To Study the Perception of Rebranding in the Banking Sector. (With Special Reference to Ahmedabad Region)

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Abstract

In last five years, trend of rebranding is emerging in our Indian banking industry. In this report, we will see the impact of rebranding in the Indian banking sector. It explains the reasons, issues and traps of rebranding in four banks – Bank of Baroda, Canara Bank, UTI Bank, Union Bank. The main objectives of this research paper are as follows:

• To determine the reasons for need of rebranding of banks
• To determine the perception of rebranding on the customers’ & employees’ towards the same bank.

A sample size of 200 was selected, which was bifurcated into 100 bank employees and 100 bank customers. In all 100 employees (25 each from 4 banks) and 100 customers (25 each from 4 banks) were surveyed with the help of close ended questionnaires. The method used to select samples was convenience sampling.

From the analysis of the response, it can be concluded that there is negative impact of high cost of rebranding and increase in work pressure on employees. But there is positive impact of rebranding like increase in sales and footfalls in banks as well as attracting young generation.

Keywords: Banking Sector, Impact of Rebranding, Reasons for Rebranding, Rebranding

1. Introduction

According to the American Marketing Association (AMA), a brand is a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition.” Thus, whenever a marketer creates a new name, logo, or symbol for a new product, he or she has created a brand.”

While products often have a lifecycle, we have seen that brands can be eternal. When brands get sick, they can be revitalized. Brands can maintain differentiation, esteem and awareness and thus be able to sustain for a long time.

Brand managers may breathe new life into the brand when it seems to be losing its identity. This can be achieved by focusing on renovating offerings.

Ghost Brands are brands that are shadows of their former selves. They walk the fine line between life and death, and are often demoted to the bottom shelf, which is the death row in many stores. The companies, which own these brands, have four options:
1) Revitalize them, 2) Milk them, 3) sell them, or 4) kill them.

The basic principle of Rebranding can be derived from the statement: “Buildings age and become dilapidated. Machines wear out. People die. But what live on are the
brands.” Sir Hector Laing, Chief Executive Officer, United Biscuits plc.

2. Literature Review

A brand is usually defined as ‘a name, term, symbol, design or a combination of them intended to identify goods or services of one seller or group of sellers and to differentiate them from those of competitors’ (Kotler, 2008). Brands are increasingly viewed as one of the major assets firms possess. Tadelis' defined a firm's reputation (and its associated name) as a valuable intangible asset. Brands differentiate, protect and convey meaning to what firms communicate to customers. Competition increases the power of brands, as these allow non-price differentiation.

Through this paper, we approach all the continuum of rebranding, trying to include minor and major changes to banking rebranding. A good and strong corporate image influences current workers, investors, future applicants and customers' evaluations and preferences (Bravo et al., 2009; Howcroft, 1991). Despite the motivation and the investment involved, rebranding has its risks: part of existing accumulated goodwill, in the form of name recognition, corporate image, and routinized purchase behaviour, can be lost (Horsky and Swyngedouw, 1987. Muzellec and Lambkin (2006) define rebranding as the creation of a new name, term, symbol or design for an established brand, in order to create a differentiation in the mind of stakeholders and competitors. As a brand is composed of tangible and intangible elements, rebranding may consist of changing one or all of these elements along a continuum: from minor improvements to the visual identity of the corporate brand (i.e., logos and slogans) defining an evolutionary rebranding, to major changes such as the creation of a new name, i.e. revolutionary rebranding (Muzellec and Lambkin, 2006).

Rebranding strategies are directly linked with brand equity management. Firms wanting to add value to their offer through corporate rebranding have to evaluate and manage their brand equity. One approach to assess the value of brand equity derives from finance theory and uses the stock price as the evaluation basis. The argument is that the stock market will adjust the price of a firm to reflect future prospects of its brands. Stakeholders’ define their image of the firm based on the signals that emanate from it. Kilic and Dursun conclude that a name change has a positive impact on the firm's value.

3. Research Methodology

3.1 Research Objectives

- To find out the reasons of rebranding being so important in this era of business.
- To know about the customers’ & employees’ perception on the need for rebranding of the banks.
- To know about the perception of customers and employees on the impact of rebranding.

3.2 Scope of the Research

- This research has been done on four banks which have undergone rebranding process i.e. Canara bank, Bank of Baroda, Axis bank and Union bank
- This research is conducted in the city of Ahmedabad only

3.3 Research Design

Research Design : Descriptive Research
Sample : Customers & employees of banks
Sample size : 100 employees (25 of each bank) + 100 customers (25 of each bank)
Mode of contact : Structured and Unstructured Personal Interviews
Research instrument : Questionnaire

3.4 Data Collection

- Primary data is collected via surveys from employees’ & customers’ of the banks.
- Secondary data has been obtained from journals, newspapers and websites etc.

4. Data analysis

To analysis data following abbreviation have been used for convenience which means the following:

A- Loss of market share due to competition
B- The whole product category is declining
C- Obtain category leadership
D- Build or increase market share
E- Product attributes were lacking
F- Pep up brand image
G- To increase in promotion activity
H- Lack of product understanding by consumers
I- Modernize and increase visibility
J- Product differentiation is absent
K- To attract young generation

4.1 Employee Perception of Reasons for Rebranding

Following graph (Figure 1) lists down the various reasons for rebranding in banks as well as shows the employees view point on the perceived reasons for rebranding. Mentioned below are the top three reasons for rebranding as perceived by the employees of the banks. 9 out of each 10 employees agree for the following top three reasons for rebranding of banks.

- To modernize & increase the visibility of brand (I)
- To increase the market share (D)
- To increase the promotional activity (G)

7 out of each 10 employees agree on following two reasons for rebranding of banks.

To Pep up Brand image (F)
To attract young generation (K)

Less than 3 out of each 10 employees perceive the following reasons as less important for rebranding of brands:

- The whole product category is declining (B)
- Product attribute were lacking (E)

4.2 Age Wise Employee Perception of Reasons for Rebranding

Following graph (Figure 2) shows the differentiation amongst various reasons for rebranding based upon the age profile of the employees. In the age group of below 30 (Table 1), more than 90% of the respondents perceived the following reasons as being the top three reasons for rebranding:

- To modernize the bank and increase visibility (I)
- To build or increase market share (D)
- To increase in promotional activity (G)

In the age group of 30-40, more than 85% of the respondents perceived the following reasons as being the top three reasons for rebranding:

- To build or increase market share (D)
- To modernize the bank and increase visibility (I)
- To pep up brand image of the bank (F)

Whereas in the age group of above 40, more than 85% of the respondents perceived the following reasons to be the top reasons for rebranding:

- To increase in promotional activity (G)
- To modernize the bank and increase visibility (I)
- To build or increase market share (D)
Increasing market share as well as modernizing the bank and increasing visibility were two reasons which reflected as the topmost reasons across all age groups.

### 4.3 Gender Wise Employee Perception of Reasons for Rebranding

Following graph (Figure 3) shows the differentiation of reason of rebranding as perceived by the employees belonging to different genders

Male Gender respondents perceived the following reasons as being the top three reasons for rebranding:

- To modernize the bank and increase visibility (I)
- To increase in promotional activity (G)
- To build or increase market share (D)

Female Gender respondents perceived the following reasons as being the top three reasons for rebranding:

- To modernize the bank and increase visibility (I)
- To build or increase market share (D)
- To pep up brand image of the bank (F)

Modernization of bank and increasing visibility is the top most reason for rebranding across both Genders (Table 2).
4.4 Age Wise Employee Perception of Impact of Rebranding

Following graph (Figure 4) shows the differentiation of impacts of rebranding as perceived by the employees belonging to different age groups:

- All the respondents irrespective of their age profile perceived that rebranding of their banks definitely led to an increase in footfalls along with enhancement of their bank’s image.
- A marked difference could be observed in the third impact of rebranding i.e. differing pressure or tension amongst the bank employees. 68% of the respondents in the age group of below 30 compared to only 5% respondents in the age group of above 40 perceived that there was a differing pressure or tension as a result of rebranding exercise (Table 3).

4.5 Gender Wise Employee Perception of Impact of Rebranding

Following graph (Figure 5) shows the differentiation amongst various impacts of rebranding as perceived by the male as well as female employees.

- All the male as well as female respondents perceived that rebranding of their banks led to an increase in footfalls as well as it also helped in enhancing image of the bank.
- However, compared to only 28% of the male respondents, 72% of the female respondents perceived that as

<table>
<thead>
<tr>
<th>Reason/Gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of market share due to competition</td>
<td>49%</td>
<td>68%</td>
</tr>
<tr>
<td>The whole product category is declining</td>
<td>19%</td>
<td>13%</td>
</tr>
<tr>
<td>Obtain category leadership</td>
<td>49%</td>
<td>57%</td>
</tr>
<tr>
<td>Build or increase market share</td>
<td>74%</td>
<td>96%</td>
</tr>
<tr>
<td>Product attributes were lacking</td>
<td>13%</td>
<td>30%</td>
</tr>
<tr>
<td>Pep up brand image</td>
<td>79%</td>
<td>89%</td>
</tr>
<tr>
<td>To increase in promotion activity</td>
<td>89%</td>
<td>87%</td>
</tr>
<tr>
<td>Lack of product understanding by consumers</td>
<td>47%</td>
<td>30%</td>
</tr>
<tr>
<td>Modernize and increase visibility</td>
<td>94%</td>
<td>100%</td>
</tr>
<tr>
<td>Product differentiation is absent</td>
<td>34%</td>
<td>30%</td>
</tr>
<tr>
<td>To attract young generation</td>
<td>70%</td>
<td>77%</td>
</tr>
</tbody>
</table>
Table 3. Age wise employee perception of impact of rebranding

<table>
<thead>
<tr>
<th>Impact/Age</th>
<th>Below 30</th>
<th>30-40</th>
<th>Above 40</th>
</tr>
</thead>
<tbody>
<tr>
<td>increase in footfalls</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>enhancement of image</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>differing pressure/tension</td>
<td>68%</td>
<td>21%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Table 4. Gender wise employee perception of impact of rebranding

<table>
<thead>
<tr>
<th>Impact/Age</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>increase in footfalls</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>enhancement of image</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>differing pressure/tension</td>
<td>28%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Figure 4. Age wise employee perception of impact of rebranding.

Figure 5. Gender wise employee perception of impact of rebranding.
a result of rebranding there was a differing pressure/tension in their job (Table 4).

4.6 Customer Perception of Reasons for Rebranding

Following graph (Figure 6) lists down the various reasons for rebranding in banks as well as shows the customers’ viewpoint on the perceived reasons for rebranding. Mentioned below are the top two reasons for rebranding as perceived by the customers of the banks. 9 out of each 10 customers agree for the following top two reasons for Rebranding of banks.

• To attract young generation (K)
• To increase the market share (D)

8 out of each 10 employees agree on following three reasons for rebranding of banks:

• To prevent loss of market share due to competition (A)
• To pep up brand image (F)
• To modernize and increase visibility of the brand (I)

The three least important reasons for rebranding according to customers are as follows. Less than 5 out of each 10 customers perceive the following reasons as least important for rebranding of banks:

• Lack of product attributes (E)
• Lack of product understanding by consumers (H)
• Absence of product differentiation (J)

4.7 Age Wise Customer Perception of Reasons for Rebranding

Following graph (Figure 7) shows the differentiation amongst various reasons for rebranding based upon the age profile of the customers.

In the age group of below 30, more than 80% of the respondents perceived the following reasons as being the top three reasons for rebranding:

• To build or increase market share (D)
• To pep up brand image of the bank (F)
• To obtain category leadership (C)

In the age group of 30-40, more than 85% of the respondents perceived the following reasons as being the top three reasons for rebranding:

• To attract younger generation (K)
• To build or increase market share (D)
• To pep up brand image of the bank (F)

Where as in the age group of above 40, more than 90% of the respondents perceived the following reasons to be the top reasons for rebranding:

• To prevent loss of market share due to competition (A)
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Increasing market share was one reason which reflected as one of the topmost reasons across all age groups (Table 5).

4.8 Gender Wise Customer Perception of Reasons for Rebranding

Following graph (Figure 8) shows the differentiation amongst various reasons for rebranding based upon the gender of the bank customers.

Not much differentiation was observed in the reasons for rebranding based on the gender of the customers.

Following reasons reflected as the top three reasons of rebranding for more than 80% of the males as well as females respondents (Table 6).

4.9 Age Wise Customer Perception of Impact of Rebranding

Following graph (Figure 9) shows the differentiation amongst various impacts of rebranding as perceived by the customers belonging to different age groups.

Although addition of value added services was observed as the topmost perceived impact of rebranding across all
Table 6. Gender wise customer perception of reasons for rebranding

<table>
<thead>
<tr>
<th>Reason for rebranding/Age</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of market share due to competition (A)</td>
<td>86%</td>
<td>75%</td>
</tr>
<tr>
<td>The whole product category is declining (B)</td>
<td>52%</td>
<td>59%</td>
</tr>
<tr>
<td>Obtain in category leadership (C)</td>
<td>64%</td>
<td>77%</td>
</tr>
<tr>
<td>Build or increase market share (D)</td>
<td>86%</td>
<td>93%</td>
</tr>
<tr>
<td>Product attribute were lacking (E)</td>
<td>50%</td>
<td>30%</td>
</tr>
<tr>
<td>Pep up brand image (F)</td>
<td>82%</td>
<td>80%</td>
</tr>
<tr>
<td>To increase in promotion activity (G)</td>
<td>75%</td>
<td>73%</td>
</tr>
<tr>
<td>Lack of product understanding by consumers (H)</td>
<td>50%</td>
<td>48%</td>
</tr>
<tr>
<td>Modernize and increase visibility (I)</td>
<td>77%</td>
<td>77%</td>
</tr>
<tr>
<td>Product differntiation is absent (J)</td>
<td>46%</td>
<td>39%</td>
</tr>
<tr>
<td>To attract young generation (K)</td>
<td>88%</td>
<td>95%</td>
</tr>
</tbody>
</table>

customers of various age profiles, there were some differentiation also which is mentioned below:

- More than 90% of the respondents belonging to below 30 age group, perceived changes in internal working atmosphere of the bank as well as addition in value added services as the topmost impact of rebranding.
- Along with changes in internal working atmosphere and extra value added services, more than 90% of the respondents in the age group of 30-40 also perceived that rebranding affects consumers in a positive manner.
- In the age group of above 40, extra value added services followed by change in internal working atmosphere was perceived as highest impact of rebranding by more than 85% of the respondents (Table 7).

4.10 Gender Wise Customer Perception of Impact of Rebranding

Following graph (Figure 10) shows the differentiation amongst various impacts of rebranding as perceived by the male as well as female customers.
Both male as well as female customers perceived addition of value added services as well as change in internal working atmosphere as the topmost impact factors as a result of rebranding of banks (Table 8).
Figure 9. Age wise customer perception of impact of rebranding.

Table 7. Age wise customer perception of impact of rebranding

<table>
<thead>
<tr>
<th>Impact/Age</th>
<th>Below 30</th>
<th>30-40</th>
<th>Above 40</th>
</tr>
</thead>
<tbody>
<tr>
<td>internal working atmosphere</td>
<td>94%</td>
<td>94%</td>
<td>85%</td>
</tr>
<tr>
<td>value added services</td>
<td>100%</td>
<td>100%</td>
<td>95%</td>
</tr>
<tr>
<td>trust</td>
<td>84%</td>
<td>85%</td>
<td>75%</td>
</tr>
<tr>
<td>affects consumer in a positive way</td>
<td>78%</td>
<td>92%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Figure 10. Gender wise customer perception of impact of rebranding.
5. Findings

5.1 Employees
The main reason for rebranding has been perceived to modernize and increase visibility of brand. However, there are differing opinions different age wise and gender wise.
As in the age group of 30-40 maximum employee feel that increasing market share is the main reason for rebranding and maximum employees above 40 feel that promotional activity is the main reason behind it.
Both genders have same opinion that the main reason for rebranding as has been to modernize and increase visibility of brand.
As far as the impact of rebranding is concerned all age groups and both gender feel that it is increase in footfall and enhancement of image.
Another observation is that the age group of less than 30 feels more pressure due to rebranding and the age group above 40 feels least pressure.

5.2 Customers
The main reason for rebranding has been perceived to attract young generation. However, there are differing opinions different age wise and gender wise.
As in the age group of less than 30 to build or increase market share has been the main reason, 30-40 maximum employee feel that attracting younger generation is the main reason for rebranding and maximum employees above 40 feel loss of market share due to competition is the main reason. Thus, all age groups have differing views. Maximum male customers feel that attracting younger generation is the main reason for rebranding and maximum female customers feels that the main reason is to build or increase market share.

As far as the impact of rebranding is concerned all age groups and both gender feel that there are additional services given after rebranding. However, the point to noted here is that all customers surveyed (100%) agreed with the above reason.

6. Recommendations
- Banks should go for rebranding if it is looking for modernize and increase visibility of brand.
- It can also help if they are planning to target younger customers.
- Banks should increase the services base after rebranding.

7. Limitations
- This Research Study will be limited to only this FOUR bank,
  - Bank of Baroda
  - Canara Bank
  - UTI Bank
  - Union Bank of India
- This study will be limited to only Ahmedabad branches to all above banks.
- Time and Cost constraints
- There could be biased answers.
- Sampling methods is used to collect data which is generalized for all banks.

8. References


Annexure

Questionnaire (For Bank Customer)

Please rank the responses in question 1. Ranking should be according to the chances of each option arising. (1 rank is the highest while 5 ranks lowest) Ranking is not relative.

1. Why does the need for Rebranding arise for your bank? (Tick mark the reasons)
   a. Loss of market share due to competition
   b. The whole product category is declining
   c. Obtain category leadership
   d. Build or increase market share
   e. Product attributes were lacking
   f. Pep up brand image
   g. To increase in promotion activity
   h. Lack of product understanding by consumers
   i. Modernize and increase visibility
   j. Product differentiation is absent
   k. To attract young generation

2. Are there any changes in internal working atmosphere due to rebranding?
   ☐ Yes   ☐ No   ☐ can’t say

3. Is there any value added service given to you after Rebranding?
   ☐ Yes   ☐ No   ☐ can’t say

4. Do you feel more secure with your bank after rebranding than earlier?
   ☐ Yes   ☐ No   ☐ can’t say

5. According to you, this type of rebranding activities really affects consumers in a positive way or not?
   ☐ Yes   ☐ No   ☐ can’t say

Name: __________________________
Place: __________________________
Age: __________________________
Contact No.: ____________________
Date: __________________________

Questionnaire (For Bank Employee)

1. Why does the need for Rebranding arise for your bank?
   a. Loss of market share due to competition
   b. The whole product category is declining
   c. Obtain category leadership
   d. Build or increase market share
   e. Product attributes were lacking
   f. Pep up brand image
   g. To increase in promotion activity
   h. Lack of product understanding by consumers
   i. Modernize and increase visibility
   j. Product differentiation is absent
   k. To attract young generation

2. Is there any increase in footfalls in your bank after Rebranding?
   ☐ Yes   ☐ No   ☐ can’t say

3. Do you feel that due to Rebranding, there are any changes in Image/Perception to your bank?
   ☐ Yes   ☐ No   ☐ can’t say

   If Yes then Reason, __________________________

4. Do you feel any type of Pressure/Tension for more business after Rebranding?
   ☐ Yes   ☐ No   ☐ can’t say

Name: __________________________
Place: __________________________
Age: __________________________
Contact No.: ____________________
Date: __________________________