

The Role of Brand Image in Customer Satisfaction towards Commercial Bank of Butwal Sub-Metropolitan City

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Abstract- The purpose of the study was to investigate the role of customer satisfaction on brand image towards the commercial at Butwal Sub- Metropolitan city. The result of ANOVA and regression indicate the strong relationship between brand image and customer satisfaction. The survey was carried out using 305 respondents. This results also indicate that brand image of the commercial banks is highly concerned with the satisfaction level towards their customers.

I. INTRODUCTION

Marketing of the service firms mainly concern with making the relationship with their customer for making strong brand. Strong brand plays the role of firm most valuable assets. It scores high priority on brand awareness where the firm tries to earn customer loyalty. Likewise, perceived brand value is directly correlated to customer assumption of service quality. For creating brand for any firms their employee also plays a crucial role in making perception, brand experience and customers relationship towards the firm. Branding of a product or service means creating the value in the mind of consumer through the legal procedures to create the brand name and offers differentiation. In this trending phase of marketing the name of maker may not matter much then the name of the product and service. While it may be argued that brand building is imperative in the highly competitive arena of financial services (Tomar, 2011).

According to Kotler and Armstrong, "Service is any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. It is the production process which may or may not be tied to the physical product". The service branding model does not differ in kind from that of products, only in degree. Berry said that the main difference in building brand equity for product compare to service is the great importance of service performance, meaning human performance for service rather than machine performance for products.

Brand image is an integral component of brand equity as it conveys the worth of the brand to the consumers. According to Kotler (2001) defined image as "the set of beliefs, ideas, and impression that a person holds regarding an object" (p. 273). So when we talk about brand image, it is about the mental representation of the brand based on individual or consumer's beliefs, ideas and impression. It is perceived differently by both consumers and organization. The way consumers or the target audience of the brand views or interprets is known as perceived image while the other is the desired image, which is the way company wants to position its brand matching the consumer's perceived image. Organizations make assumptions about the perceived image it is known as presumed image (Malik, Naeem, & Munawar, 2012).

Nepal Rastra Bank (NRB) regulates the national banking system and also functions as the government's central bank. As a regulator, NRB controls foreign exchange; supervises, monitors, and governs operations of banking and non-banking financial institutions; determines interest rates for commercial loans and deposits; and also determines exchange rates of foreign currencies. As the government's bank, NRB maintains all government income and expenditure accounts, issues Nepali bills and treasury notes, as well as loans to the government, and determines monetary policy (Embassy, 2019).

As of January 2018, there were 28 commercial banks in operation, including foreign joint-venture banks. A large number of development banks and finance companies have also been established. And there are 36 development banks and 25 finance companies in operation. Existing banking laws do not allow branch operation by any foreign banks. All commercial banks have correspondent banking arrangements with foreign commercial banks, which they use for transfers and payments (Embassy, Export.gov, 2019).

According to Keller (1993, 1998), brand image creates from perceptions of consumers about the brand associations, such as strength, uniqueness, favorability of a brand. Therefore, brand image occurs when the consumers hold some positive brand associations in memory and favorable response, in turn, can lead to enhance revenues, lower costs and greater benefits for the company (Linh, Yen, Tam, & et.al, 2017).

Banks have different characteristics compared to other commercial or trading companies because banks are financial intermediaries. Bank performance depends on trust and credibility of its customers. Its brand is different from brands of other companies providing non-bank products or services. Its brand image focuses on the overall assessment of customers to the bank, rather than an assessment of one or several products and services. The overall brand image is contributed by many factors related to the bank's structure and operations, reputation and personnel, building and developing its brand (Linh, Yen, Tam, & et.al, 2017).

II. PROBLEM STATEMENT

Customers have expectations and criteria when they judge whether the provided banking services is satisfactory or not. At the same time, due to the high competition in a banking sector, the perception of customers and potential customers are also divided according to the services that they want to achieve. The proper identification of customer satisfaction helps to retain customers and to increase brand awareness. In this phase of the financial service need to attract the customer with the help of their brand image (Man, 2017) .

III. RESEARCH OBJECTIVE

The main objective of this study is to identify the satisfaction level of the customer when it comes toward the brand image of commercial bank.

IV. LIMITATION OF THE STUDY

In this research paper only the commercial banks of the Nepal with reference to Butwal- sub metropolitan city is been used. All the data are based in the experience of the customer which somehow represents the biasness in the information because none of the loyal customer wants to talk bad about their bank.

V. LITERATURE REVIEW AND HYPOTHESIS

Brand Image

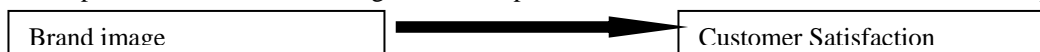
Brand image is the current view of the customers about a brand. The impressions consumers have of a company extend well beyond the product or service the firm provides. According to Porter, brand image is a mental image that reflects the way a brand is perceived, including all the identifying elements, the product or company personality, and the emotions and associations evoked in the consumer's mind. It can be defined as a unique bundle of associations within the minds of target customers. Keller defines brand image as perceptions about a brand as reflected by the brand associations held in consumer memory. It is a set of beliefs held about a specific brand. In short, it is nothing but the consumers' perception about the product. It is the manner in which a specific brand is positioned in the market (Linh, Yen, Tam, & et.al, 2017). Brand image conveys emotional value and not just a mental image. Brand image is a composite of perceived quality and esteem dimensions. In other words, brand image is a perception of a brand held in customer memory and reflecting a customer's overall impression. A positive brand image can be considered as a crucial ability of a corporation to hold its market position. A brand image of a bank is not absolute; it is relative to brand images of competing banks. The customers often form a brand image of a bank from their own banking experience. Furthermore, bank brand image possesses a strategic function. Through strategic marketing activities, the brand image of a bank can be used to help it improve its competitive position. Thus, a favorable bank brand image helps strengthen the intentions customers have for selecting a banks (Onyanacha, 2013).

Customer satisfaction

Customer satisfaction has been gaining increasing attention from the researchers and practitioners as a recognized field of scholarly study and is a fundamental tool used by financial institutions for enhancing customer loyalty and ultimately organizational performance and profitability (Essays, 2018). The importance of customer satisfaction cannot be dismissed because happy customers are like free advertising. Many of us have heard of the current trend for businesses to become highly customer-centric, that is to put the customer at the centre of our business in terms of our strategies, actions and processes. For most of us, old truths still hold well, such as it is easier and more profitable to sell to existing customers than to find new ones. In practice, organizations are increasingly setting themselves strategies to measure and ensure customer retention, and charging their staff to be more customer focused and service-oriented (Mohsan, Nawaz, Shaukat, & et.al, 2011). Concept of customer satisfaction has a central position in marketing as it is a major outcome of marketing activity and it links the processes of purchase and consumption or use of the product or service to attitude change, repeat purchase and ultimately brand loyalty. Origin of the concept is related to the marketing concept that profit is generated through satisfaction of customer needs and wants. Business Dictionary defines Customer Satisfaction as: The degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customers. Concept of customer satisfaction is new to many companies, who have been focused on price and availability of products (Sabir, Ghafoor, Akhtar, & et.al, 2014).

VI. CONCEPTUAL FRAMEWORK

In this conceptual framework brand image is the independent factor and customer satisfaction is the dependent variable.



Source: (Onyanacha, 2013)

According to the (Onyanacha, 2013) results reveal that bank brand image has positive effects on customer satisfaction and loyalty. It means that a positive bank brand image not only increases customer loyalty directly, but it also improves customer satisfaction

through the enhancing of perceived service quality, which in turn increases customer attraction towards banking sector. Bank brand image indeed serves as a lead factor in enhancing service quality, customer satisfaction, and loyalty. (Kariuki, 2015) Research has concluded that brand image and customer satisfaction has significant positive relationships. Likewise customer satisfaction is important in maintaining customers, particularly those in service industry. For customer satisfaction, banks should understand customer-specific needs, provide good quality service, and have the capacity to address customer complaints or problems in a friendly manner. Branding has become necessary due to the fact that the service sector is people oriented and living the brand have already become a rather well known expression. However to what extend is the banking industry for that matter committed to developing their people means of building the strength of the brand. There are several reasons why one needs to research the effectiveness of branding campaigns in the banking sector (Yeboah, Ewur, Adigbo, & et.al, 2014).

Research Hypothesis

The hypothesis designed for this page is based on the following assumption:

H1: There is positive relationship between brand image and customer satisfaction.

H10: There is negative relationship between brand image and customer satisfaction.

VII. RESEARCH METHOD

In customer satisfaction data collection, random sampling of bank customers could not be followed as banks did not provide customer databases. Selecting customers through any other method for random sampling would have been time consuming and costly. The sample size of customer is 384 with 95% confidence level. Hence convenient sampling was used. There are both primary and secondary source of data where questionnaire method is done for primary data. Customer satisfaction level was measured where question are distributed in personal details and other question which will help to find the satisfaction level of customer of commercial bank. Here all the personal details are been used only for academic purpose with full privacy of customers and employees information. The statistical tools used in this study were regression analysis to test the hypothesis. ANOVA was used to check the overall fitness of the model. The results of analysis are properly tabulated, analyzed and interpreted. Customer sample consist of 384 but out of them only 305 data can be collected. The respondents are those people who are the user of commercial banks. They are from their below twenty to above sixties. In below analysis table there will be the age wise, gender wise, education wise representation of the respondent. Bank customers belonging to different age, gender, education groups may have different attitude towards the image of their associated bank. Hence those items are considered as a demographic variable for the study to test whether the responses will satisfy or not. This study is conducted to find out whether the customers are satisfied with their associated bank and what they prefer from that bank.

Descriptive statistics

Table.1: Age wise customer respondents

Age Category	Percentage (%)
Below 20	10.8%
20-29	21.3%
30-39	25.2%
40-49	18.4%
50-59	17.4%
60 above	6.9%
Total	100%

This table shows that 30-39 age groups had 25.2% of the banks customers are satisfied by the brand image of the banks. Likewise, this ratio is followed by the age group of 20-29 with 21.3% satisfaction level and so on. This reason perhaps explains why these age groups dominate access to bank products and their brand service. Therefore, more sensitivity should be made to attract these groups with different brand services which will be attractive as well as satisfied their needs.

Table.2: Gender of the respondent

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Male	128	41.2	42.0	42.0
Female	177	56.9	58.0	100.0
Total	305	98.1	100.0	

In this study conducted among the 384 respondent among them 305 respondent are able to respond. Total respondents are divided on the basis of gender. The group is male and female. The male numbers are 128 which refer to 42% and female number is 177 which refer to 58% of total respondent. It can be stated that the ratio of the women is higher than man which refers that female respondent are more likely attracted to the brand name of the bank.

Table.3: Education level of the respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
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Less than 8	56	18.0	18.4	18.4
SLC	115	37.0	37.7	56.1
+2	67	21.5	22.0	78.0
Graduate	67	21.5	22.0	100.0
Total	305	98.1	100.0	

Above presented table show the educational qualification of the customer respondents. The majority of the respondents are of S.L.C level which is 37.7% and other qualification are those customer which education level is less than class 8 is 18.4% and so on. This refers that the lowest education level predicts that the concept brand image is not working with those level. Here, it shows that the respondent of SLC level education is most satisfied customer by the brand name of their associated bank.

Brand Image

Table 4: *Descriptive Analysis of Bank's Brand Image*

Indicators of Bank's Brand Image	Mean	Std. Deviation
i. Brand name of this bank tells me lot about what to expect from this bank.	3.16	1.406
ii. Brand name of this bank tells me all the latest information.	3.25	1.408
iii. The brand name of this bank means something to me.	3.42	1.333
iv. The brand name of this bank sends a message to me about the bank.	3.53	1.275
v. The brand name of this bank sends a message to me about the bank	3.30	1.405

Table 4 shows that customer are satisfied when the bank provide the information about the service and send every details about the change in the product/service with the mean score of 3.53. This statement is followed by how brand name of bank is connected with their emotions and so on.

Table 5: *Descriptive Analysis of Customer Satisfaction*

Indicators of Customer Satisfaction	Mean	Std. Deviation
i. I am very satisfied with the service provided by this bank.	3.34	1.303
ii. This bank does a good job of satisfying my needs.	3.28	1.299
iii. The service provided by this bank is very satisfactory.	3.31	1.402
iv. I believe that using this bank is usually a very satisfying experience.	3.48	1.377
v. I made the right decision when I decided to use this bank.	3.12	1.448

Likewise in Table 5 customer are satisfied with their experience from their associated bank with mean value of 3.48 and standard deviation of 1.377. Here customer satisfaction is linked with the service provided and they feel satisfied with the product/service provided by their bank.

Correlations between Bank's Brand Image and Customer Satisfaction

Table 6: *Analysis of Pearson correlation*

		Customer Satisfaction
Bank's Brand Image	Pearson Correlation	.286**
	Sig. (2-tailed)	.000
	Sum of Squares and Cross-products	105.131
	Covariance	.346
	N	305

** . Correlation is significant at the 0.01 level (2-tailed).

Pearson's correlation coefficient is the test statistics that measures the statistical relationship, or association, between two continuous variables. It is known as the best method of measuring the association between variables of interest because it is based on the method of covariance. It gives information about the magnitude of the association, or correlation, as well as the direction of the relationship

(Statistics Solutions). The value of the Pearson correlation is near to +1 which refers that if the brand image of the bank increase then customer satisfaction also increased.

ANOVA Test

Table 7: Analysis of ANOVA

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	33.726	1	33.726	54.859	.000 ^b
	Residual	186.280	303	.615		
	Total	220.007	304			

a. Dependent Variable: Customer satisfaction level

b. Predictors: (Constant), Bank's brand image

In these results, the null hypothesis states that the brand image is positive relation with customer satisfaction. Because the p-value is 0.000, which is less than the significance level of 0.05, you can reject the null hypothesis and conclude that brand image plays the significant role in customer satisfaction.

Table 8: Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.018	.180		11.227	.000
Bank's brand image	.387	.052	.392	7.407	.000

a. Dependent Variable: Customer satisfaction level

We found that the model with the best fit with the dependent variable of customer satisfaction to their independent variable of brand name. By the analysis of the ANOVA and regression it interpret that brand image has positive relation in customer satisfaction.

VIII. CONCLUSION

The current study can be concluded in such manner that the strong relationship was found between customer satisfaction and brand image. Commercial banks of the Nepal mainly focus in their profit increment but in this study it suggests that they also should give more importance in their brand image. This research shows that the commercial banks of Nepal with reference to Butwal Sub-metropolitan city is significantly correlated with their brand image regarding the customer satisfaction.

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