

THE RISING SUN RISES - CASE STUDY OF BANK OF BARODA

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Abstract- Branding has emerged as a top management priority in the last decade due to the growing realization that brands are one of the most valuable intangible assets that firms have. Driven in part by this intense industry interest, academic researchers have explored a number of different brand-related topics in recent years, generating scores of papers, articles, research reports, and books. This paper identifies some of the influential work in the branding area of Bank of Baroda, highlighting what has been learned from the change in the logo of the bank and what is its impact on the financial performance before and after rebranding . The paper also outlines some gaps that exist in the research of branding of the Bank and the significance of new logo of Bank of Baroda. Choice modeling implications of the branding concept and the challenges of incorporating main and interaction effects of branding as well as the impact of competition are discussed.

I. Introduction

Change is the law of life. And those who look only to the past or present are certain to miss the future. – Robert F. Kennedy

The success of a product, service, individual, business, organization, or even a city is based on being perceived as unique. Look at any market leader and you'll find they each own a place in the consumer's mind. They have positively differentiated themselves from the rest of the competition. Branding is creating that individual niche in the consumer's psyche and owning it. To understand branding, it is important to know what brands are. A brand is the idea or image of a specific product or service that consumers connect with, by identifying the name, logo, slogan, or design of the company who owns the idea or image. Branding is when that idea or image is marketed so that it is recognizable by more and more people, and identified with a certain service or product when there are many other companies offering the same service or product. In the case of Bank of Baroda it was the need to refresh brand image and create a more contemporary persona as the old identity was not well recalled or liked so a dramatic transition was called for through rebranding the brand. The Baroda Sun created a sense of pride in people.

II. Objective of the study

- ❖ To highlight the significance of the new logo
- ❖ To study the marketing and branding strategy.
- ❖ To study the financial performance pre and post rebranding of Bank of Baroda.
- ❖ To highlight areas for the development of further interventions.

III. Research methodology

Primary survey of through Interview was conducted with the branch manager of Bank of Baroda (Kandivali – West) Branch

Secondary survey was done from the books, journals, news articles and electronic media.

Limitation of the Study

The hypothesis are not tested on the basis of ‘F’ or ‘t’ or chi square test, but tested on logical grounds.

IV. Study of the research

The significance of new logo of Bank of Baroda.

"Overnight success takes years." – Tim Marks

The traditional blue letters of Bank of Baroda on a yellow background is to be replaced by a more vibrant orange colour. The new logo, with two 'B' letters overlapping each other spring out from the rays of sun at the lower left corner and the logo will have a halo effect representing the sun. Since its inception in 1908 in Gujarat, the bank has the logo of an industrial and agriculture wheel with Sanskrit letters - 'Akshayamte Bhavishyati' (the future is secure). A hand overlapping a wheel was also part of the original logo. Now, on the threshold of adopting new international standards, BoB clearly intends to project itself as a modern and technologically savvy bank.

“Think the Sun is a much respected symbol and calling it the Baroda Sun created a sense of pride in people. In fact, we went to the extent of branding the Sun itself” These words were said by none other than Dr. Anil K Khandelwal, Chairman & Managing Director, Bank of Baroda in 2006. Since then, Bank of Baroda has positioned itself as the “India’s International Bank” with a rising sun as its logo. While, a number of the visible components of the banks promotion strategy can be easily assessed for the targeted segment and the value proposition that it wants to propose to the customer base, its marketing & branding strategies can be analyzed on the basis of the following points:

1) Brand Ambassador -

It initially had India's former cricket team captain- Rahul Dravid as its brand ambassador (2004-07). As an icon, Rahul Dravid epitomized stability, sincerity and substance which in a way complemented to the Bank of Baroda's brand image.

2) Expansion -

Bank of Baroda has established its operations in Maldives, Sri Lanka, Singapore, UAE, Yemen, Russia, Kenya, China, Malaysia, Thailand and many other countries around the globe. Rapid integration of business with the technologies through core banking solutions, i-banking, and host of other facilities has established Bank of Baroda as the foremost PSU bank in the country.

3) Positioning –

It is the fourth largest bank in India and consists of 2.5 crore customers. Bank's latest marketing initiatives are aimed at positioning it as a financial service provider with "value proposition" and "market-driven" being the keywords. The bank has rolled out branches far and wide across the country to distribute an impressive assortment of financial products to its heterogeneous customer base.

4) Business Lines -

The bank has divided its operations in 6 distinct business lines- Corporate Financial Services, Personal Financial Services, Business Services, Treasury, International Operations and Rural Banking and is aggressively focusing on becoming No. 1 in each of these segments

A schematic representation of the banks marketing strategy is as follows:

5) Publicity –

To build its brand equity, the bank has organized hosts of seminars nationally and internationally- latest being Basel II. Bank has actively managed its public relations through media.

6) Customer Focus –

The bank has built its brand around superior customer services and international focus which are also the point of differentiation of the bank from other PSU banks.

7) Recent Marketing Initiatives –

- Communication Campaigns: ShukriyaSau Salon Kaa and Baroda Next
- Use of Sybase 365 Marketing Information System
- Launch of Baroda SwarojgarVikasSansthan
- Next Gen Branch opened in Ahmedabad
- 50 city sales offices opened

8) Advertisements –

The advertising campaigns in both print and television media emphasize on the bright orange corporate colors of the bank and the ‘rising sun’. The key traits that the bank wants to highlight such as trust, competence and ease of use are reiterated in the numerous advertisements. The targeted consumer segment is clearly visible via the imagery in the advertisements like the middle-class Indian doing every-day chores, who now has numerous financial needs, not just plain and traditional banking. Another striking factor is the focus on the age segment beyond the 35-40 age bracket, people who are able easily identify with the PSU banking sector as a familiar entity. The promotion strategy of utilizing customer awareness sessions with the display of the standard corporate visuals like the bright logo and the tagline with stills from the supporting print and television advertisements is also heavily relied on. The banners around ATMs and bank branches are easily visible entities because of the corporate colors and themes chosen.

9) Promotions Abroad –

In the promotion strategy abroad, the targeted segment is clearly the Indian who is away from home. The promotion campaign for Bank of Baroda in UK centers around the target audience of expatriate Indians. The imagery associated with the campaign has the distinct feel of the Indian bank aiming to replicate the ease and trust of an Indian entity with the efficiency of a modern and global enterprise. The location of the advertisements especially outdoors, is on buses and billboards near stations and bus-stands, typically meant for the average middle-class customer used to travelling in public transport. The tag line of “India’s International Bank” also focus on the core aspect of Bank of Baroda being an Indian bank meant for the Indian community living abroad, looking for the familiarity of a known brand for a personalized service like banking.

In a short summarization, the marketing strategy of the Bank of Baroda focuses on the promotion of the values that the bank wants to portray to its customers (both prospective and current). It wants to be seen as an efficient organization meeting all the needs of the average middle-class customer in a warm and familiar setting. The accessibility of the bank in all corners and the adoption of the latest technology are some of the areas mentioned

to create the feel of a bank which despite being national in origin, is up with the times and ready for the new-age customer's demands.

Financial performance pre and post rebranding of Bank of Baroda.

What came first, the chicken or the egg? Philosophers have been debating this question for years and the answer still remains a mystery. A similar but no less challenging question is unfolding in the Indian banking sector currently. Can the banking system grow without signals that GDP growth is improving? Or should banks continue lending to try and stimulate the economy? Well, the usual thumb rule is that banking sector growth is 2.5 x GDP growths. So if the economy is growing at 7%, the banking space should grow by around 17-18%. But, now with India seeing a number of GDP growth downgrades, this figure for credit growth can have a wide range.

Table No.1

Net Profit / Total Funds	-----Rs. Cr.-----
March'2004	1.17
March'2005	0.77
March'2006	0.63
March'2007	0.81
March'2008	0.92
March'2009	1.12
March'2010	1.22
March'2011	1.36
March'2012	1.27

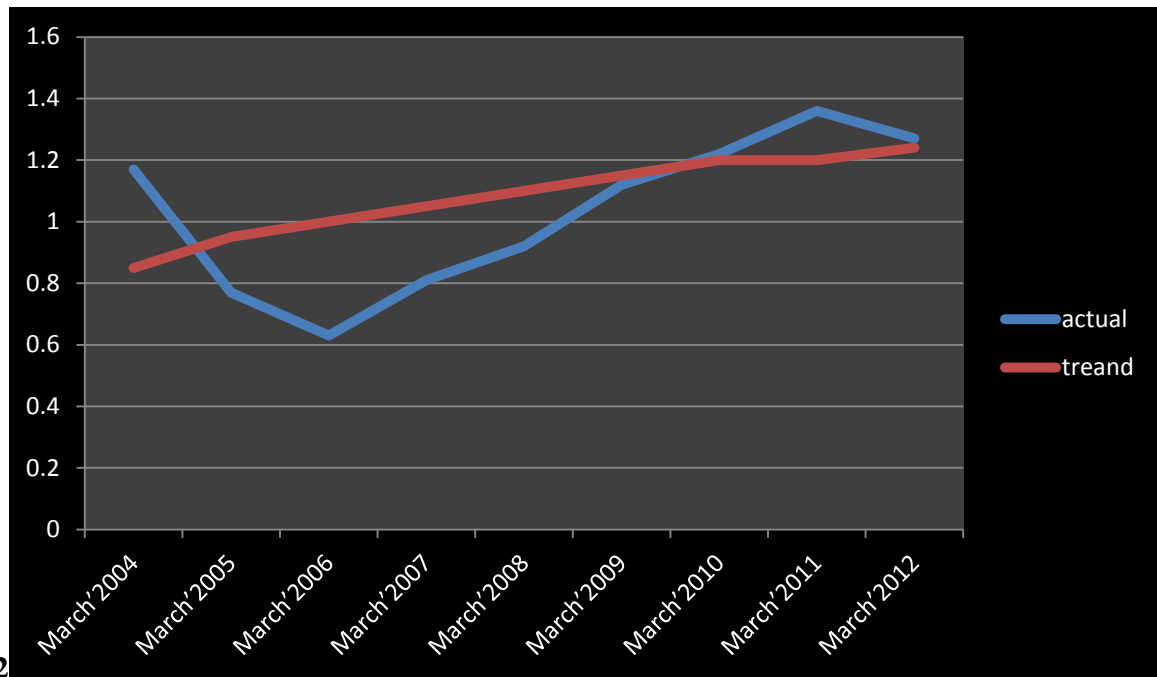
Graph No.1



Time series by semi average method

Table No 2

Years	Net profit
March'2004	1.17
March'2005	0.77
March'2006	0.63
March'2007	0.81
March'2008	0.92
March'2009	1.12
March'2010	1.22
March'2011	1.36
March'2012	1.27



Graph No 2

Areas for the development of further interventions:

When brands undergo an overhaul, how should they ensure that consumers do not misinterpret this as a negative sign as though something is amiss and start worrying if it means the brand was not doing well before? Bank of Baroda is a comprehensive re-branding initiative that addressed issues far beyond a new logo. Public sector organizations must change in order to be relevant to India's increasingly youthful audiences. Change requires intelligent, consistent communication. As long as that is delivered, consumers will not worry with promising a level playing field to foreign banks. Indian banks have been rushing to not only bulk up efficiencies, they are also rushing to shed their staid public-sector branding. While changing public perception is one step, a new identity also helps draw new customers. Over the last two years, private sector entities such as Catholic Syrian Bank, Jammu & Kashmir Bank and South Indian Bank have all gone for a new fascia, apart from Bank of Baroda. Hence now it too followed the league. However, this should be done without alienating its existing clientele. Banks work on trust. Thus, success of such re-branding campaigns lie in integrating a new look while retaining their earlier allure. In the fiercely competitive financial services industry, it has become imperative, if not mandatory, to rebuild a brand in order to attract and retain customers who have a wide range of alternatives.

V. Conclusion

In the case of Bank of Baroda it was the need to refresh brand image and create a more contemporary persona as the old identity was not well recalled or liked so a dramatic transition was called for. When brands undergo an overhaul, how should they ensure that consumers do not misinterpret this as a negative sign as though something is amiss and start worrying if it means the brand was not doing well before? Bank of Baroda is a

comprehensive re-branding initiative that addressed issues far beyond a new logo. Public sector organizations must change in order to be relevant to India's increasingly youthful audiences. Change requires intelligent, consistent communication. As long as that is delivered, consumers will not worry. With 2009 promising a level playing field to foreign banks, Indian banks have been rushing to not only bulk up efficiencies, they are also rushing to shed their staid public-sector branding.

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