

BRAND STRENGTHENING MODEL FOR THE BANKING INDUSTRY: A CASE OF PAKISTAN

Abdul Subhan Shaikh

Sheheryar Khan

ABSTRACT

The brand is valuable for any organisation worldwide because it has invested in it over time. Brands are created after years of struggle from all the organisation's stakeholders. A strong brand is the only for an organisation to distinguish itself from its competitors in the market. The worth of the brand helps the organisation attract customers more easily than its competitors. This study has been conducted to formulate a brand-strengthening model for the banking industry in Pakistan. In the research, five hypotheses related to brand strengthening were tested with the help of data collected through questionnaires from over a hundred banking customers in Karachi, Pakistan. The study's results were conducted with the help of PLS-SEM 4 and statistical software, and the results showed that the brand evidence, hearing, association and attitude towards the brand positively impacted brand strengthening.

Keywords: Brand Strengthening, Brand Evidence, Brand Hearing, Brand Association, Attitude Towards Brand, Banking Industry, Consumer.

JEL Classification: C79, D19, D64, D91, J11, J13, J16, R29.

1.1 Introduction

Brands have empowered customers to select a brand from various options. Customers are open to choosing the brand they feel satisfied with, which has created a paradox for marketers in getting them to choose their brand. Therefore, branding their products or services in such a way as to make the customers satisfied and retain them is an ample task for marketers (Henseler & Guerreiro, 2020). Nowadays, branding has become a valuable asset for companies around the world. Branding is now a tool for attracting customers and a competitive advantage that companies have for creating value among customers. The importance of branding has been emphasised by various marketers in the research, and all of them have agreed that the brand has been the pillar of success for all of the service industry; without branding, no one in the service industry will survive. The brand is the emotional and operational feature that makes the customers acquire the service of any organisation. Customers buy the service of any company

after differentiating it from the other brands in the industry; if the company has a good brand value, the customer prefers it. Numerous researchers have worked on various models to measure the brand worth of any organisation and how they can attract customers to acquire the services. In the models of these researchers, the primary focus is on the physical attributes of the service, whereas very little attention is given to the attributes of the service providers. The difference between the physical and non-physical aspects of the service are the main concerns, and it has been a tough ask for the existing brands in the market. The non-physical elements of the services, such as concurrency and heterogeneity, are the main pillars of the customer's belief in the evaluation of the services.

Moreover, many existing theoretical branding models have been proven weak due to the lack of validation, experiments, and concentration.

Researchers in their research on banking and retail industries have found that brand features such as brand communication, evidence, association, and attitude of the customers are the primary influencers for customer preference in choosing a brand (Iglesias, O; Markovic, S; Rialp, J, 2019). Commercial naming of a brand is more than a naming service; it is the image created in the customer's mind. The image in the customer's mind is created in such a way that it reflects superiority. The naming is part of the branding strategy, which marketers use to create a distinctive image for the brand. Numerous researchers have worked on theoretical models to know how customers react to a commercial name. Very little research has been conducted on creating a brand-strengthening model in the banking industry. This study has been conducted after a thorough analysis of the previous literature on the banking industry to create a brand-strengthening model in the banking industry (David, 2019).

1.2 Research Problem

The banking industry in Pakistan is facing a volatile situation and an existing crisis mainly due to its inability to establish a brand. The study is being conducted to inquire in detail about the issue faced by the banking industry in developing a brand for its services.

1.3 Research Objective

The study's main objective is to examine the problems faced by the banking industry in Pakistan and how it can develop a brand-strengthening model for its service to attract and retain customers for the long term.

2. Literature Review

Numerous studies on brand strengthening have been conducted to compile the literature on creating a brand-strengthening model in the banking industry (Salehzadeh et al., 2018). Four research papers were studied on brand evidence, two on brand hearing, association, and attitude towards the brand, and five research papers were studied on brand strengthening. The fifteen research papers were studied to know the impact of the four factors, such as brand evidence, hearing, association, and attitude, on brand strengthening. The researchers have worked on creating various theoretical models to help marketers satisfy and retain customers.

2.1 Brand Evidence

Brand evidence consists of the factors that customers feel at the pre-purchasing stage, and it affects the decision-making during the purchase and use of the services. Brand evidence consists of all the service dimensions that impact the customer's perception in decision-making. These factors are brand price, name, primary services, physical environment, employees' behaviour, and the brand's response to the customer during the services, which can create a positive image in the customer's mind for the brand (Lee et al., 2019). These physical and non-physical factors make the body of the "Brand evidence" available to provide services to customers. The service's physical environment consists of physical and non-physical characteristics, such as furniture, music, and lighting. According to various marketing researchers, the physical environment of the services is designed to arouse emotions in the customers to make them buy the services. The employees provide the services in the business. Therefore, the communication of the employees with the customers and the quality of the service by the employees is the main thing in the service business (Iglesias et al., 2019). marketing researchers have argued that the business's employees have the leading role in providing quality services to the customers. Various psychologists have agreed that the features describing the emotions of the customers are the functional state of mind for the mindful process, physical perception of feelings such as pain and happiness, emotional states like feelings of depression and comfort, beliefs such as unclear feelings about something and someone which could not be confirmed with clear certifications (Roma & Aloini, 2019). These customers' emotions influence the customers' decision to buy the services. Customers can choose what services they want to buy and for what purpose they want to use them. The customers select the brands, choosing them with names of brands that are incompatible or consistent with the characteristics and features. Customer-centric services contain social and

individual concepts that could help understand the customers and how they think about them (Vuong & Khanh Giao, 2020). Brands also act as a social symbol for the customers and the principal motivator for consumer behaviour in choosing the brand.

H1: Brand evidence positively impacts brand strengthening.

2.2 Brand Hearing

The brand hearing consists of the communications the customers experience before the pre-purchase of the services. There are two main types of communication: controllable, which is promotion and advertisement, and uncontrollable communication, such as indirect advertisements and word of mouth. Before they purchase a service, the customers come into contact with the information conveyed through communication types. Then, they decide to buy the service because the communications have built the expectation level for the customers. Advertisements affect the purchase intention, perception, and attitude toward the services in the customers' minds (Ge et al., 2021). The uncontrollable word-of-mouth communication significantly influences customers' purchases and attitudes. Word of mouth typically comes from satisfied customers who have received good services from the company; hence, they advertise the company free of cost (Temaja & Yasa, 2019). Promotion is controlled communication where marketers inform and try to persuade the customers to use their services. The promotion is designed to target the customers and guide their behaviours to encourage them to buy the services and remain loyal to the brand. Meanwhile, word of mouth creates a relationship between the service and customers, and the company's resources are not utilised. The reliability of word-of-mouth advertisements is much higher than that of controlled advertisements.

H2: Brand hearing positively impacts brand strength.

2.3 Brand Association

The brand association helps shape the company's image in the customers' mindset. The nodes connected with the brand in the mindset of the customer help make the customer associate an image with the brand, which will help influence the decision regarding the purchase of the services (Vazifehdoost & Negahdari, 2018). Brand association is related to the customer's memory, and it usually relates to the characteristics of the service, which are connected with the brand's performance, and these characteristics make the brand personality (Jaggi & Nim, 2020).

H3: Brand Association positively impacts brand strength.

2.4 Attitude towards Brand

In various marketing types of research, the attitude toward a brand has been studied to know customer preference. The customer's attitude is well-defined as the consumer's assessment of the brand (Pérez-Villarreal et al., 2019). The attitude toward a brand is significant because it shapes the consumer's behaviour toward brand selection. Customer attitude toward the brand indicates the customer's assessment of the brand and its name and performance. The customer's attitude usually shapes the differences in the affiliation between the service provider and the customer. The customer's immediate response towards the brand shows his attitude towards the brand as inclusive recognition. Communication variables might damage customer satisfaction because they are affiliated with the attitude toward the brand (Banerjee, 2018). Numerous kinds of research have proved that advertisements have a significant role in controlling the negative views about the brand and influencing the customers' attitude towards the brand.

H4: Attitude toward the brand positively impacts brand strength.

2.5 Brand Strengthening

Brand strength consists of the brand value in the customer's mind and his attitude toward the brand. The brand strength replicates a perception of the characteristics and abilities of the brand. The brand strength is mainly based on the customer's impressions of the brand, which are not absolute and inherent characteristics. Various concepts in the literature on brand strength have proven the customer's dependence on the brands (Wiedmann et al., 2018). Various research has also measured brand strength with brand value and equity. According to one research study, brand equity is divided into two main parts: brand value and brand strength. In this case, brand value indicates financial benefits, and brand strength indicates customer association. Brand equity based on customers has been acting as a tool for decision support, which helps companies diagnose customers' ideas (Ke et al., 2020). Brand equity is based on the customers and could be formulated as the concept instigated by the association of the brand-related. Customer-based brand equity and employee-based brand equity are alike. However, they have differences mainly due to each side's perspective, as everyone has his own opinion of the brand. Brand strength mainly implies the degree of dependence of the customer on the brand, and strong dependence indicates superior brand value, which can generate good revenue

for the company. Three main components of brand strength have been studied to understand brand strength better.

The first is brand judgment; it is all about the consumer's decision based on the customer's negative and positive attitudes about the brand's services. If the customers' judgment of the brand is negative, they will not buy the services from the brand. However, if the judgment about the brand is favourable, then they will buy the services from the brand (Pawar & Lavuri, 2018). The second component of the brand strength is brand confidence; it is based on the customers' willingness to pledge that the brand will be able to accomplish its responsibilities, which it has promised. Trust in the brand also means the parties' confidence in the relationship (Piehler, 2018). Trust is also one of the requirements for service marketing because it enables relations between the business and customers. Trust is also one of the major contributors to success in the service business because, unlike the product, the service is not in physical shape. The third component of the brand strength is the brand reputation; it is mainly based on features such as organisation validity or the brand's relationship with its stakeholders. Brand reputation is the complete evaluation of the brand over time (Ryan & Cassidy, 2018). The customers' evaluation of the brand's reputation has been debated based on messages of corporate identity, and managing the brand's reputation is a continuous problem. The indicators of the brand reputation are product-based, innovative, well-managed, successful, concentrating on customers, informing the consumers of the related company information and events for the good citizenship role of the company. Many marketing researchers have indicated that a highly favourable reputation is directly proportional to increased sales, increasing the company's market share. A high positive reputation is also a good indicator of customer loyalty.

H5: Brand strengthening affects the banking industry.

3.1 Research Methodology

The research methodology for the study is quantitative, and data for the study is collected with the help of questionnaires from a hundred customers in the banking industry in Karachi. The data analysis for the study is performed with the PLS-SEM statistical software to measure the reliability, validity, path analysis, and correlation of the study variables to know about the impact of brand strengthening on the banking industry in Pakistan (Cresswell & Clark, 2017).

3.2 Questionnaire Development and Data Collection

The questionnaire for the data collection in this study was adopted from the literature available on similar marketing topics. The first part of the questionnaire contained the demographic items to know about the audience, whereas the second part contained five sections, each representing each variable in the study. The first four sections were of the four independent variables: evidence, hearing, association, and attitude toward the brand. The last section contained a dependent variable: brand strength. The questionnaire had twenty-four questions: seven on brand evidence, five on brand hearing, four on brand association, four on attitude towards the brand, and the remaining four on brand strength. The research questions were adopted from three marketing research papers: brand communication (Grace & O'cass, 2005), brand relationship (Velotsou & Motinho, 2009), and brand loyalty (Lau & Lee, 1999) for better reliability and validity. The items for the answers were set on the 5-Lickert scale, ranging from strongly disagree to strongly agree.

3.3 Theoretical Framework

A brand-strengthening theoretical framework can guide the development of a brand-strengthening model, including strategies for building brand awareness, loyalty, equity, and creating a positive brand experience. The framework can be based on a deep understanding of the target audience, competitive landscape, and market conditions and should be adaptable to changing market conditions and consumer preferences.

3.4 Conceptual Framework

The conceptual framework for the study has been made with the help of PLS-SEM to differentiate the variables and questionnaire items of the study. The study's conceptual framework is based on the five variables of the study, of which four are independent and one is dependent. The study's independent variables are brand evidence, brand hearing, brand association, and attitude toward the brand. The dependent variable of the study is brand strengthening. The study variables have twenty-four questionnaire items, brand evidence has seven, brand hearing has five, and the remaining three variables, brand association, attitude toward brand, and brand strengthening, have four items each in their collected data.



4. Data Analysis

The statistical data analysis for the study has been conducted in three steps: reliability and validity, path analysis, and correlation.

4.1 Reliability & Validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Attitude towards Brand	0.822	0.862	0.808	0.535
Brand Association	0.888	0.889	0.888	0.664
Brand Evidence	0.817	0.828	0.819	0.396
Brand Hearing	0.837	0.875	0.838	0.523
Brand Strengthening	0.758	0.782	0.752	0.440

The reliability and validity analysis of the data is performed with the help of statistical software PLS-SEM 4. The analysis is conducted using algorithm analysis in the software. The reliability

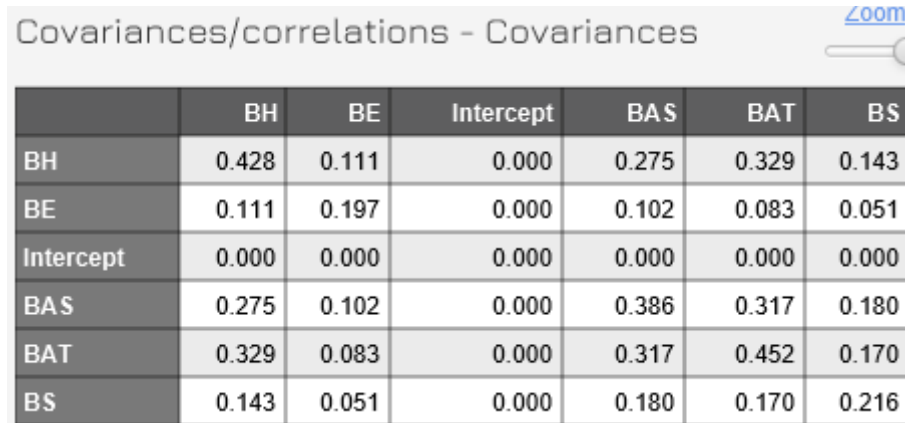
and validity of the analysis are measured using the standards provided by various researchers. The standard for reliability is that the value of the alpha must be greater than 0.7 for the variable to become reliable. The second result in the table is the reliability coefficient, which also shows values higher than 0.7, confirming the reliability. The third result in the table is composite reliability, and its results also show a value of more than 0.7, further confirming the reliability. The final column in the table AVE belongs to the validity and standards; for that, its value must be greater than 0.5. The results in the table show that the study's three variables (brand association, brand hearing, and attitude toward brand) have greater validity. Two variables (brand evidence and brand strengthening) are lacking by a margin, which shows that in terms of validity, the study data is lacking (Tavakol & Dennick, 2011).

4.2 Path Analysis

Path coefficients - Mean, STDEV, T values, p values				
	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)
Attitude towards Brand → Brand Strengthening	0.261	0.253	0.117	2.231
Brand Association → Brand Strengthening	0.372	0.313	0.164	2.272
Brand Evidence → Brand Strengthening	0.078	0.134	0.144	0.540
Brand Hearing → Brand Strengthening	0.008	0.036	0.123	0.066

The path analysis for the brand-strengthening model for banking is performed with the PLS-SEM 4 statistical software. The path analysis shows that the variables have a little to moderate effect on each other. The path analysis of the attitude toward brand-strengthening shows that the (M=0.253, SD=0.117, T=2.231) values show that attitude towards the brand has a moderate effect in the banking industry. The path analysis of the brand association to brand strengthening has (M=0.313, SD=0.164, T=2.272) values indicating that brand association and brand strengthening have a moderate effect. The path analysis of the brand evidence to brand strengthening has (M=0.134, SD=0.144, T=0.540) values indicating that brand evidence has little effect on brand strengthening. The path analysis of the brand hearing to brand strengthening has (M=0.036, SD=0.123, T=0.066) values indicating that brand hearing has little effect on brand strengthening (Crowder et al., 2017).

4.3 Correlation



The screenshot shows a SPSS output window titled "Covariances/correlations - Covariances". It contains a table with the following data:

	BH	BE	Intercept	BAS	BAT	BS
BH	0.428	0.111	0.000	0.275	0.329	0.143
BE	0.111	0.197	0.000	0.102	0.083	0.051
Intercept	0.000	0.000	0.000	0.000	0.000	0.000
BAS	0.275	0.102	0.000	0.386	0.317	0.180
BAT	0.329	0.083	0.000	0.317	0.452	0.170
BS	0.143	0.051	0.000	0.180	0.170	0.216

The correlation is used in the analysis to measure the relationship among the variables. As shown in the table, all results are positive, meaning a positive relationship exists among the variables. The values of the correlation in the table are less than 0.3, which shows a weak positive correlation among the variables of brand strengthening (Schober et al., 2018).

5 Discussion

The statistical analysis of the data shows that the study's hypotheses have minimum acceptability. Overall, the analysis suggests that the study data is highly reliable but lacks validity for two variables: brand evidence and brand strengthening. The validity issue may impact the overall accuracy and generalizability of the study findings. The results of the path analysis suggest that attitude towards the brand and brand association have a moderate effect on brand strengthening. In contrast, brand evidence and brand hearing have little effect on it. The correlation analysis suggests a weak positive relationship among the variables of brand strengthening. The findings can provide valuable insights for marketers and banking professionals to strengthen their brand image and reputation by focusing on the key drivers of brand strengthening (Cresswell & Clark, 2017).

6 Conclusion and Future Research

Every research has limitations and scope for further research; the first limitation is that it cannot be generalised worldwide. The main reason for not generalising it is due to the limited audience for the data collection, as the brand value varies based on human preferences (Grace & O'cass, 2005). Therefore, the research on brand strength can be generalised to all bank customers worldwide, as the customers in each city and country have their perceptions and expectations

for banking services. In the research, the data collection method used was the questionnaire; it was insufficient for data collection, as the customers have their preferences. The interview technique with the customers would have been best, and the research should have been shifted towards the qualitative to get more precise results about brand strength. The study also has a future scope, as it was limited to the banking industry. However, it can be altered for other industries to get more concise results about the brand strength and variables impacting it.

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