MEASURING THE BRAND EQUITY OF BANKING IN QUANG NGAI PROVINCE

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ABSTRACT

This research is done to measure the brand equity of banking in Quang Ngai province. Based on previous research models then adjusted to the banking sector, the survey of 205 customers using the service at banks in the province was conducted. The research results show that Brand Awareness has the strongest impact on Brand Equity, followed by Brand Loyalty, Brand Image, and Perceived Quality.

Key Words: Brand Equity, Bank, Quang Ngai Province.

1. INTRODUCTION

In recent decades, the banking industry in our country has made remarkable developments, not only growing in quantity but also constantly providing new products and services in order to best meet customer needs. Besides, along with the explosion of science and technology, customer awareness is also increasing more and more, which means that today's customers have a lot of opportunities in choosing or changing banks to best suit their desires. Therefore, the competitive pressure in the banking industry is now greater than ever. To be able to hold market share, beside attracting new customers, retaining the existing customer is sorely needed. Accordingly, within the scope of this research, the author focuses on measuring brand equity in the banking sector in Quang Ngai province, on that basis, gives suggestions to help these commercial banks have reasonable policies to improve the brand loyalty of customers, thereby maintaining the number of current customers and increasing more potential customers in the near future.

2.THEORETICAL FRAMEWORK AND EMPIRICAL RESEARCHES.

2.1 Theoretical framework

David Aaker (1991) conceptualized brand equity as the set of brand assets and liabilities linked to the brand, its name and symbol that add value to or subtract value from, a product or service. Lassar et al. (1995) divided the assessment of the brand equity into two major categories, that is, finance-based brand equity and customer-based brand equity. The assessment of brand equity from the financial perspective contributes to the assessment of the company's assets. However, this assessment is not much useful for marketing managers in building and developing brands. In marketing, on the other hand, the financial value of a brand is the result of the customer's assessment of the value of that brand. Therefore, in this research, the author will focus on customer perspective of brand equity.

2.2 Some Empirical researches

In the world, there have been quite a lot of authors conducting research on the components of brand equity. Some typical researches can be mentioned such as Aaker (1991); Lassar et al. (1995)

with research on fast food products and survey on customers at fast food restaurants of 3 Nordic countries; in the research by Yoo and Donthu (2001), a survey of 12 brands across three groups of sports footwear, photographic film and color TV industries was carried out with data collected from 1,530 American and Korean- American and Korean students; research by Atilgan et al. (2005) has measured and tested the brand equity components in Turkey's beverage industry. In Vietnam, the researches can be mentioned as Nguyen Dinh Tho and Nguyen Thi Mai Trang (2011); Research by Hoang Thi Phuong Thao and Hoang Trong (2010) has measured the brand equity of banking services based on the customer's perspective; Le Tan Buu and Le Dang Lang (2014) with the study of brand equity's components in the gold industry.

In the research model of measuring brand equity in the banking sector in Quang Ngai province, the author proposed 4 independent variables including Brand Awareness, Perceived Quality, Brand Image, and Brand Loyalty that influence the dependent variable, namely Brand Equity. The proposed research model is:
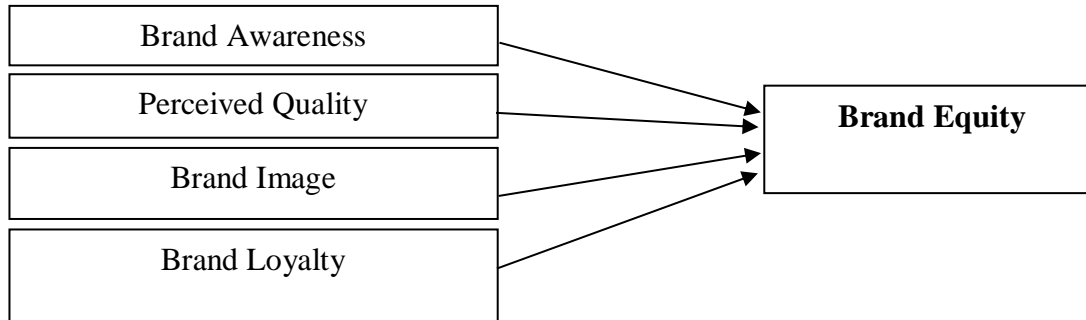

Figure 1. Research model and its assumptions

3.RESEARCH CONTENT AND RESULTS
3.1 Preliminary research

The research used the results of a number of foreign studies to build a scale and questionnaire suitable for the Quang Ngai market. From the preliminary questionnaire, the author conducted the interviews with 20 customers, and then consulted the experts to adjust the words for the questionnaire to be understandable and appropriate. After adjustment, a formal scale with research concepts is formed, preparing for quantitative research in the next step. Collected data will be processed on SPSS 20.0. Specific sets of observed variables (26 statements) are measured on a 5-point Likert scale, varying from 1 (strongly disagree) to 5 (strongly agree).

3.2 Sample selection and Sample size

With the convenient sampling method, 250 questionnaires were distributed to customers who came to make transactions at banks in Quang Ngai province, from January to March 2022. The results obtained 212 questionnaires, in which 07 questionnaires were rejected, 205 questionnaires were used for analysis, ensuring that the sample size is larger than the minimum size (Tho, 2011).

The subjects of the survey were customers aged 18 years old or older and have banking transaction experiences in Quang Ngai province.

3.3 Characteristics of the research sample

In 205 valid questionnaires, in terms of gender, 38.3% were male, 61.7% were female; in terms of age, 21.5% were from 18 to 23 years old, 42.3% were from 24 to 25 years old, 24.5% were from 35 to 45 years old, 11.7% were over 45 years old; in terms of banking transaction experience, 19.4% were under 1 year, 37.6% were from 1 to 2 years, 32.9% were from 2 to 5 years and 10.1% were over 5 years.

The above basic information showed that the structure of gender, age, banking transaction experience of customers participating in the survey is quite consistent with the reality at banks in Quang Ngai province today and has representative of the research as a whole.

3.4 Testing of Measurement scale

The scale of the factors in the research was evaluated by using Cronbach's Alpha reliability coefficient, the test results are presented in Table 1. Through Cronbach's Alpha analysis, it was shown that all scales had the total correlation coefficients greater than 0.3 and Cronbach's Alpha coefficients greater than 0.7 (0.743 to 0.874). Therefore, these scales are reliable, and are used in the EFA factor analysis step.

Table 1: The results of Cronbach's Alpha analysis of the 5-scale scale

Measurement Scale	Number of variables	Total correlation coefficients	Cronbach's Alpha
Brand Awareness	NBTH_01 -> 04	>0.3	0.784
Perceived Quality	CLCN_01->04	>0.3	0.755
Brand Image	HATH_01->05	>0.3	0.765
Brand Loyalty	TTTH_01->04	>0.3	0.743
Brand Equity	GTTH_01>05	>0.3	0.874

Source: Author's data analysis results

. The results of exploratory factor analysis (EFA) showed that from 17 measurement variables belonging to the above 4 factors, 4 factors were extracted to keep these 4 factors original in the proposed research framework at Eigenvalue = 1.654 (>1), and extracted variance is 60.631% (>50%), showing that all the factor loadings and the differences of all observed variables meet the requirement. Besides, the Kaiser-Meyer-Olkin coefficient (KMO) is 0.757 with very small Sig. value, indicating that the results of factor analysis are reliable.

Table 2: Results of factor analysis

Observed variable codes	Factor loadings	Observed variable codes	Factor loadings
NBTH1	0.840	HATH2	0.702
NBTH2	0.832	HATH3	0.844
NBTH3	0.780	HATH4	0.813
NBTH4	0.773	HATH5	0.825
CLCN1	0.764	TTTH1	0.654
CLCN2	0.757	TTTH2	0.611
CLCN3	0.754	THTH3	0.808
CLCN4	0.737	TTTH4	0.753
HATH1	0.703		

Source: Author's data analysis results

The factor analysis results of the Brand Equity scale all have the KMO coefficient (0.657) > 0.5 with very small Sig. value and the extracted variance 67.85% > 50% showing that the factor analysis is reliable.

3.5 Research model

After finishing factor analysis and testing the scales, the formal research model is adjusted as follows:

| Brand Awareness |
| Perceived Quality |
| Brand Image |
| Brand Loyalty |

→ **Brand Equity**
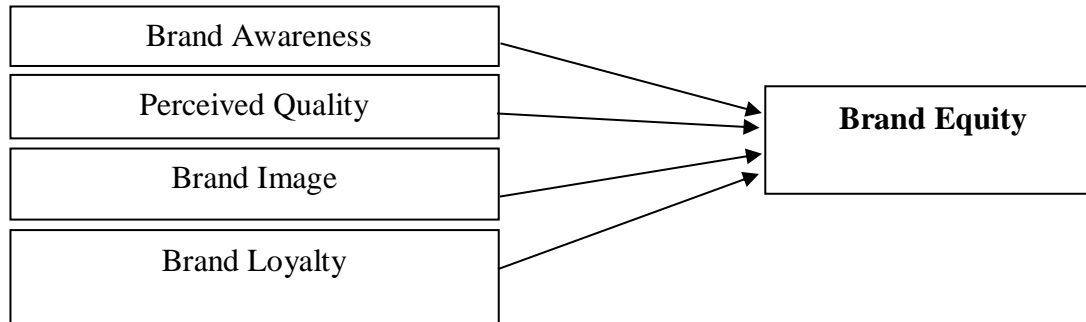
- [H1] *Brand Awareness*: is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category (Aaker, 1991), or the extent to which the brand signature is reflected in the consumer's memory to identify the brand under different conditions (Keller, 1993) that *has a positive influence on the brand equity measurement of bank*.

- [H2] *Perceived Quality*: is defined as the consumer's judgment about a product's overall excellence or superiority (Zeithaml, 1988). The perceived quality of a brand creates value by providing important reasons to buy a product, differentiating the brand's position, supporting a higher price, attracting channel member interest while expanding to introduce new types of brands (Aaker, 1991; Lassar et al., 1995; Yoo and Donthu, 2001; Nguyen Dinh Tho and Nguyen Thi Mai Trang, 2002) that *has a positive influence on the brand equity measurement of bank.*

- [H3] *Brand image*: The hidden value behind the brand's name is the distinct attributes that are linked in customers' memory when perceiving a brand. Attributes will vary from brand to brand. Brand attributes are also a foundation for brand extension (Lassar et al. (1995) that *has a positive influence on the brand equity measurement of bank.*

- [H4] *Brand loyalty*: is the attachment that a customer has towards a brand (Aaker, 1991). Brand loyalty makes customers purchase often and prevents them from switching to other brands, therefore, it is a component of brand equity (Aaker, 1991) that *has a positive influence on the brand equity measurement of bank.*

3.6 Regression analysis result

To analyze the impact of independent variables on bank brand equity, multiple regression was used.

Table 3. *Regression analysis results*

Variables		Nonstandardized coefficients		Standardized coefficients	T	Sig.
		B	Standard error	Beta		
1	(Constant)	-0.463	0.272		-1,703	0.090
	NBTH	0.290	0.027	0.409	10.800	0.000
	CLCN	0.198	0.045	0.175	4.402	0.000
	HATH	0.041	0.050	0.201	0.827	0.409
	TTTH	0.130	0.028	0.407	4.625	0.000

Source: Author's data analysis results

Table 3 presents a full multivariable regression model on factors affecting brand equity in the banking sector in Quang Ngai province. The model consists of 4 independent variables and 1 dependent variable.

The results of the regression analysis in Table 3 show that adjusted $R^2 = 0.624$. The F test shows a Sig. significance level = 0.000. Therefore, the regression model fits the collected data. The adjusted coefficient of determination shows that the model's compatibility is 62.4%, or the independent variables explain 62.4% of the variance of the dependent variables (Trong & Ngoc, 2008).

As the result, the regression results show that brand equity in the banking sector is affected by 4 factors, including: Brand Awareness, Perceived Quality, Brand Image, and Brand Loyalty; and these regression results are statistically significant when included in the analysis due to the Sig. significance level < 0.05. The standardized Beta coefficient indicates the impact level of each dependent variable on the independent variable. In the model, the factor of Brand awareness has the highest impact on brand equity in banking sector because it has the largest Beta coefficient (Beta = 0.409), followed by Brand loyalty (Beta = 0.407), Brand image ((Beta = 0.201), and finally Perceived quality (Beta = 0.175).

In addition, the results of differences analysis in the measurement of brand equityt in different demographic characteristics show that: Independent - Sample T - Test for the gender variable, the Levene statistics with significance level is 0.071 > 0.05, proving that there is no difference in variance in measuring the brand equity of banking sector.

The test of variance of the age, banking transaction experience shows that Levene statistics Sig. are all > 0.05, so the results of analysis of variance (ANOVA) can be used at 95% confidence. One-factor variance analysis for the variables: "age", "banking transaction experience", all have the significance level > 0.05, showing that there is no statistically significant difference for the different groups.

This shows that gender, age and banking transaction experience do not affect the brand measurement in the banking sector in Quang Ngai province.

4. RECOMMENDATIONS AND CONCLUSION
4.1 Recommendations

The results of the research show that brand awareness has a positive correlation and has the strongest impact on the brand equity measurement of customers in banking sector in Quang Ngai province. Through experiences and obtained information, customers will have their own feelings about "Brand Image" and "Brand Awareness". However, only "Brand Awareness" can really make

an impression in customers' mind, and make customers choose the bank's product and service in the next transactions. In order to keep customers "loyal to the brand" and maintain repeat transactions, in the process of providing product and service to customers, banks should focus on creating a friendly and comfortable atmosphere across all communication channels when they communicate with customers. The bank should try to create closeness and ease in the operations that customers have to do so that they can feel confident when dealing with bank. The closeness not only comes from simple and easy operations for customers to do without embarrassing, but also from the service style of the bank staff. Customers will really have a positive "bank brand awareness" if they are served with a warm, considerate, approachable and friendly attitude. In addition, the layout of the waiting area and the interface of service contact between customers and bank staff also strongly influences the perception of the closeness of the bank's brand to customers.

Besides, the bank should also pay attention to the feedbacks from customers, absorbing opinions in order to better meet and satisfy the desires of customers. When customers feel confident, comfortable and trust the bank during the transaction process, they will have a good impression in brand, which will increase the likelihood of returning to continue using banking products and services.

For "Brand Image", only the bank reputation has a positive impact on the intention to use bank's services of existing customers. Once a bank attains the trust of customers through its reputation or builds a good reputation, the bank must always pay attention to the smallest details to continue to increase its existing reputation. Any violations of professional ethics or irresponsibility in commitments to customers can affect the bank's image. The intention to continue to choose products and services also changes with the change in the customer's subconscious image of the bank's reputation.

The image of product's accessibility; network of branches and transaction offices; the staff's working style and ability to provide services do not make a significant impression for customers to remember and have intention to continue to choose this bank for the next transaction. Thus, if the bank's short-term goal is to retain the existing customers, the strategy should focus on banking management, developing the network of branches and transaction offices; on the ability to provide services of the bank; or the ability to access products and services for customers, is not necessarily a decision related to branding yet. The research results also show that the services of the finance and banking industry have been standardized at a high level; today, products and services of Vietnamese banks are not much different, including interest rates. Furthermore, during the survey, the author also received feedback from customers that they open transaction accounts at banks mainly to receive salary and normally most of those banks are designated by their company. As the customers often have no choice by themselves, they can not see any difference among banks. Hence, only the bank staff's attitude and the bank's existing reputation can make an impression in customers' mind. The research results are also a source of reference information for brand managers to learn and build their own identity for their bank's brand to retain customers in the long run, as well as make customers loyal to the brand. Therefore, good implementation of measures to increase the bank brand awareness will be an important tool to help banks retain customers and expand customer networks in the increasingly fierce competition amongs banks in the integration period.

4.2 Conclusion

Through a survey of 205 banking customers, the research results show that the factors of brand awareness, perceived quality, brand image, and brand loyalty have a direct impact on brand equity of bank which is the foundation of customer loyalty. The research results can be used as the reference for the value survey, as well as applied to increase the value of bank brands from the customer's point of view in Quang Ngai market.

The research has made certain contributions in understanding the brand measurement factors in the banking sector of customers when using products and services at commercial banks in Quang Ngai province. However, the evaluation of bank's brand in the research only comes from customers, not from the side of bank managers, this will create a premise for future research.

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