

BRAND MANAGEMENT STRATEGY OF ICICI BANK - A STUDY IN HYDERABAD CITY

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Abstract

A marketer believes that a strong brand can create significant opportunities for a company in a competitive marketplace. Strong brands can be leveraged to build value to the stakeholders. In order to do so, a company must begin with customers and work backwards in shaping its brands. The process of molding a brand requires carefully sequenced brand-building efforts and an understanding of why a customer prefers one brand over another. Brand management has emerged as a discipline to cater to such crucial branding related activities. Among various models, Customer Based Brand Equity (CBBE) model developed by Kevin Lane Keller it addresses brand management issues in a holistic manner. The current study aims at understanding the Keller's CBBE model from the point of view of banking services. The authors have attempted to find out various components in the CBBE model through a primary research with reference to ICICI Bank Ltd. For this purpose, a sample of 150 respondents of various branches of ICICI Bank in Hyderabad is surveyed. It is found that ICICI Bank stands high on overall dimensions of CBBE model.

Key words: Brand equity, Brand management, marketing strategy.

Introduction

In a highly competitive business world brand management has become an important ingredient of any marketing activity. Significant research has been happening on issues relating to branding (Aaker, 1997; Urde, M.1999;). Brand management has been witnessing developments in the form of modern theories like the Customer Based Brand Equity (Keller, 1993) and Brand Indispensability (Ram Raj, 2006). Literature is available on research in branding in various sectors specifically banking sector in India (Veloutsou, et. al., 2004; Mishra, 2010; Monga & John, 2010). Banking sector in India comprises of a number of private and public sector banks such as SBI, Andhra Bank, ICICI Bank, Axis Bank, etc.

Consumers have different mindsets when they opt for services in various banks (Jain & Hundal, 2006). Their expectations and demands from various banks can be different from each other (Dutta & Dutta, 2009). Banking in India dates back to the last decades of 18th Century with SBI being the oldest bank. The Indian banking sector has emerged as one of the largest sectors with more than 96 banks. ICICI Bank Ltd. was started in 1994 as a wholly owned subsidiary of ICICI Ltd. With a wide network of 1,723 branches and more than 4,883 ATMs, ICICI Bank has emerged as the largest private sector bank in India (Source: Business Wire, 2002). With its presence in around 18 countries across the world, the bank offers an array of banking products to its customers in three categories viz, Personal Banking, NRI Banking and Business Banking. This project aims at studying the brand value associated with a bank with special reference to ICICI Bank Ltd., Hyderabad (Source: icicibank.com).

Customer Based Brand Equity (CBBE) Model

According to Keller's CBBE model, brand equity can be understood as the value of a brand mostly based on the (positive) perceptions of customers (Atilgan, et. al., 2009). Due to presence of many brands in a given category, companies attempt to protect their brand equity by creating sustainable brand differentiation (Davis, et. al., 2009). The BBE model integrates theoretical aspects of brand management with the consumer behaviour (Keller, 2009). It suggests solutions to key questions before brand managers viz, what makes a strong brand, how can strong brands be built, how should the brand equity be measured and managed, etc. According to the Kevin Lane Keller, six key components make the CBBE model. They are Salience dimensions, Performance dimensions, Imagery dimensions, Judgment dimensions, Feelings dimensions and Resonance dimensions. Brand resonance is the most important block as it is the final objective of any brand building programme

(Kerri-Ann, et. al., 2008). At this level, the customer loyalty will be very high which can be noticed in the form of active seeking of brand by the customers and also through high frequency interaction between the brand and its customers. At the Resonance stage, the brand association will be high and customers show willingness to share their (positive) experiences with others (Lopo, et. al., 2009). The following text presents research on CBBE model.

Objectives of The Study

The main aim of this study is to analyze the consumer perceptions of Customer Based Brand Equity (CBBE) model developed by Kevin Lane Keller it addresses brand management issues in a holistic manner. The current study aims at understanding the Keller's CBBE model from the point of view of banking services. The authors have attempted to find out various components in the CBBE model through a primary research with reference to ICICI Bank Ltd. For this purpose, a sample of 150 respondents of various branches of ICICI Bank in Hyderabad is surveyed.

Methodology

This study is mainly based on primary data collected through a structured questionnaire comprising of various select components of six dimensions of the CBBE model. The sample size was 150 respondents selected from three branches (50 each from Panjagutta, Charminar and Habsiguda branches) of ICICI Bank in Hyderabad. Respondents have been the existing customers of the bank in Hyderabad. Branches and respondents were selected based on the Convenience Sampling method.

Result and Discussion

In this section, an attempt has been made to analyze the perceptions of sample respondents. Issues considered in this study include: Salience, Performance, Judgment, Imagery, Feelings and Resonance as CBBE main dimensions.

Rand Salience : Need Satisfaction :

According to the CBBE Model, Brand Salience has brand awareness as the main component and need satisfaction as sub-component. As the respondents are the customers of ICICI Bank, there was no need for measuring the brand awareness and hence, the level of need satisfaction was measured. It was seen that most of the consumers gave high rating to Need Satisfaction. As, Need Satisfaction forms the most basic part of Brand Salience, it was found that out of the 150 respondents, 132 (88%) gave it the highest rating of 5 on a scale of 1 to 5 followed by only 18 (12%) respondents giving it a

rating of 4. It can be interpreted that the ICICI Bank's customers are highly satisfied with the bank.

BRAND PERFORMANCE: RELIABILITY & EFFICIENCY: Brand Performance describes how well the product or service meets customers functional needs. Though there are 5 important attributes in Brand Performance, two key components are Reliability and Efficiency (Taylor, et. al., 2007) which are considered for the study. In the current survey, the customers of ICICI Bank have rated the bank high in these two parameters. 80% of the respondents have rated ICICI Bank high and above on Reliability dimension. All respondents (100%) rated the bank average and above in Efficiency dimension.

BRAND IMAGERY: BRAND VALUE & EXPERIENCES: Brand Value and Brand Experience refer to the intangible aspects of the brand. Consumers form an imagery of a brand with their own experience or indirectly through advertising or by some other source of information. The respondents were asked to rank their Experiences with ICICI Bank and how they value the brand ICICI. Findings presented in Table reveal that most of the ICICI Bank customers ranked the bank high on Brand Value (80%). 52% of the respondents rated the bank high in terms of their experience with the brand ICICI. However the imagery depends on the extrinsic properties of the product or service including the ways in which the brand attempts to meet the customers' psychological or social needs (Schreuer, 2000). It is mainly the way people think about a brand abstractly. Thus it was seen that most of the customers of ICICI Bank did give much importance to the brand name, ICICI and perceive a good experience and association with the brand.

BRAND JUDGEMENTS: QUALITY & CREDIBILITY: The important aspects of Brand Judgments are Quality and Credibility. These are the customers' personal opinions about quality of services of ICICI Bank mostly based on their experiences and also other sources. Almost 62% of the respondents have rated the bank high on quality of services. It can be interpreted that the bank succeeded in providing customer value and satisfaction. Brand credibility describes the extent customers see the brand as credible in terms of 3 dimensions viz., perceived expertise, trustworthiness and likability. Ratings on the Credibility parameter are attractive with 66% of the respondents rating ICICI Bank found high which need to be maintained and strengthened.

BRAND FEELINGS: SECURITY & SOCIAL

APPROVAL: These are the customers' emotional responses and reactions to the brand. Fun, warmth, excitement, security, social approval and self respect are all important aspects of the brand feelings. Two aspects, Social approval and Security were considered in the study as these are the important aspects in determining the brand value in a customer's mind (Tolba & Hassan, 2009). Security and social approval dimensions are the important factors that influence the customers' evaluation of the brand value of a bank. The survey results showed that ICICI as a brand is rated as highest in terms of social approval with 70% rating and high in terms of security with 48% rating .

BRAND RESONANCE: LOYALTY: The final step of the CBBE Model focuses on the ultimate relationship and level of identification that a customer has with the brand. It can be divided into 4 main categories namely, Loyalty, Attachment, Sense of community and Engagement. As Loyalty is the most important dimension influencing the brand equity of a brand (Xiao & Hawley, 2009), this component is considered for the study. The survey proved that ICICI Bank consumers are loyal to the bank as more than 60% of the respondents have expressed high degree loyalty towards the brand.

Suggestions

- ♦ ICICI bank should sustain its brand image further by offering reliable and worthy services to its customers including existing ones.
- ♦ Interest rates on its financial products and services are found higher and which need to be advocated.
- ♦ While building strong brands, ICICI bank must focus on creating maximum impact on customers' minds.
- ♦ Brand loyalty rate is going down day-by-day which needs to be addressed suitably, etc.

Conclusion

Thus with the survey conducted on ICICI Bank as a brand, it was seen that most of its customers have rated ICICI as an excellent bank in terms of services offered, efficiency, need satisfaction, etc. It is found that ICICI Bank stands high on overall dimensions of CBBE model. Basically the Keller's CBBE model was applied in measuring the brand equity of ICICI Bank. Total responses provided by the respondents were compiled to find out the rating of ICICI Bank by its customers on overall dimensions of the CBBE model. It was found that 46% of the respondents have rated ICICI Bank high on a scale of 1-5 in the overall parameters considered for the

study. Strong brand name not only wins customers but also creates significant opportunities for the companies. Once built, a strong brand can be leveraged to achieve greater market share and increased profits (Torres & Bijmolt, 2009). In the process of building strong brands companies must focus on creating maximum impact on customers' minds. Thus the conclusion drawn from the above study is that ICICI Bank has become one of the leading banks due to its excellent services and efficiency which enabled the bank attains high degree Brand equity.

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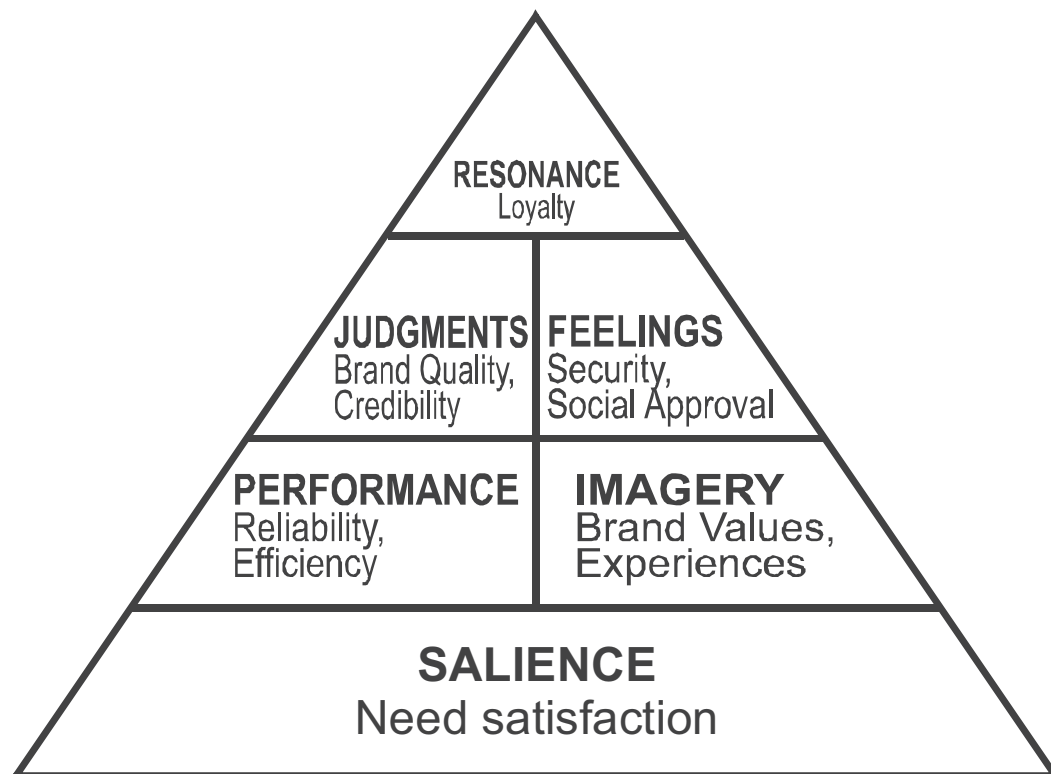
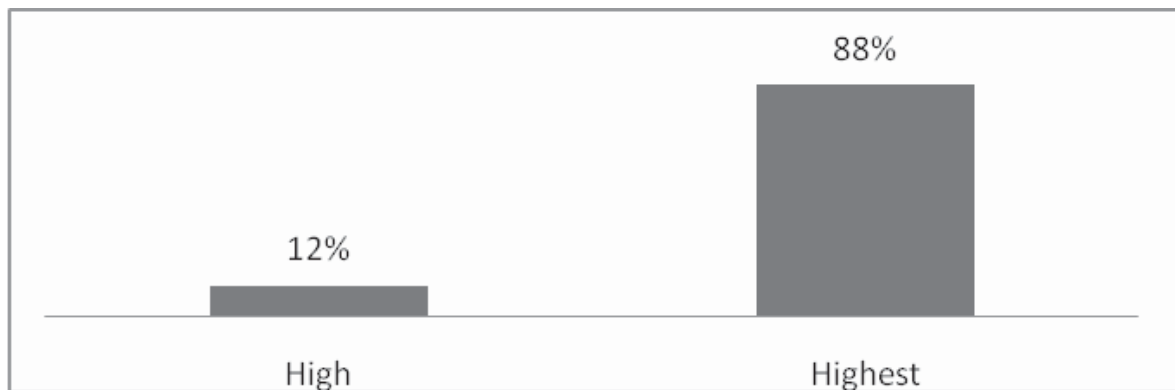


Table-1 Consumers' responses towards CBBE Dimensions

CBBE Dimensions	Components under each Dimension	Degree of importance (%)				
		Lowest.....	Low	Average	High	Highest
<i>Main Components</i>	<i>Sub Components</i>	Lowest	Low	Average	High	Highest
Saliency	Needs Satisfaction	0	0	0	12	88
Performance	Reliability	0	4	16	54	26
	Efficiency	0	0	16	80	4
Judgment	Quality	0	2	18	62	18
	Credibility	0	0	0	66	34
Imagery	Experiences	0	0	34	52	14
	Brand values	0	0	16	80	4
Feelings	Social approval	0	4	22	48	26
	Security	0	2	14	46	38
Resonance	Loyalty	2	10	26	46	16

Source: Questionnaire data