Chapter **9**

Brand Building Practices and Behavioural Intentions: Mediating Role of Customer-based Brand Equity Factors and Moderating Effect of Type of Banks – A Moderated Parallel Mediation Approach

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9.1 Introduction

The present chapter provides an overview of the fifth research objective that describes the exploration of the moderated parallel multiple mediation model and highlights the parallel multiple mediating role of customer-based brand equity factors in relation to brand building practices and behavioural intentions. Additionally, the chapter also 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.

9.2 Research Objective

Objective V: To examine the mediating role of customer-based brand equity factors and the moderating effect of the type of banks in relation to the brand building practices of the commercial banks in Kerala and the behavioural intentions of customers.

9.3 Moderated Mediation Analysis: An Overview

Moderated mediation analysis determines whether a moderating variable has an indirect impact on the dependent variable. Mediation and moderation analysis generates useful data on interventions and testing principles by consistently incorporating mediating and moderating variables. A mediation model in statistics uses a mediator variable, a third hypothetical variable, to explain the mechanism or process behind an observed relationship between an independent variable and a dependent variable. The mediation model suggests that the independent variable

affects the mediator variable, which then affects the dependent variable. The mediator variable also clarifies the independent-dependent relationship. Mediation analysis examines how a mediator variable affects a known relationship.

In this investigation, the researcher conducted a moderated multiple parallel mediation analysis using Multi-Group Analysis (MGA). To examine the model's moderated mediation effect, the bootstrapping method, the chi-square difference test, and heterogeneity tests were used. The analysis of moderated mediation is conducted using the software programmes IBM SPSS AMOS Graphic 21 and Microsoft Excel. The chi-square difference test is used to examine the significance of moderating effects at the model level. The heterogeneity test is used to examine the significance of the model's moderated mediation effect at the path level. The indirect effect values are estimated using the bootstrapping process with 5,000 replicates of the sample.

Table 9.1
Hypotheses for Model Building

SI. NO.	Hypotheses
MMH.1	Brand building practices have a positive effect on behavioural intentions
MMH.2	Brand building practices have a positive effect on brand equity awareness
MMH.3	Brand building practices have a positive effect on brand loyalty
MMH.4	Brand building practices have a positive effect on brand association
MMH.5	Brand building practices has a positive effect on perceived quality
MMH.6	Brand equity awareness has a positive effect on behavioural intentions
MMH.7	Brand loyalty has a positive effect on behavioural intentions
MMH.8	Brand association has a positive effect on behavioural intentions
MMH.9	Perceived quality has a positive effect on behavioural intentions
MMH.10	Brand equity awareness has a mediating role in the relationship between brand building practices and behavioural intentions, and the type of banks moderates this relationship
MMH.11	Brand loyalty has a mediating role in the relationship between brand building practices and behavioural intentions, and the type of banks moderates this relationship
MMH.12	Brand association has a mediating role in the relationship between brand building practices and behavioural intentions, and the type of banks moderates this relationship
MMH.13	Perceived quality has a mediating role in the relationship between brand building practices and behavioural intentions, and the type of banks moderates this relationship

Figure 9.1

Testing of a Moderated Mediation Model for Commercial Banks in Kerala with Private Sector Banks as Moderator and Factors of Customer-Based Brand Equity as Parallel Mediators in Relation to Brand Building Practices and Behavioural Intentions
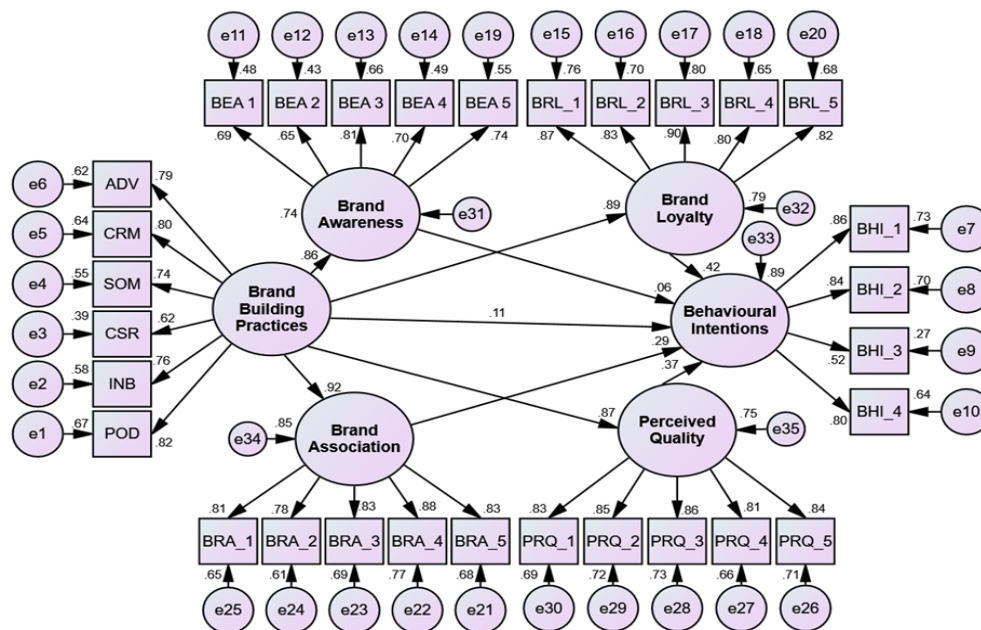
Source: Primary Survey

Table 9.2

Relationship between Brand Building Practices and Behavioural Intentions with Customer-Based Brand Equity Factors as the Mediating Variables for the Private Sector Commercial Banks in Kerala

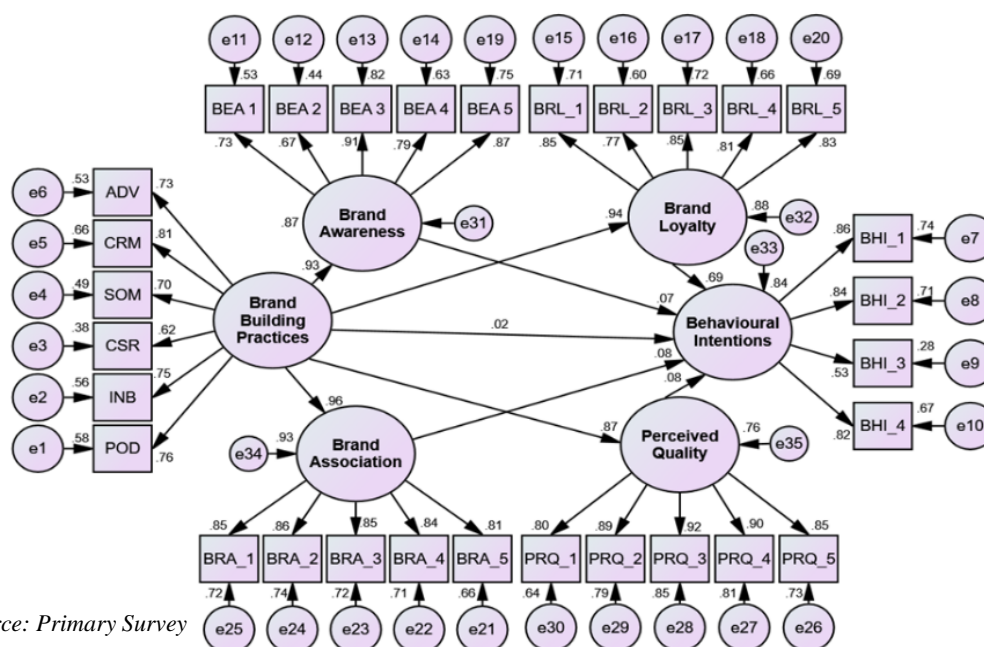| Variables	Path	Variables	Beta Estimate	P value	Result
Behavioural Intentions	⟵	Brand Building Practices	0.11	0.024*	*Supported*
Brand Awareness	⟵	Brand Building Practices	0.86	<0.001**	*Supported*
Brand Loyalty	⟵	Brand Building Practices	0.89	<0.001**	*Supported*
Brand Association	⟵	Brand Building Practices	0.92	<0.001**	*Supported*
Perceived Quality	⟵	Brand Building Practices	0.87	<0.001**	*Supported*
Behavioural Intentions	⟵	Brand Equity Awareness	0.06	0.254[NS]	*Not Supported*
Behavioural Intentions	⟵	Brand Loyalty	0.42	<0.001**	*Supported*
Behavioural Intentions	⟵	Brand Association	0.29	<0.001**	*Supported*
Behavioural Intentions	⟵	Perceived Quality	0.37	<0.001**	*Supported*

Source: Primary Survey
*** indicates significant at 1% level; * denotes 5% significance level; NS denotes Not Significant*

The above table exhibits the there exists a direct relationship between brand building practices and behavioural intentions (beta value is 0.11, p= 0.024), there exists a direct relationship between brand building practices and brand awareness (beta value is 0.86, p=0.001), brand building practices and brand loyalty (beta value is 0.89, p=0.001); brand building practices and brand association (beta value is 0.92, p=0.001); brand building practices and perceived quality (beta value is 0.87, p=0.001); brand awareness and behavioural intentions (beta value is 0.06, p=0.254); brand loyalty and behavioural intentions (beta value is 0.42, p=0.001); brand association and behavioural intentions (beta value is 0.29, p=0.001) and perceived quality and behavioural intentions (beta value is 0.37, p=0.001).

It is observed that all the direct effects between brand building practices and factors of customer-based brand equity are statistically significant. However, with regards to the factors of customer-based brand equity and behavioural intentions, there is no significant direct effect between brand awareness and behavioural intentions; all other factors have a direct effect on behavioural intentions. The path values of the standardised regression coefficient highlight how much the dependent construct varies when the independent variable changes by one standard deviation unit.

Figure 9.2
Testing of Moderated Mediation Model for Commercial Banks in Kerala with Public Sector Banks as Moderator and Factors of Customer-based Brand Equity as Parallel Mediators in Relation to Brand Building Practices and Behavioural Intentions

Source: Primary Survey

Table 9.3
Relationship between Brand Building Practices and Behavioural Intentions with Customer-based Brand Equity as the Mediating Variables for the Public Sector Commercial Banks in Kerala

Variables	Path	Variables	Beta Estimate	P value	Result
Behavioural Intentions	←	Brand Building Practices	0.02	0.498^{NS}	*Not Supported*
Brand Awareness	←	Brand Building Practices	0.93	<0.001**	*Supported*
Brand Loyalty	←	Brand Building Practices	0.94	<0.001**	*Supported*
Brand Association	←	Brand Building Practices	0.96	<0.001**	*Supported*
Perceived Quality	←	Brand Building Practices	0.87	<0.001**	*Supported*
Behavioural Intentions	←	Brand Awareness	0.07	0.254^{NS}	*Not Supported*
Behavioural Intentions	←	Brand Loyalty	0.69	<0.001**	*Supported*
Behavioural Intentions	←	Brand Association	0.08	0.098 ^{NS}	*Not Supported*
Behavioural Intentions	←	Perceived Quality	0.08	0.095 ^{NS}	*Not Supported*

Source: Primary Survey
*** indicates significant at 1% level; NS denotes Not Significant*

The above table highlights that there is no direct relationship between brand building practices and behavioural intentions (beta value is 0.02, p= 0.498), there is a direct relationship between brand building practices and brand equity awareness (beta value is 0.93, p=0.001), brand building practices and brand loyalty (beta value is 0.94, p=0.001); brand building practices and brand association (beta value is 0.96, p=0.001); brand building practices and brand perceived quality (beta value is 0.87, p=0.001); there is no significant relationship between brand equity awareness and behavioural intentions (beta value is 0.07, p=0.254); brand association and behavioural intentions (beta value is 0.08, p=0.098) and perceived quality and behavioural intentions (beta value is 0.08, p=0.095). There is a positive relationship between brand loyalty and behavioural intentions (beta value is 0.69, p=0.001).

It is observed that all the direct effects between the brand building practices and factors of customer-based brand equity are statistically significant, whereas the direct effects between customer-based brand equity and behavioural intentions of all paths are not statistically significant except for the path of brand loyalty and behavioural intentions. The statement suggests that the brand building practices

employed by commercial banks in Kerala have the potential to augment the banks' brand equity through brand awareness, brand loyalty, brand association, and perceived quality. Customers are inclined to form favourable relationships and perceive as they acquire more familiar with the bank's brand, which increases brand loyalty and forges stronger brand associations. However, with regard to the public sector model, brand loyalty is the only customer-based brand equity factor that enhances customers' behavioural intentions. Hence, the identified significant direct effect of brand loyalty between customer-based brand equity and behavioural intentions (the indirect pathways) has to be examined to confirm the moderated mediation effects of the type of banks in relation to brand building practices and behavioural intentions. The study evaluates the relationship between customer-based brand equity and behavioural intentions varies depending on the kind of ownership of the bank by investigating the moderating influence of the type of bank. The results of this investigation assist to shed further light on how various banks' customer service initiatives and brand-building practices affect their customer's behavioural intentions.

Table 9.4
Fit Indices for Testing the Moderated Mediating Effect Model

Attributes	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study Model	4.128	0.000	0.968	0.947	0.986	0.051
Recommended Value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature support	Hair et al., (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Source: Primary Survey

The ratio of degrees of freedom to Chi-Square is 4.128, which falls comfortably within the predetermined maximum value. The root mean square error of approximation (RMSEA) obtained a score of 0.051, indicating a significant deviation from the minimum threshold value of 0.08 in this particular instance. Furthermore, it is noteworthy that the GFI, AGFI, and CFI values surpass the

threshold level of 0.9, with 1.0 indicating a perfect fit. Therefore, it can be asserted that the moderated mediation model is a suitable fit for the studied population.

Table 9.5
Mediation Testing in the Model using the Bootstrap Method

Type of Banks	Independent Construct	Mediation Construct	Dependent Construct	Direct Effect	Indirect Effect (Mediation Effect)	Mediation Result
Private Sector Banks' Model	Brand Building Practices	Brand equity awareness	Behavioural intentions	0.11*	0.05^{NS}	*No mediation*
	Brand Building Practices	Brand loyalty	Behavioural intentions		0.37**	*Partial mediation*
	Brand Building Practices	Brand association	Behavioural intentions		0.27**	*Partial mediation*
	Brand building practices	Perceived quality	Behavioural intentions		0.32**	*Partial mediation*
Public Sector Banks' Model	Brand building practices	Brand equity awareness	Behavioural intentions	0.02^{NS}	0.07^{NS}	*No mediation*
	Brand building practices	Brand loyalty	Behavioural intentions		0.65**	*Full mediation*
	Brand building practices	Brand association	Behavioural intentions		0.08^{NS}	*No mediation*
	Brand building practices	Perceived quality	Behavioural intentions		0.07^{NS}	*No mediation*

Source: Primary Survey
** represents a threshold of significance of 1%; indirect effect values are estimated using the bootstrapping process with 5,000 replicates of the sample.

The above table depicts both the direct and indirect effects of the model. According to the private sector model, there is a direct relationship between brand building practices and behavioural intentions, as well as mediation effects on the same paths via all constructs of customer-based brand equity such as brand loyalty, brand association, and perceived quality, except brand awareness. The result suggests that brand awareness does not result in customers behavioural intentions. The brand building practices adopted by private sector commercial banks in Kerala have the capacity to enhance customer-based brand equity. Additionally, the direct effect of the brand building practices of the commercial banks in Kerala on customer-based brand equity also has a beneficial influence on the customer's

behavioural intentions. The indirect effect discovered in the model is labelled "partial" because the direct effect found in the model is statistically significant.

Further, it implies that brand building practices employed by the commercial banks in Kerala and customer-based brand equity factors such as brand loyalty, brand association, and perceived quality equally improve the behavioural intentions of commercial bank customers in Kerala. If commercial banks in Kerala improve customer-based brand equity variables such as brand loyalty, brand association, and perceived quality through their efforts to build their brands, then this would result in augmenting the behavioural intentions of customers to a great extent, such as revisiting the banks and recommending them to their social networks. In other words, customer-based brand equity factors enhance the behavioural intentions of the bank customers in the form of intention to recommend and to create intention to revisit the bank for future banking needs, besides the brand building practices of the banks.

Based on the public sector model, it can be inferred that there exists no statistically significant relationship between brand building practices and behavioural intentions. Furthermore, there are no mediating effects on the above-mentioned paths through constructs of customer-based brand equity, which include brand awareness, brand association, and perceived quality, except for brand loyalty. The findings indicate that brand loyalty serves as the sole mediator in the association between brand building practices and customers' behavioural intentions. In the context of a public sector bank, brand loyalty plays a crucial role in generating positive word-of-mouth, encouraging recommendations and encouraging repeat business. In other words, if customers exhibit a strong commitment to the bank, they are more inclined to endorse it on their social networks and engage with it for their future banking needs.

In short, with regards to the public sector banks, there is no direct relationship between brand building practices and behavioural intentions. Additionally, there is absence of mediating effect of brand awareness, brand association, and perceived quality in building relationship. The findings indicate that brand loyalty is the sole contributing factor to the behavioural intentions of customers within the larger framework of brand equity. This indicates that customers of public sector banks

would exhibit stronger behavioural intentions if they had high brand loyalty which emphasised that if public sector banks foster strong relationships with their customers, it can bolster customer brand loyalty and ultimately influence their behavioural intentions.

The current investigation uses bootstrapping techniques to analyse the mediating effects of the aforementioned pathways. The analysis employs a total of 5000 bootstrap samples and utilises the IBM-SPSS-AMOS Graphics 21 software package to facilitate the process.

9.4 The Chi-square Difference Test to Assess the Significance of Moderating Effects at the Model Level.

The chi-square difference test was used as a statistical technique to determine the significance of moderating effects at the model level and examine whether the groups are different at the model level or not. The subsequent information has been presented for indicative purposes.

Table 9.6
Chi-square Difference Test

Models	Chi-square	df	P-value	Invariant
Unconstrained Model	2912.447	792		
Fully Constrained Model	2798.45	790	<0.001**	NO
Number Of Groups		2		
Difference	113.997	2		

Source: Primary Survey
*** significant at 1% level.*

The statistical analysis using the Chi-square difference test reveals a significant dissimilarity between the models that are unconstrained and fully constrained, as evidenced by the P value of 0.01. The proposition posits that there exists heterogeneity among groups at the level of the model. It denotes that the groups are different at the model level. It is further necessary to check path differences to examine the moderated mediation effect in the model. For each category (public and private sector banks), the strength and significance of the

relationships between customer-based brand equity and behavioural intentions are compared. By doing this, it would be possible to ascertain if the type of banks affects the relationship between behavioural intentions and brand building practices.

9.5 Heterogeneity Tests for Path Value Moderated Mediation Significance

In addition to the chi-square difference test, heterogeneity tests are also performed on the model to assess the significant difference among the path values (indirect effect paths) of the moderated mediation model for commercial banks in Kerala for the two type of banks, such as private and public sector banks. This statistical evaluation is essential in assessing the significance of moderated mediating effects. The result indicates whether there exist any significant differences in the indirect influence of path values between two distinct groups. The findings of the heterogeneity test are given below.

Table 9.7
Heterogeneity Test

Mediation constructs	Effects on Path	Group I Private sector banks	Group II Public sector banks	Z value	2-tailed p	1-tailed p	Decision
Brand loyalty	Indirect effect (Unstandardized)	0.37**	0.65**	5.012	<0.001**	<0.001**	*Moderated mediation effect*
	Standard Error	0.040	0.039				

Source: Primary Survey
*** denotes significant at 1% level*

According to the findings of the statistical analysis, it is possible to draw the inference that a moderated mediation effect exists between brand building practices and behavioural intentions. With regards to the hypothesis that brand loyalty plays a mediating role in the relationship between brand building practices and behavioural intentions and that the type of banks moderates this relationship. This conclusion is supported by the fact that the P values for both one-tailed and two-tailed significance are less than the threshold limit of 0.01. In this model, the remaining mediation hypotheses paths are not assessed for the moderated mediation effect as they do not contain any mediation effect within the model.

9.6 Discussion of the Moderated Mediation Effects in the Model

The parallel multiple mediating role of customer-based brand equity factors in relation to brand building practices and behavioural intentions were examined in this chapter. Additionally, the study also explores 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. For the same purpose, two models were developed, one for private sector banks and one for public sector banks. The result of the private sector model reveals that all the direct effects between brand building practices and factors of customer-based brand equity are statistically significant. The statement suggests that the brand building practices employed by private sector commercial banks in Kerala have the potential to augment the banks' brand equity through brand awareness, brand loyalty, brand association, and perceived quality. However, with regards to the factors of customer-based brand equity and behavioural intentions, there is no significant direct effect between brand awareness and behavioural intentions; all other factors have a direct effect on behavioural intentions. According to the findings of the public sector model, all the direct effects between brand building practices and factors of customer-based brand equity are statistically significant, whereas the direct effects between customer-based brand equity and behavioural intentions of all paths are not statistically significant except for the path of brand loyalty and behavioural intentions. The findings make it clear that the brand building practices employed by Kerala's commercial banks would improve the banks' brand equity through brand awareness, brand loyalty, brand associations, and perceived quality, like those of private sector banks. However, with regard to the public sector model, brand loyalty is the only customer-based brand equity factor that enhances customers' behavioural intentions. Hence, it was found that there is only one common brand equity factor: brand loyalty, which has an indirect effect on the relationship between customer-based brand equity and behavioural intentions. Therefore, the study has examined the indirect effect of brand loyalty to confirm the moderated mediation effects of the type of banks in relation to brand building practices and behavioural intentions.

The moderated mediating effect analysis results indicate that brand loyalty works as a mediator in relation to brand building practices and behavioural intentions

(Bendixen, 1993; Ghorban, 2012). Additionally, the findings suggest that the types of bank involved in the study serve as moderator of this relationship. The study indicates that the brand building practices implemented by commercial banks in Kerala have the potential to increase behavioural intentions in the case of private sector banks. It is also revealed that brand building practices also enhance brand equity (Buil et al., 2013; Hsu, 2012; Richards & Jones, 2008) in both categories of banks. More specifically, brand building practices adopted by the commercial banks in Kerala enhance brand awareness. A high level of brand awareness improves brand visibility, which influences customers perceptions of the brand (Hyun & Kim, 2011). Therefore, building brand awareness is the first step in building brand equity and generating a strong connection between the bank's brand and customers. Concurrently, brand building practices enhance brand loyalty, which has the power to induce customers to indulge in positive word of mouth and bring about behavioural changes in their purchase. Likewise, it also improves brand association, which is considered as an essential component that enhances brand image, which in turn has an advantageous effect on brand preference and selection (Park & Lee, 2019). Finally, brand building practices enable customers to believe that the products and services that their bank offers are of higher quality or more competent than those provided by competitors.

With regard to the parallel mediation effect, customer-based brand equity factors also enhance the behavioural intentions of customers except for brand awareness (Lai et al., 2010), which indicates that customers' mere understanding of the brand has no effect on their behaviour intentions. However, the public sector model states that there is no statistically significant relationship between brand building practices and behavioural intentions (Hyun, et al., 2011). Additionally, there is no mediating effect of brand awareness, brand association, and perceived quality in this relationship. The findings indicate that brand loyalty acts as the exclusive mediator in the association between brand building practices and customers' behavioural intentions. Brand loyalty is crucial to generating positive word-of-mouth, fostering recommendations, and encouraging repeat purchases (Sweeney & Swait, 2008). The current investigation used moderated analysis to explore the association between the mediation effect and the type of banks (private

and public sector banks) as a moderator for analysis. The results indicate that the type of banks significantly moderates this relationship.

The beta coefficient value for the relation between brand building practices, brand loyalty, and behavioural intentions for public sector banks is 0.69, and for private sector banks it is 0.42. This indicates that public sector banks exhibit stronger relationships among brand building practices, brand loyalty, and behavioural intentions when compared to private sector banks in Kerala. In the relationship between brand building practices and behavioural intentions, (the mediator) brand loyalty plays a more prominent role (Joseph et al., 2020), in the public sector banks than in the private sector banks. Therefore, it can be confirmed that if the banks use their abilities to leverage brand loyalty, it would influence customers to display positive behaviours like repeat purchases, recommending the brand to friends and family, and exhibiting resistance to competing products when they feel a strong emotional bond, trust, and satisfaction with the brand.

Table 9.8
Moderated Mediation Model Hypotheses Testing Results.

Hypotheses. No.	Moderated mediation Hypotheses	Moderated mediation hypotheses decisions
MMH.10	Brand awareness has a mediating role in relation to brand building practices and behavioural intentions, and the type of banks moderates this relationship	*Not Supported (No mediation effect)*
MMH.11	Brand loyalty has a mediating role in relation to brand building practices and behavioural intentions, and the type of banks moderates this relationship	*Supported (Moderated mediation effect) Public sector banks are higher than private sector banks*
MMH.12	Brand association has a mediating role in relation to brand building practices and behavioural intentions, and the type of banks moderates this relationship	*Not Supported (No mediation effect)*
MMH.13	Perceived quality has a mediating role in relation to brand building practices and behavioural intentions, and the type of banks moderates this relationship	*Not Supported (No mediation effect)*

9.7 Conclusion

The fifth research objective examined the moderated parallel multiple mediation model, which analysed how customer-based brand equity factors mediate the relationship between brand building practices and behavioural intentions. The chapter also examines the moderating effect of the type of banks. Model fit indicators indicate that the model was a good fit. The finding reveals that there is moderated mediation effect between brand building practices and behavioural intentions. Further, the brand building practices implemented by commercial banks in Kerala would have the potential to increase brand equity, and is more likely that customers would return to the banks and recommend them to their friends and relatives. However, brand loyalty serves as the single mediator in the relationship between brand building practices and behavioural intentions, and the type of banks would moderate this relationship.