INTERNAL BRANDING AMONG PRIVATE BANKS
WITH SPECIAL REFERENCE TO HDFC BANK IN BENGALURU CITY

Sarala.M S[*]
Dr. Kundan Basavaraj[**]

ABSTRACT

A qualitative product/ service is usually recognised by its brand name and the image it has established in the minds of the customers. Brands perform innumerable beneficial functions. Primarily brands act as the markers for the organisation's product and service offerings. Customers buying or purchase decision gets easier because of branding since, they assure a sense of quality, promise and trust. As such, brands remind the customers of the product/service experiences they have with the products/services. Marketing and advertising programmes will become more effective due to branding, as a brand represent the product/service offered. Consumer perceptions of the product/service and brand attributes is termed as brand image. It's the outcome of symbolic and functional brand attributes. Thus, brand image is influenced by corporate branding, internal branding and external branding factors. Corporate branding constructs like vision, mission, line of business, alliance & partners, CSR practices will impact the corporate image and as such influences strongly the service brand. Similarly, an organisations performance is judged by employee's commitment, their work culture, training and developmental activities and the like as such these constructs are considered as the internal branding factors. The conceptual framework depicts internal branding factors influencing employee satisfaction. The internal branding factors include modernity of the organization, effective human interface and perceived customer satisfaction. Further, the external brand constructs are considered as customers brand verdict as the way service brand or the service brand image perceived by the customers. The present study focusses on internal orientations of services brand. By data analysis it could be concluded that there exists significant difference in respondent's perception regarding internal branding of the bank.

Keywords: *Qualitative Product, Internal Branding, CSR Practices, Corporate Branding, Human Interface.*

Introduction

A qualitative product/ service is usually recognised by its brand name and the image it has established in the minds of the customers. Brands perform innumerable beneficial functions.

Primarily brands act as the markers for the organisations product and service offerings. Customers buying or purchase decision gets easier because of branding since, they assure a sense of quality, promise and trust. As such, brands remind the customers of the product/service experiences they have with the products/services. Marketing and advertising programmes will become more effective due to branding, as a brand represent the product/service offered. Consumer perceptions of the product/service and brand attributes is termed as brand image. It's the outcome of symbolic and functional brand attributes. Thus, brand image is influenced by corporate branding, internal branding and external branding factors.

[*] Assistant Professor, Government First Grade College, Rajajinagar, Bengaluru, Karnataka, India.
[**] Associate Professor, Head of the Department, Department of Commerce and Management, Sahyadri Commerce and Management College, Shivamogga, Karnataka, India.

Factors Determining Branding of Banks

A service brand is said to be influenced by corporate branding, internal branding and external branding factors as revealed by the literature review. Corporate branding constructs like vision, mission, line of business, alliance & partners, CSR practices will impact the corporate image and as such influences strongly the service brand. Similarly, an organisations performance is judged by employee's commitment, their work culture, training and developmental activities and the like as such these constructs are considered as the internal branding factors. The conceptual framework depicts internal branding factors influencing employee satisfaction. The internal branding factors include modernity of the organization, effective human interface and perceived customer satisfaction. Further, the external brand constructs is considered as customers brand verdict as the way service brand or the service brand image perceived by the customers. The present study focusses on internal orientations of services brand.

Statement of the Problem

An organisations brand image is to a great extent dependent on employee's interrelationship with brand commitments and the way it is extended to the customers **Oakner, 2005**. The internal branding factors include modernity of the organization, effective human interface and perceived customer satisfaction. Hence, the present study is undertaken to study the extent of internal branding factors influence on the brand image of the banks.

Literature Review

Mosley, 2007, defined Internal marketing as the responsibility of the marketing managers of an organisation, where they harness the employees towards brand commitments and their role in conveying it to the external stakeholders. However, **Mitchell, 2002,** is opines that Internal marketing, internal branding and employee branding can be regarded as the synonym terms.

Many contemporary academic researchers **Aurand, Gorchels, & Bishop, 2005;Burmann & Zeplin, 2005;Burmann et al., 2009;Chang, Chiang, & Han, 2012;Gapp & Merrilees, 2006;Papasolomou & Vrontis, 2006;Punjaisri & Wilson, 2007** have focussed their study to analyse the significant role employees play in developing a strong brand image. The reason being that brand image in generally viewed as an assurance for a quality of service, **(Ambler & Styles, 1996; Berry, 2000; Ind 2001),** further service brand image depends on the way employees have perceived, understood and communicated the brand promise through their performances to the external stakeholders. **(De Chernatony & Segal-Horn, 2001).**

Brand strength can be enhanced by upgrading the internal marketing activities so that Professional staff and front line employees are communicated with valuable information about customer demands, market dimensions and organisations steps, thereby providing the employees with the better ways of approaching the customers, **Gray's (2006)** study on bench marking services branding practices. Again, the internal marketing activities along with the personalisation of brand can be solutions for the inherent challenges of services like intangibility and inseparability. Further, these activities will an apt mechanism to enhance   service quality opinions and better interpersonal relations among various stakeholders, regarded as the crucial aspects of successful service brands **(Riley and de Chernatony 2000; McDonald and de Chernatony 2001).**

Objectives of the Study

The main purpose of this study was to examine the internal branding of banks with special reference to Karnataka Bank in Bengaluru. As such, the following are the major objectives of the present study:

- To study respondent's perception regarding vision, mission, CSR activities and corporate symbolism of the bank and
- To study the respondent's perception regarding internal branding of the bank.

Hypotheses of the Study

The following are the major hypothesis framed:

- There is insignificant difference in the respondent's perception regarding vision, mission and CSR activities of the bank
- There is insignificant difference in the respondent's perception regarding corporate symbolism of the bank.
- There is insignificant difference in the respondent's perception regarding internal branding of the bank.

Research Methodology

- **Study Area**: The present study is concentrated with the bank workers of HDFC in Bengaluru city.
- **Nature of Data Used**: The present study mainly considers primary data collected through the respondents through questionnaire.
- **Sample Frame and Size**: The sample frame consists bank employees of HDFC Bank functioning in Bengaluru city and the sample size stood at 100 respondents selected randomly.
- **Data Analysis Tools and Techniques**: Simple percentage method was used to analyse the collected data. Further, Likert scale data was analysed adopting Garrett's ranking to identify the most significant and least significant factors of respondent's perception regarding internal branding of the bank. On the other hand, chi-square test was used to identify whether there is significant difference between expected and observed frequency of respondent's perception regarding internal branding of the bank.

Data Analysis and Discussion

The data in Table 1 presents demographic features of the respondents where it was clearly evident that majority of them were aged below 40 years where 44 percent of them were aged less than 30 years and another 36 percent of them were aged between 31 and 40 years. However, 8 percent of them were aged between 41 and 50 years, while 12 percent of them were aged above 50 years.

Table 1: Demographic Features of the Sample Respondents

Particulars		No. of Respondents	Percent
Age	Less than 30	44	44.00
	31 – 40	36	36.00
	41 – 50	8	8.00
	Above 50	12	12.00
	Total	**100**	**100**
Designation	Assistant Manager	30	30.00
	Deputy Manager	16	16.00
	Senior Manager	16	16.00
	Branch Manager	12	12.00
	AGM	14	14.00
	Others	12	12.00
	Total	**100**	**100**
Experience (in Years)	Below 5	21	21.00
	5 – 10	32	32.00
	Above 10	47	47.00
	Total	**100**	**100**
Educational Qualification	Graduate	56	56.00
	Post Graduate	32	32.00
	Ph D.	12	12.00
	Total	**100**	**100**

Source: Primary Data

With regard to the designations of the respondents, it was noticed that majority of them were working as manager's where 30 percent of them were Assistant Managers, while Deputy Managers and Senior Managers accounted to 16 percent each and 12 percent of them Branch Managers. However, 14 percent of the interviewed respondents were AGM means Assistant General Managers and 12 percent of them were working in different positions other than manager posts.

With respect to work experience, majority of them were found to be experienced workers as the percentage of respondents having work experience of above 10 years accounted to 47 percent and those having experience between 5 – 10 years accounted to 32 percent, while about one fifth of them were having work experience of less than 5 years.

Many of the respondents were graduates accounting to 56 percent followed by 32 percent those who were educated up to Post Graduate. However, there were 12 percent of the respondents who had Ph D degree.

Table 2: Respondent's Perception Regarding Vision of the Bank

Sl. No.	Particulars	Rankings					X^2
		1	2	3	4	5	
1	The Top Management's Vision	38	28	9	10	15	31.7
2	Being innovative	40	26	8	12	14	34.0
3	Overall employees' satisfaction	42	24	16	8	10	38.0
4	e-banking services are user friendly	36	33	12	11	8	35.7

Source: Primary Data

Table 3: Garrett's Ranking of Respondent's Perception Regarding Vision of the Bank

Sl. No.	Particulars	Total Score	Mean Score	Rank
1	The Top Management's Vision	5755	1151	4
2	Being innovative	5790	1158	3
3	Overall employees' satisfaction	5960	1192	1
4	e-banking services are user friendly	5920	1184	2

Source: Table 2

The perception of respondents with regard to vision of the bank is presented in Table 2 and its Garrett's ranking is presented in Table 3 according to which it was noted that overall employee's satisfaction followed by e-banking services to be more user friendly and bank being innovative were the major visions of the bank.

Table 4: Respondent's Perception Regarding Mission of the Bank

Sl. No.	Particulars	Rankings					X^2
		1	2	3	4	5	
1	Customer satisfaction	38	25	14	11	12	26.5
2	Being a modern bank	42	16	10	15	17	31.7
3	Online banking	40	21	17	12	10	28.7
4	Tele-banking	34	26	16	13	11	18.9
5	Mobile banking	35	23	14	16	12	17.5

Source: Primary Data

Table 5: Garrett's Ranking of Respondent's Perception Regarding Mission of the Bank

Sl. No.	Particulars	Total Score	Mean Score	Rank
1	Customer satisfaction	5790	1158	2
2	Being a modern bank	5635	1127	5
3	Online banking	5840	1168	1
4	Tele-banking	5705	1141	3
5	Mobile banking	5645	1129	4

Source: Table 4

The data in Table 4 presents respondent's perception regarding mission of the bank and its Garrett's ranking in Table 5 as per to which it could be inferred that providing effective online banking services to its customers, customer's satisfaction, tele-banking and mobile banking were the major mission of the bank which will make customers more satisfied and the bank would be a modern bank.

Table 6: Respondent's Perception Regarding CSR Activities of the Bank

Sl. No.	Particulars	Rankings					X^2
		1	2	3	4	5	
1	Bank's role in social activities	24	40	16	12	8	32.0
2	Bank's role in sponsoring major events	28	24	22	19	7	12.7
3	Market research	36	27	15	14	8	25.5

Source: Primary Data

Table 7: Garrett's Ranking of Respondent's Perception Regarding CSR Activities of the Bank

Sl. No.	Particulars	Total Score	Mean Score	Rank
1	Bank's role in social activities	5680	1136	2
2	Bank's role in sponsoring major events	5575	1115	3
3	Market research	5830	1166	1

Source: Table 6

The perception of the respondents with regard to CSR activities of the bank revealed that the bank is foremost interested in undertaking market research followed by bank performing effectively its role in social activities. However, bank's role in sponsoring major events is yet to be improvised with the view of CSR activities.

Table 8: Respondent's Perception Regarding Line of Business of the Bank

Sl. No.	Particulars	Rankings					X^2
		1	2	3	4	5	
1	The No. of branches the Bank has	34	29	16	11	10	23.7
2	The profit generated by the Bank	41	25	13	12	9	35.0
3	The products offered by the Bank	36	20	14	18	12	18.0

Source: Primary Data

Table 9: Garrett's Ranking of Respondent's Perception Regarding Line of Business of the Bank

Sl. No.	Particulars	Total Score	Mean Score	Rank
1	The No. of branches the Bank has	5780	1156	2
2	The profit generated by the Bank	5930	1186	1
3	The products offered by the Bank	5620	1124	3

Source: Table 8

Respondent's perception with regard to the line of business of the bank shows that majority of them feel that the bank is getting or generating expected profit and the total number of branches functioning in the study area is quite sufficient. However, respondents feel that bank has to come out with more attractive products to still further satisfy its customers and become most favourite bank.

Table 10: Respondent's Perception Regarding Corporate Symbolism of the Bank

Sl. No.	Particulars	Rankings					X^2
		1	2	3	4	5	
1	Image of the Bank	27	19	14	23	17	5.2
2	The visibility of the Bank	28	21	16	13	22	6.7
3	The ambience inside the Bank	33	29	10	15	13	21.2
4	Quality of advertisements	21	25	19	16	19	2.2

Source: Primary Data

Table 11: Garrett's Ranking of Respondent's Perception Regarding Corporate Symbolism of the Bank

Sl. No.	Particulars	Total Score	Mean Score	Rank
1	Image of the Bank	5210	1042	3
2	The visibility of the Bank	5230	1046	2
3	The ambience inside the Bank	5640	1128	1
4	Quality of advertisements	5140	1028	4

Source: Table 10

From the data in Table 10 presenting respondent's perception with regard to corporate symbolism of the bank it is clear that respondents are very much satisfied with the ambience inside the bank and also the visibility of the bank in servicing its customers. However, they feel the need for more quality advertisement which will better build the image of the bank.

Table 12: Respondent's Perception Regarding Internal Branding of the Bank

Sl. No.	Particulars	Rankings					X^2
		1	2	3	4	5	
1	Rewards for performers	24	36	16	12	12	20.8
2	The speed at which transaction handled	32	32	12	16	8	25.6
3	Courteous staff	36	32	12	8	12	33.6
4	Conflict handling	28	44	20	4	4	57.6
5	Provide growth opportunities to staff	28	24	28	8	12	17.6
6	The work culture at the Bank	36	40	12	4	8	56.0
7	Handling of customer complaints	36	32	12	8	12	33.6

Source: Primary Data

Table 13: Garrett's Ranking of Respondent's Perception Regarding Internal Branding of the Bank

Sl. No.	Particulars	Total Score	Mean Score	Rank
1	Rewards for performers	5540	1108	7
2	The speed at which transaction handled	5760	1152	5
3	Courteous staff	5840	1168	3
4	Conflict handling	6000	1200	2
5	Provide growth opportunities to staff	5560	1112	6
6	The work culture at the Bank	6060	1212	1
7	Handling of customer complaints	5840	1168	3

Source: Table 12

The respondent's perception regarding internal branding of the bank is as presented in Table 12 and the Garrett's ranking of the perception is as presented in Table 13 according to which it could be inferred that the respondents are more satisfied with the work culture existing at the bank, the way conflicts and customer's complaints are handled and well-mannered staff. However, they feel the need of speeding up the transactions time and effectively handle the transactions, provide growth opportunities to the staff through rewards for the better performers.

Major Findings of the Study

The following are few major findings of the study:

- Majority of the respondents are aged below 40 years.
- Majority of the respondents were educated up to either graduate or post graduate.
- Majority of the respondents were satisfied with the overall working of the bank and opinion that e-banking services provided by the bank was user friendly.
- Majority of the respondent's opinion that online banking services provided by the bank was effective as it was provided up to the customer's satisfaction.
- As a part of CSR activities, the bank was undertaking market research up to the expectation of the respondents
- The respondents felt that the profit generated by the bank was up to their expectation and also, they felt that the bank functioned with sufficient branches in the city.
- Majority of the respondents were satisfied with the ambience in the bank and also with the visibility of the bank
- Majority of the respondents were satisfied with the work culture existing at the bank, the way the bank handles the conflict and the polite behaviour of the staff with the customers which helped in building brand of the bank.

Hypotheses Testing

H_{01}: There is insignificant difference in the respondent's perception regarding vision, mission and CSR activities of the bank

H_{a1}: There is significant difference in the respondent's perception regarding vision, mission and CSR activities of the bank

At 5 percent level of significance for degree of freedom 4 the table value of $X^2 = 9.488$ and the calculated value of X^2 for all the factors of vision, mission and CSR were more than 9.488 indicating that the calculated value of X^2 was greater than the table value of X^2. Hence, null hypothesis is rejected and by accepting alternative hypothesis it could be concluded that there exists significant difference in respondent's perception regarding vision, mission and CSR activities of the bank.

H_{02}: There is insignificant difference in the respondent's perception regarding corporate symbolism of the bank.

H_{a2}: There is significant difference in the respondent's perception regarding corporate symbolism of the bank.

At 5 percent level of significance for degree of freedom 4 the table value of $X^2 = 9.488$, while the calculated value of X^2 for corporate symbolism like Image of the Bank, The Visibility of the Bank and Quality of Advertisements was less than the table value of X^2. Hence, null hypothesis was accepted and concluded that there exists insignificant difference in respondent's perception regarding corporate symbolism of the bank. On the other hand, the calculated X^2 for The ambience inside the bank was greater than the table value of X^2, hence null hypothesis is rejected and by accepting the alternative hypothesis it was concluded that there exists significant difference in respondent's perception regarding The Ambience inside the bank.

H₀₃: There is insignificant difference in the respondent's perception regarding internal branding of the bank.

H_{a\3}:   There is significant difference in the respondent's perception regarding internal branding of the bank.

At 5 percent level of significance for degree of freedom 4 the table value of X^2 = 9.488 and the calculated value of X^2 for all the factors of internal branding of the bank were more than 9.488 indicating that the calculated value of X^2 was greater than the table value of X^2. Hence, null hypothesis is rejected and by accepting alternative hypothesis it could be concluded that there exists significant difference in respondent's perception regarding internal branding of the bank.

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