Effect of Branding on Consumer Behaviour in the Nigeria Banking Sector

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Abstract: This paper examined the effect of branding on consumer behavior in the Nigerian banking sector. Access Bank PLC was selected and customers of their two branches in Osogbo were used as respondents for this study. Primary data was collected through the questionnaire administered on 150 customers of the bank. Linear regression and Analysis of Variance (ANOVA) were employed to examine the effect of brand image on consumer behavior and the effect of brand awareness on consumer behaviour at 0.05 level of significance. The results showed that brand image and brand awareness has significant effects on consumer behavior. It is concluded that for banks to survive and to remain highly competitive depend on brand image and brand awareness. It is therefore recommended that in order to maintain a strong brand and remain competitive, bank should lay more emphasis on brand awareness and map out strategies that will make their bank stand out since consumers will only recognize and recall the brands that they are well aware of.

Keywords: Brand image; brand awareness; consumer behavior; branding; banking sector

JEL Classification: E58

1. Introduction

The necessity to maintain a competitive advantage and retain customer loyalty makes it necessary for organizations to maintain outstanding brand of services and product that will command consumer satisfaction and loyalty. Branding is one of the most important aspects of any organization be it small or large as it talks about the image of the organization. According to Ogbuji, Anyanwu and Onah (2011), "a realization of the fact that branding as a marketing tool affects other product management decisions, confronts one with the fact that its impact on marketing activities and consumers cannot be overemphasized."

Branding has been in existence for centuries as a way of distinguishing the goods or services of one to another. Consumers would have faced a herculean task had it been there are no ways of distinguishing their choice brand from other competitors. Consumer behaviour differs and branding plays a role in determining if a consumer will remain loyal to a particular brand or not. Bromley (1993) stated that consumer behaviour are governed by various factors which include their needs and desires, their attitudes and expectations, their understanding of what is available, their financial resources and their decision processes.

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Branding is particularly important to the financial sector in the current economy, since investors are being cautious about making huge financial transactions. The financial sector worldwide is still recovering from the global financial crisis of 2008 after which major brands suffered serious damage to their reputations, especially banks which rely heavily on their reputation to remain competitive. The Nigerian banking sector is no exception as many banks like Oceanic bank and Intercontinental banks were indicted for gross misappropriation of funds, especially giving out non-performing loans to individuals and organizations without passing through the normal process, which tarnished their brand image in 2012.

In order to regain their lost dignity, banks now invest heavily and depend on using branding strategy to remain competitive and retain customer loyalty. As opined by Kavengi (2013), for banks nowadays, "the strength and marketing power of an institution's brand is rapidly becoming one of the critical levers for differentiation and success as they need to provide a consistent brand experience to avoid losing their customers to rival banks. Branding in the banking industry has become increasingly necessary because the service sector is people oriented and to gain the loyalty of consumers, a strong brand has to be on ground. There are differences between service and product. Services are largely intangible and this has been the challenges of service branding.

Even though many studies have been conducted on the issue of branding and its effect on consumer behaviour, the focus has always been on other sectors with the financial sector lagging behind. Branding in the financial sector is not the same with product branding because the financial sector deals with rendering services. In the financial sector, it is somehow difficult to differentiate the services of each bank as all are rendering almost the same services. The products (services) usually offered in the financial sectors are essentially a promise whereby ownership is not transferred and reinstatement or payment is at a later date, which can be within a year or decades.

Services in the banking sector are monolithic in nature, likewise brands in the financial sector has been termed weak when compared to the consumer product. It is believed that brands have failed to make any differentiation and on most occasions have only succeeded in creating awareness. Most of the literatures on branding and consumer behavior focused on other sectors like manufacturing sector, this prompted this research to examine the effect of branding on consumer's choice of banks and how it affects consumer behaviour. The main objective of this research is to analyze the effect of branding on consumer behaviour in the banking sector. The specific objectives are to examine the effect of Access bank brand image on consumer's behavior and to examine the effect of Access bank brand awareness on consumer's behavior. Based on the objectives of the study the following hypotheses were formulated and were stated in null forms:

H01: Access bank brand image has no significant effect on consumer's behaviour

H02: Access bank brand awareness has no significant effect on consumer's behaviour

2. Literature Review

2.1. Branding

Brand refers to the name, sign, term, symbol or design or a combination of them used to identify the goods or services of one company or seller or to differentiate them from of the competitor (AMA 1960). However, Chartered Institute of Marketing (CIM 2007) opined that brand is much more than logos and names. According to the institute, brands are the culmination of a user's total experience with the product over many years which could be made up of good, neutral and bad encounters such as the way a product performs, an advertising message, a press report, a telephone call or a rapport with a sale assistant. Bearden and Ingram (2004) emphasized that branding facilitates buying, provide psychological benefits to consumers makes it easier to differentiate a company's product from other competing offerings and also facilitates and focuses on the firm's marketing efforts.

2.1.1. Brand Image

Brand image has been a crucial concept in consumer behaviour research since the early 1950. It is a vital part of branding and has been referred to by Blackwell and Miniard (1993) as the joined impact of brand affiliation or customer's perception of the brands tangible and intangible affiliation. Business dictionary defined brand image as the impression in the mind of the consumer as regarding a brand's total personality (real and imaginary qualities and shortcomings). It is a set of belief held by a consumer concerning a particular brand and what makes it different from that of the competitors. Brand image is what external people think of the firm's product or services. This image of a brand is ultimately a deciding factor that determines the product sales. It is the mirror through which the company's key values are reflected. Having a strong brand image directly impact on the consumer buying behaviour and can make the decision process easier, thereby promoting a lot of repeat purchases as well as primary purchases.

2.1.2. Brand Awareness

Brand awareness is the level of familiarity a customer has with a particular brand and the ability to recognize the brand among other competing brands. Brand awareness can affect decisions about brands in the consideration set even if there are essentially no other brand associations (Keller, 1993). Brand awareness is a key component in understanding the effectiveness of both a brand's identity as well as its communication methods. It is the primary goal of advertising when a new product is introduced to the market. Brand awareness is the consumers' ability to recall and recognize the brand, the logo and advertisements. Brand recalls refers to the ability of the consumers to correctly generate and retrieve the brand in their memory while brand recognition is the previous experiences the consumer has of the brand that enables them to distinguish it from others.

2.1.3. Branding in the Financial Services

It is becoming increasingly difficult to sustain product, cost and distribution advantages in the financial industry. Branding in the financial services is undergoing substantial changes due to the increase in competition. The financial services industry is either an incredibly scary or extremely exciting place. More than any other industry, financial services companies are facing a paradigm shift brought on by the perfect storm of digitalization, increased regulatory scrutiny and changing demographic profiles and preferences of both clients and workforce. Financial services firms that embrace their brand as an articulation of the promise that they deliver through their people, their products and their services will elevate their value in the market and will better position themselves for long-term success. Branding is probably more important to the financial sector than any other industry, given financial services' vital role in society and the clear potential for delivering true customer service. It is important to communicate and educate the brand values to all internal staff in order to deliver high quality experience that customers rightly demand.

2.1.4. Challenges of Brand Management in Financial Services

It is interesting to know that brand management poses several challenges in the financial services. Not all the financial service provider are committed to managing their brands effective, active and committed because they considered brand management as only necessary for consumer goods. And this misconception has made it difficult for banks to successfully have a strong brand management. Also the challenge of staying relevant to its many different types of client with their different demands and expectations makes it difficult to build a brand that is relevant to all groups. However, financial services firms can transform this challenge into an opportunity by rendering certain more comprehensive services particular to a group of client. Another challenge of brand management in the financial sector is the similarities of services as it is easy to copy product-offering in the financial industry. Client/advisor relationship which also represents an important means of maintaining a competitive edge in the industry is another challenge for firms in the financial industry. This is based on the premise that the most influential way to reach a client is actually the most difficult to manage, this is also due to fact that financial services firms face the challenge of managing the process of educating their client advisors and other staff who have direct contact with the clients.

2.1.5. Consumer Behaviour

Consumers consider certain attributes of a product before purchasing the product and their perception of the product determine their eventual behaviour towards that product. Consumer behaviour relates to the study of the buying behaviour of individuals, groups or organization and the processes they use to select, use and dispose of product and services to satisfy needs and the impact these processes have on the consumer and the society. It studies the characteristics of individual consumers such as demographics or personality and behavioural variables so as to understand people’s wants. The study of consumer behaviour is based on consumer buying behaviour with the consumer playing the three distinct roles of user, payer and buyer.

Consumer behaviour is all about how people behave when they live as consumers which include what they buy, why they buy it, where they buy it and how often they buy it (Baba 2014). Such behaviour is of a complex nature that involves the way people feel, think and act as consumers. Consumer behaviour is dynamic and constantly changing. The study of consumer behaviour involves three behavioural processes namely: pre-purchase behaviour, purchase behaviour and post-behaviour. “Consumer behaviour is distinct in every consumer and is influenced by purchasing habits and decisions and tempered by psychological through new and traditional media” (Karam & Saydam 2015). For consumers in the market place, value framework is made up of items like the brand image, the class association of the brand, its price and its overall awareness in the market relative to others (Karam & Saydam 2015).

2.1.6. Factors Influencing Consumer Behaviour

Factors influencing consumer behaviour can be divided into four main categories which are cultural, social, personal and psychological factors.

Cultural Factors: It deals with the cultural environment the consumer belongs to. The societal environment a consumer belongs to affect their choice of brand and behaviour. Different consumers from different cultural and societal background may have different opinions about the same brand. An individual is influenced by his or her family, friend, the society or cultural environment where he is being taught the values and preferences that relate to that environment. It is necessary for brands to be aligned to the environment of each market as this will help in the behaviour, perception and expectations of consumers. Consumers are usually more receptive to products and marketing strategies that specifically target them.

Social Factors: These also influence consumer behaviour significantly. The social factors can be divided into three categories: reference groups, family, social role and status. The reference group influence on an individual varies and it depends on the group and the individual. It tends to influence the image that an individual has of himself as well as his behaviour and understanding the specific features (mind-set, values, lifestyle, etc.) of each group allows the brands to better target their advertising message. Perception and family habits also have a strong influence on the consumer buying behaviour.

Personal Factors: These refer to age, way of life, purchasing power and revenue, lifestyle and personality and self-concept of consumers. A consumer will not buy the same product he purchased at 20 years when he is 70 years. The buying behaviour of a consumer also depends on the purchasing power and income of the consumer. The lifestyle of an individual includes his activities, interests, values and opinions and all these also influence his buying behaviour. It is therefore necessary for a brand to identify, understand, measure and analyze what the criteria and personal factors that influence the shopping behaviour of consumers are in order to adapt.

Psychological Factors: These include motivation, perception, belief and attitude. Motivation is what will drive the consumers to develop a purchasing decision. It is the expression of a need which becomes pressing and leading the consumer to want to satisfy it. Perception is the process through which an individual selects, organizes and interprets the information he received in order to do something with it. The perception mechanism of an individual is organized around three processes which are selective attention, selective distortion and selective retention. A belief is a conviction that an individual has on something. This belief which he may develop through the experience he acquires, learns and external influences will affect his buying behaviour. An attitude is a feeling, an assessment of an object or idea and the predisposition to act in a certain way toward that object.

2.1.7. Effect of Branding on Consumer Behaviour

Consumer behaviour is considerably dependent on branding. The branding of a firm's products or services directly influences consumers' behaviour. More recently branding concepts have become more about how people perceive business. Branding can have either negative or positive effect on consumer behaviour and affects their decision making to a large extent. Proper branding elevates the product. It is a complex process because its success or failure is determined by your customer's reactions to the act of doing business with the firm. Inconsistent branding makes it harder for customer to verify the authenticity of the firm's communication and product, making them less likely to convert as a direct result. Strong consistent branding reinforces the product identity and drives positive sentiment and trust-critical components in the customer decision making process. Branding should be part of a firm's strategy aimed at creating, developing, sustaining competitive advantage that will attract the customer and sustain his patronage (Ajagbe, Long & Solomon, 2013).

2.2. Empirical Review

Different researches have been carried on the effective of branding on consumer behaviour**.** Many of them showed that branding has significant effect on consumer behaviour.

Kenyatta and Kavengi (2013) examined the relationship among bank brand image, customer satisfaction and loyalty and concluded that a positive bank brand image will improve customer loyalty directly and also improve customer satisfaction through the enhancing of perceived service quality. The study proposed that bank managers should strive to create and maintain the positive brand bank image in order to enhance customer satisfaction and loyalty.

Fejza, Livoreka and Bajrami (2017) analyzed consumer behavior in the banking sector in Kosovo. Pry data was used and questionnaire was administered on 500 respondents. Data collected was analyzed using Pearson Product Moment Correlation Coefficient and Multiple Regression. The result of the study showed that there is a significant positive correlation between rate of customer satisfaction with bank services and satisfaction of location and a weak positive correlation between customer satisfaction with services price and satisfaction with location. More results showed that customer satisfaction with bank services prices, location of the branch and bank services are significant with bank selections by customers. This study therefore recommended that banks need to refrain from complacency, maintain their loyalty and put in more efforts to retain their customers.

Najafi, Rahmani and Safari (2014) evaluated the effect of brand on customer loyalty in the banking industry. Pearson correlation and multiple regression were used for data analysis. Questionnaire was administered in 120 respondents used for the study. The results showed that there is a positive relationship between brand and customer satisfaction and loyalty. The study recommended that banks should increase the credibility of their brand through promises that can be implemented in the near future.

Chinedu, Ike-Elechi and Izogo (2019) examined the effect of customers' perception of bank marketing communication on customer loyalty. Primary data was used and 313 bank customers were slected as respondents for the study. Partial least squares structural equation modeling was used to examine the measurement and test the hypotheses. The result showed that elements of bank marketing communication including advertising, sales promotion, personal selling, and public relations are significant predictors of customer loyalty. This study therefore recommended that banks must invest more in advertising and personal selling activities.

Anthony, Hewer and Howcroft (2000) carried out a research on consumer behaviour in the financial services industry and their research findings demonstrated that consumers' purchasing behaviour is greatly influenced by the type of financial product being purchased and thus concluded that bank providers must, therefore, attempt to better understand their customers in an attempt not only to anticipate but also to influence and determine consumer buying behaviour.

Jill and Swait (2008) investigated the effect of brand credibility on customer loyalty in relational services sector (e.g. retail banking and telecommunication). Making use of a total of 460 respondents who has active bank accounts in a North American metropolitan area, their findings suggested that brand credibility primarily impact customer satisfaction and secondarily loyalty commitment. They also recommended that brand managers, particularly those in relational services should recognize the key role of the credibility of the brand in managing current customers.

3. Methodology

3.1. Study Area

The research focused on the Osogbo branch of Access Bank PLC in Osun State. Osogbo is the capital of Osun State. Access Bank is one of the largest four commercial banks in Nigeria with over 5.7 million customers, 309 branches and over 1,600 Automated Teller Machines (ATMs). The customers of Access Bank PLC cut across the major tribes of Yoruba, Igbo and Hausa in Nigeria.

3.2. Population

The population of this study will consist of customers of Access Bank PLC, Osogbo branch, Osun State. Access Bank PLC was purposely selected for this study as it is one of the largest banks in Nigeria in terms of assets and customers.

3.3. Sample Size and Sampling Technique

Convenience sampling technique was used to choose the respondents. One hundred and fifty (150) customers were conveniently sampled as respondents for this study. The respondents were giving the questionnaire to fill in the banking hall.

3.4. Sources of Data

Only primary data were used. The primary data were obtained through the administration questionnaire designed by the researcher and administered customers of Access Bank PLC.

3.5. Method of Data Analysis

In analyzing the data collected through questionnaire, both descriptive statistics, Pearson Product Moment Correlation and Linear Regression were used to examine the effects of the independent variables on the dependent variables as well as correlation between the variables.

3.6. Model Specification

Model for objective 1:

$Y = a + bX$

$CB = a + bBI$

Where CB is consumer behavior (dependent variable)

BI is Brand Image (independent variable)

Model for objective 2:

$Y = a + bX$

$CB = a + bBA$

Where CB is consumer behavior (dependent variable)

BA is Brand Awareness (independent variable)

4. Results and Discussions

This section contains the results of the analysis and discussion of data collected from primary source. One hundred and fifty (150) were completely filled and returned by customers of Access Bank PLC. The data collected and extracted were analyzed with both inferential and descriptive statistical tools and interpreted.

4.1. Access bank brand image has no significant effect on consumer's behaviour

To examine the effect of brand image on consumer behaviour in the study area, linear regression and f-ratio were employed. It was observed that the f-value was 159.127 while the critical p-value was 0.000 which was lower than the 0.05 level of statistical significance, thus brand image has significant effect on consumer behaviour. Furthermore the multiple correlation coefficients R was 0.720 while the coefficient of determinant R^2 was 0.518. This implies that the extent to which the brand image has combined effect on consumer behaviour was 72 percent while the extent to which the predictor variable explains the variation in the criterion variable was 51 percent. This showed that the result corroborated with similar studies on brand image and consumer behaviour by Jomo Kenyatta and Kavengi (2013). In similar manner, the coefficient of the predicting variables was presented in the table 4.3. The brand image determines your perception (0.599) is significant, and the beta value (0.720) is positive which indicate that how customers view a company is influenced by their perception of its brand image. Thus the equation 4.1 was valid.

$$Y = 1.812 + 0.599BI - - - -4.1$$

Table 4.1. Model Summary of effect of Access Bank brand image on consumer behaviour

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.720[a]	.518	.515	.686713

a. Predictors: (Constant), brandimagedeterminesyourperception

Table 4.2. Anova of effect of Access Bank brand image on consumer behavior

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	75.040	1	75.040	159.127	.000[a]
	Residual	69.793	148	.472		
	Total	144.833	149			

a. Predictors: (Constant), brandimagedeterminesyourperception

b. Dependent Variable: accessbankbrandingthereasonforbeingacustomer

Table 4.3 Coefficients of effect of Access Bank brand image on consumer behavior

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.812	.210		8.624	.000
	brandimagedeterminesyo urperception	.599	.047	.720	12.615	.000

a. Dependent Variable: accessbankbrandingthereasonforbeingacustomer

4.2. Access Bank Brand Awareness has no Significant Effect on Consumer's Behaviour

To examine the effect of brand awareness on consumer behaviour in the study area, linear regression and f-ratio were employed. It was observed that the f- value was 54.446 while the critical p-value was 0.000 which was lower than the 0.05 level of statistical significance, thus brand awareness has significant effect on consumer behaviour. Furthermore the multiple correlation coefficients R was 0.519 while the coefficient of determinant R^2 was 0.264. This implies that the extent to which the brand awareness has combined effect on consumer behaviour was 51 percent while the extent to which the predictor variable explains the variation in the criterion variable was 26 percent. This showed that the result corroborated with similar studies on brand awareness and consumer behaviour by Fejza, Livoreka and Bajrami (2017). In similar manner, the coefficient of the predicting variables was presented in the table 4.6. Satisfied with bank operations and policies (0.446) is significant, and the coefficient value (0.519) is positive which indicate that banking operations and policies affect their brand awareness among customers. Thus the equation 4.2 was valid.

$$Y = 2.876 + 0.446BA - - - - 4.2$$

Table 4.4. Model Summary of Effect of Access Bank Brand Awareness on Consumer Behavior

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.519[a]	.269	.264	.845823

a. Predictors: (Constant), satisfiedwithbankoperationsandpolicies

Table 4.5. Anova of effect of Access Bank Brand Awareness on Consumer Behavior

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.952	1	38.952	54.446	.000[a]
	Residual	105.882	148	.715		
	Total	144.833	149			

a. Predictors: (Constant), satisfiedwithbankoperationsandpolicies

b. Dependent Variable: accessbankbrandingthereasonforbeingacustomer

Table 4.6. Coefficient of Effect of Access Bank Brand Awareness on Consumer Behaviour

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.876	.213		13.476	.000
satisfiedwithbankoperationsandpolicies	.446	.060	.519	7.379	.000

a. Dependent Variable: accessbankbrandingthereasonforbeingacustomer

5. Summary

Primarily, this study focused on the effect of branding on consumer behaviour in the financial industry. It examined the effect of brand image and brand awareness on consumer's behaviour in the banking sector of the financial industry. From the respondents used which were customers of Access bank PLC, Osogbo, there were more male (52%) than female (48%). The respondents were grouped based on the number of years they have been customer of Access bank. From the finding of this study it was discovered that brand image and brand awareness have significant effect on consumer's behavior.

6. Conclusion

The study analyzed the effect of branding on consumer behavior in the banking sector. It is concluded that the survival of banks and to remain highly competitive depends on brand image and brand awareness. Being aware of a brand and its quality also affect consumer behaviour.

7. Recommendation

Based on the findings of the study, the following are hereby made to help enhance branding in the financial service industry.

1. The survival of the bank's brand depends on the marketing strategy of that bank. Therefore in order to maintain a strong brand and remain competitive, the bank management to engage a team of marketers who are strategic thinkers.

2. Bank should lay more emphasis on brand awareness and map out strategies that will make their bank stand out since consumers will only recognize and recall the brands that they are well aware of.

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