in to the minds of intermediaries. A recent survey showed that 79 percent of china’s population had some awareness of “The Manchester United Club” located in Europe.

- **Brand Accessibility:**
  Improve the distribution channel in order to improve the brand accessibility, like Parle-G is available at an arm’s length for just 4 Rs., in almost all the cities of India.

- **Brand Value:**
  The Core Values of the brand, examples, Volvo core value Safety. Infosys, TATA – “ethical business practices”, regular Dividends to share holders.

- **Brand Relevant Differentiations:**
  Brand Positioning, TATA Nano - Entry Level Car 1 Lakh Rs.

- **Brand Emotional Connection:**
  American Express Cards: ”Something’s are priceless”, HDFC Standard Life – “Retire with Pride”
〈Brand Vitality:〉
Core Brand Strength: Walt-Mart-“everyday low price”

〈Brand Loyalty:〉
There is one saying in business world “80 percent of the revenue come from 20 percent of the clients”, Treat highest value customer differently, use CLV(Customer Life time Value) model to give them competitive rates depending on their loyalty, Create two separate department on e for acquiring client and other to retain them.

〈Brand Personality:〉
Brand Personification: put a life in your brand by creating a positive personification image of your brand among brand intermediaries. Carry out marketing research to find out the real brand image of your organization in to the minds of consumers. A McDonald’s restaurant has used cartoon character to put a life in to the McDonalds brand.

1.1.40: ‘21’- Common Brand Problems/Mistakes
Sometimes organizations make a mistake of taking a Brand for Granted, like:

1. The cumulative result of gradually and incrementally decreasing product or service quality to reduce cost
2. The cumulative effect of raising product or service prices at a rate greater that inflation over time (threat of inviting low-end market segments and competitors)
3. Focusing on short-term profitability at the expense of long-term revenue growth.
4. Limiting the brand to one channel of distribution or aligning the brand too closely with a declining channel of trade.
5. Reducing or eliminating brand advertising
6. Applying branding decisions at the end of the product development process
7. Confusing brand management with product management.
8. Defining your brand too narrowly, especially as a product category (For instance, “greeting cards” versus “Caring Shared- Hallmark”)
9. Failure to extend the brand into new product categories when the core category is in decline (Ex: Kinetic Scooters in India, failed to expand to bikes where as Bajaj was successful in the process)
10. Overextending your brand in to different categories and markets so as to completely blur the brand’s meaning and points of distinction.
11. Frequently changing your brand’s positioning and message.
12. Creating brands or sub brands for internal or trade reasons, rather than to address distinct consumer needs.
13. Launching sub brands that inadvertently reposition the parent brand in a negative light
14. Overexposing the brand to the point that it becomes uncool/uncomfortable(Nike stands for sports shoes not for formal shoes)
15. Well-Known, high-profile brands are often targeted by special interest groups who want to make public statements about their causes.
16. Viewing brand equity management as communications exercise, but ignoring it in other business processes and points of contact with the consumer.
17. Not delivering against the communicating brand promise.
18. Not linking the brand planning to business strategic planning process
19. If you are the market leader, follow the challengers because it’s easier and produces more immediate results, rather than creating new ways to meet consumer needs.
20. Not applying the latest product and service innovations to your flagship brand because it is getting too old and stodgy (a self-fulfilling prophecy)
21. Defining your target consumer too broadly (for instance, women ages 18-65)
1.1.41: Service Branding

Services are intangible, inseparable, heterogeneous and perishable. These special features make it difficult for a prospective customer to evaluate a service before purchase, as is possible in the case of a product. Therefore, branding a service becomes even more important than branding a product, so that the brand communicates a promise and evokes trust in prospective customers. Branding is often treated as the domain of products, because it is easier to brand a product through a name, a logo, a color scheme or whatever, all of which can be easily communicated and widely circulated through the product, its packaging, label etc. Branding a service is to that extent more difficult, but nonetheless merits serious attention.

<table>
<thead>
<tr>
<th>Table 1.15(A): Well-Known Service Brands in India</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Banks</strong></td>
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<tr>
<td><strong>Restaurants</strong></td>
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<tr>
<td><strong>Travel Trade</strong></td>
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<tr>
<td><strong>Hospitality</strong></td>
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<tr>
<td><strong>Insurance</strong></td>
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<tr>
<td><strong>Transport</strong></td>
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<td><strong>Health Care</strong></td>
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<td><strong>Communication</strong></td>
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The main differences that influence the branding of services are:

- They could vary in quality.
- The customer is actively involved during service creation.
- They are intangible and not storable.

Therefore, branding of services has gained prime focus to create a trust in invisible purchases.
The Approaches to Build a Service Brand:

When we talk about service brand:

When we talk about service branding, a question arises as to how service companies adopt a series of approaches to build strong brands. They are (Arora, 2005):

1. Dare to be different to carve out a distinct brand personality.
2. Determine own fame by standing for something that is important to target customers.
3. Make an emotional connection with the intended audience, and
4. Internalize the brand by involving employees in the care and nurturing of the brand.

<table>
<thead>
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<th>Table 1.15(B): Role of Extended Ps in Service Branding</th>
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<tbody>
<tr>
<td><strong>Traditional Elements</strong></td>
</tr>
<tr>
<td><strong>Product</strong></td>
</tr>
<tr>
<td>✓ Superior Quality</td>
</tr>
<tr>
<td>✓ Trusted brand Image</td>
</tr>
<tr>
<td>✓ Unusual or additional features</td>
</tr>
<tr>
<td>✓ Extended Guarantees</td>
</tr>
<tr>
<td>✓ Tangibilization</td>
</tr>
<tr>
<td><strong>Price</strong></td>
</tr>
<tr>
<td>✓ Value addition</td>
</tr>
<tr>
<td>✓ Special Discounts</td>
</tr>
<tr>
<td>✓ Preferential Credit Items</td>
</tr>
<tr>
<td><strong>Promotion</strong></td>
</tr>
<tr>
<td>✓ Innovative advertising campaigns</td>
</tr>
<tr>
<td>✓ Loyalty Promotions</td>
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<tr>
<td>✓ Special Offers</td>
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The studies conducted in India and aboard on marketing strategies of banking sector reveled that banks can base their marketing strategies on various parameters which are broadly in terms of 7Ps of marketing viz. product, price, place, promotion, people, physical evidence, and process (Arora, 2005).

Marketing of services essentially require the application of 7ps against the conventional 4Ps of marketing. This is because the services have certain distinct characteristics, which make them different from products. An attempt has been made in the following text to explain the significance of each one of them in the banking context (Arora, 2005).

1. **Product**
A product is a good or service, which offers a basic set of features representing its ability to satisfy certain basic needs. Since banks deal in services, which are intangible, heterogeneous, perishable and variable in nature, the need is to tangibilise the core services offered. Branding a service, improving its quality, providing after sales service are some examples of how a service can be

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<th>Place</th>
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<tbody>
<tr>
<td>Direct Mail</td>
<td>Direct Mail</td>
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<tr>
<td>PR, Sponsorships</td>
<td>PR, Sponsorships</td>
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<tr>
<td>membership of professional bodies</td>
<td>membership of professional bodies</td>
</tr>
<tr>
<td>Strong, Recognizable Corporate image, e.g. Staff Uniforms, house style</td>
<td>Strong, Recognizable Corporate image, e.g. Staff Uniforms, house style</td>
</tr>
<tr>
<td>High Quality tangibles</td>
<td>High Quality tangibles</td>
</tr>
<tr>
<td>Supporting literature</td>
<td>Supporting literature</td>
</tr>
<tr>
<td>Extensive availability</td>
<td>Extensive availability</td>
</tr>
<tr>
<td>More outlets than competitors</td>
<td>More outlets than competitors</td>
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<tr>
<td>Innovative methods, e.g. tele-banking</td>
<td>Innovative methods, e.g. tele-banking</td>
</tr>
<tr>
<td>Careful selection of quality channels</td>
<td>Careful selection of quality channels</td>
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</tbody>
</table>

tangibilised. For example fixed account is a generic service product, which is augmented in the form of two in one account through the additions of various features such as cheque and debit cards, over draft facilities, monthly statement etc. The product offerings of banks generally include:

- **Current accounts**: cheque books, standing orders, electronic fund transfer.
- **Savings**: Deposit accounts, money market deposits.
- **Loans**: overdraft, housing loans, business loans, personal loans.
- **Card Services**: ATM, CASH, and Credit Card.
- **Advisory Services**: Wills, Trusts, executorships, tax planning, investment advice, money management etc.
- **Financial Services**: pensions, personal equity plans, insurance products etc
- **Others**: Travel and Foreign exchange services.

2. **Place**

The concept of ‘Place’ in banking world is essentially the distribution systems through which the financial services are deliver to the customers. Traditionally, for banks the place for transitioning business in a bank branch. But, today the developments in information technology, changing customer desire for greater convenience and vulnerability of branches to excess costs, the trend is towards the introduction of ATMs (off site and on site), VTMS and ETOPS. These activities have transcended the bank branches and have reached the customer’s home or work place through facilities like home banking, telebanking satellite banking etc.

3. **Price**

Banks have not, until recently, viewed price as a major element of marketing strategy because of government regulations with respect to price. However, pricing is becoming more important as a result of deregulation, increasing competition and decreasing consumer loyalty to particular banks. Pricing for banks take a number of forms:
• Service charges for different types of transactions e.g. debit, cheque clearance, standing orders etc.
• Interest rate for loans and overdrafts.
• Fees for services, fixed or on a commission basis.
• Interest rates, on current/deposit/saving etc.

In setting their fees, charges and interest rates the banks are influenced by the Government/RBI legislation, competitor activities, cost structures, demand factors etc.

4. Promotion
There are several objectives of bank’s promotional activities viz. to build image and reputation, to differentiate among competitors, to generate interest and knowledge, to attract new customers and to generate customer loyalty. The promotion mix includes the following:

• Advertising
• Personal Selling
• Sales Promotion
• Public Relations
• Direct Marketing

5. People
The ‘people’ component reflects the important role played by individuals in the provision of financial services. The term ‘People’ here refers to all those persons concerned with supplying the services to the customers. In the banking context it refers to the bank personnel. Since banks essentially deal with intangibles, which at times are difficult for the mind to grasp, the customers rely heavily on the bank staff that provide them service. This act has led many banks to build and develop specialist sales team to meet more specific needs of the corporate clients.
6. **Physical Evidence**

The physical evidence component refers to the environment in which the service is delivered and also the tangible items, which are associated with that service, such as wallets or documents. It is generally recognized that physical evidence can be subdivided into two components. Firstly, peripheral evidence which can be possessed by the consumer but has little independent value e.g. a cheque book. Secondly, essential evidence that cannot be possessed by consumer but has independent value e.g. a bank branch. The provision of physical evidence is likely to be most obvious in the product and price components of the marketing mix, although promotion too can play an important role in creating a tangible image for the service and the bank.

7. **Process**

The processes/procedures theme focuses on the mechanisms by which the service is delivered. This includes business policies for service provision, procedure, degree of mechanization etc. The emphasis on process arises from several sources. First, the heterogeneity of services raises the issues of quality management providing the service may be highly visible to the consumer and will need to be flexible enough to accommodate potential demand variations. Third, the intangibility of services means that the process by which the service is provided has an important influence on the consumer’s assessment of service quality.

1.1.42: **Managing Service Quality**

Parsuraman, Zeithaml, and Berry formulated a service-quality model that highlights the main requirements for delivering service quality. The model (see the figure 1.7) identifies five gaps that cause unsuccessful delivery:

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**GAP 1:** Gap between consumer expectation and management perception: Management does not always correctly perceive what customers want. Bank management might think that customers want more return on their deposits but customers are more concerned with bank employee responsiveness.

**GAP 2:** Gap between management perception and service-quality specification: Management might correctly perceive customers’ wants but not set a performance standard. Bank management may ask cashier to give “fast” service without specifying it in minutes.

**GAP 3:** Gap between service-quality specifications and service delivery: Personnel might be poorly trained, or incapable or unwilling to meet the standard;
or they may be held to conflicting standards, such as taking time to listen to customers and serving them fast.

✦ **GAP 4:** Gap between service delivery and external communications: Consumer expectations are affected by statements made by company representatives and ads. If a bank brochure shows beautiful branch interiors, but when customer arrives and finds the branch to be cheap and tacky looking, external communication has distorted the customer’s expectations.

✦ **GAP 5:** Gap between perceived service and expected service: This gap occurs when the consumer misperceives the service quality. The Bank official may keep on visiting the customer to show care, but the customer may interpret this as an indication that something really is wrong.

The same researchers found five determinants of service quality. These are presented in order of importance. \(^{38}\)

1. **Reliability:** The ability to perform the promised service dependably and accurately.
2. **Responsiveness:** The willingness to help customers and to provide prompt service.
3. **Assurance:** The knowledge and courtesy of employees and their ability to convey trust and confidence.
4. **Empathy:** The provision of caring, individualized attention to customers.
5. **Tangibles:** The appearance of physical facilities, equipment, personnel, and communication materials.

1.1.43: Branding Strategy for Banks

Often erroneously, a bank’s branding strategy is confused with prompting its identity and familiarity. In fact, this is only a small component of branding. The bank’s identity primarily involves designing a logo, color scheme and signage, and forms just a part of the overall branding strategy of a bank. The strategy essentially centers around establishing a long-term vision for the bank and developing an appropriate path to achieve the vision. It may be pointed out that several banks in India have initiated such measures with commendable degree of success, particularly ICICI, SBI, SBI, HDFC, and AXIS bank.

Figure 1.8: A Model for Brand Management in Banks

The branding process in Banks
The Figure 1.8 presents a model for branding for banks based on identification, differentiation and personalization. However, this type of brand strength can be...
created only when banks put in hard work, patiently study customer and market reaction on a continuous basis, and modify the strategy to come closer to the market and customer. In fact, some of the successful banks referred to above have undertaken considerable research – both in house and externally – to indentify the successful routes for tracking and reaching out to customers. This has helped these banks position themselves successfully in the market. This kind of effort for band building can also be undertaken easily even by small banks, as there are host of research institutions which can help them out at an affordable cost.

Flow Chart on Brand Building

Figure 1.9: Flow Chart on Brand Building
Figure 1.10: Brand Position and Brand Management Steps
In the above mentioned figures 1.9 and 1.10, the respective authors have displayed the path to carry out effective branding. Flow chart on Branding Building (figure 1.10), identifies steps, like Review the Present, Develop the Vision, and identify the Depth and Breadth of Brand, etc.

Whereas Branding Positioning to Create a desired Impact (figure 1.10), follows a path of develop creativity, research and create differentiation and at last create higher margin by reducing the cost through technology & differentiation.

At last the brand management steps (figure 1.10) focuses on strategize customer loyalty, research product development, enrich product, service and staff, and aim to win hearts.

**1.1.44: Brand Equity**

Brand Equity is the commercial value of all associations and expectations (positive and negative) that people have of an organization and its product and services due to all experience of, communications with and perceptions of the brand over time (Auken, 2007).

To use a metaphor, brand equity is like a pond (Auken, 2007, p.4). People may not know how long the pond has been around or when it first filled with water, but they know that it supports life, from fish and frogs to ducks and deer. It also may be source of recreation, irrigation, and possible even human drinking water. Clearly it is a valuable resource. But many people take the pond for granted. It seems as if nothing can diminish its supply of water. But yet we sometimes notice that it rises with the spring rains or lowers after a long drought or excessive overuse or irrigation.

Similarly, brand equity is a reservoir of goodwill. Brand-building activities consistently pursued over time will ensure that the reservoir remains full.
Neglecting those activities or taking actions that might deplete those serves will reduce the reservoir; imperceptible at first, but soon all too noticeably until it is too late and all that is left is mud.

Ideally, to measure brand equity, it would be possible to create a “Brand Equity Index”. One easily calculated number that would summarize the “Health” of the brand and completely capture its brand equity (Keller, 2004). But just as a thermometer measuring body temperature provides only one indication of how healthy a person is, so does any one measure of brand equity provide only one indication of the health of a brand. Brand equity is a multidimensional concept and complex enough that many different types of measure are required. Multiple measures increase the diagnostic power of marketing research and the likelihood that managers will better understand what is happening to their brands and, perhaps more important, why.

In arguing that researchers should employ multiple measures of brand equity, marketing executive Richard Chay draws an interesting comparison between measuring brand equity and determining the performance of an aircraft in flight:

The Pilot of the plane has to consider a number of indicators and gauges as the plane is flown. There is the fuel gauge, the altimeter, and a number of other important status indicators. All of these dials and meters tell the pilot different things about the health of the plane. There is no one gauge that summarizes...
everything about the plane. The plane needs that altimeter, compass, radar, and the fuel gauge. As the pilot looks at the instrument cluster, he has to take all of these critical indicators into account as he flies.

The Kotler (2003) has suggested following methods to measure the outcomes of Brand Equity:

1. **Comparative Methods:**
   a. Brand-Based Comparative Approaches
   b. Marketing-Based Comparative Approaches
   c. Conjoint Analysis

2. **Holistic Methods:**
   a. Residual Approaches
   b. Valuation Approaches:
      i. Accounting Background
      ii. Historical Perspective
      iii. General Approaches
      iv. Interbrands’ Brand Valuation Methodology

### 1.1.45: Interbrand’s Brand Valuation Methodology

Interbrand one of the most reputed brand valuation firms has evaluated a number of different approaches in developing its brand valuation methodology.

To estimate brand value, according to Interbrand, it is necessary to identify projected future earnings for the band and the discount rate to adjust these earnings for inflation and risk. Interbrand has developed a two-step method of calculating brand value: 1) Identifying the true brand earnings and cash flow and 2) capitalizing

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the earning by applying a multiple to historic earnings as a discount rate to future cash flow.

**Brand Strength:** To adjust these earnings, Interbrand conducts an in-depth assessment of brand strength. Specifically, to determine brand strength, Interbrand evaluates brands on the basis of the following seven factors and reasoning.

1) **Leadership (25%)**
   - Market Share
   - Awareness
   - Positioning
   - Competitor Profile

2) **Stability (15%)**
   - Longevity
   - Coherence
   - Consistency
   - Brand Identity
   - Risks

3) **Market (10%)**
   - What is the market?
   - Nature of market (e.g. volatility)
   - Size of Market
   - Market Dynamics
   - Barriers to entry

4) **Internationality (25%)**
   - Geographic Spread
   - International Positioning
• Relative Market Share
• Prestige
• Ambition

5) Trend (10%)
• Long-term Market share performance
• Projected brand performance
• Sensibility of brand plans
• Competitive actions

6) Support (10%)
• Consistency of message
• Consistency of spending
• Above vs. below line
• Brand franchise

7) Protection (5%)
• Trademark registration and registrability
• Common law
• Litigation/disputes

The researcher in the above section has discussed various strategies of marketing, branding, adverting, and customer relationship management, etc. The same knowledge was used while designing the research questionnaire and doing the analysis of the collected data as the researcher will discuss in coming chapter of data analysis.
1.2: Literature Review

A brand is the identity of a specific product, service, or business. A brand can take many forms, including a name, sign, symbol, color combination or slogan. The word brand began simply as a way to tell one person's cattle from another by means of a hot iron stamp. A legally protected brand name is called a trademark. The word brand has continued to evolve to encompass identity - it affects the personality of a product, company or service.

The Coca-Cola logo is an example of a widely-recognized trademark representing a global brand. A commodity brand is a brand associated with a commodity. Got milk? is an example of a commodity brand. In the automotive industry, brands were originally called marques, and marque is still often used as a synonym for brand in reference to motor vehicles.

According to Janet (2001), strategic brand building is the single most powerful tool that any company has to build to remain competitive. In today’s competitive environment, it is important to occupy a space in the consumer’s mind. The value of a brand is measured not only in terms of the advantages it provides in its present competitive arena but also the potential advantages it offers in untapped markets (Srivastava and Shocker, 1991). Marketers often attempt to leverage the strength of the existing brand strong brands are successfully extended to other product and service categories. Some brands cannot be extended at all because of poor extension potential (Tauber, 1993). Many studies explored the consumer evaluation of brand management for product categories (Aaker & Keller, 1990).

David Aaker distinguished five level of customer attitude toward a brand, from lowest to highest:

1. Customers will change brands, especially for price reasons. No brand loyalty.
2. Customer is satisfied. No reasons to change the brand.
3. Customer is satisfied and would incur costs by changing brand
4. Customer values the brand and sees it as a friend.
5. Customer is devoted to the brand.

Dhananjay (2009) has studied key strategies of brand extensions for two banks ICICI Bank and SBI bank. He has tried to find out the customer’s preference for brand extensions like SBI-Insurance, ICICI-Home Loans, SBI-Gold Trading and ICICI-Diamond Trading. The study indicates that the ICICI bank scores higher for various associations such as aggressiveness, promptness, quality and overall success evaluation. However the study does not imply that bank brands can be leveraged indiscriminately for future extensions.

Ghosal (2008) has studied the subject of Brand Management in Banks and has came out with a “Model for Brand Management in Banks” (see, Figure 1.7) and has studied the case study of ABSA (Amalgamated Banks of South Africa) and it’s Branding Strategies and derived a conclusion that brand building strategy helps banks grow organically by providing more innovative products and services, achieving higher level of motivation among employees, adopting up-to-date technology, creating awareness and creating a direct link with customers.

Anshul (2003) has highlighted on the topics like, the role of a brand, positioning the brand, planning brand-building programs, Monitoring and Tracking the Brand, Experience Branding and Brand Building on the Web. And has concluded that up till now financial service companies never felt a need to develop and leverage a brand as they were protected from the onslaught of competition. But now with the opening ups of markets, the strength and the marketing leverage that a brand provides cannot be overemphasized.

Corporate Branding is a cross-disciplinary construct, building on marketing (image), strategy (vision) and organization theory (culture and identity). This will help in creating a strong corporate brand that adds depth and value to a company’s
product/service and will set the tone or future development of the company (Balaji and Supriya, 2006).

Trust is a focal key in the development of the relationship between banks and customers. It is also acknowledged in marketing theory as the basic policy in developing an sustaining long-term relationships (Crosby et al., 1990; Ritter, 1993; and Doney and Cannon, 1997), to build a mutually beneficial relationship with customer on the basis of mutual trust (Dayal et al., 2001), and to enhance competitiveness (Barney and Hasen, 1994). Generally, trust is viewed as an essential element for successful relationships (Moorman et al., 1993; Morgan and Hunt, 1994; and Berry, 1995).

On the other hand, image has been described as an attitude (Hireshchman et al., 1978), and as a combination of product/service characteristics that are different from the physical product but are nevertheless identified with the product (Erickson et al., 1984).

According to Kang and James (2004), a favorable and well-Known image is view as an asset for any firm as in many respects image has an impact on consumer’s perception of the firm. Furthermore, Kang and James (2004) explained that if a customer has a positive image of the service provider, minor mistakes made by the service provider will be forgiven by the customers. If a customer has a negative image of the service provider, the impact of any mistake will often be magnified in the consumer’s mind. Therefore, image can be viewed as a filter in terms of customer’s perception of quality (Kang and James, 2004). In this respect, some researchers suggest that corporate ‘image is the net result’ of the interaction of all experiences, impressions, beliefs, feeling and knowledge that people have about a company (Worcester, 1997).
In addition, loyalty is determined by image (Mazursky and Jacoby, 1986; and Osman, 1993). As Bolemer et al., (1998) explained that there is a positive relationship between image and loyalty, and this resulted from customer’s evaluation on the perceived quality that is received from the company. However, the relationship between image and loyalty is unclear; Bolemer et al., (1998) discovered that image is indirectly related to bank loyalty though perceived quality. Whereas, service quality is both directly and indirectly related to bank loyalty though satisfaction, image plays much smaller role in terms of loyalty (Brunner et al., 2008). Meanwhile, Bontis, et al. (2007) explained that the relationship between customer satisfaction and banking reputation was significant, and banking reputation served as a median that linked customer satisfaction with customer loyalty.

Although, Nguyen and Leblanc (1998) suggested that there was no significant relationship between customer satisfaction and image, the relationship between image and loyalty was significant, with customer satisfaction having greater influence on loyalty than image. Similarly, Zeithaml and Bitner (2000) argued that corporate image would significantly influence customer perceptions of the service company’s operations and would be reinforced by actual service experiences.

Moreover, Ball et al. (2004) found that image has an indirect impact on loyalty through satisfaction and trust, and trust has a significant impact on loyalty. Furthermore, Ball et al. (2004) concluded that although the relationship between image and loyalty in the banking industry is important, the relationship is mediated by satisfaction and trust indirectly. Berry L L (1995) conducted a study on the relationship between corporate image and trust in conventional and the online banking industry. The results suggested that corporate image plays an important role in the formation of customer trust in the two banking segments; traditional and online. Therefore, the corporate image is very important factor of trustworthiness (Mukherjee and Nath, 2003). Ba (2001) explained the impact of reputation on trust as where customers felt discouraged to commit to a bank when they felt that the bank had a bad
reputation. It appears that when a customer trust a brand, that customer is also likely to build a positive behavioral attitude towards the brand (Lau and Lee, 1999).

Trust is the corner stone of all strategic alliance between parties involved. It plays an important role in developing loyalty. Recent research on customer’s trust on bank has been dedicated to online trust (Ba, 2001; Dayal et al., 2001; Mukherjee et al., 2003; Erickson et al. 2005).

Ethics in banking is important because that determines the chances of banks providing complete product information, not divulging confidential information about customers and not selling customers information to third party (Mukherjee et al., 2003).

According to Keller (2004), strategic brand management involves the design and implementation of marketing programs and activities to build measure and manage brand equity. The strategic brand management process is defined as involving four main steps:

1. Identifying and establishing brand positioning and values
   a. Mental Maps
   b. Competitive Frame of Reference
   c. Points of Parity and Points of Difference
   d. Core Band Values
   e. Brand Mantra

2. Planning and implementing brand marketing programs
   a. Mixing and Matching of Brand Elements
   b. Integrating Brand Marketing Activities
   c. Leverage of Secondary Associations

3. Measuring and Interpreting brand performance
a. Brand Value Chain
b. Brand Audits
c. Brand Tracking
d. Brand Equity Management System

4. Growing and sustaining brand equity.
   a. Brand –Product Matrix
   b. Brand Portfolios and Hierarchies
   c. Brand Expansion Strategies
      Brand Reinforcement and Revitalization

Moorman et al. (1993) suggested that customers who are committed to a relationship might have a greater propensity to act because of their need to remain consistent with their commitment. Repeat purchasing behavior is even based on various bonds that act as barrier to switching behavior (Storbacka et al., 1994 and Liljander and Strandvik, 1995). This is also reflected, for instance, in the willingness to recommend a service provider to other consumers (Selnes, 1993).

Apart from the attitudinal-loyalty or commitment, it is the actual behavior that drives a service organization’s performance. During the past decades, therefore, customer loyalty has also been approached as a behavioral construct (Pritchard et al., 1999). Finally, in addition to the behavioral and attitudinal approach to customer loyalty, it has been argued that there is also a cognitive side to customer loyalty (Lee and Zeiss, 1980).

In this sense, customer loyalty is frequently operationalized as the product or service that first come to mind while taking a purchase decision (Newman and Werbel, 1973; Bellenger et al., 1976, and Dwyer et al., 1987); the product or service that is his first choice among alternatives (Ostrowski et al., 1993) or price tolerance (Fornell et al., 1996). Therefore, for the operationalization of loyalty construct, banks should
consider behavioral, attitudinal and cognitive aspects in the development of a composite index, Zeithaml et al. (1996) proposed a comprehensive, multi-dimensional framework of customer behavioral intentions in services consisting of all the aspects of loyalty discussed above.

This framework comprises the following four main dimensions (Figure, 1.11):

1. Word-of-Mouth Communications;
2. Purchase Intention;
3. Price Sensitivity; and
4. Complaining Behavior

![Figure 1.11: Model for Measuring Brand Loyalty](source)


<table>
<thead>
<tr>
<th>Exhibit 1.15: Product Brands Vs. Corporate Brands</th>
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<tbody>
<tr>
<td><strong>Difference</strong></td>
</tr>
<tr>
<td>Management Responsibility</td>
</tr>
<tr>
<td>Functional Responsibility</td>
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<tr>
<td>General Responsibility</td>
</tr>
<tr>
<td>Disciplinary Roots</td>
</tr>
<tr>
<td>Brand</td>
</tr>
</tbody>
</table>
Nair (2005) has highlighted on the topics like, the brand as focus for standalone product development, the brand as a catalyst for change and the brand as a centerpiece for corporate strategy. At the end he is hoping that Indian banks emerge as global brands with a combination of initiative, enterprise, ethics and empowering people and enriching customers.

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The Brand Appraisal is about exploration for a branding opportunity, Exploration for the potential of a new brand, Exploration to figure out the possibilities for a tired old brand and exploration to figure out the way forward for a strong brand (Parmeswaran M, 2006).

The science of marketing comprises fact-based research, sophisticated statisticated methods, testing of hypothesis, and analyzing results. The art of marketing is based on experience, imagination and creativity (Ehrlich and Duke et al., 2005). Both art and science must go into choosing target segments (refer to Exhibit 1.8).

As per the Ehrlich and Duke et al. (2005) the financial organization must know the answer for the below mentioned questions.

✔ What are your most profitable customers?

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The old 80/20 rule still operates in most business: 80 percent of your revenues come from 20 percent of your customers.

**What do your top 20 percent buy from you?**
How often? How long have been customers? Look at last year’s customer list. Are the same people still in your top 20 percent? If not, what happened? Why did they leave? Can you get them back if you address the issues that concern them?

**What characteristics do your top 20 percent have in common?**
Do they have similar demographics or other observable characteristics? Can you do a cluster analysis to find out where they live, what they read or what on TV?

**How did they become customers in the first place?**
Was it through personal referrals, a mailing list, an ad, attendance at a trade show?, This is critical information and you should always enter this data when you first acquire a new customer.

Most marketers use the terms ‘positioning’ and ‘branding’ interchangeable. However, this discussion chooses to look at branding as further refinement of positioning (Ehrlich and Duke et al., 2005). Brand attempts to create a unique perception, an emotional or intellectual bond between product and end user.

As an example, Visa and MasterCard have similar positioning in the minds of their target markets: they are both perceived as mass-market, all-purpose credit cards particularly when compared with American Express, which has a more upscale image. Most people perceive very little difference between them in terms of product features, pricing or other tangible qualities. If you ask people which credit card they carry, some would have to look in to their wallet to see if it was a Visa or MasterCard.
A 2002, Gartner Survey of large financial services providers (Gartner, 2004), including banking, investment firms, insurance, and credit cards, asked respondents: Which strategy is most important in terms of driving your retail marketing initiatives? Customer retention was mentioned by only 9 percent of financial institutions, whereas acquiring new customers was the first priority for 43 percent.

Given that new customer are the most expensive to acquire and service and have the least loyalty, these priorities are clearly misplaced. Gartner estimates that retaining on high-profit customer or up-selling a mid-level to become a high-profit customer can cost one-tenth of acquiring a new mid-level customer.
Indian rural market comprises 12.2% of world’s population, a market twice as large as the U.S. Indian rural market comprises 75% of India’s population living in 6 lakh villages speaking 33 languages (Verma R, 2004). Globally, the mainstream financial institutions have realized now that the poor are bankable (Chakrabarty, 2009). The banks like SBI and ICICI are focusing heavily on their rural-banking initiatives.

Singh and Bijor (2009), feels that marathons are perfect platform for mass brands. Marathons are inclusive events that cut across barriers of caste, creed and economic status. The day of a marathon is one when the rich, the middle class and the poor all run together. So, the event appeals to brands that require a wide cross section of appeal. Standard Chartered bank is extensively using the power of marathon to build its positive and socially responsible brand image among its customer base (Singh and Bijor, 2009)

Standard Chartered Bank uses Marathons as one of the major platform for mass branding of banks in innovative way to reach in the lives of their customers and society where they operate. Marathons are inclusive events that cut across barriers of caste, creed and economic status. The day of a marathon is one when the rich, the middle class and the poor all run together. So, the event appeals to brands that require a wide cross section of appeal (Singh and Bijor, 2009)

The Positioning Statement can act as a bridge between communicator (manufacturer) and the User, provided the unique selling point (USP) matches unique customer perception or when the unique customer perception (UCP) is same as unique selling point (refer Exhibit 1.10).
Brand Management in Banking Industry with Special Focus on Corporate Branding of Banks: A Case Study of Corporate Banks Operating in Gujarat State

CHAPTER I: PROBLEM DEFINITION & APPROACH TO THE PROBLEM

Exhibit 1.1: USP and UCP Analysis

<table>
<thead>
<tr>
<th>Brand</th>
<th>USP Brand Statement</th>
<th>UCP Customer Statement</th>
<th>Degree of Match between USP and UCP</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI Bank</td>
<td>To provide customers the largest variety of products at affordable prices across a wide network of branches</td>
<td>Widespread Network, Reliable services, Technology Savvy</td>
<td>Level 5</td>
<td>Highly Success</td>
</tr>
<tr>
<td>Vicks</td>
<td>Effective but Gentle Quick Relief form Cold</td>
<td>Cold Relief Medication to be used at night (Focus is on Children)</td>
<td>Level 4</td>
<td>Good Success</td>
</tr>
<tr>
<td>SONY</td>
<td>Technology Innovation and Premium Quality in the field of hi-tech entertainment</td>
<td>Excellent Quality &amp; Innovation The Best in Business</td>
<td>Level 5</td>
<td>Highly Success</td>
</tr>
</tbody>
</table>


Branding has become quite an important aspect of business strategy for banks. In the Business Week’s “The Top 100 Brands” published in its September 2005 issue, as many as seen financial institutions find place, through most of these belong to the North American and European region. Banks are coming out with innovative branding strategies with catchy slogans like: “The Citi Never Sleeps” (Citi Bank), “The World’s Local Bank” (HSBC) that added great value to the visibility and popularity of these institutions. In India too, brand building became an intensive marketing strategy for banks (Nair, 2005). For instance Dena Bank is building its brand as a trusted family bank that caters to banking requirements of the entire family.

Brand Building by banks became more and more evident because of a host of factors which include (Nair, 2005):

- Deregulation
- Technology
- Growing Competition
- Growth of Market Segments
• Mergers and Acquisitions

Historically branding of any bank revolved around displaying trust and confidence, that the bank is a trusted one on which, customers can bank and depend upon. However the technology, the nature of services offered by banks is rapidly changing. Even the focus on which banks are designing their brands is also changing accordingly (Nair, 2005).

The concept of social banking is mainly concerned with social lending. The social control on banks has changed the commercial banks from class banking to mass banking (bhaskar, 2005). Rural credit presents a new paradigm in the annals of development banking, as rural finance could be coaxed to leverage the rural production curves to a major extent (devaprakash, 2005).

Kotler philip (2003) defined co-branding as “two or more well known brands are combined in an offer”. Co-branding of credit cards is the fad today and these tie-ups are indeed advantageous to the customers (banu, 2005). Some of the co-branding examples are:

• SBI- Vishwa Yatra Foreign Travel Card.
• LG SBI Card in the consumer appliance industry, Small Industries Development Bank of India (SIDBI) has tied up with Yes Bank to offer loans to SMEs, under a new co-brand called as YES-SIDBI.
• Indian oil Citibank credit/debit card is leading in the co-branded credit/debit card segment with a customer base of 5.57 lacs.
• ICICI Bank- Air Deccan Gold Card.
The marketplace realities demand that financial services firms should discard the traditional product based value proposition and compete on the basis of their core competencies (Kaushesh, 2003).

Banking may be unique in that it is so intimately involved with money, but it is not unique in fact that it faces competition in selling its services – or products as they are often known – to customers (Geofrey et al., 2005). It is just like any other business because it needs to make profits to survive. We can remember the eight vital feature of banking by the acronym (Geofrey et al., 2005):

**METAL LAMP**

These letters stands for

- **M**oney
- **E**conomics
- **T**echnology
- **A**ccountancy
- **L**ending
- **L**aw
- **A**dapting
- **M**arketing
- **P**eople

<table>
<thead>
<tr>
<th>Exhibit 1.19: Influence on Banking Services Compared to other Products/Services</th>
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<tbody>
<tr>
<td>Influence on Purchase / Factors</td>
</tr>
<tr>
<td>Brand Perception/Advertisements</td>
</tr>
<tr>
<td>Online Research</td>
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<tr>
<td>Offline Research</td>
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<tr>
<td>Peer Advice</td>
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</table>


Young people noticeably have an influence on household purchase decision & parents do take in to account their children’s’ point of view while making that purchase.

While the average Indian parents prefer the primary A/C in a public sector bank banking on established relationship, youngsters on the hand insist that parents use the services of modernized private banks. This choice is based on the fact that the latter
promises a more potential & westernized approach to banking. Young people anyways fear anything that is ‘sarkari’ (Public Sector Units).

Looking at the above data (Exhibit 1.19) we can conclude that Brand Perception was found the highest while making a purchase decision for banking. Whereas rest of all the segments has more or less the same 20% impact on the factor of brand perception. So it proves that Brand Perception is the most important factor for the banks in order to retain and grow their banking business.

Retail Banking has always been an integral part of the banking activities world over but it is only the recent past that it has gathered special momentum (Sodhi, 2004). Though internationally this revolution started in 80’s with the advent of credit cards followed by other products of Retail Financial Services, yet, as far as India is concerned the year 1995 marks the starting point of Retail Banking Revolution with Foreign Banks and new Generation Private Banks taking the lead. The future of retail banking in India depends on those banks which have a dynamic retail strategy and are well diversified in products, services and distribution channels and have at the same time managed to achieve a good level of cost efficiency are the ones that are most likely to succeed in the longer term (Sodhi, 2004).

Development of technology had enabled banking sector to experience a rapid transformation in the last one-decade from ATM to Core Banking Solutions, resulting in lower cost of transaction, operational efficiency, product differentiation and new business opportunities. Increase in multiple channels has definitely increased the number of customer touch points and the frequency of contact. Due to advances in affordable technologies new distribution channels are now in use (refer Chart 1.1, 1.2). Technologies like Internet Banking, Mobile Banking, SMS based mobile banking, ATMs and Kiosks are now easily available to the customers at affordable prices (Srinivasan and Sharma, 2006).
Presently when the services contribute to more than 50% of India’s economy, service brands offer lot of scope for leveraging the strength of the brand. Of late, banks are taking keen

interest in implementing branding strategies. Many banks in the recent years are trying to create a distinct identity. With this, they aim to make their presence felt by the customers and other stakeholders. Many banks which have done extensive brand facelift include Bank of Baroda (India’s International Bank), Punjab National Bank, and Union Bank of India, Canara Bank, Andhra Bank, Dena Bank & Axis Bank. Famous personalities such as Amitabh Bachhan (ICICI Bank), Sharukh Khan (ICICI Bank), Rahul Dravid (Bank of Baroda), Hema Malini (Bank of Rajasthan), and Juhi Chawla (Dena Bank) were used as brand ambassadors. Banks are entering in to the area of Insurance, Remittances, Gold/Equity/Eorex trading, Demat Services, Mutual Funds, Home Loans, Auto Loans, SME Loans, Venture Capital Management and other areas by leveraging their brand assets. While attempting to grow, banks are leveraging their existing brand equity by entering into newer areas and through various co-branding initiatives.
The success of brand extension depends on certain assumptions about consumer behavior; such as-consumers hold positive beliefs and favorable attitude toward the original brand in memory. The master brand can only be extended when master brands hold brand associations. Brand associations can be concrete (e.g. product or attribute related) and abstract association (situation or benefit related) (Aaker, 1991).

To investigate the various issues associated with the success of brand management, we begin with identifying the conceptual framework that identifies the key factors that may influence the brand management success. Previous study on success parameters considers a profitability of Brand and its extensions (Buzzell’ et al., 1975),
market share in the product category or the extension category (Cook, 1985), and relative market share of the brand compared with that of its competitor.

![Figure 1.13: Five Levels of Product](image)

According to Kotler (2003), in planning its market offering, the marketer needs to think through five levels of the product (see Figure 1.13). Each level adds more customer value, and the five constitute a **Customer Value Hierarchy**. The most fundamental level is the **core benefit**: the fundamental service or benefit that the customer is really buying. A bank customer is buying “an account to keep his money”. The purchaser of drill is buying “holes”. Marketers must see themselves as benefit provider.

At the second level the marketer has to turn the core benefit into a **basic product**. Thus a Bank Account includes a Cheque Book, Pass Book, Pay-in/Pay-out Slips, etc. At the third level, the marketer prepares an expected product, a set of attributes and conditions buyers normally expect when they purchase this product. Bank customer expects an accessible branch office, supportive employees, and sufficient working hours of branch operations. Because most banks can meet these minimum
expectations, the customer normally will settle for whichever bank is most convenient or least expensive.

At the fourth level, the marketer prepares an augmented product that exceeds customer expectations. A bank with some extra facilities like 24*7 customer care, good branches, ATMs, Internet Banking, Telephone banking, etc., will serve the client’s needs for the augmented product.

At the fifth level, the marketer tried to create a market niche and wants to satisfy all customers expectations related with the product. A bank with centrally air-conditioned branches, comfortable seating and waiting arrangement, home pick up and drop services on urgent requirements will create a potential product. At Axis Bank they offer Priority Banking Accounts to their HNI clients and they commit that you don’t need to come to bank the bank will come to your home.

Thus, alongside the growth of banks like Citi Bank, HSBC Bank, Standard Chartered Bank, AXIS Bank, Kotak Bank and Yes Bank tries to offer Potential Product, whereas we see the emergence of lower-cost banks SBI No frill Account, Dena Gramin Bank, Bank of Baroda Students Account, etc wants to cater to those customers who simply want the basic products.

The realization that consumers and others may be interested in issues beyond product characteristics and associations has prompted much marketing activity to establish proper corporate image\(^43\) (Keller, 2004). A corporate image will depend on a number of factors such as the products company makes, the actions it takes and the manner in which it communicated to consumers. Barich and Kotlar identify a host of specific determinants of company image\(^44\) (see figure 1.13).


As the CEO at Johnson & Johnson\textsuperscript{45} once observed, “Reputation reflects behavior you exhibit day in and day out through a hundred small things. The way you manage your reparation is by always thinking and trying to do the right things every day.”

Corporate brand equity can be defined as the differential response by consumers, customers, employees, other firms, or any relevant constituency to the words, actions, communications, products or services provided by an identified corporate brand entity.

In short, after studying the available literature on this study, the researcher can conclude that brand management is the most important aspect to be taken care of in any organization/product/service/business group/society and as such he studies the application of the same in banking he will now use the knowledge of this literature review while carrying out this study in the most fruitful way.

1.3: Research Gap

Based on the literature review, it was found that there were enough cases for consumer evaluation of a brand management in consumer category (Chakravarti et al, 1990; and MacInnis and Nakamoto, 1990). The reason for the research was also driven by the fact that fewer researches were conducted in service branding and that too in Indian Banking. Many of the earlier researches were based on the students being used as subject for experimental studies.

India is one of the developing economies of world, where service sector is expanding its share in the GDP of the nation rapidly. Previously Agriculture was the major sector and India was agriculture lead economy, now the days have changed and the service sector is growing rapidly, these days service sector is accounting for more than fifty percent of India’s Gross Domestic Product (Govt. of India Statistics).

If we look further deep into the service sector, than we can find that financial needs of the people are changing rapidly and use of various financial instruments like, Credit Cards, Debit Cards, Petro Cards, Home Loans, Car Loans, Mutual Funds, Insurance, etc. is growing since last decade. The finance sector is growing rapidly, matching the growth of other leading sectors in India as financial sector is the core sector for all of the other sectors of an economy.

Lets us focus further on the growth of Indian banking sector. After opening up of Indian Banking in 1991, under the chairmanship of M Narasimham, a committee was
set up by his name which worked for the liberalization of banking practices. Now the country is flooded with foreign banks and their ATM stations. Efforts are being put to give a satisfactory service to customers. Phone banking and net banking is introduced. The entire system became more convenient and swift. The banks started giving more importance to other services rather than just lending and receiving money from the customers. Most of the banks these days are now working to become a hub for financial services to satisfy customer’s all type of financial needs.

The development of Indian banking sector is roaring in India, all type of banks are increasing their presence day by day. There are around 40 foreign sector banks, 27 public sector banks, 30 private sector banks and other 68 cooperative banks operating in India these days. The recent advancement in Technologies like Internet, Telephone, ATMs, Plastic Money (Debit/Credit Cards), etc. have fueled the growth of banking sector in India. The banking sector is finding lot of change in its services, as well as its marketing, branding and customer relationship management system. The banks these days are now putting lot of efforts in building their brand in the market. The banks like ICICI and HDFC are a recent success in its branding strategies and marketing strategies.

Whereas other old public sector banks and new private sector banks have also started their brand building efforts on large scale. The new additions to the brand management and marketing in banking are seen by the Bank of Baroda, SBI, Union Bank of India, Dena Bank, Canara Bank, Yes bank, Kotak Mahindra Bank, etc. Various type of Brand Building Tools are now adopted by these banks, like celebrity endorsement (Bank of Baroda endorsing Rahul Dravid, ICICI bank endorsing Sharukh Khan for its NRI account services.), social responsibilities (ICICI rural credits), Brand Revitalizations (Union Bank of India, Canara Bank), Brand Extensions (SBI Life, SBI Mutual Funds).
Seven brands namely, ICICI Bank, HDFC Bank, Axis Bank (formerly known as UTI Bank) from Private Sector, State Bank of India (SBI), Bank of Baroda (BOB) from Public Sector and CITI Bank and HSBC Bank (Hong-Kong and Shanghai Banking Corporation) from Foreign Sector Banks were selected for the study. The current study is descriptive in nature and it covers responses from real banking customers rather than the other studies were students were used as laboratory settings.

The study by Aaker & Keller (1990) assessed how consumers form attitudes towards brand. With few exceptions, past research has primarily examined brand on few parameters. In reality, brands are associated with several parameters starting form customers to employee and stakeholders. We assume that, in reality consumers also compare the earlier extension with the success evaluation of the brand management and based on the evaluation, consumers decide whether to engage with the brand or not.

Brand Building is not an overnight game. It requires lot of pain, to build a good brand image. Brand image is now not just the corporate image to the customers as well as outside people, the organization needs to put a real life in to the brand. Human always likes to deal with humans who understands his/her needs, wants, emotions, requirements, specifications so building a brand requires to build an empathy for the brand not only into the mind of customers but also in to the mind of employees, society, government, investors, and competitors. A brand requires working on 360 degree basis to mark its presence in the business environment. A brand image is not only the quality of product/services rather it’s about total experience of customer with that brand, which gets stronger & stronger with time and as the time proceeds the expectations of customer will keep on rising with the brand. A brand therefore required to put in lot of efforts to put a life into the brand name and make it a leaving entity into the minds of customers.
1.4: Statement of the Problem

The present study investigates the impact of category similarity, brand associations, brand equity factors, attitude factors and success perceptions into brand. The study will attempt to examine the importance of brand management in banking sector. Why is it necessary to have the support of brand management for marketing banking products? How can corporate brands help banks in acquiring as well as retaining their existing customers, and finally, how does brand management help banks to sell their product portfolio? Therefore in this study an attempt is made to assess the level of satisfaction of customers with respect to Brand Management Strategies put in by their bank, as well as to study the efforts put in by the various banks in building their brand in recent time of cut throat competition.

The researcher has further gone in to detail to find out the various brand building techniques and its important branches like Brand Loyalty, Brand Association, Brand Personality, Customer Based Brand Equity, Brand Equity Measurement, Corporate Branding and lot of other vital parts of brand management. The strength of Brand can never be measured on a single dimension, and the tools of branding and brand management are increasing day by day, the study will attempt to find out the best existing practices in the field of brand management as well as will try to find out the new strategies that will help banks build a strong corporate brand in the minds of customers.

The study will find out which of the existing branding tools are of importance to customers and that will be worth of increasing the quality of customer’s total experience with the brand. The study will try to find the brand management tools which can be used to build a positive brand image of the bank as well as the study will try to find out the existing brand image of the various banks like, ICICI, HDFC, AXIS, SBI, BOB, CITI and HSBC and how the consumers feel about these banks. The study will also try to find out the Brand Image of these banks into the mind of
customer and will try to find out the perceptual map of the these brands in to the minds of customers.

We know that some time customers might not be able to differentiate much between various brands as most of the blind tests indicate there are no differences in to the products when they don’t know the brand names which they consume. So brand is just an image which customers have developed in their minds regarding the company or organization or its products. But it is also evident from the past studies that most of the times the overall all image of the brands can be same but when it comes to specific attributes of brands there are some different images between the brands. Let’s talk about Volvo, the first thing that comes in your mind is safety and Ferrari, the first thing that comes in your mind is racing, formula one, and excitement. So there are some differences between brands and we will try to quantify those differences on paper with customer’s response for various attributes of the bank brands.

The study will attempt to examine the importance of brand management in financial sector. Especially, how brand management is helpful to corporate banks. How can corporate brands help banks in acquiring as well as retaining their existing customers, and finally, how does brand management help banks to sell their whole product portfolio using various techniques of selling like up-selling and cross-selling their products/services?

Keeping these questions in mind the objectives of the study will be as follow:
1. To explore the role of brand in retaining existing customers and attracting potential customers in banks.
2. To know the top of the mind bank brands among customers.
3. To study the use of different brand elements in managing brand equity in banks.
4. To study the impact of brand name on customers while bank selection.
5. To investigate the efforts put in by banks for building their brand.
So overall we can say that the study is having main components like, Corporate Branding, Brand Management, Mapping of Brand Image/Brand Personality or Brand Associations and study the use of effective Brand Building Tools which are of high importance as long as the customers are concerned. The researcher has tried to narrow down the scope of the study and will keep focusing on predefined seven bank’s customers and managers in the predefined cities of Gujarat state.
References to Chapter 1:

CHAPTER 1: PROBLEM DEFINITION & APPROACH TO THE PROBLEM


