Chapter 1

Introduction

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1.1 Background of the Study

Financial institutions, especially banks, play an integral part of any economy by providing several financial services and products that enhance economic activity and growth. Similarly, banks support the economy, and the financial system enables households and businesses to make investments, save for the future, and facilitate the movement of money between savers and borrowers. This, in turn, promotes development and economic prosperity (International Monetary Fund, 2017). Additionally, banks are essential to fostering financial stability. They serve as middlemen, pooling and distributing risks while ensuring liquidity in the economy. This would enhances the stability of the economy and mitigates the chances of a financial crisis (Beck et al., 2014). Further, banks not only offer traditional banking services like deposits and loans but also contribute to financial innovation and inclusion by providing a variety of financial services such as digital banking, mobile payment methods, and microfinance. These services enhance accessibility to financial services and foster economic development (Clubb, 2020). However, the global financial crisis of 2008 brought to light the significance of banks in the global economy and the risks connected to their operations. As a result, numerous regulatory changes were made in response to the crisis with the objective of enhancing the banking sector's resilience and lowering systemic risks (Anginger et al., 2019). Similarly, banks are vulnerable to liquidity and solvency issues that may endanger financial stability and have a detrimental impact on the entire economy (Claessens et al., 2018). Additionally, the concentration of banking activities in a few well-known institutions would pose systemic risks and limit market competition (Beck et al., 2006).

1.1.2 Banking Stability and Economic Growth

The financial services industry drives the nation’s growth and serves as the backbone of the economy. According to Hassan et al. (2011), every economic activity includes finance, which makes the financial sector a crucial element in the economy's performance. Further, a strong financial market encourages the growth and prosperity of an economy. As a result, economic growth is essential to enhance society's living standards, thereby contributing to the overall development of the country (Ahmed & Ansari, 1998). Similarly, banks have a crucial role in the financial system, which is essential for the growth of the whole economy. However, instability in the banking industry is detrimental to the country's economy (Koundal, 2022). Dhal et al. (2011) observed that banking stability and economic growth are closely related since banks mobilise a significant portion of the resources needed to sustain the nation's economic activity. Therefore, banks are considered as the main pillars that support the financial market with different instruments like bonds, mutual funds, foreign exchange, etc. Hence, stability in the banking sector is critical for the economic development of the country (Gupta & Kashiramka, 2020). Additionally, banks would have to maintain liquidity to ensure the nation's banking stability, which paves the way for the development of the country's financial sector. Similar thoughts have been put forward by Alam et al. (2021) that the relevance of the banking industry is further accentuated by the fact that it helps to generate employment opportunities, creates investment avenues, and provides financial support to customers and society. Therefore, banks enable the overall development of the economy through the disbursal of required capital, which is essential for the development of the whole economy. Arestis et al. (2001) examined a set of developed countries and identified that instability in the banking sector had a negative impact on economic growth. It was also observed that an effective financial intermediation system and investment facilitation are essential for enabling investment, which in turn fosters economic growth. Similarly, Beck et al. (2014) explored the favourable effects of a strong and developed banking industry on economic growth. They focused on how the depth, effectiveness, and stability of the banking sector enable profitable investments, promote innovation, and improve the utilisation of resources in an economy.

Banking stability is a key indicator to gauge whether an economy is resilient enough to survive both external and internal shocks. Similarly, the banking sector's stability has a favourable impact on the economy, which further fosters the financial stability of the country. Further, the stability of the banking industry reflects the financial security of an economy (Mishra et al., 2013). Additionally, consistency in interest rates and the banking system enables effective resource allocation in an economy that stabilises financial markets and institutions. However, liquidity risk related to banks leads to imbalances and endangers the financial stability of the whole economy. As a result, maintaining banking stability is essential for ensuring financial and economic stability in any economy (Schinasi, 2004). This idea was further supported by the findings of Sahoo (2013) that the bank-based financial system encourages economic development, which is essential in distributing resources to expand the economic base. Similarly, the banking system facilitates the needs of investors for long-term funding and liquidity, which substantially contribute to a country's economic growth. It was also found that emerging economies developed into great economic powers with the involvement of their financial industries. Therefore, to support the growth and development of any economy and sustain competitive advantage globally, countries need to strengthen their financial systems (Gupta & Kashiramka, 2020). As it is impossible for any economy to expand without a stable and effective financial system.

1.1.2.1 Economic Prosperity and the Indian Banking Sector

Banks are a pivotal part of the financial sector in India and serve as a crucial catalyst for the prosperity of the nation. A strong and effective banking system contributes to the allocation of resources, financial intermediation, and the promotion of economic activity. They also mobilise savings, redirect them towards profitable ventures, offer loans to diverse industries, and facilitate transactions. Moreover, the Indian banking industry is governed and overseen by the Reserve Bank of India (RBI), which serves as the country's central bank. It implements rules and procedures to ensure financial stability, guarantee the safety of banks, and promote economic progress. The Indian banking industry includes the public sector, the private sector, foreign banks, regional rural banks, small finance banks, payment banks, and cooperative banks. The different type of banks plays a pivotal role in fostering economic growth in the country. Furthermore, banks also encourage financial inclusion by offering access to banking services to customers and companies in remote and less developed regions, thereby improving the country's financial infrastructure (Herwadkar, 2022). With the advent of regulatory modifications and advances in technology, the Indian banking sector has seen tremendous transformation in recent years. Therefore, customers now make instant payments using their mobile phones using the Unified Payments Interface (UPI) (Clubb, 2020). This upholds the Indian financial sector's rich heritage and notable accomplishments. It is evident that banks in India contribute to economic development through the expansion of diverse industries that rely on bank credit. Specifically, the growth of the SME sector could be attributed to the provision of bank credit, which helped in the creation of employment opportunities and fostering entrepreneurship (Kumar, 2017). Furthermore, the agriculture sector is also benefited from the financial assistance extended by the banks, which boosted rural economic growth and poverty reduction (Herwadkar, 2022).

The implementation of various policy initiatives and schemes, such as Priority Sector Lending and the Pradhan Mantri Jan Dhan Yojana (PMJDY), promoted financial inclusion by offering financial services to people who did not have a bank account. Similarly, over 450 million bank accounts have been opened as part of the GOI Pradhan Mantri Jan Dhan Yojana, with a deposit of more than US$ 22 billion. Further, in FY 2021-2022, and FY 2022-2023, the banks in India showcased strong and positive financials on the balance sheet. However, public sector banks lead in terms of deposits, loans, and advances, with around 62% of the total deposits and 58% of loans and advances in FY 2021-2022. Whereas new private banks continue to acquire market share with a credit increase of 13%. Further, the deposits of all scheduled banks increased significantly within a fortnight on December 30, 2022, rising by a remarkable Rs.3.82 lakh crore (US$ 46.5 billion), while their advances did not significantly increase, which stood at, Rs.1.53 lakh crore (US$ 18.53 billion). In short, bank assets rose in all sectors in 2020–2022. Concurrently, banks from both the public and private sectors contributed to the rise in total assets, which reached US$2.67 trillion in 2022 (India Brand Equity Foundation 2023).

Amidst the pandemic, the financial performance of the banks in India has been showing an upward trend as the banks were vigilant in monitoring the credit process and focused on diversifying the portfolio. This proves that banks are performing well with financial stability, indicating healthy growth. Further, the profitability of the bank in FY 2021–2022 was attributed to an increase in income and a decrease in expenditure. During the same period, the banks received higher interest from the loans and advances despite the lower rate of interest, and at the same time, their expenditures declined considerably (RBI, 2022). Thus, it led to the economic prosperity of the nation.

1.1.2.2 Banking Sector and Economic Progress in Kerala

Kerala is one of the most economically developed states in India and also has remarkable levels of social indicators and human development. Consequently, the state's economy has significant representation in the agricultural, manufacturing, and service sectors. Hence, the contribution of banks operating in Kerala had a significant impact on fostering the state's economic development. Further, the commercial banks that are very active in Kerala are mobilising deposits, extending credit, and distributing it to different economic sectors (State Level Bankers Committee, 2022). They also assist entrepreneurs, encourage innovation, and provide opportunities for employment. Additionally, banks in Kerala mainly support small and medium-sized businesses (SMEs), which in turn increases the state's total production and job prospects (Menon, 2014). According to the State Level Bankers Committee Kerala Report (2022), there were 7622 branches spread across Kerala to cater to the financial needs of the economy, including 12 public sector banks, 20 private sector banks, 7 foreign banks, 1 RRB, 2 small finance banks, District-Cooperative banks, KSCARDB, and KSCB. Another milestone in the banking sector in Kerala is that it is the first state to completely digitise its banking services in India (Indian Express, 2023).

Further, the growth of domestic deposits in banks in Kerala marked a growth rate of 13.70% as of March 2022. As of December 2022, the deposits in commercial banks in Kerala reached Rs.695984 crores as against Rs.644091 in December 2021. The contribution of public sector banks towards the total deposits stood at 50.82%, whereas private sector banks stood at 44.40%, Regional Rural banks had around 3% of the total deposits, and 1.78% was held by Small Finance Banks. Further, the NR deposits grew from Rs.199781 crores in December 2019 to Rs.248760 crores in December 2022. From the statistics, it is evident that the credit disbursement has seen a growth from Rs.355865 crores in December 2019 to Rs.468667 crores in December 2022. However, the total NPAs of commercial banks in Kerala stood at Rs.16227.50 crore as of December 2022. Among the different sectors, NPA is highest in the MSME sector, which is around 35.19% (SLBC, 2022). It is also being observed that banks in Kerala are going through a turbulent stage as the NPA is rising. It's worth mentioning that public sector banks in Kerala are boosting financial inclusion in the state. Further, there was an increase in the number of branch networks and ATMs all over the state during the quarter of December 2022. In terms of business, the commercial banks witnessed better growth compared to 2021, with a business of Rs.705495 crores. With respect to the projects proposed by the state government of Kerala, the banks are showing a positive response towards them.

However, Indian banks are striving to create a unique position in the industry through their marketing, branding, and customer relationship management initiatives (Whelan et al., 2010). Therefore, to establish their brand in the market, banks are concentrating on their competitive edge. Hence, most banks have acknowledged the importance of branding and marketing initiatives. Thus, Indian banks nowadays are concentrating more on boosting their brand building initiatives (Leijerholt et al., 2019). Waters and Jones (2011) observed that in the modern world, brands are important and they permeate every aspect of our lives, including the social, cultural, political, athletic, and even religious worlds. However, the biggest challenge faced by the organisations is managing their brand to generate revenue.

1.1.3 The Brand Concept

A brand is a commitment made by the marketer to its customers that it would provide them with numerous benefits, features, and services while associating with a particular brand. It's the sum of all the unique offers provided to the customers who purchase that brand (Kotler, 2003). Thus, brands have been used to establish products and services for decades as well as to build recognition, image, popularity, and other attributes of the business. It is undisputed that having a powerful brand is beneficial to businesses that fulfil their promises to acquire devoted customers (Clifton, 2004). Further, brands represent a certain standard of quality, and satisfied customers decide to purchase the product again. This increases a product's worth beyond its intended use (Erdem & Swait, 1998).

Creating strong brands and comprehending their impact on customer behaviour is the most complicated problem confronting business today (Chatzipanagiotou et al., 2019). In today’s competitive environment, the main objective of brands is to offer customers a way to distinguish between products and motivate them to purchase. Thus, these brands are created over a period of time that provides competitiveness for the organisations to connect emotionally with their customers for a lifetime. Similarly, an organisation with a strong brand differentiates itself in the industry (Saunders, 1993). In this scenario, the organisations make use of their brand to connect with their customers. As customers have a wide range of choices, which greatly increases their likelihood of switching organisations, it is being asserted that the commercial name of the organisation would have to be instilled into the minds of the potential customers to influence their decisions in the future (Baniyani et al., 2021). As a result, brand value enhances the reputation of the firm, which in turn brings more profit and aids in creating a bunch of loyal customers (Melovic et al., 2021). Further, firms' adaptability has proved the strategic relevance of strong branding in an unstable and competitive environment. According to Keller (2003), a company with a strong brand has an advantage in terms of efficacy, reliability, and competitiveness across all of its operations.

A brand becomes successful when customers choose a certain brand over its competitors or express their desire to make repeat purchases of a product or service of the same brand (Rambocas et al., 2014). It is widely acknowledged that brands are intangible assets that generate wealth for the company's shareholders and have economic value (Esch et al., 2012). Similarly, brands are considered as informative nodes that are linked to memory, which creates preference, robustness, and distinctiveness in the minds of potential customers (Keller 1993). Similarly, Sammut Bonnici (2014), highlighted that the brand consists of those attributes, whether tangible or intangible, that aid in developing an identity and spreading awareness among potential customers. However, globalisation has brought the economy closer to the point where organisations are required to make meaningful differences in their products and services to influence the decisions of customers as competition is intense (Rowley, 2004). Webster (2000) identified that the brand promises pertinent, unique advantages that assure customers of constant quality, features, and performance.

1.1.3.1 Branding

Practices adopted by the organisation to differentiate its products and services from competitors can be coined as branding. Branding gives the product or service a specific symbol, name, logo, design, etc. However, it's not just giving a name or logo to a product or service; it involves a lot of effort, resources, and talent to create an identity in the minds of the customers (Keller, 1998). Further, branding is concerned with the creation of a positive impact in the minds of the potential customers of the organisation (Vlahvei et al., 2013). Mahmoudian et al. (2021) observed that the organisations aim to influence the perceptions of the customers by creating a better and more unique brand. Similarly, the identity of all organisations was based on their brand, and the brand name would have to strengthen the relationships between the organisation and the customer (Shopiya, 2018). Moreover, branding strategy included a lot of innovation that spans the organisation’s products, services, marketing, etc. Further, Kapre (2021) identified that the strategy of branding included positioning the brand, developing brand equity, and creating a value chain.

Organisations use branding as a strong and productive strategy. However, the results of poorly managed brands can be detrimental. If the organisation wants to create a successful brand, it has to keep an eye on the dynamic business environment. Therefore, by utilising their brands properly, the brands could reap considerable profits (Rooney, 1995). Similarly, building a brand requires creativity, so organisations have to plan ahead of their customers to create distinctiveness in their brand (Murphy, 1988). Further, branding strategy influences the decisions of customers to choose a brand, as it is stressed that organisations that focus on providing reliable products and services would be able to create a better position in the market (Harris, 2002). Papasolomou and Vrontis (2006) observed that organisations devise branding strategies to build and sustain their brand image and retain customers. Through customised strategies, they can influence perceptions of the customers towards the brand.

1.1.3.2 Service Branding

Service organisations create strong brands by delivering their core services effectively and connecting emotionally with their customers. Similarly, they build strong brands through distinctive brand building practices. Berry (2000) identified that a strong brand enjoys high brand awareness among its target customers, which enables the organisation to gain market share. Since the service sector is characterised by intangibility, branding requires physical manifestation where people connect with the brand through visual cues, which further confirms that corporate identity is crucial. Further, a culture of customer delight has to be inculcated in banks and other financial sectors where the image of corporate identity is used for service branding (De Chernatony & Dall'Olmo, 1998). Moreover, a service brand image that encompasses a logo, words, slogan, values, colours, symbols, and names is positioned clearly in the minds of potential customers to synthesise potential differences among the brands. However, clarity in terms of values and promises is one of the key aspects that has been highlighted in service brands to influence customers' decisions, along with focusing on other attributes (Segal-Horn, 2003). Additionally, by creating a strong brand identity, service brands can create a position in the minds of potential customers.

Brand identity was created by examining the strategies and methods used by organisations to evaluate their brands with respect to their customers and competitors. This helped the organisation to assess where it stands among other brands in the service sector (Douglas et al., 2001). Further analysis of brand personality, culture, relationships, reflection, and brand image helps the organisation in the brand building process in the service sector (Van Raaij, 2001). However, in service branding, support from all the functional departments is needed, which points out that branding is the responsibility of all the teams within the organisation.

Similarly, commitment, creativity, enthusiasm, attitude, and brand behaviour are important parameters that have to be considered in service branding. However, any branding-related actions would not downplay the significance of the customer. Therefore, the strategies have to be aligned with functional activities to make the brand visible to customers (Gronroos, 1978). A similar view has been highlighted by Hole et al. (2018), who identified that all the functional departments' assistance is important for branding and that all teams within a business are equally responsible for branding. Further, to make the brand visible to customers, the strategies have to be in line with practical operations and also give prominence to customers while formulating any brand-related actions.

The branding of services emphasises the importance of both internal and external brand adoption and places more emphasis on managing the service's brand image and social dynamics. This leads to the conclusion that customer experiences with service delivery in the service industry have a significant impact on branding (Bassan & Kathuria, 2016). Additionally, by establishing an emotional bond with their customers, businesses influence their behaviour positively and strengthen their brand. Thus, customers believed that if the reputation of their business met their expectations, it would have a lasting effect on them (Fitria et al., 2016). However, branding focused on managing brand image and social dynamics. Since its goal was to build an emotional bond with customers, managers in the service industry had to develop a creative branding strategy and build the brand through effective practices (Grace & O'Cass, 2005). In this environment, the significance of various brand building practices cannot be overlooked.

1.1.3.3 Branding in the Banking Sector

The financial sector now faces intense domestic rivalry as a result of globalisation. Due to numerous options available for customers, banks have to differentiate their service offerings and also enhance their brand recognition. Thus, the biggest challenge for the banking industry is to make their services more tangible so that prospective customers can visualise them. It requires building a brand image that impacts the business's bottom line (Dubey, 2014). Since the banks' products and services have a close resemblance, the brand distinction is crucial for the banks.

Hence, banks have to develop both internal and external brands to create differentiation. Additionally, expanding the customer base and boosting employee loyalty are the two main goals of branding in the banking sector. Also, banks need to regularly evaluate their brands to assess perceived brand value because even a small destabilisation can damage a brand's image (Cvijanovic, 2018). Similarly, profitability and share value also increase with improved brand value. Akroush and Al-Dmour, (2006) highlight the value of brand distinctiveness and identity in the banking industry. It emphasises how a powerful brand assists banks in creating a distinct market position, attracting customers, and fostering brand loyalty. Ohnemus, (2009) observed that brand personality and image affect customer perceptions and preferences in the banking industry. It was also indicated that customers' attitudes, perceptions, and purchase intentions towards a bank are influenced by a positive brand image, reinforced by a distinctive brand personality.

Arora and Neha (2016) observed that branding helped to build an image in the minds of prospective customers and achieve the desired performance, which sheds light on the fact that branding and the performance of the banks were corelated. Additionally, brand building in banks was achieved through the development of corporate identity and communicating the same through advertisement, maintaining a long-lasting relationship with customers, delivering top-notch customer service, employees, quality products and services, socially responsible initiatives, public relations, etc. (Akroush & Al-Dmour, 2006; Howcraft & Lavis, 1986). In addition, the employees act as brand ambassadors to influence the perception of customers (Xiong et al., 2013). Moreover, corporate social responsibility is another important factor that leverages the brand reputation of the organisation in the financial sector. Therefore, banks' CSR initiatives aid in gaining loyalty, esteem, and trust, which enhances the banks' reputation (Fatma et al., 2015). Additionally, advertisements help to develop a positive brand image of the organisation in customers minds. Further, branding would also help to reinforce a positive image of organisations, both in terms of their interior ambiance and their functional attributes, in the minds of potential customers. These images were all created as an outcome of the company's brand building promotion. Thus, they succeeded in their aim of informing and inspiring customers about the brand through advertisements.

Additionally, the brand values being communicated through advertisements facilitate the businesses building of their brand personality (Meenaghan, 1995).

1.1.3.4 Branding among Global Banks

Global banks employ huge branding investments to develop a distinctive and recognisable identity that appeals to customers of different nations and cultures. The overall brand value of the global banking industry continues to thrive, with a 4% increase, and according to the Brand Finance Global 500 (2023) rating, the banking industry had the greatest number of brands, from 64 in the previous year to 72 in 2023. The banking industry underwent a digital transition to serve its customers better, including organisations and governments, after the COVID-19 pandemic. Further, bank brands had concentrated on branding that showcased creative uses of technology. By developing powerful applications, customers can access a wide variety of financial services. Moreover, several significant trends in the banking sector have been identified in the report, such as short-term rises in the financial sector due to rising interest rates, net sales, profitability, and brand equity, etc. In addition, Neo/digital banks had a tremendous influence on the industry and are now among the most valuable banking brands, as evidenced by Revolut, which entered the list for the first time with an increase in brand value of 57% to US$194 million. However, Chinese bank brands dominated in terms of brand value and brand strength. Additionally, ICBC is the most valuable banking brand, followed by China Construction Bank, Agricultural Bank of China, and Bank of China. Then there are American banks such as Bank of America, Wells Fargo, J.P. Morgan, Chase, and Citibank. However, the brand value of ICBC came down to 7% (US $69.5 billion) in 2022. In the past, Chinese banks have performed incredibly well. They have expanded their activities, increased their market share, and become well-known for their reliable services and sound financing. At the same time, only two Indian banks, State Bank of India and HDFC Bank, secured a place among the most valuable and strongest global brands. State Bank of India (SBI) is the market leader in the Indian banking sector, with a 29% increase in its brand value. SBI is the top bank brand in South Asia, valued at US$7.5 billion, ranking 6th among India's top 100 most valuable brands.

1.1.3.5 Branding in Indian Banks

When compared to 2021, the banking sector had a better year in 2022. After COVID-19, banks all over the world, especially Indian banks, made significant progress. Further, the development of mobile banking and Internet platforms also fuelled the growth of the industry. Due to worldwide restrictions followed by the pandemic, banking and fintech companies simplified the banking services through mobile banking that are application-driven and user-friendly, increasing customer retention and engagement. Similarly, banks had been consciously working to develop a loan book by putting a strong emphasis on retail banking. Moreover, banks had quickly recognised that they would have to engage with customers rather than through physical branches because of the epidemic. Correspondingly, the government had to take the required measures to stabilise the economy and boost performance.

State Bank of India (SBI), the sixth most valuable brand in India and one of the topmost valuable bank brands in the nation, witnessed a 29% increase in brand value, which was estimated to be worth US$7.5 billion. HDFC Bank, which held the top spot in 2021 with only a 5% growth in brand value, grabbed the second position, followed by ICIC Bank in third place. In addition to this, other noteworthy bank brands that have experienced impressive growth were Punjab National Bank (brand value up 77% to US $1.2 billion) and Canara Bank (brand value up 55% to US $1.3 billion). Additionally, Indian Bank, which has experienced the fastest growth among banking brands, climbed to the 12th most valuable brand position with a growth rate of 104% and a value of US $475 million (Brand Finance India, 2022).

1.1.4 Brand Building Practices

Brand building is the practice of promoting the brand to increase brand recognition, advertise goods, or purely interact with customers to build a relationship with them. In this competitive world, organisations have realised the value of brand building as it is closely related to profit-making, growth, and improved customer satisfaction, which results in brand loyalty (Kapferer, 2015). Further, brand building practices are being used by businesses to improve the reputation, perception, and market awareness of their brand. These techniques aim to build a powerful brand identity, encourage favourable brand relationships, and develop brand loyalty (Keller, 2003). Moreover, brand building techniques are intended to develop a powerful brand that resonates with customers, fosters customer loyalty and trust, and ultimately promotes organisational growth. Additionally, organisations spend a lot of time, money, and effort implementing these practices to have a strong and effective brand presence in the marketplace.

Akroush & Al-Dmour (2006) found that customers prioritise reputation as the most crucial factor when selecting a product. It was also revealed that brand building aids in communicating the brand to the customer through a wide range of promotional activities because no brand enters the world as an established entity. Therefore, the primary goal of brand building is to inform customers about the business, its values, and the services it offers. By doing this, the brand effectively communicates the message that they want to disseminate and position itself in customer’s mind. Thus, organisations have to take into account brand assessment, brand awareness, and a brand positioning statement as part of the brand building process to determine which tactics to use (Dagustani et al., 2014). Similarly, to create a competitive edge in the industry, it is significant for organisations to focus on branding, as it enhances their reputation and also helps in building trust among customers. It also allows organisations to highlight their attributes rather than the price of the product or service (Kumar & Prasad, 2012).

Brand building is the most effective and vital weapon that a company can use to popularise its products and services. Similarly, a strong brand serves as a foundation for creating trust to foster the relationship between customer and the organisation. In essence, a powerful brand name is a guarantee of future satisfaction (Girard et al., 2016). Therefore, brand building practices increase brand awareness and create an impression of the organisation. It also fosters brand identity, equity, relationships, loyalty, commitment, and trust among customers (Aaker 1995).

1.1.5 Brand Equity

A brand's strengths from the perspective of customers and the market were referred to as brand equity. Similarly, the value perceived by customers regarding a particular brand is referred to as brand equity (Jain, 2017). Further, loyal customers are ready to pay a premium price for their favourite brand when compared to unbranded products or services; thus, brand loyalty enhances brand value (Seliani & Pratomo, 2019). Similarly, consistent exposure to the brand has a positive impact on customers, increasing brand loyalty and resulting in the development of stronger brand value (Jain, 2017). Therefore, the significance of brand equity comes from the fact that it enables prospective customers to extract a lot of information on the brand along with the products and services of the company (Rambocas et al., 2018). Wang et al. (2012) observed that the marketing strategies used by the banks have an impact on brand equity in the financial industry. Most significantly, advertising is the primary factor that affects banks' brand equity. Furthermore, brand equity has a favourable impact on the organisations' brand value through increased brand involvement, which influences favourable behavioural intentions. Customers become more emotionally engaged in brands and create societal value as a result of increased brand involvement, thus creating brand equity (Oliveira et al., 2017). Brand success is measured primarily by brand equity. So, it is crucial to comprehend the factors that promote and inhibit the building of brand equity.

Due to the fierce rivalry in the banking industry, banks are focusing more on relationship marketing in order to improve their brand's reputation and customer trust. As relationship marketing reinforced attachments with customers and enhanced confidence, empathy, common values, etc., which strengthen banks' brand equity (Yoganathan et al., 2015). The banks, on the other hand, developed strategies to increase employee involvement in building the brand. Since employees in the banking sector are dealing closely with customers and reflect the bank's image and brand equity, emphasis would have to be placed on enhancing employee involvement (Loureiro & Sarmento, 2018). Thus, an improved banking experience astonishes customers and increases brand equity. According to Mahadin et al. (2022), advertising improved brand loyalty and perceived quality, which explains the positive association between advertising and brand equity. Similarly, social media communication has a favourable impact on brand equity, as found by Lim et al. (2020). Therefore, the reputation of a business is increased by active customer engagement on social media (Godey et al., 2016). Additionally, sales promotion, particularly offers and discounts, develops brand recognition and is favourably related to the organisation's brand equity (Joseph et al., 2020). Yang and Basile (2018) also offered a unique viewpoint, claiming that brand equity was positively impacted by efforts made in corporate social responsibility. Furthermore, in banks, customer satisfaction is crucial for ensuring long-term brand equity (Ha et al., 2010). Hence, customer satisfaction strengthens an organisation's revenue and ensures its long-term prosperity (Nam et al., 2011). It's important to realise that customers occasionally have bad service encounters. Therefore, in order to minimise the negative influence, banks develop marketing strategies that influence customer satisfaction (Hazee et al., 2017). Thus, management has to take action to restore customers and create value using efficient marketing strategies.

In the banking industry, strong brand equity translates into increased customer trust, loyalty, and preference, ultimately driving banks' performance and success. By effectively utilising brand building practices that resonate with the unique cultural context and preferences of Indian customers, banks can enhance their brand equity. A robust brand equity allows banks to differentiate themselves from competitors, command premium pricing, attract a larger customer base, and enjoy sustainable business growth. Moreover, brand equity positively influences customer perceptions of the bank's reliability, quality, and overall value proposition, leading to increased customer satisfaction and loyalty. Through strategic brand building initiatives, Indian banks can establish a strong brand image, cultivate positive brand associations, and foster emotional connections with customers, thereby driving their overall performance and success in the competitive Indian banking industry.

1.1.6 Customer Satisfaction

According to Heskett et al. (1994), a customer's degree of satisfaction is determined by how they feel about the brand, which is determined by the difference between their previous expectations and the actual experience of the customer with the product or service offered by the brand. Further, customer satisfaction reflects how well a brand's products, services, and experiences meet up to or beyond the expectations of its customers. Similarly, numerous variables, including product value, cost, level of customer support, accessibility, and brand reputation, affect customer satisfaction (Garbarino & Johnson, 1999). Hence, satisfaction surveys and other feedback methods were frequently used by businesses to determine customer satisfaction and make necessary improvements to product or service periodically. Subsequently, high customer loyalty, repeat purchase, and favourable word-of-mouth recommendations were frequently indicating high levels of customer satisfaction (Anderson et al., 1994). Furthermore, strong brands provide their customers with higher levels of satisfaction, and satisfied customers are more inclined to remain loyal to the brand (Khodadad Hosseini & Behboudi, 2017).

Customers were satisfied with a brand that consistently met their expectations with superior products or services and exceptional customer service. Customers, on the other hand, were not happy with a brand that gave them adverse experiences and were also unhappy with a weak brand, which reduced their satisfaction (Rather et al., 2019). Therefore, the service sector needs to establish an identity for itself in the industry that is closely related to customer satisfaction and purchase decisions through distinction in advertising and marketing strategy. Similarly, customers are more likely to be satisfied when a service sector places a high priority on adding value for them (O'Cass & Ngo, 2011). Additionally, a strong brand has a positive influence on the decisions of customers, and it has also been identified that loyalty is influenced indirectly through customer satisfaction. However, brand image is considered as a path to achieving customer loyalty. Further, brand image stimulates customer loyalty, thereby compelling the customer to reuse the brand (Onyancha, 2013). Therefore, organisations initiate efforts to create a brand image through different brand building practices.

Banks can improve customer satisfaction by successfully implementing brand building efforts that reflects the cultural context, tastes, and demands of Indian customers. Further, customers are more likely to have a favourable opinion of the bank, believe in its products, and continue with it over time if their banking experiences are favourable. Furthermore, customers who are happy with the bank are also more likely to tell others about it, which promotes positive referrals and gradual expansion. Moreover, Indian banks would develop strong brand-customer relationships, foster customer loyalty, and ultimately succeed in the competition by focusing on customer satisfaction as a result of brand building practices.

1.1.7 Behavioural Intentions

A person's subjective propensity and readiness to engage in a certain behaviour, such as selecting a brand to meet their requirements, is referred to as behavioural intentions (Ajzen, 1991). According to Ebrahim et al. (2016), a customer's behavioural intentions are dependent on the cognition they have about the brand's features. Similar to this, customer behavioural intentions refer to a customer's subjective inclination to engage in specific actions towards products or services that correspond with their beliefs, attitudes, and prior experiences. This involves their tendency to do certain activities such as repeat purchases, being willing to pay a premium price, and spreading positive word of mouth about the product or service (Huang & Kuo, 2021). By creating a strong brand identity, service brands are able to create a strong position in the minds of potential customers. Thus, organisations develop different strategies and methods to increase brand identity. This, in turn, creates favourable behaviour towards the brand (Chernatony et al., 2003).

The financial sector has witnessed a major transition in the last few years, which has brought about a major change in the behaviour of customers. Specifically, in the banking sector, there has been a shift from visiting the branches to e-banking and mobile banking to conduct transactions. In an online environment where there is a lack of human touch, trust and satisfaction are the basic attributes that shape the behaviour of the customer. If the customers got the expected service, then they would be satisfied and develop an affinity for the brand. It also evokes brand trust among the customers, which in turn leads to customer satisfaction and favourable behavioural intentions (Geebren et al., 2021). Similarly, a satisfied customer stays with the organisation for a long period of time. For that, organisations need to be involved in activities that boost their credibility. Further, enhancing brand credibility helps to improve customer satisfaction and build long-lasting relationships with customers. It further enhances loyalty among the customers, where it triggers the customers to engage in positive word of mouth (WOM), recommending the brand to friends and family (Sweeney & Swait, 2008). Therefore, the brands that are successful in proving quality experiences to customers tend to leave an impression in their minds and tend to create a favourable attitude while making a purchase decision in the future. However, it is also pointed out that customer behaviour is based on a multitude of factors. Since effective branding has a positive impact on the buying decisions of customers (Chovanova et al., 2015).

Customers are more likely to engage in behaviours that promote the success of the bank if they have a strong positive intention towards the bank, driven by successful brand building practices that communicate with their requirements, preferences, and cultural context. This involve opening accounts, making deposits, getting financial advice, and referring people to the bank. Thereby, Indian banks can increase market share, encourage retention of customers, and eventually contribute to their overall performance in the highly competitive Indian banking sector by concentrating on influencing customer behaviour through customised brand building practices (Cronin et al., 2000).

1.2 Significance of the Study

Upheaval and increased competition in the global market force commercial banks to be different. Due to the rapid advancements in technology and evolving customer requirements, the banks were compelled to embrace branding tactics, employ novel technologies to develop robust online banking platforms, and adopt a customer-centric strategy to thrive in the competition (Gupta & Kashiramka, 2020). The commercial banks also faced a formidable task in persuading and retaining customers by offering them a wide variety of services and employing numerous business strategies to meet their customers' demands. This emphasised the relevance of building a strong brand, but attaining this objective was not an easy task since the products and services in the banking sector were similar and their means of distribution were alike. Therefore, banks need to pay special attention to maintaining strong brand relationships with their customers (Akroush & Al-Dmour, 2006). By nurturing and maintaining brand relationships, banks try to develop confidence, commitment, and attachment with customers. Further, banks also attempt to foster a sense of familiarity and dependability to reduce customer attrition rates and thereby to enhance customer retention. Moreover, effective relationships with brands are needed to develop customer loyalty, spread favourable word-of-mouth recommendations, enhance the bank's reputation, and attract new customers

(Baniyani et al., 2021). By strengthening these relationships with customers, banks strive to enhance customer satisfaction by providing them with customised experiences and services. Hence, banks used a range of brand building practices to fulfil the above goals (Whelan et al., 2010). The present study, which investigates the effectiveness of various brand building practices adopted by commercial banks in Kerala, holds immense significance for various stakeholders.

The study would help the banks to identify the most acceptable brand building practices that influence brand equity and customer behaviour. Considering this information, banks can strengthen their branding strategies by allocating resources more effectively and focusing on the most effective way to communicate and interact with their intended audience. Moreover, the study can also assist banks in differentiating themselves from competitors by highlighting the key drivers of competitive advantage. Thus, the banking sector would be facilitated in formulating strategies and tactics for brand building and delivering the brand promise. This ultimately would lead to brand equity, customer satisfaction, and increased profitability for the bank. Further, the study's contribution to the body of knowledge on brand building practices, particularly in the banking industry, would be extremely advantageous to academics and researchers.

It is evident from the fact that banks invest a lot of money in establishing their brand to secure customers' confidence and to foster their long-term commitment to the bank. Moreover, the significant efforts made by banks in building their brands serve as evidence of their expertise that a strong and distinctive brand identity is essential for appealing to customers and maintaining a competitive advantage in the financial sector. If brand building is ineffective and has no capacity to foster customer loyalty, banks need not invest much effort, money, and time in these initiatives. Thus, banks can mitigate the loss and save money on these initiatives. At the same time, when brand building helps in attracting and retaining customers, banks can strategically concentrate on building up a strong service brand to compete in the market. Further, a strong and well-designed brand identity is essential for distinguishing banks in an increasingly competitive environment. By investing in the development of brands, banks can build distinctive and recognisable brands that establish a relationship with their intended customer base and foster familiarity and trust. Additionally, this would lead to higher customer satisfaction and strong repurchase intentions by making their service brands more appealing, memorable, and superior in providing emotional bonding and reliability. As a result, the country would have highly productive banks, thereby ensuring economic prosperity. However, it is very difficult to relate branding efforts to increasing customer loyalty, which forges an emotional bond with customers. So, it is essential to comprehend the significance and effectiveness of these brand building practices. The present study encompasses various aspects of brand building by assessing customer perception and behavioural outcomes.

The shortcomings of existing theories and models for establishing brands, which have primarily been developed in the context of advanced economies, indicate the need for a model tailored to the distinctive cultural environment, tastes, and preferences of a country like India. Therefore, it is essential to understand and take into account the unique characteristics of the Indian market in order to ensure economic stability and prosperity through Indian banks. The present study, which attempted to create a model especially tailored to Indian circumstances, would offer insightful information about the elements and tactics that appeal to Indian customers and support brand success in the Indian banking industry. The study can pinpoint the essential components and strategies for creating strong and long-lasting brand relationships with Indian customers by taking into account cultural diversity, customer behaviour, and regional market dynamics. As a result, Indian banks would be able to develop and carry out brand building strategies that are consistent with the distinct values, goals, and expectations of the Indian population. Further, banks can build stronger relationships with customers, strengthen their brand reputation, and encourage customer loyalty by adapting their branding methods to the Indian environment. This would eventually help the banking industry in India contribute to economic stability and progress.

1.3 Chapter Scheme

The thesis report is presented in eleven chapters. The first chapter provides an extensive background on the research topic. It explores the relevance of financial stability and how it affects economic growth, underlining the pivotal function that the banking industry serves in promoting economic prosperity. The chapter also examines the particular background of the Indian banking industry and how it has aided in the nation's economic development. The concepts of brand, service branding, brand equity, and the significance of branding in the banking industry are also examined, along with insights into global and Indian branding practices. The chapter also emphasises the significance of the study to fully comprehend the dynamics of brand in the banking sector.

The second chapter includes an extensive literature review that focuses on empirical studies of branding and different constructs. Further, it gives a detailed comprehension of the key concepts such as brand equity, brand building practices, customer satisfaction, and behavioural intentions. The study was also intended to bridge the gaps and enhance understanding of the relationships among constructs in the context of the banking industry. This aids in developing specific objectives and hypotheses for the present study.

The third chapter provides a conceptual foundation and structure for exploring the research issue and understanding relevant concepts and constructs. The review helped to form a better idea of the theoretical background of the Bank, different type of banks, branding, brand equity, different brand building practices, customer satisfaction, and behavioural intentions. The frameworks provide direction for developing hypotheses, choosing a methodology for carrying out data analysis.

The fourth chapter outlines the research problem, research objectives, research questions, major hypotheses, conceptual framework, scope of the study, and sampling technique, which assisted in guiding the choice of suitable data collection. Further, it depicts the variables used in the study and their reliability, validity and normality. Moreover, the chapter provides an overview of the investigation's overall quality and robustness by providing a solid framework for the empirical analysis and finally presented the limitations of the study.

The fifth chapter focuses on the investigation of the perceptions of commercial bank customers in Kerala regarding the brand building practices of the banks. Advertising, customer relationship management (CRM), social media, corporate social responsibility (CSR), internal branding, promotional offer, and discount schemes are the six factors that are considered as the major brand building practices employed by the commercial banks in Kerala. The socio-demographic characteristics and organisational properties of bank associated with bank customers are taken into consideration for the purpose of conducting a cross-comparison analysis.

The sixth chapter pertains to the second objective of the research, which aims to investigate the customer-based brand equity, customer satisfaction, and behavioural intentions of commercial banks operating in Kerala. Brand awareness, brand loyalty, brand association, and perceived quality are the constructs used to measure customer-based brand equity. The socio-demographic characteristics and organisational properties of bank associated with bank customers are taken into consideration for the purpose of conducting a cross-comparison analysis.

The chapter seven addresses the third objective of the study, which investigates the interrelationship among the brand building practices, customer-based brand equity, customer satisfaction, and behavioural intentions of the commercial banks in Kerala. Using Co-variance based confirmatory factor analysis (CB-CFA) and structural equation modeling (SEM) techniques, this objective has been accomplished.

The eighth chapter provides an analysis of the fourth objective of the research study, which investigates whether the customer satisfaction plays as a mediator in relation to customer-based brand equity and behavioural intentions. The IBM SPSS AMOS Graphics 21 software package was used for the development of the mediation model, and the bootstrapping method was used for the purpose of evaluating the significance of the mediation in the model.

The ninth chapter examines the fifth research objective, which describes the exploration of the moderated parallel multiple mediation model, highlighting the parallel multiple mediating role of customer-based brand equity factors in relation to brand building practices and behavioural intentions. Additionally, the chapter investigates the moderating effect of the type of banks in relation to the brand building practices of commercial banks in Kerala and the behavioural intentions of their customers using moderated mediation analysis.

The tenth chapter discusses the main findings that emerged from the study. Findings regarding the effectiveness of various brand building practices used by commercial banks in Kerala, the level of customer-based brand equity, customer satisfaction, and behavioural intentions of the customers, the moderating effect of the type of banks as well as the mediating influence of customer-based brand equity and customer satisfaction along with a conclusion.

The eleventh chapter discusses the recommendations for bank management and customers. Additionally, the chapter elucidates the implications of the findings for management, which would help them to concentrate on those parameters that would enhance brand preference. Finally, the chapter also outlines the scope for future research by recognising the study's constraints and outcomes.

The present chapter provides an overview of the importance of the banking sector for the development of an economy. Effective branding is essential for banks to identify themselves and carve out a unique identity in a highly competitive environment where many banks provide the same services. Hence, banks need to attract and keep customers, foster their confidence and devotion, and eventually acquire a competitive edge in the market by creating a powerful and appealing brand image. By creating powerful brands banks effectively communicate their special value proposition. Further, they adopted different branding strategies to influence customer satisfaction and behavioural intentions. Additionally, the banks would have to enhance their brand equity to influence the decisions of their customers favourably. As such, this chapter sheds light on the global and Indian banking sectors and the importance of incorporating branding strategies for ensuring sustainability in the long run.