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Inter-Relationship of Customer Based Brand Equity with Extended Service Marketing Mix (3P's): an Empirical Study of Private Banking Sector

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Abstract : The study examined the relationship of extended services marketing mix with respect to the dimension of customer based brand equity in banking sector. A model has been developed to identify those factors which helps in building brand equity in banking sector. For this purpose structural equation model has been applied. The result indicated that some dimensions have significantly important for building brand equity in banking sector. **Keywords:** Brand equity dimensions, extended services marketing mix, Structural equation model, Banking Sector, Reliability and Validity.

1. INTRODUCTION OF EXTENDED SERVICE MARKETING MIX

The service marketing mix is also known as an extended marketing mix and is an integral part of a service blueprint design. The Extended Service Marketing mix consists of 3 P's as compared to the 4 P's of a product marketing mix. Simply said, the extended service marketing mix assumes the service as a product itself. (1) **People** – People is one of the elements of service marketing mix. People define a service. For instance, if a person having an IT company, the software engineers define that company. If a person having a restaurant, the chef and service staffs define service of restaurant. Now days many companies are getting involved in staff training, interpersonal skills and customer services towards customer satisfaction. (2) **Process** – Service process is the way in which a service is delivered to the end customer. The process of a service company in delivering its product is of utmost importance. It is also a critical component in the service blueprint, wherein before establishing the service, the company defines exactly what should be the process of the service product reaching the end customer. (3) **Physical Evidence** – The last element in the service marketing mix is a very important element. Services are intangible in nature. However, to create a better customer experience tangible elements are also delivered with the service. For example in banking services the physical environment of the bank, brochures, last year growth pattern etc. (Kotler et al, 2009).

1.1. Introduction to Banking Sector

The Indian banks are the backbone as well as lifeblood of Indian economy. Presently, there are 67000 branches of scheduled banks in India. During 1970's there were only 14 nationalized banks. Now a days trend has been totally changed from class banking to mass banking to e-banking. In India banks can be divided into two categories *i.e.* Scheduled Banks and non-scheduled banks. Scheduled banks include commercial banks and co-operative banks. Commercial banks can further be divided into two categories *i.e.* Indian banks and foreign banks. An Indian bank includes public sector banks and private sector banks. In India, Co-operative banking sector has more reach to rural sector. Under this 31 state co-operative banks with more than 450 branches are working (**Jadhao, 2010**). According to the survey of **FICCI (2010)**, there is huge scope of new entrants in banking sector. In spite of some constraints, in India still there is huge opportunity for private sector players. Recently a bill has been passed regarding the entry of new players in banking field. Some prominent corporate player is ready to take this opportunity. With the passage of the Bill, corporate houses like Tatas, Reliance and also entities in the public sector would be eligible to obtain licences to set up banks.

1.2. Introduction to Brand and Brand Equity

“A brand is a distinguishing name or symbol intended to identify the goods or services of either one seller or a group of seller and differentiate those products or services from the competitors” (**Aaker, 1991**). A brand is simply a promise made to the customer regarding the goods and services which they are purchasing. The promise associated with brand is more important when customer cannot verify those attributes which are important in product acceptability before the actual purchase is made. The promise is not immediately credible, but it takes time to build a relationship between business and consumer. Brands are particularly important when benefit requires experience to be judged or credibility to be accepted. The value of brand found in memory of the potential consumer within the target market (**Eric, 2009**). Brand equity consists of brand loyalty, brand awareness, perceived quality and brand association.

2. REVIEW OF LITERATURE

Cobb-Walgren (1995) explored some of the consequences of brand equity in earlier 90's. The main objective of the study was to measure the brand equity and to investigate the impact of brand equity on brand preferences and purchase intent. He explored four dimensions which were highly influenced from the study of Aaker four dimensions to measure the brand equity. The various dimensions which were studied such as Perceived quality, brand awareness, brand associations, advertising awareness. Then two sets of brands were tested, one from a service category and another from product category. Finally at the end, he concluded that the brand with higher advertisement budget yielded higher level of brand equity and the brand with higher equity in each category contributed greater preferences and purchase intentions. **Aaker (1996)** explored four criteria to evaluating and tracking the brand equity over product and market. Firstly the measures should reflect the construct being measured named as brand equity. Secondly the measures should reflect constructs that truly drive the market. Thirdly selected measures should be sensitive. Lastly the measures should be applicable across brands, product categories, and markets. Then ten measures were outlined to represent an optimum set in all contexts. These measures were grouped into five categories such as (a) Loyalty measures (price premium, satisfaction/loyalty), (b) Perceived quality/ Leadership Measures (Perceived quality, Leadership), (c) Association and differentiation Measures (Perceived value, brand personality, organizational associations), (d) Awareness measures (brand awareness), (e) Market behaviors Measures (market share, price and distribution indices). **Yoo (2001)** studied developing and validating a multidimensional consumer based brand equity scale, which were drawn from Aaker's and Keller's conceptualizations of brand equity. He explored four dimensions of brand equity such

as Brand Awareness, Brand Association, Perceived quality and Brand Loyalty. Survey of 1530 respondent was conducted to evaluate 12 brands of three product categories (Athletic shoes, film for cameras and color television sets). Then multistep psychometric test were applied to test the reliability, validity, parsimonious and generalizability across several cultures and product categories. **Villarejo-Ramos (2005)** established theoretical and empirical basis to show the impact of market communication and price promotion on brand equity. Four brand equity dimensions were used such as perceived quality, brand loyalty; brand association combined and brand awareness. Then structural equation model was applied to confirm the empirical relationship between market communication efforts and the dimensions of brand equity. Lastly, it was concluded that the positive effect of marketing communication on brand equity. **Che-Ha (2007)** explored the customer perception on brand equity dimensions among consumers of bank services in Malaysia. The study was based on various elements of brand equity such as service feature, service environment, service operation, word of mouth, public relation, brand aroused feeling, personality, brand meaning, self brand image. Then multiple regressions were applied to test the result. Then he concluded that brand meaning was an important factor to create brand equity that will lead to customer satisfaction and loyalty. **Nath (2007)** studied the relationship between marketing mix variable and brand equity dimension in banking sector, telecom sector and insurance sector. The main objective of study was to study the relationship between brand equity components and elements of marketing mix. For this purpose, he developed 173 hypotheses to test the objectives of his study. **Wang (2009)** studied constructing a relationship-based brand equity model. He developed a model in which several aspects of the services encounter including service staff, service escape, customer similarity and customer interaction were taken as antecedents of relationship quality and generation of brand equity. This model was applied in banks and department stores. For checking the validity of model, structural equation model was used. At the end, with the help of statistical result he concluded that the serviced staff and customer interaction had significant direct effect on brand equity. **Das (2012)** has developed a conceptual framework through which customer based brand equity (CBBE) can be measured in banking and financial services with the help of key factors of extended service marketing mix (3P's). The major objective of this study was to provide a platform for measuring CBBE in banking and service sector. For measuring CBBE, five theoretical linkages were used. These linkages were based upon the four important factors such as brand awareness, brand loyalty, brand association and perceived quality. At the end, he concluded that this conceptual framework could be used for further empirical researches especially in service and banking sector.

3. OBJECTIVE OF THE STUDY

The primary objective of the study is to investigate the Relationship between Extended services marketing mix 3P's: People, Process and Physical Evidence and customer based brand equity components: Brand Awareness, Brand Association, Perceived quality and Brand Loyalty in banking sector.

3.1. Hypothesis of the study

Following are the proposed hypothesis to test the primary objective of the study:

1. **H₁**: Extended service marketing mix elements influence the brand equity dimensions positively.
2. **H₂**: Brand equity's dimensions influence its brand equity positively.
3. **H₃**: Extended service marketing mix elements influence the brand equity positively.

Conceptual Model on Relationship between Extended services marketing mix 3P's: People, Process and Physical Evidence and customer based brand equity components in banking sector

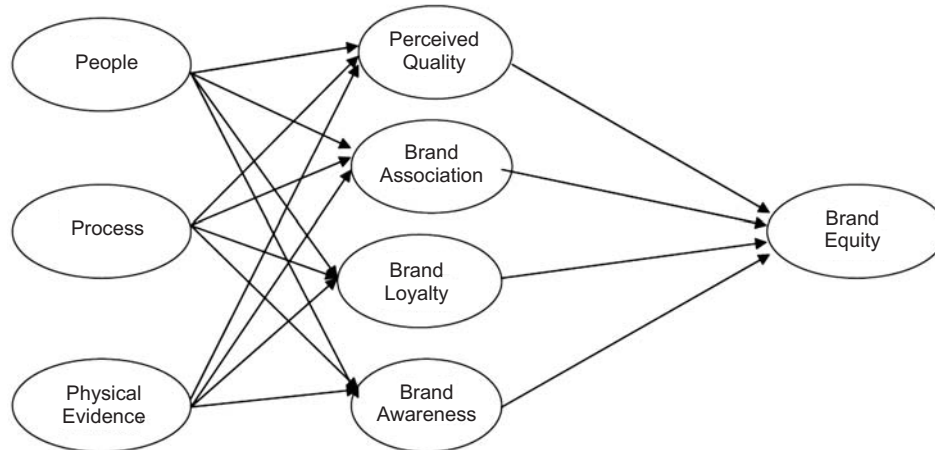


Figure 1

4. RESEARCH METHODOLOGY

The framework is based upon the four dimensions of brand equity *i.e.* Brand awareness, Brand Loyalty, Perceived quality and Brand Association and three constructs of Extended services marketing mix 3P’s: People, Process and Physical Evidence. The entire constructs were measured using Five point Likert scale. The statements were collected with the help of reviews. And data was collected through structured questionnaire from 150 respondents. The study conducted were cross sectional in nature and follows causal research design. Mainly two private banks were taken for the study. Self administered questionnaire were used for the data collection. Data analysis of this research is processed by using (SPSS) 16.0 and AMOS 20 statistical software.

4.1. SEM-Analysis Procedure

The SEM process consists of two stages: Validating and measurement model and fitting the structural model. The validation of measurement model is accomplished through (a) confirmatory factor analysis and the estimation of structural model is accomplished through (b) path analysis. **Anderson and Gerbing** recommended these two stages. It is necessary to analyses the structural part of the model with satisfactory reliability and validity

4.1.1. Conducting CFA to test the Measurement Model

The **reliability analysis** of the all the constructs such as brand awareness, brand association, perceived quality and brand loyalty indicates high reliability as it is above 0.6, which is a good signal for proposed model.

Table 1
Reliability Analysis of Constructs

S.No	Constructs	Cronbach's α
1.	Brand awareness (BAA)	0.920
2.	Brand association (BASS)	0.807
3.	Perceived quality (PQQ)	0.786
4.	Brand loyalty (BLL)	0.810
5.	Brand Equity (BEE)	0.832
6.	People (PEE)	0.838
7.	Process (PRR)	0.787
8.	Physical Evidence (PHH)	0.802

Source: Output Generated from SPSS 16.0

1. Validity Analyses : The validity of model could be checked with the help of various following tools of validity measure:

Table 2

	CR	AVE	MSV	ASV	PEE	PQQ	BAA	BLL	BASS	PHH	BEE	PRR
PEE	0.838	0.632	0.233	0.081	0.795							
PQQ	0.786	0.551	0.360	0.086	0.304	0.742						
BAA	0.923	0.800	0.266	0.049	-0.079	-0.020	0.894					
BLL	0.810	0.595	0.159	0.050	0.177	0.361	0.084	0.771				
BASS	0.807	0.511	0.360	0.084	0.231	0.600	-0.113	0.399	0.715			
PHH	0.802	0.505	0.329	0.070	0.388	0.053	0.072	-0.050	-0.014	0.711		
BEE	0.832	0.623	0.266	0.043	-0.022	0.122	0.516	0.137	0.024	-0.028	0.789	
PRR	0.787	0.555	0.329	0.088	0.483	-0.014	0.217	-0.062	-0.028	0.574	0.006	0.745

Source: Output generated from Stats tool package: Validity Master

CR-Composite Reliability; **AVE**-Average variance explained; **MSV**- Maximum shared variance; **ASV**- Average shared variances

(a) **Discriminant Validity:** Two issues has been taken care while performing the structural equation modeling: (a) Average variance explained (AVE) should be greater than Maximum shared variance (MSV) (b) Average variance explained (AVE) should be greater than Average shared variance (ASV).

- From the below Table No. It can be concluded that Average variance explained (AVE) of Brand association (BASS): 0.511 is greater than Maximum shared variance (MSV) of the same construct *i.e.* 0.360. Similarly Average variance explained (AVE) of Perceived quality (PQQ) is 0.521, Brand Loyalty (BLL): 0.595, Brand Awareness (BAA) : 0.923, Brand equity (BEE): 0.623, People (PEE):0.632, Process (PRR):0.787, Physical Evidence (PHH): (0.505) is Greater than the Maximum shared variance (MSV) of Perceived quality (PQQ) 0.360, Brand Loyalty (BLL): 0.159, Brand Awareness (BAA): 0.266, Brand equity (BEE): 0.011, People (PEE):0.266, Process (PRR):0.329, Physical Evidence (PHH): (0.329)
- And the second issue of Discriminate validity analysis is Average variance explained (AVE) should be greater than Average shared variance (ASV). Again from the above table it can be concluded that Average variance explained (AVE) of Brand association (BASS), Perceived quality (PQQ), Brand Loyalty (BLL), Brand association (BAA), Brand equity (BEE) ,People (PEE), Process (PRR), Physical Evidence (PHH): (*i.e.* 0.511, 0.551, 0.595, 0.800, 0.632, 0.555, 0.505) is greater than the Maximum shared variance (MSV) of BASS, PQQ, BLL, BAWW, BEE, (*i.e.* 0.360, 0.360, 0.159, 0.266, 0.266, 0.233, 0.329, 0.329) respectively.

(b) **Convergent validity:** Three issues have been taken care while performing the structural equation modeling: (a) Alpha should be greater than 0.7 (b) Average variance explained (AVE) should be greater than 0.5 (c) Alpha should be greater than Average variance explained (AVE).

- The alpha value of all constructs (BASS: 0.807, PQQ: 0.786, BLL: 0.810, BAA: 0.920, BEE: 0.832, PEE: 0.838, PRR: 0.787, PHH: 0.802,) is higher than 0.70.
- The Average variance explained (AVE) of BASS, PQQ, BLL, BAWW, BEE, PEE, PRR, PHH (*i.e.* 0.511, 0.551, 0.595, 0.800, 0.632, 0.555, 0.505) is greater than the 0.5.

- The alpha value of all constructs (BASS: 0.807, PQQ: 0.786, BLL: 0.810, BAA: 0.920, BEE: 0.832, PEE: 0.838, PRR: 0.787, PHH: 0.802,) is higher than The Average variance explained (AVE) of BASS, PQQ, BLL, BAA, BEE, PEE, PRR, PHH (*i.e.* 0.511, 0.551, 0.595, 0.800, 0.632, 0.555, 0.505).

(c) **Construct Validity** : Goodness of fit indices for Individual Constructs

Table 3

S. No	Parameters	BASS	PQQ	BLL	BEE	BAA	PEE	PRR	PHH
1.	Comparative Fit Index CFI	1.00	0.99	0.96	1.00	1.00	0.97	1.00	0.98
2.	Goodness of Fit Index GFI	1.00	0.99	0.97	1.00	0.99	0.98	0.99	0.98
3.	Adjusted Goodness of Fit Index AGFI	0.99	0.96	0.85	0.99	0.98	0.90	0.99	0.92
4.	Root Mean Square Error of Approximation ,RMEA	0.01	0.32	0.29	0.01	0.10	0.12	0.01	0.09
5.	Root Mean Square Residual, RMR	0.01	0.14	0.02	0.01	0.02	0.30	0.01	0.02

Source: Output generated from AMOS 20.0

From the above table no.3, finally it is clearly shown that the parameters are absolutely valid according to the premises of construct validity; hence the structural equation modeling can be easily performed to check the applicability of the model.

- (d) **Nomological Validity**: It is tested by examining whether the correlations between the constructs in the measurement model make sense. The construct covariance helps in determining the significant level of all constructs with each other and positive correlations are used to assess nomological validity.

Covariance and correlation of all constructs with each other.

Table 4

			Correlation	P Value
PQQ	<-->	BAA	.020	0.001
PQQ	<-->	BLL	.361	0.001
PQQ	<-->	BASS	.400	0.001
PQQ	<-->	PHH	.053	0.001
PQQ	<-->	BEE	.122	0.001
PQQ	<-->	PEE	.304	0.001
PQQ	<-->	PRR	.014	0.001
BAA	<-->	BLL	.084	0.001
BAA	<-->	BASS	.113	0.001
BAA	<-->	PHH	.072	0.001
BAA	<-->	BEE	.516	0.001
BAA	<-->	PEE	.079	0.001

			<i>Correlation</i>	<i>P Value</i>
BAA	<-->	PRR	.217	0.001
BLL	<-->	BASS	.399	0.001
BLL	<-->	PHH	.050	0.001
BLL	<-->	BEE	.137	0.001
BLL	<-->	PEE	.177	0.001
BLL	<-->	PRR	.062	0.001
BASS	<-->	PHH	.014	0.001
BASS	<-->	BEE	.024	0.001
BASS	<-->	PEE	.231	0.001
BASS	<-->	PRR	.028	0.001
PHH	<-->	BEE	.028	0.001
PHH	<-->	PEE	.388	0.001
PHH	<-->	PRR	.274	0.001
BEE	<-->	PEE	.022	0.001
BEE	<-->	PRR	.006	0.001
PEE	<-->	PRR	.383	0.001

Note: P < 0.05 Output generated from AMOS 20

The above table shows that all construct covariance are highly significant and the value of all relationship falls in permissible limits and secondly all the construct are positively related and the value are also as per permissible limits.

**Table 5
CFA Result**

<i>CFA Result of the Indicator Variables</i>			
<i>Construct</i>	<i>Scale Item</i>	<i>Factor Loadings</i>	<i>Composite Reliability</i>
(A) Perceived Quality	1. PQ1	0.84	0.786
	2. PQ2	0.83	
	3. PQ3	0.84	
(B) Brand Loyalty	1. BL1	0.73	0.810
	2. BL2	0.88	
	3. BL3	0.89	
(C) Brand Awareness	1. BA1	0.93	0.920
	2. BA2	0.92	
	3. BA3	0.93	
(D) Brand Association	1. BAS1	0.82	0.807
	2. BAS2	0.79	
	3. BAS3	0.79	
	4. BAS4	0.77	

<i>CFA Result of the Indicator Variables</i>			
<i>Construct</i>	<i>Scale Item</i>	<i>Factor Loadings</i>	<i>Composite Reliability</i>
(E) Brand Equity	1. BE1	0.89	0.832
	2. BE2	0.87	
	3. BE3	0.85	
(F) People	1. PEE1	0.88	0.838
	2. PEE2	0.87	
	3. PEE3	0.85	
(G) Process	1. PRR1	0.81	0.787
	2. PRR2	0.79	
	3. PRR3	0.80	
(H) Physical Evidence	1. PHH1	0.83	0.802
	2. PHH2	0.81	
	3. PHH3	0.78	
	4. PHH4	0.77	

Source: Output Generated from AMOS 20.0

As reported in table no: 5, the factor loadings were highly significant and exceeded the 0.5 levels, and the requirement for the measurement reliability were met with the composite reliability that has also reached at cut off point 0.6. Now this would be considered for factor analytic investigation. The composite reliability is calculated through sum of the individual item loadings divided by squared sum of loadings plus the sum of error variance for the measures. This measure of internal consistency is similar to cronbach's alpha

Conducting Path Analysis

Table 6
Goodness of fit indices on Structural Linear Model

<i>Name of Index</i>	<i>Judgment Value</i>	<i>Literary Contribution</i>
Comparitive Fit Index CFI	>0.90	Bentler (1995)
Goodness of Fit Index GFI	>0.85	Hu and Betler (1999)
Adjusted Goodness of Fit Index AGFI	>0.80	
Parsimonious Goodness of Fit Index	>0.50	Mathwick (2001)
Root Mean Square Error of Approximation, RMEA	<0.08	Browne and Cudeck (1993)
Root Mean Square Residual, RMR	<0.05	Hair et.al (1998)

Source: Taken From Various Reviews

Table 7
Goodness of Fit Indices of Proposed Structural Linear Model

S. No	Name of Index	Results
1.	Chi-square	362.02
2.	Degree of freedom	271
3.	Chi-square/ Degree of freedom	1.34
4.	Comparitive Fit Index CFI	0.95
5.	Goodness of Fit Index GFI	0.86
6.	Adjusted Goodness of Fit Index AGFI	0.81
7.	Normed Fit Index NFI	0.82
8.	Incremental Fit Index IFI	0.95
9.	Root Mean Square Error of Approximation ,RMEA	0.04
10.	Root Mean Square Residual, RMR	0.04

Source: Output Generated from AMOS 20.0

After testing reliability and validity of the constructs, the next step is related with path analysis, which helps in examining the overall fit measures. Analysis of path model (Chi-Square = 362.02, CFI = 0.95, GFI = 0.86, AGFI = 0.81, NFI = 0.82, IFI = 0.95, RMSEA = 0.04, RMR = 0.04) yielded a reasonable fit to data. The goodness of fit indices, which are less sensitive to sample size, indicated good fit. The value of GFI and NFI are above the cut-off criterion which could be seen in Table 7. And similarly CFI and Incremental fit Indices are also above the permissible value. Furthermore the value of RMSEA and RMR also falls in the guidelines of acceptability. Now model is fit enough to perform further analysis

Direct and Indirect Effects with Hypothesis Testing

Perceived Quality as Mediator

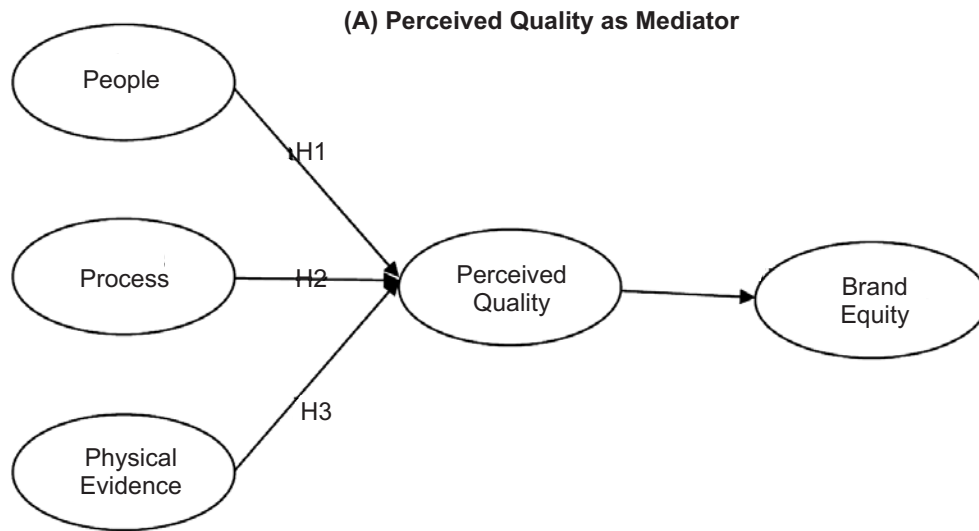


Figure 2

Conceptual Model of services marketing mix with brand equity dimensions (With step by step Approach)

Table 8

<i>Path Analysis Result (Direct and Indirect effect)</i>			
<i>S. No</i>	<i>Path</i>	<i>Direct Effect</i>	<i>Indirect Effect</i>
1.	People → Perceived Quality		0.25*
2.	Process → Perceived Quality		0.35*
3.	Physical Evidence → Perceived Quality		0.55**
4.	Perceived Quality → Brand Equity		0.16*
5.	People → Brand Equity	0.70**	
6.	Process → Brand Equity	0.68**	
7.	Physical Evidence → Brand Equity	0.72**	

Note : * P < 0.001/P < 0.01/P < 0.05

Note: ** Not Significant

Source: Output Generated from AMOS 20.0

Initially there was no significant relation observed between Brand Equity and People, Process & Physical evidence. Now it has been checked through indirect effect. However significant relation was observed between People, Process & Perceived Quality and that of Perceived Quality and Brand Equity. This indicates indirect relationship between People & Brand Equity as well as Process and Brand Equity.

This is checked through boot strapping too which replicates the same results. However no mediation effect of Perceived Quality was observed between Physical Evidences and Brand Equity. It was checked through Bootstrapping method also:

Table 9

<i>Standardized Indirect Effects</i>		
<i>S. No</i>		<i>P Value</i>
1.	People → Perceived Quality → Brand Equity	0.03*
2.	Process → Perceived Quality → Brand Equity	0.03*
3.	Physical Evidence → Perceived Quality → Brand Equity	0.66**

Note: * P < 0.001/P < 0.01/P < 0.05

Note: ** Not Significant

Source: Output Generated from AMOS 20.0

Summary of hypothesis Testing

H₁ : Stated that the people role is very important in banking sector with respect to perceived quality. From the above table, the effect of people is in hypothesized direction and it was statistically significant. (Standardized $\beta = 0.25, p < 0.001$) Accordingly, this research hypothesis was strongly supported

H₂ : It was hypothesized that process is also very important in banking sector with respect to perceived quality. From the above table, the effect of process is in hypothesized direction and it was statistically significant. (Standardized $\beta = 0.35, p < 0.05$) Accordingly, this research hypothesis was strongly supported.

H₃ : Stated that physical evidence may not necessary in banking sector with respect to perceived quality. From the above table, the effect of physical evidence is not in hypothesized direction and it was not statistically significant. (Standardized $\beta = 0.55, p > 0.5$) Accordingly, this research hypothesis was not supported

H₄ : It was predicted that higher perceived quality in banking sector results to creation of higher brand equity. From the above table, the effect of perceived quality is in hypothesized direction and it was statistically significant. (Standardized $\beta = 0.16, p < 0.05$) Accordingly, this research hypothesis was strongly supported.

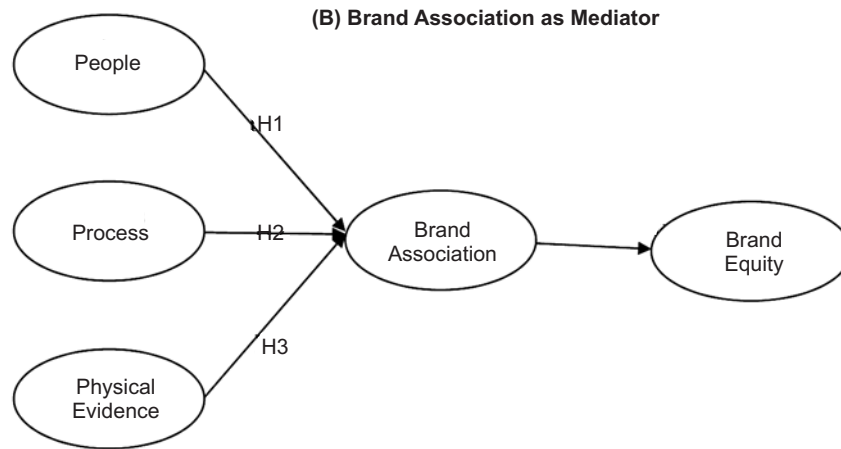


Figure 3

Conceptual Model of services marketing mix with brand equity dimensions (With step by step Approach)

Table 10

<i>Path Analysis Result (Direct and Indirect effect)</i>			
<i>S. No</i>	<i>Path</i>	<i>Direct Effect</i>	<i>Indirect Effect</i>
1.	People → Brand Association		0.65**
2.	Process → Brand Association		0.65**
3.	Physical Evidence → Brand Association		0.70**
4.	Brand Association → Brand Equity		0.61**
5.	People → Brand Equity	0.70**	
6.	Process → Brand Equity	0.68**	
7.	Physical Evidence → Brand Equity	0.72**	

Note: * P < 0.001/P < 0.01/P < 0.05

Note: ** Not Significant

Source: Output Generated from AMOS 20.0

Initially there was no significant relation observed between Brand Equity and People, Process & Physical evidence. Now it has been checked through indirect effect. Since there is no significant relation was found to be Brand Association and Brand Equity ($p > 0.05$), it is concluded that Brand Association plays no mediation role between Brand Equity and People. Process & Physical Evidence

Table 11

<i>Standardized Indirect Effects</i>		
<i>S. No</i>		<i>P Value</i>
1.	People → Brand Association → Brand Equity	0.43**
2.	Process → Brand Association → Brand Equity	0.25**
3.	Physical Evidence → Brand Association → Brand Equity	0.36**

Note: * $P < 0.001$ / $P < 0.01$ / $P < 0.05$

Note: ** Not Significant

Source: Output Generated from AMOS 20.0

H₁ : Stated that the people role is not very important in banking sector with respect to Brand Association. From the above table, the effect of people is not in hypothesized direction and it was not statistically significant. Accordingly, this research hypothesis was strongly rejected

H₂ : It was hypothesized that process is also not very important in banking sector with respect to Brand Association. From the above table, the effect of process is not in hypothesized direction and it was not statistically significant. Accordingly, this research hypothesis was strongly rejected

H₃ : Stated that physical evidence may not necessary in banking sector with respect to Brand Association. From the above table, the effect of physical evidence is not in hypothesized direction and it was not statistically significant. Accordingly, this research hypothesis was not supported

H₄ : Stated that Brand Association in banking sector results no creation of brand equity. From the above table, the effect of Brand Association is not in hypothesized direction and it was not statistically significant. Accordingly, this research hypothesis was not supported

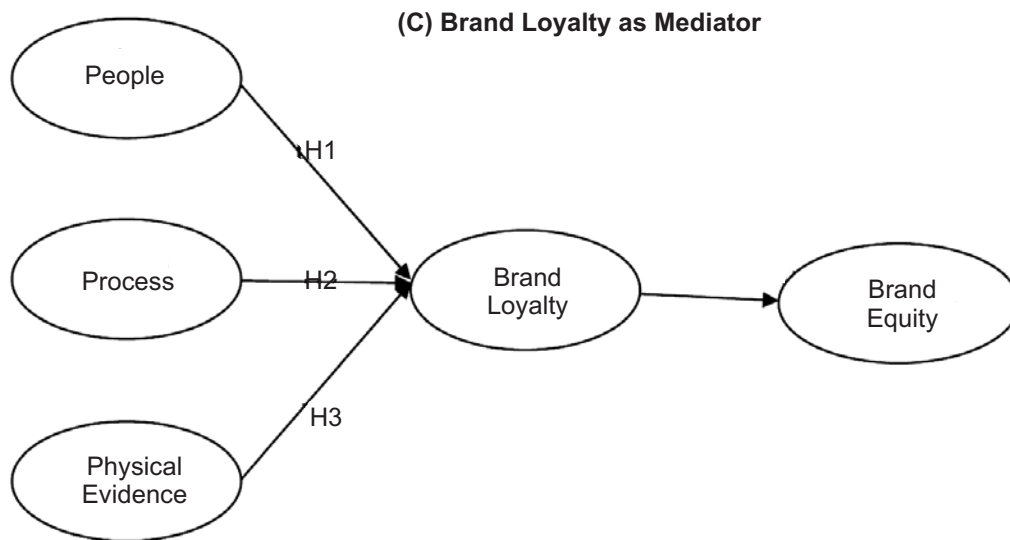


Figure 4

Conceptual Model of services marketing mix with brand equity dimensions (With step by step Approach)

Table 12

<i>Path Analysis Result (Direct and Indirect effect)</i>			
<i>S. No</i>	<i>Path</i>	<i>Direct Effect</i>	<i>Indirect Effect</i>
1.	People → Brand Loyalty		0.56*
2.	Process → Brand Loyalty		0.56*
3.	Physical Evidence → Brand Loyalty		0.70**
4.	Brand Loyalty → Brand Equity		0.41*
5.	People → Brand Equity	0.70**	
6.	Process → Brand Equity	0.68**	
7.	Physical Evidence → Brand Equity	0.72**	

Note: * P < 0.001/P < 0.01/P < 0.05

Note: ** Not Significant

Source: Output Generated from AMOS 20.0

Initially there is no significant relation was observed between Brand Equity and People, Process & Physical Evidence. Now it has been checked through indirect effect. However significant relation was observed between People, Process & Brand Loyalty and that of Brand Loyalty and Brand Equity. This indicates an indirect relationship exists between People & Brand Loyalty. However no mediation effect of Perceived Quality was observed between Physical Evidences and Brand Equity as well as Process and Brand Equity. . It was checked through Bootstrapping method also

Table 13

<i>Standardized Indirect Effects</i>		
<i>S. No</i>		<i>P Value</i>
1.	People → Brand Loyalty → Brand Equity	0.03*
2.	Process → Brand Loyalty → Brand Equity	0.05*
3.	Physical Evidence → Brand Loyalty → Brand Equity	0.36**

Note: * P < 0.001/P < 0.01/P < 0.05

Note: ** Not Significant

Source: Output Generated from AMOS 20.0

Summary of hypothesis Testing

H₁ : Stated that the people role is very important in banking sector with respect to Brand Loyalty. From the above table, the effect of people is in hypothesized direction and it was statistically significant. (Standardized $\beta = 0.56, p < 0.001$) Accordingly, this research hypothesis was strongly supported

H₂ : It was hypothesized that process is also very important in banking sector with respect to Brand Loyalty. From the above table, the effect of process is in hypothesized direction and it was statistically significant. (Standardized $\beta = 0.56, p < 0.05$) Accordingly, this research hypothesis was strongly supported

H₃ : Stated that physical evidence may not necessary in banking sector with respect to Brand Loyalty. From the above table, the effect of physical evidence is not in hypothesized direction and it was not statistically significant. (Standardized $\beta = 0.7, p > 0.5$) Accordingly, this research hypothesis was not supported

H₄ : It was predicted that higher Brand Loyalty in banking sector results to creation of higher brand equity. From the above table, the effect of perceived quality is in hypothesized direction and it was statistically significant. (Standardized $\beta = 0.41$, $p < 0.05$) Accordingly, this research hypothesis was strongly supported.

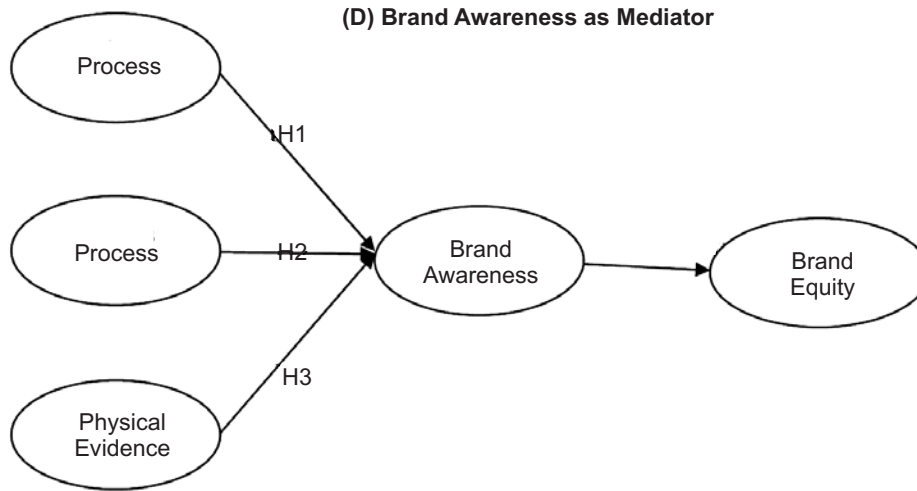


Figure 5

Conceptual Model of services marketing mix with brand equity dimensions (With step by step Approach)

Table 14

<i>Path Analysis Result (Direct and Indirect effect)</i>			
<i>S. No</i>	<i>Path</i>	<i>Direct Effect</i>	<i>Indirect Effect</i>
1.	People → Brand Awareness		0.29*
2.	Process → Brand Awareness		0.56*
3.	Physical Evidence → Brand Awareness		0.69**
4.	Brand Awareness → Brand Equity		0.41*
5.	People → Brand Equity	0.70**	
6.	Process → Brand Equity	0.68**	
7.	Physical Evidence → Brand Equity	0.72**	

Note: * $P < 0.001/P < 0.01/P < 0.05$

Note: ** Not Significant

Source: Output Generated from AMOS 20.0

Initially there is no significant relation was observed between Brand Equity and People, Process & Physical evidence. There is still no relationship between Brand Equity and People, Process & Brand Awareness. However significant relation was observed between People, Process & Brand Awareness and that of Brand Awareness and Brand Equity. This indicates a Indirect relationship between People & Brand Equity as well as Process and Brand Equity. However no mediation effect of Brand Awareness was observed between Physical Evidences and Brand Equity. This is checked through boot strapping too which replicates the same results.

Table 15

<i>Standardized Indirect Effects</i>		
<i>S. No</i>		<i>P Value</i>
1.	People → Brand Awareness → Brand Equity	0.001*
2.	Process → Brand Awareness → Brand Equity	0.05*
3.	Physical Evidence → Brand Awareness → Brand Equity	0.33**

Note: * $P < 0.001/P < 0.01/P < 0.05$

Note: ** Not Significant

Source: Output Generated from AMOS 20.0

Summary of hypothesis Testing

H₁ : Stated that the people role is very important in banking sector with respect to Brand Awareness. From the above table, the effect of people is in hypothesized direction and it was statistically significant. (Standardized $\beta = 0.29, p < 0.001$) Accordingly, this research hypothesis was strongly supported

H₂ : It was hypothesized that process is also very important in banking sector with respect to Brand Awareness. From the above table, the effect of process is in hypothesized direction and it was statistically significant. (Standardized $\beta = 0.56, p < 0.001$) Accordingly, this research hypothesis was strongly supported

H₃ : Stated that physical evidence may not necessary in banking sector with respect to Brand Awareness. From the above table, the effect of physical evidence is not in hypothesized direction and it was not statistically significant. (Standardized $\beta = 0.69, p > 0.5$) Accordingly, this research hypothesis was not supported

H₄ : It was predicted that higher Brand Awareness in banking sector results to creation of higher brand equity. From the above table, the effect of Brand Awareness is in hypothesized direction and it was statistically significant. (Standardized $\beta = 0.41, p < 0.001$) Accordingly, this research hypothesis was strongly supported.

5. CONCLUSION

The empirical findings of the study confirms that perceived quality, brand loyalty and brand awareness represents the mechanism through which the independent variable people, process and physical evidence are able to positively and partially influence consumer intent to engage in more banking operation towards banking operation. The banking industry in indian is in nascent stage as compare to western countries, that's why consumer feels people and process are more important independent variable while dealing with bank. Right now consumer is not thinking about physical evidence, because their priorities may be different. People represents the employees of the organization, who plays vital role between bank and customer. They provide the actual information to the consumer. Process represents the document procedure which is adopted bt the bank for different operations. Physical evidence represents physical ambience and supportive materials. But consumer is not particular about the physical evidence.

6. SCOPE FOR FUTURE RESEARCH

The study is confined in limited geographical area and based upon the data of three banks. Researcher may explore this model into wide geographical area along with more banks. Even there is also a scope of studying this model with the help of marketing mix variable and promotional mix variable also

7. ANNEXURE-1

7.1. Questionnaire

Table 16

<i>S.No</i>	<i>Construct and Measures</i>	<i>Review Contribution</i>
Perceived Quality		
1.	This bank uses high technology for its services	
2.	Product/Services of this bank are of good quality	(Lassar,1995))
3.	Product/Services of my bank are very reliable	(Yoo et al, 1999)
4.	My bank provides excellent product/Service features	
5.	The services of bank are effective	
Brand Awareness		
1.	I am fully aware about the services/Products of my bank	(Yoo et al ,1999)
2.	My bank is easily recognized as compare to others	(Yoo et al ,2000)
3.	The staff of my bank is more knowledgeable	
4.	Some characteristics of my mobile service provider come to my mind quickly.	(Zubi, 2013)
5.	I can quickly recall the symbol or logo of my bank	
Brand Association		
1.	My bank gives me feeling of social approval	
2.	People really admire the services of my bank	
3.	I like the bank very much	(Chen,2009)
4.	This bank creates distinction picture in the mind of the customer	
5.		
Brand Loyalty		
1.	I am loyal to this bank	
2.	I am always interested in learning more facts about my bank	(Yoo et al ,2000)
3.	I will recommend the services to other people also	(Jalilvand,2011)
4.	In future, I would like to avail more services from this bank.	
	In Future, My bank would be my first choice	
Brand Equity		
1.	I will prefer to buy the product of this bank instead of any other, even if they are the same	
2.	Even if another brand has same features as my bank, I would prefer my bank.	(Yoo et al ,2000)
3.	If there is another bank as good as my bank, I prefer to my bank.	
People		
1.	Executive often help me in choosing the right product	
2.	Executives of my bank are well aware about the product and services.	(Das,2012)
3.	Whenever I ask any question to my bank executive, they give me valuable advice.	
4.	The staff is well-trained and know how to deal with customers	(Zubi, 2013)
5.	The staff treats me as a special and valued customer.	(Zubi, 2013)

S.No	Construct and Measures	Review Contribution
Process		
1.	All services of my bank can easily avail through internet.	
2.	In my bank, there are number of desk which can easily manage the huge customer rush.	(Das,2012)
3.	For subscribing new services, existing customer need not to give extra information	
4.	My bank provides error free services to customers	(Zubi, 2013)
5.	My bank handles my complaints very seriously	(Zubi, 2013)
6.	My bank deals with the clients in confidentiality and privacy	(Zubi, 2013)
Physical Evidence		
1.	The service area is not properly furnished.	
2.	Ample parking facility is available.	
3.	My bank is fully air conditioned.	(Das,2012)
4.	The entire premises of my bank are clean and well maintained.	
5.	My Bank uses modern and sophisticated equipments	(Zubi, 2013)
6.	Public facilities (<i>i.e.</i> : waiting space, queuing arrangements,...etc.) of the company are comfortable and attractive.	(Zubi, 2013)

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