ABSTRACT

In today’s highly competitive business environment, maintaining and generating customer loyalty through high levels of service quality and satisfying customer demands are a key focus for achieving sustainable business operations. Companies must pay constant attention to service quality, customer satisfaction, and Customer loyalty in order to become market leaders. The financial sector especially banks are one of the market and the global banks are scattered over the world. Therefore local bank especially the retail bank chains which cater services to layman need to attract their customers from competitors. Therefore it is highly appropriate to explore the influence of brand image upon the customers of retail bank especially in Kottayam District.

Keywords: Customer loyalty, Brand image, Service quality

INTRODUCTION

All over the world, there is a shift in the economy from the manufacturing to the service sector. The contribution of banking to the service economy is duly recognized. Banking industry includes a number of businesses such as corporate banking, investment banking, wealth management, capital market etc. Retail banking is another segment of the banking industry. It is a typical mass-market banking characterized by a large customer base and a large volume of transactions. There is a high level of co-operation between banks, retailers, customers and consumers in this segment. Retail banking has brought in a drastic make over in the overall banking scenario in India. The exceptional improvement in the banking system in India is a result of strong initiatives taken up by both the government and private companies.

Retail banking refers to provision of banking services to individuals and small business where the financial institutions are dealing with large number of low value transactions. This is in contrast to whole sale banking where the customers are large, often multinational companies, governments and government enterprises and the financial institution deal in small number of high value transaction.

REVIEW OF LITERATURE

(Joewono, 2007) indicated that customer satisfaction was from the product and service evaluations according to the customer experiences as well as the overall measurement on the consuming experience. Satisfaction can be defined as the combination of the customer’s emotions and cognition
after the use of the product also termed as Brand image has been studied from various the consumer’s realization response. It is a verdict that a product or service attribute or the product or service itself provided a pleasing level of consumption-related realization. Customer satisfaction is viewed as an important feature in generating customer repurchases and generating further revenues for the company. Hanvanich argued that literature provides empirical evidences of satisfaction influencing customer loyalty which is referred to as continuously positive buying behaviour.  

(Cyone, 1989) established that loyalty and customer satisfaction share a weak relationship when customer satisfaction is low, moderate when customer satisfaction is intermediate and strong when customer satisfaction is high. (Fornell, 1992) pointed that high customer satisfaction will lead to improved loyalty for the firm and it will also decrease customers’ sensitivity towards competitive offers. (Jones, 1995) also supported him stating that customers enjoying higher position on the satisfaction scale are more likely to be loyal with an increase in customer satisfaction which reflects the strong impact of satisfaction on loyalty. However, Jones & Sasser found that the satisfaction - loyalty relationship is neither simple nor linear and defection may take place among satisfied customers.

SIGNIFICANCE OF THE STUDY

The retail banks are adapting different strategies to retain their present customers and also to create new customers. Creating a unique brand image is an important strategy adopted by them. A customer will stick on to the same bank if they are loyal. So in this scenario it is significant to study whether the brand image of retail banks influence the customers to be loyal to that bank. The findings may be useful to banks as well as customers. The result will contribute much to the identification of brand perception (or customer satisfaction) of customers also.

OBJECTIVES

1. To identify the influence of brand image upon trustworthiness of customer loyalty.
2. To identify the influence of brand image upon the corporate image of customer loyalty.
3. To identify the influence of brand image upon the customer satisfaction of customer loyalty.
4. To analyze the dominant factors influencing customer loyalty.
5. To make suggestions and recommendations based on findings of the study.

HYPOTHESES OF THE STUDY

1. Ho: There is no significant relationship between brand image and trustworthiness of customer loyalty.
2. Ho: There is no significant relationship between brand image and corporate image of customer loyalty.
3. Ho: There is no significant relationship between brand image and customer satisfaction of customer loyalty.
4. Ho: There is no significant relationship between brand image and customer relationship of customer loyalty.

SCOPE OF THE STUDY

The retail banks are scattered widely in Kerala. Because of this, the scope of the study was confined to the customers of retail banks in Kottayam district. From the mass of respondents, 62 respondents were selected using convenient sampling method. This study is not intended as an exhaustive survey of all aspects of brand image upon customer loyalty. Rather the study tries to examine only the influence of brand image upon customer loyalty in retail banking sector.
RESEARCH METHODOLOGY

This study is based on primary data as well as secondary data. The secondary data is from various journals and articles. The primary data is collected from sample respondents using structured questionnaire. The population of the study is the customers of various retail banks in Kottayam district. The 62 sample respondents were selected through convenient sampling method.

PERIOD OF THE STUDY

This study was conducted from 2018 February to 2018 June

LIMITATIONS OF THE STUDY

The study suffers from following limitations:

1. The study was limited to Kottayam district only.

2. Because of lack of time, money and personal constraints the number of sample was limited to 62 respondents.

3. Even though the respondents were willing, they were busy and don’t have adequate time to spent the researcher to supply all relevant details.

4. The study is purely sample study and suffers from all the limitation of all sample study.

ANALYSIS OF DATA

A. PROFILE OF RESPONDENTS

The data were collected from 62 respondents and Tables below shows the classification of these respondents based on Gender, Age, Educational qualification, Occupation and banking tenure.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Classification</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>32</td>
<td>51.6%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>30</td>
<td>48.4%</td>
</tr>
<tr>
<td>Age</td>
<td>Below 30</td>
<td>25</td>
<td>40.3%</td>
</tr>
<tr>
<td></td>
<td>30-40</td>
<td>7</td>
<td>11.3%</td>
</tr>
<tr>
<td></td>
<td>40-50</td>
<td>14</td>
<td>22.6%</td>
</tr>
<tr>
<td></td>
<td>Above 50</td>
<td>16</td>
<td>25.8%</td>
</tr>
<tr>
<td>Educational Qualification</td>
<td>SSLC</td>
<td>8</td>
<td>12.9%</td>
</tr>
<tr>
<td></td>
<td>Plus Two</td>
<td>14</td>
<td>22.6%</td>
</tr>
<tr>
<td></td>
<td>Graduate</td>
<td>21</td>
<td>33.9%</td>
</tr>
<tr>
<td></td>
<td>Post Graduate</td>
<td>16</td>
<td>25.8%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>3</td>
<td>4.8%</td>
</tr>
<tr>
<td>Occupation</td>
<td>Employee</td>
<td>16</td>
<td>25.8%</td>
</tr>
<tr>
<td></td>
<td>Planter</td>
<td>5</td>
<td>8.1%</td>
</tr>
<tr>
<td></td>
<td>Business</td>
<td>10</td>
<td>16.1%</td>
</tr>
<tr>
<td></td>
<td>House wife</td>
<td>21</td>
<td>33.9%</td>
</tr>
<tr>
<td></td>
<td>Student</td>
<td>10</td>
<td>16.1%</td>
</tr>
</tbody>
</table>
B. TESTING OF HYPOTHESES

Brand image and trustworthiness of customer loyalty

The test was done with the following hypotheses:

\( H_0: \) There is no significant relationship between brand image and trustworthiness of customer loyalty.

\( H_1: \) There is significant relationship between brand image and trustworthiness of customer loyalty.

Table 2: Correlation of brand image and trustworthiness of customer loyalty

<table>
<thead>
<tr>
<th>Variables</th>
<th>Brand Image</th>
<th>Trustworthiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image</td>
<td>Pearson Correlation: .491**</td>
<td>Sig.(2-tailed): .005</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>Pearson Correlation: .491**</td>
<td>Sig.(2-tailed): .005</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed). Source primary data N-62

Table 2 shows the correlation of brand image and trustworthiness of customer loyalty. The test revealed that the variable trustworthiness and brand image have a significant positive correlation (.491). Since the P value is less than .01, rejecting the null hypothesis. Therefore, we can conclude that there exist a relationship between brand image and trustworthiness of customer loyalty.

Brand image and corporate image of customer loyalty

The test was done with the following hypotheses:

\( H_0: \) There is no significant relationship between brand image and Corporate Image of customer loyalty.

\( H_1: \) There is significant relationship between brand image and Corporate Image of customer loyalty.

Table 3: Correlation of Brand Image and Corporate Image of customer loyalty

<table>
<thead>
<tr>
<th>Variables</th>
<th>Brand Image</th>
<th>Corporate Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image</td>
<td>Pearson Correlation: .291*</td>
<td>Sig.(2-tailed): .006</td>
</tr>
<tr>
<td>Corporate Image</td>
<td>Pearson Correlation: .291*</td>
<td>Sig.(2-tailed): .005</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (2-tailed)

Source primary data N-62

Table 3 reveals the result of correlation test and it is found that variable corporate image and brand image doesn’t have a significant positive correlation (.291). Since the P value is greater than .05 accepting the null hypothesis. So there is no relationship between corporate image and brand image of customer loyalty.
Brand image and Customer Satisfaction of customer loyalty

The test was done with the following hypotheses:

\( H_0: \text{There is no significant relationship between brand image and Customer Satisfaction of customer loyalty.} \)

\( H_1: \text{There is significant relationship between brand image and Customer Satisfaction of customer loyalty.} \)

Table 4: Correlation of Brand Image and Customer Satisfaction of customer loyalty

<table>
<thead>
<tr>
<th>Variables</th>
<th>Brand Image</th>
<th>Customer Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>Pearson Correlation</td>
<td>.300*</td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td></td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (2-tailed)

Source primary data N-62

Table 5 shows the correlation of brand image and customer satisfaction of customer loyalty. The test revealed that the variable customer satisfaction and brand image have a significant positive correlation (.300). Since the P value is less than .05 the null hypothesis is rejected. So we can conclude that there exist a relationship between customer satisfaction and brand image customer loyalty.

Brand image and Customer relationship/Commitment of customer loyalty

The test was done with the following hypotheses:

\( H_0: \text{There is no significant relationship between brand image and Customer relationship/commitment of customer loyalty.} \)

\( H_1: \text{There is significant relationship between brand image and Customer relationship/commitment of customer loyalty.} \)

Table 5: Correlation of Brand Image and Customer relationship of customer loyalty

<table>
<thead>
<tr>
<th>Variables</th>
<th>Brand Image</th>
<th>Customer Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td></td>
</tr>
<tr>
<td>Customer Relationship</td>
<td>Pearson Correlation</td>
<td>.360*</td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td></td>
</tr>
</tbody>
</table>

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

Source primary data N-62

Table 5 reveals the result of correlation test and it is found that variable customer relationship and brand image have a significant positive correlation (.360). Since the P value is less than .01, rejecting the null hypothesis. So there exist a relationship between brand image and Customer relationship of customer loyalty.
FINDINGS

1. Out of the 62 respondents, 51.6% were Male and 48.4% were Female.

2. The result of the correlation analysis revealed that the variable trustworthiness and brand image have a significant positive correlation (.491). Therefore, we can conclude that there exist a relationship between brand image and trustworthiness of customer loyalty.

3. The result of the correlation analysis found that variable corporate image and brand image doesn’t have a significant positive correlation (.291). So there is no relationship between corporate image and brand image of customer loyalty.

4. The correlation analysis of brand image and customer satisfaction of customer loyalty revealed that the variable customer satisfaction and brand image have a significant positive correlation (.300). So we can conclude that there exist a relationship between customer satisfaction and brand image customer loyalty.

5. The result of correlation analysis found that variable customer relationship and brand image have a significant positive correlation. So there exist a relationship between brand image and Customer relationship of customer loyalty.

6. The descriptive statistics of the factors influencing the brand image indicates the most influencing factor. The prominent factor which influences the brand image is ‘Quality of services offered by the bank’ and the least factor is ‘Advertisement’.

SUGGESTIONS

1. The study proved that there exist a strong relationship between the four attributes of customer loyalty and brand image. So banks with strong brand image will have more loyal customers. Therefore the retail banking sector should try to increase their brand image in order to have more loyal customers.

2. Study shows that among the four determinants of customer loyalty ‘Trustworthiness’ is the dominant factor which makes a customer to be loyal to that bank. So banks should try to improve their ‘Trustworthiness’ which is followed by commitment or relationship maintained by the bank with the customers. So the retail bank should give more focus to improve their trustworthiness and commitment in the minds of customers.

3. While conducting the study it is found that brand image and corporate image have least correlation. So the banks should try to improve their corporate image in order to increase their brand image.

4. The study revealed that Quality of services offered by the bank is the most prominent factor which influences the brand image. So the banks should provide good quality of services to the customers in order to have positive brand image.

5. The study also revealed that advertisement of the banks is the least factor which influences the brand image. So the bank should try to improve their quality of services rather than making good advertisements.

6. Study revealed that “Easy accessible bank branches” is the important thing which increases the corporate image. So the bank should have branches in proper locations. But the share prices of the bank are the least one which increases the corporate image.

7. The study shows found that “Clear communication by the bank staff contributes much to the satisfaction of customers. But the website features of the bank decreases the satisfaction. So the bank should make easy the features of their websites.

8. The study found that “Friendliness of the bank staff” is the important factor which contributes to better customer relationship. The least factor which contributes to the relationship is the gift
or coupons provided. So the banks should try to make the employees friendlier to the customers.

CONCLUSION
The study examines the influence of brand image upon customer loyalty. Data were collected from 62 customers belonging to different retail banks in Kottayam district. The collected data were analyzed using appropriate statistical tools. The study brought out the influence of brand image upon customer loyalty and the dominant factor of customer loyalty. The study also brought out the most important factor which influences the brand image. It is expected that the findings of the study will be useful to the retail banking sector, and their administrative policy making bodies.

REFERENCES