



## Investigating the impact of digital transformation on brand determinants in banking industry

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### Abstract

This paper provides a comprehensive exploration of brand determinants within the banking industry, focusing on seven key aspects such as brand awareness, brand association, brand loyalty, brand image, brand position, brand reputation, and brand equity. In the era of digital transformation and evolving consumer behaviors, this paper recognizes the intricate relationship between these determinants and their collective impact on a bank's success. The text delves into the role of technology, the influence of global trends, and the delicate balance between innovation and trust, all within the complex landscape of the banking industry. By setting the stage for a deeper examination, the study aims to bridge theory and practice, acknowledging the essential role of branding in modern banking. It also lays the groundwork for subsequent discussions, offering a multifaceted view that encompasses historical evolution, practical strategies, and future challenges. This paper serves as a foundational guide for professionals, researchers, and anyone interested in the nexus between branding and banking in today's dynamic financial environment.

**Keywords:** Brand determinants, banking industry, digital transformation, monthly income

### Introduction

In the contemporary global marketplace, branding has evolved as a potent force, transcending mere logos and taglines to encompass a holistic expression of a company's identity and values. With the banking industry's rapid transformation, there's an urgent need to delve into the multifaceted world of brand determinants such as brand awareness, brand association, brand loyalty, brand image, brand position, brand reputation, and brand equity. Banks are no longer mere custodians of monetary assets; they're vital players in a complex financial ecosystem where trust, innovation, and customer-centricity reign supreme Vetrivel V (2019) <sup>[17]</sup>. In this demanding landscape, understanding brand determinants can provide essential insights into what drives customer engagement and loyalty, shaping a bank's long-term success.

### Brand determinants in banking: A closer look

#### Brand awareness

Awareness serves as the entry point in the brand-consumer relationship. In the banking sector, brand awareness isn't just about recognition but also comprehending the distinctive values and services a bank offers. The digital age has added new layers to this awareness, with online platforms becoming critical touchpoints.

#### Brand association

Associations are the qualities linked to a brand. In banking, these could range from trustworthiness to innovation. Given the intangible nature of banking services, associations play a vital role in influencing perceptions and preferences.

#### Brand loyalty

Loyalty is the holy grail of customer retention in banking. It goes beyond mere satisfaction, cementing a relationship that can endure economic shifts and competitive pressures. Cultivating loyalty requires a nuanced understanding of customer needs, expectations, and experiences.

#### Brand image

The image is a collective representation of all the impressions a brand makes on its stakeholders. In banking, this can encompass the aesthetic appeal of physical branches, user experience on digital platforms, customer service quality, and community involvement.

#### Brand position

Positioning is about carving a unique space in the customers' minds. For banks, positioning strategies must navigate a tightrope between innovation and trust, global reach and local relevance, profitability, and social responsibility.

#### Brand reputation

Reputation is an intangible asset, particularly vulnerable in an industry where trust is paramount. Banking scandals, breaches of trust, or failure in corporate social responsibility can severely dent a bank's reputation, necessitating strategic management.

#### Brand equity

Vetrivel V, Solayappan AN (2015) <sup>[18]</sup> Equity is the value added to a bank's products or services by the brand. It is an amalgamation of all the determinants and is integral in providing a competitive edge. Measuring and managing

brand equity requires robust models tailored to the banking sector's specificities.

**The banking industry: A changing landscape**

The banking industry is experiencing a profound shift, driven by technological advancements, regulatory changes, globalization, and changing consumer behaviors CH. Nandini Kishore Babu, V Vetrivel (2023) [5]. Online banking, mobile applications, and fintech partnerships are reshaping how customers interact with banks. This dynamic environment demands a fresh look at brand determinants, recognizing their interplay and evolution in a constantly shifting landscape. Traditional approaches to branding may no longer suffice, and banks must adapt to retain relevance and competitive advantage.

**Review of literature**

In the term of branding, various determinants play crucial roles in defining the success and sustainability of a brand. Aaker (1991) pioneered the exploration of brand equity, setting the stage for understanding the value that a brand name carries. This was further expanded by Keller (1993), who broke down the complexities of brand equity into measurable elements, focusing on brand image and association. Chaudhuri and Holbrook (2001) built on these principles, exploring the chain of effects leading from brand trust and affect to overall performance, with an emphasis on brand loyalty. At the same time, Fombrun (1996) delved into the corporate image's significance, unraveling the mysteries of brand reputation. The strategic facets of brand management, including positioning and building a unique brand image, were eloquently elaborated by Kapferer (2012) [12]. These were paralleled by Solomon's (1996) insights into consumer behavior's role in brand awareness, showing how consumers' perceptions and buying habits shape a brand's appeal. In a broader marketing context, Kotler and Keller (2006) provided an all-encompassing view of brand determinants, tying together positioning, image, and overall brand success. Meanwhile, Kim *et al.* (2003) connected the dots between consumer-based brand equity and firms' financial performance, revealing the tangible benefits of a well-managed brand CH. Nandini Kishore Babu, V Vetrivel (2022) [4]. The scientific approach to understanding brand

equity was further refined by Yoo and Donthu (2001) [20], who meticulously developed a scale for its multidimensional measurement. Lastly, Oliver (1999) rounded off this body of work by dissecting the roots of consumer loyalty, a vital ingredient in the long-term success of a brand. The absence of standardized models for measuring brand equity specifically tailored to the banking industry's unique characteristics. Developing such models would allow banks to have a more precise understanding of their brand's value. In this contest this paper aims to explore the multifaceted nature of brand determinants in the banking industry. It strives to provide a comprehensive analysis, combining theoretical insights with practical applications.

**Research methodology**

The aim of this paper is to investigate the impact of digital transformation on brand determinants in banking industry. Systematic approaches to gather and analyze data. a quantitative research design will be employed to collect numerical data that can be analyzed statistically. This design allows for the measurement of variables and their relationships. The respondents are to select a representative sample of consumers who will participate in the study. A random sampling technique will be used to ensure that each member of the target population has an equal chance of being selected. The sample size will be determined based on statistical calculations to ensure sufficient power and representativeness the sample size is 367. Data will be collected through a structured questionnaire survey. The data were collected from the consumers those who are all using bank services. The questionnaire will consist of both closed-ended and Likert scale questions to measure various brand determinants such as brand awareness, brand image, brand loyalty, and perceived quality. The survey will also include questions related to consumer purchase behavior, such as frequency of purchase, brand preference, and factors influencing purchase decisions. Once the data is collected, it will be analyzed using appropriate statistical techniques. Descriptive statistics, ANOVA and post hoc test will be used to summarize the demographic characteristics of the sample and key variables.

**Data analysis and interpretation**

**Table 1:** Opinion towards brand determinants based on monthly income

Brand determinants	Monthly income	Mean	S.D	ANOVA Result		Post-hoc test
				F-value	P-value	
Brand awareness	Upto Rs.10000	3.51	1.03	25.372	0.001*	2 vs 1, 3, 4
	Rs.10000-20000	2.67	1.29			
	Rs.20000-30000	3.63	0.49			
	Above Rs.30000	3.74	0.83			
Brand positioning	Upto Rs.10000	3.40	1.12	16.436	0.001*	2 vs 1, 3, 4
	Rs.10000-20000	2.83	1.32			
	Rs.20000-30000	3.87	0.71			
	Above Rs.30000	3.70	0.83			
Brand association	Upto Rs.10000	3.52	1.10	27.649	0.001*	2 vs 1, 3, 4
	Rs.10000-20000	2.68	1.25			
	Rs.20000-30000	3.80	0.64			
	Above Rs.30000	3.89	0.86			
Brand image	Upto Rs.10000	3.61	1.19	34.465	0.001*	2 vs 1, 3, 4
	Rs.10000-20000	2.54	1.24			
	Rs.20000-30000	3.95	0.85			
	Above Rs.30000	3.75	0.92			
Brand trust	Upto Rs.10000	3.40	1.18	21.696	0.001*	2 vs 1, 3, 4
	Rs.10000-20000	2.67	1.27			

Brand loyalty	Rs.20000-30000	3.75	0.62	12.181	0.001*	2 vs 1, 3, 4
	Above Rs.30000	3.81	0.94			
	Upto Rs.10000	3.31	1.15			
	Rs.10000-20000	2.90	1.66			
	Rs.20000-30000	3.87	0.71			
Brand reputation	Above Rs.30000	3.84	1.31	14.772	0.001*	2 vs 1, 3, 4
	Upto Rs.10000	3.15	1.12			
	Rs.10000-20000	3.00	1.43			
	Rs.20000-30000	3.87	0.71			
	Above Rs.30000	3.90	1.18			

Source: Primary data computed; \* Significant @ 1% level.

Opinion towards Brand determinants based on income is displayed in table-1, the researcher has divided the monthly income of customer as upto 10000, 10000 to 20000, 20000 to 30000 and above 30000. Mean and standard deviation values are calculated for each group.

H<sub>0</sub>: There is no significant difference of opinion towards brand determinants based on monthly income.

In order to examine the above stated hypothesis one way ANOVA is carried out. The brand determinants of customers, such as, brand awareness, brand positioning, brand association, brand image, brand trust, brand loyalty and brand reputation are found to be significant because the calculated P-value is significant. Hence brand awareness, brand positioning, brand association, brand image, brand trust, brand loyalty and brand reputation are significantly varied based on monthly income. Hence the stated hypothesis is rejected.

In the case of brand awareness, above Rs.30000 turnover customers secured the mean value of 3.74, Rs.20000 to 30000 turnover customers secured the mean value of 3.63 followed by Upto Rs.10000 turnover customers secured a mean value of 3.51 and Rs.10000 to 20000 turnover customers secured a mean value of 2.67. It is noted that the monthly income have difference of opinion towards brand awareness of customers. The calculated F-value is 25.372 and the P-value is 0.001, which is significant at one percent level. Hence there is a significant difference of opinion towards brand awareness of customers turnover. It is found that the monthly income of above Rs.30000 customers have the higher level of brand awareness and Rs.10000 to 20000 turnover customers have the low level of brand awareness.

With regard to brand positioning on monthly income of the customer Rs.20000 to 30000 turnover customers secured the mean score of 3.87 followed by above Rs.30000 turnover customers have the mean score of 3.70, Upto Rs.10000 turnover customers have the mean score 3.40 and Rs.10000 to 20000 turnover customers have the mean score of 2.83. It is noted that monthly income have the difference of opinion towards brand positioning of customers. The calculated the F-value is 16.463 and the P-value is 0.001, which is significant at one percent level. Hence there is significant difference of opinion towards brand positioning of customers based on monthly income of customer. It is found that the Rs.20000 to 30000 turnover customers have the higher level of brand positioning in their customer. However Rs.10000 to 20000 turnover customers have low level of brand positioning in the banking services.

For brand association, above Rs.30000 turnover customers secured the mean value of 3.89 followed by Rs.20000 to 30000 turnover customers secured a mean value of 3.80, upto Rs.10000 turnover customers secured a mean score of 3.52 and Rs.10000 to 20000 turnover customers secured a mean value of 2.68. It is noted that the monthly income have

difference of opinion towards brand association of customers. The calculated F-value is 27.649 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards brand association based on the monthly income. It is found that above Rs.30000 turnover customers have the higher level of brand association on the customer. Rs.10000 to 20000 customers have a low level of brand association.

In the case of brand image, Rs.20000 to 30000 turnover customers have the mean score of 3.95 followed by above Rs.30000 turnover customers scored a mean value of 3.81, upto Rs.10000 turnover customers scored 3.61, Rs.10000 to 20000 turnover customers scored a mean value of 2.54, It is noted that the monthly income have difference of opinion towards brand image of customers. The calculated F-value is 34.465 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards brand image based on the monthly income of customer. It is found that Rs.20000 to 30000 turnover customers have the higher level of brand image and Rs.10000 to 20000 customers have low level of brand image in their customer.

For brand trust, Above Rs.30000 turnover customers secured the mean value of 3.81, followed by Rs.20000 to 30000 turnover customers secured a mean value of 3.75, upto10000 turnover customers secured a mean score of 3.40 and Rs.10000 to 20000 turnover customers secured a mean value of 2.67, It is noted that the monthly income have difference of opinion towards brand trust of customers. The calculated F-value is 21.696 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards brand trust based on the monthly income. It is found that above Rs.30000 turnover customers have the higher level of brand trust but Rs.10000 to 20000 turnover customers have low level of brand trust than other turnover customers.

With regard to brand loyalty, Rs.20000 to 30000 turnover customers have the mean score of 3.87 followed by above Rs.30000 turnover customers secured a mean score of 3.84, upto Rs.10000 turnover customers scored 3.31 and Rs.10000 to 20000 turnover customers scored a mean value of 2.90. It is noted that the monthly income customers have a difference of opinion towards brand loyalty of customers. The calculated F-value is 12.181 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards brand loyalty based on the monthly income of customers. It is found that Rs.20000 to 30000 turnover customers have the higher level of brand loyalty and below Rs.10000 to 20000 turnover customers have the lower level of brand loyalty than other turnover customers.

For brand reputation, above Rs.30000 turnover customers secured a mean value of 3.90 followed by Rs.20000 to

30000 turnover customers secured 3.87, upto Rs.10000 turnover customers secured 3.15 and Rs.10000 to 20000 turnover customers secured a mean value of 3.00.

It is noted that the monthly income has a difference of opinion towards brand reputation of customers. The calculated F-value is 14.772 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards brand reputation based on monthly income of customers. It is found that above Rs.30000 turnover customers have the higher level of brand reputation and Rs.10000 to 20000 turnover customers have the low level of brand reputation.

From the ANOVA result while observing the P-value it is significant at one percent level. Hence, there is a significant difference of opinion towards Brand determinants based on monthly income.

In order to find out the difference between monthly income and brand determinants of customers further Bonferroni post hoc test is applied. From this test result it is found that Rs.10000 to 20000 monthly income customers differs from upto Rs.10000, Rs.20000 to 30000 and Above Rs.30000.

### Suggestions and recommendations

#### 1. Include real-world case studies

**Suggestion:** Incorporate examples of banks that have successfully utilized brand determinants for significant gains or those who have failed in certain areas.

**Recommendation:** Research and introduce brief real-world case studies to give readers tangible insights into the practical applications of brand determinants in banking.

#### 2. Emphasize the role of emerging technologies

**Suggestion:** Include a specific section that delves into the role of technologies like AI, block chain, and Big Data in shaping brand determinants.

**Recommendation:** Conduct a detailed analysis of how emerging technologies are redefining brand awareness, loyalty, reputation, etc., in the banking sector.

#### 3. Highlight ethical considerations

**Suggestion:** Address the ethical considerations tied to brand management in banking, such as transparency, data privacy, and social responsibility.

**Recommendation:** Devote a section to ethical considerations and how they impact brand reputation and trust in the banking industry.

#### 4. Provide global perspectives

**Suggestion:** Include insights into how brand determinants may vary across different cultures and regulatory environments.

**Recommendation:** Enhance the scope by researching how brand determinants play out in different regions and among various types of banking institutions.

#### 5. Explore the covid-19 impact

**Suggestion:** Since the pandemic has significantly impacted all industries, including banking, an examination of this effect on brand determinants might be useful.

**Recommendation:** Analyze how Covid-19 has shifted consumer behavior, digital adoption, and overall brand perception in the banking sector.

### Conclusion

Understanding brand determinants is pivotal for banks in a hyper-competitive, constantly evolving industry. This introductory chapter sets the stage for a deeper examination of these determinants, recognizing their complexity and interconnection. The subsequent chapters will delve into each determinant in detail, shedding light on their role in shaping a bank's success in today's multifaceted financial landscape. In an era where the consumer is empowered like never before, and where technological advances are redefining service paradigms, a nuanced understanding of brand determinants in banking is not just beneficial; it's essential. Whether you're a banking professional, a researcher, or an interested observer, this book aims to provide valuable insights that bridge theory and practice, tradition, and innovation.

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