

**THE EFFECTS OF A SINGLE BRAND  
ON  
THE SOUTH AFRICAN BANKING IMAGE**

By

**IKE PHASWANA PHASWANA**

Submitted in partial fulfillment of the requirement for the degree of  
**MASTERS IN BUSINESS ADMINISTRATION**

Graduate School of Business, Faculty of Management  
University of Natal (Durban)

Supervisor : Dennis Laxton

December 2003

31 December 2003

TO WHOM IT MAY CONCERN

Due to the strategic importance of this research it would be appreciated if the contents remain confidential and are not circulated for a period of Five (5) years.

I.P. Phaswana

## DECLARATION

This research has not been previously accepted for any degree and is not being currently submitted in candidature for any degree.

Signed ..... *Phu* .....

Date ..... *11 September 2003* .....

096083

## ACKNOWLEDGEMENTS

I would like to express my sincere gratitude towards the following people without whom this research project and dissertation would not have been possible.

- I praise the Lord Jesus Christ whose grace has been with my family and for giving me strength to persevere.
- My wife, Valentine, and children, Selaelo and Mosima, for their support and the sacrifices they made during my studies.
- My parents, Daniel and Georgina, who taught me the importance of utilizing one's God-given talents to the fullest.
- My brother Boyce and two sisters Yvonne and Ouma.
- My supervisor, Mr Dennis Laxton, for his interest, time and continuous guidance throughout my studies.
- Mrs Adrienne Roberts for proof reading this research.
- The University of Pretoria for availing me access to the library during all my MBA studying years.
- Margie Teixeira (Markinor) for providing me with the brand section of the questionnaire.
- My whole family and friends for their continuous support during my studies.

## **ABSTRACT (SUMMARY)**

Brands represent invaluable intangible assets of firms and therefore need to be nurtured like tangible assets. Leading authors such as Sampson (1998) argue that Fortune 500 benchmark companies such as Coca Cola, BP and American Express have intangible assets accounting for a large percentage of their stock market value.

Major banks around the world are competing in a commoditised market where differentiation is proving to be difficult. Having the best processes and best products is no longer a guarantee for competitive advantage as competitors are likely to copy same. For a bank to have a sustainable competitive advantage in a commoditised market, it needs to use its brand as a contemporary weapon of market choice. Authors such as Grinden (1999) argue that this makes sense as no competitor bank can ever copy another bank's brand. Banks need to take their brands seriously and manage them as if they were managing newly granted loans.

Authors such as Haque et al (1994) argue that banks need to realise that the values that make up the brand exist because they are perceived by customers and other stakeholders. Customers will evaluate these values positively or negatively. These evaluations are simply a brand image. Marketing is not about products or services, it is about perceptions. A bank should accept that a customer's perception about its image need not be a fact; it could be right or wrong. A customer will hold an opinion and his or her perception may determine the purchasing decision.

As part of the study a literature review was done on brand and branding. Constructs were built based on the strength of literature review on branding and were mainly based on the conceptual model developed by Keller (1993). The aim of the research is to solve the business problem statement, namely: A multi-brand bank such as Nedbank believes provinces and single brands are not related and a single bank such as ABSA believes they are related. Using Chi-Square tests the researcher accepted the null hypothesis ( $H_0$ ) and rejected alternative hypothesis ( $H_a$ ) for the three branding variables tested, namely: Top-of-mind awareness, brand trust and brand loyalty. Sample coefficient of correlation shows a positive relationship between these three variables.

<b>TABLE OF CONTENTS</b>
--------------------------

**PAGE**

<b>CHAPTER 1 INTRODUCTION .....</b>	<b>1</b>
1.1 Background to the problem and context .....	1
1.2 The Problem statement.....	2
1.3 Purpose of the study .....	2
1.3.1 Primary purpose of the study .....	2
1.3.2 Secondary purpose of the study.....	3
1.4 Limitations of the research.....	3
<b>CHAPTER 2 LITERATURE REVIEW .....</b>	<b>4</b>
2.1 Introduction.....	4
2.2 A literature review.....	4
2.2.1 The South African banking Sector .....	4
2.2.2 Functions and nature of bank's business .....	5
2.2.3 Brand and branding .....	6
2.2.3.1 Relevance of branding for banks.....	8
2.2.4 Brand identity .....	9
2.2.5 Brand loyalty .....	11
2.2.6 Brand equity.....	16
2.2.6.1 Sources of brand equity .....	22

2.2.6.2	Brand awareness.....	24
2.2.6.3	Brand recognition.....	28
2.2.6.4	Brand image .....	29
2.2.6.5	Brand positioning.....	31
2.2.6.6	Consumer's perceptual space model.....	33
2.2.6.6.1	Renting mind space.....	36
2.2.6.7	Perceived quality.....	37
2.2.6.8	Brand associations.....	39

### **CHAPTER 3 CONSUMER-BASED BRAND EQUITY MODEL .....40**

3.1	Introduction.....	40
3.2	Analysis of constructs and frameworks .....	40
3.3	Assumptions behind the model.....	44
3.4	Customer-based brand equity model (CBBE) .....	44
3.5	Philosophy.....	48
3.6	Application of CBBE model to build a construct.....	51
3.6.1	Brand salience.....	51
3.6.2	Brand performance .....	52
3.6.3	Brand imagery .....	53
3.6.4	Brand judgment .....	54
3.6.5	Brand feelings.....	55

3.6.6 Brand resonance .....55

3.7 Critique of customer-based brand equity model.....56

3.8 Hypotheses ..... 59

3.8.1 Hypothesis 1 .....59

3.8.2 Hypothesis 2 .....59

3.8.3 Hypothesis 3 .....59

3.8.4 Hypothesis 4 .....60

3.8.5 Reasons for the three hypotheses .....60

3.9 Bench mark study.....63

3.10 Variables .....65

**CHAPTER 4 RESEARCH DESIGN AND METHODOLOGY .....68**

4.1 Introduction.....68

4.2 Descriptors of research design .....68

4.3 Population size .....70

4.4 Sample .....70

4.4.1 Sampling procedure .....70

4.4.2 Sample size .....71

4.5 Measuring instrument.....72

4.5.1 Constructs and items in the measuring instrument.....75

4.5.2 Biographical questionnaire .....76



4.5.3 Coding.....76

4.6 Interviewing method.....77

4.7 Administrative procedure.....78

4.7.1 Data collection.....78

4.7.2 Objectives .....78

4.8 Method of data analysis.....78

**CHAPTER 5 ANALYSIS AND DISCUSSION OF THE RESULTS...80**

5.1 Introduction.....80

5.2 Description of the sample.....80

5.2.1 Common measures of central tendency .....82

5.2.2 Mean.....82

5.2.3 Standard error of mean.....82

5.2.4 Median .....83

5.2.5 Mode .....83

5.2.6 Comparing the mean, median and mode.....84

5.2.7 Dispersion: Average deviation measures.....84

5.2.7.1 Sample variance and sample standard deviation.....84

5.2.7.2 Skewness and Kurtosis .....85

5.3 Distribution of sample per Province.....86

5.4 Distribution of sample per Gender .....87

5.5 Distribution of sample per Age.....88

5.6 Distribution of sample per Educational level .....90

5.7 Distribution of sample per Top-of-mind awareness.....92

5.8 Distribution of sample per Brand trust and confidence .....98

5.9 Distribution of sample per Brand loyalty.....104

5.10 Cross-tabulations .....110

5.10.1 Differences between variables.....111

5.10.2 Testing hypothesis 1 .....112

5.10.2.1 Cross-tabulations: Results per province and gender.....112

5.10.3 Cross-tabulations: Results per province and educational level..114

5.11 Testing of hypothesis 2 .....115

5.11.1 Cross-tabulation: Province and awareness (1<sup>st</sup> mention).....115

5.11.2 Cross-tabulation: Province and awareness (2<sup>nd</sup> mention).....117

5.11.3 Cross-tabulation: Province and awareness (3rd mention) .....119

5.12 Testing of hypothesis 3 .....121

5.12.1 Cross-tabulation: Province and trust (A great deal) .....121

5.12.2 Cross-tabulation: Province and trust (Quite a lot).....123

5.12.3 Cross-tabulation: Province and trust (Not very much) .....125

5.13 Testing of hypothesis 4 .....127

5.13.1 Cross-tabulation: Province and brand loyalty (Strongly agree) ..128

5.13.2 Cross-tabulation: Province and brand loyalty (Agree) .....	130
5.13.3 Province and brand loyalty (Neither agree nor disagree) .....	132
5.14 Sample coefficient of correlation between branding variables.....	134
<b>CHAPTER 6 RECOMMENDATIONS AND CONCLUSIONS.....</b>	<b>137</b>
6.1 Introduction.....	137
6.2 Main findings .....	137
6.2.1 Province and gender .....	138
6.2.2 Top-of-mind awareness.....	138
6.2.3 Brand and confidence.....	140
6.2.4 Brand loyalty .....	141
6.2.5 Correlations between branding variables.....	142
6.3 Value of this study .....	143
6.4 Shortcomings of this study.....	143
6.5 Recommendations for further study .....	144
6.6 Conclusion .....	144
6.6.1 Province and gender .....	144
6.6.2 Recommendations to a multi-brand bank .....	145
6.7 Top-of-mind awareness.....	145
6.7.1 Recommendations to a multi-brand bank .....	145
6.8 Trust and confidence .....	147

6.8.1 Recommendations to a multi-brand bank .....148

6.9 Brand loyalty.....148

6.9.1 Recommendations to a multi-brand bank .....149

6.10 Lessons from Standard Bank and Absa branding strategies .....149

6.11 Recommended phases to implement a single brand bank strategy –  
A project plan.....155

6.11.1 Concept .....155

6.11.2 Design .....156

6.11.3 Implementation.....156

6.11.4 Commissioning.....157

7. BIBLIOGRAPHY.....159

<b>LIST OF TABLES</b>
-----------------------

Table 2-1 Market capitalization of major brand owning companies .....	19
Table 2-2 Ages of Best - known Brand Names .....	26
Table 3-1 Top banking brands survey – 2002.....	65
Table 3-2 Relationship between independent, moderating and dependent variables .....	66
Table 4-1 Descriptors of this research design.....	68
Table 4-2 Commonly used measures of association.....	73
Table 4-3 Advantages and disadvantages of personal interviews .....	77
Table 5-1 Descriptive statistics summaries .....	81
Table 5-2 Distribution by province.....	86
Table 5-3 Distribution by gender .....	87
Table 5-4 Distribution by age .....	88
Table 5-5 Distribution by education .....	90
Table 5-6 Top-of-mind awareness (1 <sup>st</sup> mention) .....	92
Table 5-7 Top-of-mind awareness (2nd mention) .....	94
Table 5-8 Top-of-mind awareness (3rd mention).....	96
Table 5-9 Top-of-mind awareness (Other mentions) .....	97
Table 5-10 Trust and confidence (A great deal) .....	98
Table 5-11 Trust and confidence (Quite a lot).....	99
Table 5-12 Trust and confidence (Not very much).....	102
Table 5-13 Trust and confidence (Not at all).....	103
Table 5-14 Brand loyalty (Strongly agree) .....	104
Table 5-15 Brand loyalty (Agree).....	106
Table 5-16 Brand loyalty (Neither agree nor disagree).....	107
Table 5-17 Brand loyalty (Disagree).....	109

Table 5-18 Brand loyalty (Strongly disagree).....	110
Table 5-19 Brand loyalty (Don't know).....	110
Table 5-20 Results of hypothesis 1 test (Province and gender).....	112
Table 5-21 Results of Chi-Square tests: Province and gender.....	113
Table 5-22 Cross-tabulation: Province and educational level .....	114
Table 5-23 Results of hypothesis 2 test (Awareness - 1 <sup>st</sup> mention).....	116
Table 5-24 Results of Chi-Square test (Awareness - 1 <sup>st</sup> mention).....	116
Table 5-25 Results of hypothesis 2 test (Awareness - 2 <sup>nd</sup> mention).....	118
Table 5-26 Results of Chi-Square test (Awareness - 2 <sup>nd</sup> mention).....	118
Table 5-27 Results of hypothesis 2 test (Awareness - 3 <sup>rd</sup> mention) .....	120
Table 5-28 Results of Chi-Square test (3 <sup>rd</sup> mention).....	120
Table 5-29 Results of hypothesis 3 test (Trust - A great deal) .....	122
Table 5-30 Results of Chi-Square test (Trust - A great deal) .....	123
Table 5-31 Results of hypothesis 3 test (Trust - Quite a lot) .....	124
Table 5-32 Results of Chi-Square test (Trust - Quite a lot) .....	125
Table 5-33 Results of hypothesis 3 test (Trust - Not very much).....	126
Table 5-34 Results of Chi-Square test (Trust - Not very much).....	127
Table 5-35 Results of hypothesis 4 test (Brand loyalty - Strongly agree) .....	129
Table 5-36 Results of Chi-Square test (Strongly agree).....	129
Table 5-37 Results of hypothesis 4 test (Agree).....	131
Table 5-38 Results of Chi-Square test (Agree).....	131
Table 5-39 Results of hypothesis 4 test (Neither agree nor disagree).....	133
Table 5-40 Results of Chi-Square test (Neither agree nor disagree).....	133
Table 5-41 Sample coefficient of correlation - Branding variables .....	135

<b>LIST OF EXHIBITS</b>
-------------------------

Exhibit 2-1 Market share of South African banks assets .....	5
Exhibit 2-2 Brand equity model.....	23
Exhibit 2-3 The awareness pyramid .....	24
Exhibit 2-4 Consumer's mind .....	35
Exhibit 2-5 Brand associations .....	39
Exhibit 3-1 Consumer-based brand equity pyramid .....	46
Exhibit 3-2 Top banking brands survey – 2002 .....	64
Exhibit 5-1 Distribution by province .....	86
Exhibit 5-2 Distribution by gender .....	87
Exhibit 5-3 Distribution by age .....	89
Exhibit 5-4 Distribution by educational level .....	91
Exhibit 5-5 Top-of-mind awareness (1 <sup>st</sup> mention).....	93
Exhibit 5-6 Top-of-mind awareness (2 <sup>nd</sup> mention).....	95
Exhibit 5-7 Top-of-mind awareness (3rd mention) .....	97
Exhibit 5-8 Trust and confidence (A great deal) .....	99
Exhibit 5-9 Trust and confidence (Quite a lot) .....	101
Exhibit 5-10 Trust and confidence (Not very much).....	103
Exhibit 5-11 Brand loyalty (Strongly agree) .....	105
Exhibit 5-12 Brand loyalty (Agree).....	107



Exhibit 5-13 brand loyalty (Neither agree nor disagree).....109

**APPENDICES**

Appendix A: Coding Codes for variables used in questionnaire .....168

Appendix B: Questionnaire .....169

## **CHAPTER 1 INTRODUCTION**

### **1.1 Background to the problem and context.**

This study was triggered by the popular yearly “Top Brands Survey” by Markinor/Sunday Times, Barron (2002). Markinor conducts an annual study to supply brand name owners and their marketing teams with information about brand perceptions in South African society.

In the survey, South Africans are asked to spontaneously identify the South African brands uppermost in their minds. In the survey, the banking section asked respondents to mention any South African banking brands that come to mind (top-of-mind awareness), and based on their response, respondents were asked to rate the level of trust/confidence and lastly respondents were asked how loyal they were to the three bank brands they mentioned. A total of 3 496 respondents were interviewed, 1 996 in metropolitan areas and 1500 in non-metropolitan areas. All interviews were face to face.

The researcher has always been intrigued by results of the survey, especially the banking sector. The researcher’s observation is that single brand banks like Standard Bank, FNB and ABSA have higher-weighted awareness,

higher- weighted trust/confidence and higher brand loyalty than multi-brand banks like Nedbank, Perm, NBS and Peoples Bank.

It should be stated that the Markinor/Sunday Times survey does not measure single versus multi-brand in banking; hence the researcher's aim is to further research this area.

## **1.2 The problem statement.**

A multi-brand bank such as Nedbank believes provinces and single brands are not related. A single brand such as ABSA believes they are related. This is the problem the researcher wish to test. The reasoning behind the problem statement is to identify the extent to which a single or a multi-brand is successful in creating an indestructible bank image in the eyes of the stakeholders.

## **1.3 Purpose of the study.**

### **1.3.1 Primary purpose.**

The objective of the study will be to identify the extent to which branding affects the South African banking image. The study will attempt to identify whether customers have a higher top-of-mind awareness, higher level of

trust/confidence and higher brand loyalty to single brand bank than to a multi-brand bank.

### **1.3.2 Secondary purpose.**

The researcher will study the relationship between the three variables, namely independent (single brand), moderating (South African) and dependent (banking image) and will interrogate the construct by testing the three hypotheses. Based on the results of the survey, recommendations will be made.

### **1.4 Limitations of the research.**

This research study is limited to research topics aligned to benchmark Sunday Times/Markinor study in Pietersburg and Pretoria areas. The researcher is employed by Nedbank and the bank financed the whole MBA studies. However, the researcher confirms that he chose the topic for research and the research study was financed by himself out of his own funds.

## **CHAPTER 2 LITERATURE REVIEW**

### **2.1 Introduction**

Forbes 500 listed companies such as Coca Cola, American Express, BP, etc as depicted in table 2-1 in this chapter, have intangible assets including brands that are valued more than tangible assets. This shows how important brands are as an asset and as such they need to be well-nurtured as their tangible counterpart.

### **2.2 A literature review.**

This section is a critical analysis of the current literature on branding. The researcher examines branding from supply side (banks) and demand (customer) side. It is of utmost importance to examine branding from both perspectives. Various branding models and theories (including opposing or alternative theories) pertaining to brand are discussed.

#### **2.2.1 The South African banking Sector.**

Four major banking groups have dominated the market but there is a noticeable trend towards the resurgence of the smaller banks vying for market share. According to the Banking Sector Skills Plan (2003:11), “ In 2001 the four major banking groups – ABSA, Standard Bank, Nedcor and

FirstRand – accounted for 74% of market share. All the small banks plus foreign banks shared the remaining 26%. Individual “big four” market share by assets in 2001 is ABSA 20%, Standard Bank 18%, Nedcor 18% and Firststrand 18%. Exhibit 2-1 illustrates market share by assets for 2001.

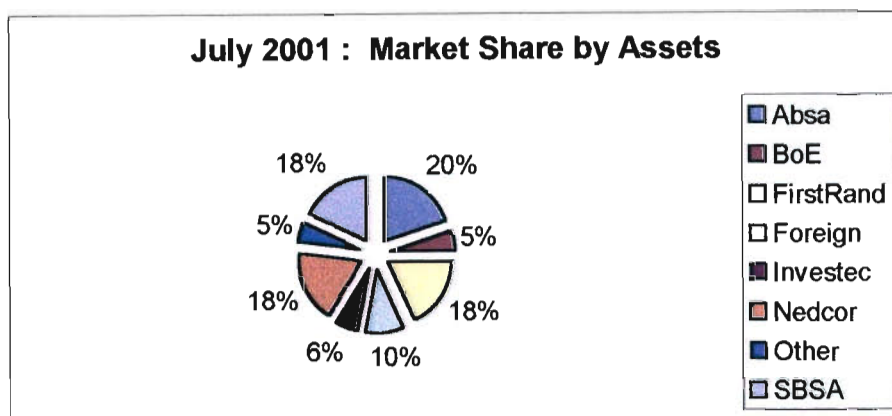


Exhibit 2-1 July 2001 Market share of South African banks by assets.  
Source : Banking Sector Skills Plan (2003:12).

### 2.2.2 Functions and nature of banks’ business.

Banks are the custodians of the general public’s money, which they accept in the form of deposits (cash, cheques, etc.) and pay out on clients’ instructions. “ In the past the banks were functionally subdivided into commercial, merchant and general banks. This distinction is no longer valid since many banks offer the entire spectrum of services.” (Bank Sector Skills Plan 2003:12). Many large banks are, however, diversified into banking and

financial services. They are involved in a full spectrum of domestic and overseas banking as well as short-term and long-term insurance, retail property and corporate finance.

Leon Classen and Elizma Brooks cited in KPMG 2002 Banking Survey state that South African banks are faced with challenges that include an increased demand for better quality service and more sophisticated products, which will put pressure on margins (internet 1).

### **2.2.3 Brand.**

What is a brand? According to the American Marketing Association (AMA), “A brand is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from the competition.” Keller (1998:3).

Aaker (1991:7) defines brand as “ a distinguishing name and/or symbol (such as a logo, trademark, or package design) intended to identify the goods or services of either one seller or group of sellers, and to differentiate those goods or services from those of competitors. A brand thus signals to the customer the source of the product, and protects both the customer and the producer from competitors who would attempt to provide products that



appear to be identical.” These definitions of branding (Keller 1998; Aaker 1991) are supply side definitions of brand. The supply side definition of brand is more about showing the consumer who the maker of the product is.

Ken Stevens, CEO of Banc One’s national retail group is cited in Advertising Age (1998:38), defines brand as “ the sum total of a customer’s exposure with you.”

What is branding? Branding is explained by Kotler (2000) as a major issue in product or service strategy. According to the author, branding takes time and will make or break the product or service. Banks, like all other businesses, have to make a decision to brand or not to brand; which brand name to use; to use multi-brands, a single brand, new brands or brand extensions.

The customer-based brand definition is more relevant to our research as it emphasises the importance of using a brand to deliver a great experience. It is branding from a customer’s perspective. A great name or logo on its own will not deliver a great experience to customers. What customers experience after interacting with say a bank is what matters most. Put somewhat

differently, brand promise is kept or broken by a bank based on every day's interaction with its customers. Duckworth (1991:77) put it so eloquently by stating that, "Similar things apply in a bank – we walk inside it, it is designed in a certain way, we deal with the people at the counter, we form opinions about their attitude to us, the bank sends us letters and statements, occasionally we see the manager."

#### **2.2.3.1 Relevance of branding to banks.**

Chase Manhattan Bank's (now JP Morgan Chase Bank) newly hired corporate marketing chief, Frederick W. Hill, is cited by Holliday (1997:64) as asserting, " Flexibility and building of an effective infra-structure are critical to banks' long-term branding success. If there is any obstacle for banks, it's change, as they were once highly regulated and subsequently didn't recognise the necessity of branding as they do today. Hill acknowledges the success that beverage and packaged goods marketers have attained, but maintains that the customer's expectation of Chase is totally different from popping open a can of Coke."

A bank's value proposition is the resulting experience customers will have from the offering and the relationship with the bank will determine whether

the customer will stay with the bank or defect. According to De Chernatony et al (1993) companies or firms that fail to think of business in terms of customer benefits rather than in terms of physical products are in danger of losing their competitive position in the market place.

To illustrate the power of brand, consider this example: “ At a branding awards ceremony after Barclays Bank had become FNB, the master of ceremonies asked someone from Barclays to come up. There was a great embarrassment when a member of the audience shouted that Barclays had been dead and buried in South Africa for three years.”(Internet 2).

#### **2.2.4 Brand identity.**

Brand identity is defined by Joachimsthaler et al (1999:5) as “ the brand concept from the brand owner’s perspective.” They continue by stating that brand identity is the foundation of a good brand-building program. A company with a clear brand identity helps those who are communicating with the target market to send a clear non-confusing message to customers. The converse is true. “Whenever a clear and strong brand identity is lacking, a brand is like a ship without a rudder,” continued Joachimsthaler et al (1999:9).

Upshaw (1995:25) agrees when he states, “ The identity of a brand is largely formed from the confluence of its positioning and strategic personality, that is, from the singular way in which those two core components stream together, and outward toward the prospect. The identity is a brand’s DNA configuration, a particular set of brand elements, blended in a unique way, which determines how that brand will be perceived in the market place.”

For a brand to be successful, it needs to be visible. Visibility enhances brand identity. Strong brands like Coca Cola, Shell, and JPMorgan Chase all have succeeded in finding ways to achieve visibility by building and supporting brand identity.

Successful firms involve the customer in brand-building experiences. Joachimsthaler et al (1999:15) state that “ providing extensive information, especially using media advertising, cannot duplicate the impact of customers’ personal experiences with the brand. They continued by giving examples of how Hugo Boss is involved in events and The Body Shop in social activism. They argued, “ These experiences create a relationship that goes beyond the loyalty generated by any objective assessment of a brand’s value.” They conclude by stating that any brand that has a strong and visible

brand identity claiming unusually high standards is vulnerable. An example would be if the Intel Pentium chip makes an arithmetical error under certain circumstances or say The Body Shop program is perceived to fall short of its profit-with-a principle philosophy: those events create news.

Schmitt et al (1997) argue to the contrary by stating that by combining brand identity and brand image, aesthetics can be managed through advertisement among others. This argument seems to contradict Joachimsthaler et al (1995).

#### **2.2.5 Brand loyalty.**

Brand loyalty is defined by Aaker (1991:39) as “ a measure of the attachment that a customer has to a brand.” As the brand loyalty increases, the vulnerability of customers to move to competitors is reduced. Brand loyalty from a banking perspective could be described as an emotional connection between a firm and its customers. This emotional connection is normally built through interaction with frontline staff, face to face, on the phone and over the Internet, writes Stevens (1999).

Reichheld (2001) argues that new research shows that the greater the loyalty a company engenders among its stakeholders, the greater the profits it reaps. By stakeholders he meant customers, employees, suppliers and shareholders. This research seems to contradict Aaker (1991) who is defining loyalty in terms of customers only. Reichheld (2001) studied loyalty leaders which are companies with the most impressive credentials in the area of loyalty. According to him outstanding loyalty is not a result of better processes, better software or new wireless strategy. Outstanding loyalty is as a result of the words and deeds, the decisions and practices of committed top executives who have personal integrity. It is those companies' top management that separates them from other companies with lower loyalty.

The companies he studied were from diverse industries ranging from Northwestern Mutual and Vanguard to Chick-fil-A, Enterprise Rent-A-Car, Harley-Davidson and Intuit. The latter two are more relevant to us as they operate in South Africa. Reichheld (2001) makes a point that although these companies have diverse businesses, they have a common denominator, namely: the relationship strategies that are strikingly similar. The author continued by naming strategies, which can be expressed in six concise principles as:

1. Preach what you practise – Top executives should preach their banking values to all their stakeholders. Right values need to be clarified and hammered down to customers, employees, suppliers and shareholders through their (executives') deeds.
2. Play to win-win – If a bank is to build loyalty, not only must a competitor lose, but the bank's partners should also win.
3. Be picky – A bank cannot be all things to all customers. It needs to segment its elected market.
4. Keep it simple – In a complex world we are living in, banking executives need to simplify rules to guide decision-making.
5. Reward the right results – Banking executives need to incorporate customer loyalty to employee development just as Enterprise Rent-A-Car is doing.
6. Listen hard, talk straight – Long-term banking relationships require honest, two-way communication and learning. True Communication promotes trust, which in turn promotes engendered loyalty.

Reichheld's main argument is that a company with all faithful stakeholders sharing one key attribute - leaders, who stick to six bedrock principles - will result in a company having an outstanding loyalty. The author gives an

example of how Intuit (the makers of Quicken and TurboTax) had a software bug that affected TurboTax. The bug was fixed immediately and Intuit offered to send any of its customers a new copy even if fewer than 1% of Intuit's 1.65 million customers were affected by the bug. An interesting point he is making is that Intuit's candor and devotion to its users has produced such an intense customer loyalty that even when mighty Microsoft gave away its personal finance software for free, it could not steal the customer base from Intuit's Quicken.

Sir Colin Marshall of British Airways cited by Prokesch (1995:110) agrees with Reichheld (2001) by stating, "A customer doesn't expect everything will go right all the time; the test is what you do when things go wrong ... occasional service failure is unavoidable."

Reichheld (2001) is supported by Mitchell (2002) who also argues that companies should not overlook another "market" when they market their brands. By another "market," the author refers to the internal market or employees. Author argues that employees are as important as customers as they are the very people who can make a brand come alive for the customers. Mitchell (2002:99) continued by saying, "Why is internal



marketing so important? First, because it's the best way to help employees make powerful emotional connection to the products and services you sell. Without that connection, employees are likely to undermine the expectations set by your advertising. In some cases, this is because they simply don't understand what you have promised the public, so they end up working at cross-purposes. In other cases, it may be they don't actually believe in the brand and feel disengaged or worse, hostile toward the company." The author concluded that his research has found that when people care about and really believe in a brand, they are motivated to work harder and thus their loyalty increases. Employees are unified and inspired by a common sense of purpose and identity.

The widely-held view in consumer behaviour is that customers go through a purchasing process, weighing the pros and cons of alternative brands, after which a final decision is made about which brand is best. "The brand the customer chooses is the brand the customer will be loyal to," writes Weilbacher (1993). According to Weilbacher (1993), Richard Olshavsky and Donald Granbois strongly refuted the above consumer behaviour concept of brand loyalty. The authors came to a conclusion that a decision process may not precede a significant portion of purchase necessarily. The

authors concluded that in many instances a decision never occurs, not even on the first purchase. It is of utmost importance to understand Olshavsky and Granbois's key argument. The authors' alternative view is that much consumer behaviour is not based on continuous, rational and involved evaluation of alternative brands, writes Weilbacher (1993). The authors conclude by stating that the tendency under the circumstances is for consumers to develop a group or set of brands that is acceptable and thereafter to concentrate their purchase among this group or set of brands.

#### **2.2.6 Brand equity.**

Brand equity is the rand value of a firm's brand. The concept of brand equity is eloquently explained by Stephen King of WWP Group, London cited in Aaker (1991:1) where he is quoted as saying, "A product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless." Brands such as Coca Cola, Procter and Gamble, American Express, etc have been in existence for many, many years. Tauber (1988) cited by Sengupta (1990:226) defines brand as "the incremental value of a business above the value of its physical assets due to the market position achieved by its brand and the extensions

potential of the brand”. Keller (1998:60) defines brand equity as “ the difference effect that brand knowledge has on consumer response to the marketing of that brand.”

According to Hill et al (2001) before David Aaker came up with brand equity, only trade lawyers thought about brands. Hill et al (2001:61) continued by stating, “ Aaker insisted there was such a thing as brand equity, and to prove it the author laid out six ways that brands create value for firms that own them. The author said that brands with high equity have greater efficiency and effectiveness of marketing programs, high levels of brand loyalty, premium prices, more successful new products, greater leverage with trade and overall greater competitive advantage. Aaker’s thinking on brands equity fundamentally changed the way everyone thinks about branding.”

Banks need to take branding as seriously as retailers have done. Although banks have been branding their institutions for years, few if any, have succeeded to match retail companies like BMW, McDonalds and Coke, to name a few. According to Holliday (1997:58) “ No banks can conjure up to the consistent imagery of Mercedes, Disney, McDonalds or Coca Cola

whose collective brand value is estimated at \$39 billion by some reports.”

The author stated that for banks, in a bid to differentiate themselves from each other and from non-bank competitors in the world full of choices, branding is emerging as the industry’s contemporary weapon of market choice. Holliday (1997:58) continued by stating, “ As competitors like Merrill Lynch and Fidelity Investments have proven, the corporate brand is an enormous asset. But building one requires time, money and research – attributes too many banks have too little of.”

Building a banking brand is anything but easy, writes Holliday (1997). The author argues that creating banking brand equity requires a balance of three issues, namely: current customer perceptions, potential positionings within the competitive environment, and most importantly, the profit potential of various positionings.

Sampson (1998:13) agrees with Holliday (1997) by stating, “ The market capitalization of some major brand-owning companies shows that brands (largely the intangibles) are now totally dominant.”

Table 2-1 Market capitalization of major brand owning companies.

<b>Company</b>	<b>Stock Market value</b>	<b>Net Tangible</b>	<b>Intangible</b>	<b>%</b>
Coca Cola	\$164.8bn	6.6bn	158.2bn	96%
American Express	41.6bn	6.7bn	35.0bn	84%
Kellogg's	19.5bn	0.6bn	18.8bn	97%
IBM	111.2bn	18.9bn	92.3bn	83%
BP	75.4bn	21.6bn	53.9bn	71%

Source: Sampson (1998,p13) cited in The encyclopaedia of brands and branding in South Africa.

Exhibit 2-1 above illustrates intangible vis-à-vis tangible assets, as a percentage of stock market capitalization of five major corporates. As can be seen, intangibles account for a large percentage of above companies' stock market value. In South Africa branding valuations were not put into the balance sheet until the year 2000, when South Africa adopted Accounting Standard (AC129) by the International Accounting Standard Committee (IASC), thereby falling in line with countries such as United Kingdom and Australia.

Banking in South Africa, like in any country in the world, has been commoditised, i.e. there is very little differentiation of products and/or services that can be offered to the customer. Branding turns out to be a competitive advantage. James Cerruti, managing director of Financial Services Practices for the San Francisco office of consultant Diefenbach Elkins is cited by Holliday (1997:64) as saying “ In financial service, you don’t find the same degree of sustainable loyalty to a product as you do in other industries. In banking, products are commoditised very quickly. So, if your branding emphasis is based on products you have a problem.” Chris Grinden (1999) agrees with Holliday (1997) by arguing that branding may be a bank’s only sustainable advantage. He further stated that a competitor can never steal a brand because at its core a brand is intangible.

Successful brands are nurtured carefully over a number of years and are normally linked with the long-term strategy of the business. Successful branding helps to guarantee future income stream. The converse is true: a brand that is neglected can hurt a bank’s profits, especially if the bank is concentrating on short-term financial gains. Aaker (1991:8-9) writes, “Despite the often obvious value of a brand, there are signs that the brand-building process is eroding, loyalty levels are falling, and price is becoming

salient.” The author continued by stating a series of indicators of lack of attention to brands, which most banks will find familiar namely:

- The bank’s inability to identify with confidence the brand associations and strengths of those associations.
- The bank’s knowledge of level of brand awareness is lacking. Managers unaware whether a recognition problem exists among any segment of its target market. Inability to research top-of- mind recall of their brand.
- Lack of systematic, reliable, sensitive, and valid measure of customer satisfaction and loyalty.
- Banks not having indicators of the brand tied to long-term success of the business that are used to evaluate the brand’s marketing effort.
- No person responsible for managing brand equity in the bank. Brand managers or marketing managers are evaluated on short-term financial gains.
- Performance measurements associated with the brand and its managers are quarterly or yearly. In essence, there are no long-term objectives that are meaningful. To compound the problem, managers do not stay a long time to think strategically.

- No real measurement system to measure and evaluate the impact of elements of the marketing program upon the brand. Brand-building activities like sales promotions are selected without determining their associations and considering their impact upon the brand.
- Lastly, there appear to be no long-term strategy for the brand. “ The following questions are unanswered, and may have not been addressed: What associations should the brand have? In what product classes should the brand be competing? What mental image should the brand stimulate in the future?” writes Aaker (1991:9).

#### **2.2.6.1 Sources of brand equity**

Keller (1998) classifies sources of brand equity into two, namely brand awareness and brand image. Aaker (1991) uses somewhat different terminology to describe sources of brand equity. The author classifies the assets and liabilities on which brand equity is based into five categories namely

1. Brand Loyalty
2. Name awareness
3. Perceived quality
4. Brand Associations in addition to perceived quality



5. Other proprietary brand assets – patents, trademarks, channel relationships, etc.

The concept of Brand equity by Aaker (1991) is summarized in Exhibit 2-2.

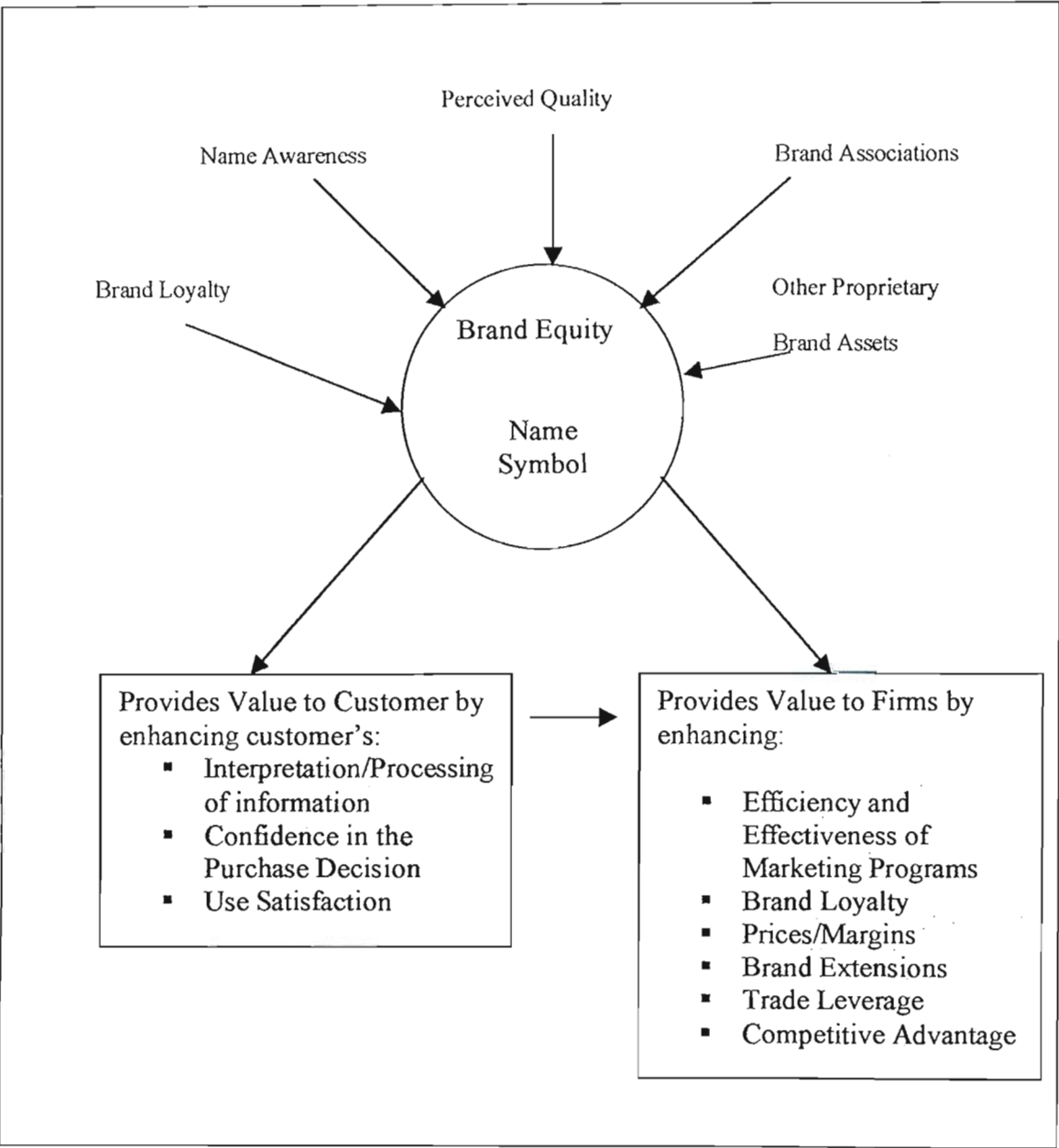


Exhibit 2-2 Brand Equity Model. Source: Aaker (1991:17)

### 2.2.6.2 Brand awareness

Brand awareness is defined as “ the strength of a brand’s presence in the consumer’s mind” Aaker (1996:10). Aaker continues by describing brand awareness so eloquently when he states, “If a consumer’s mind were full of mental billboards – each depicting a single brand - then a brand awareness would be reflected in the size of its billboard.” Awareness is measured according to different ways in which consumers remember a brand, ranging from recognition to recall. Keller (1998:67) agrees with Aaker (1996) by

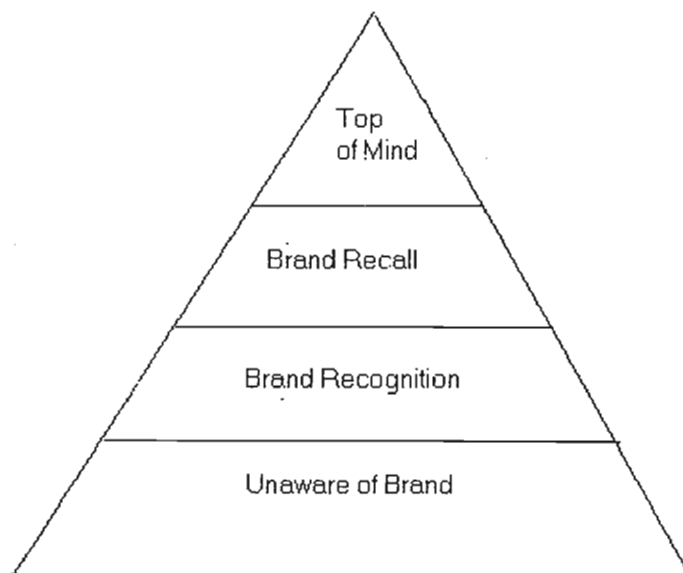


Exhibit 2-3. The Awareness Pyramid. Source: Aaker (1991:62).

arguing that “brand awareness consists of brand recognition and brand recall performance.” Aaker (1991) argues that brand awareness involves a continuum ranging from an uncertain feeling that the brand is recognized, to

a belief that it is the only one in the product/service class. The lowest level is brand recognition and is based on aided recall test. Respondents are given names of brand and asked to identify those they have heard before. Brand recognition is thus a minimal level of brand awareness. Linking the model to Maslow's hierarchy of needs, one has to be in the brand recognition level to be able to progress to the next higher level, i.e. brand recall level. Brand recognition level is very useful when a buyer chooses a brand at the point of purchase.

The next higher level is brand recall. Brand recall involves asking the respondent to name the brand in a product or service class. It is often referred to as unaided recall because, unlike in the recognition task, the respondent is not aided by having names provided. Brand recall is thus more difficult than recognition and according to Aaker (1991) is associated with stronger brand position.

Aaker (1991:62) argues, “ The first-named brand in an unaided recall has achieved top-of-mind awareness, a special position.” The author further stated that in a very sense it is ahead of the other brands in a person's mind bearing in mind that there may be another brand close behind.

Research has shown that old brand names enjoy high top-of-mind recognition than their younger generation counterparts. One study of brand name familiarity asked 100 housewives in four cities to name as many brands as they could, writes Aaker (1991). The housewives were paid for each name. On average they came up with 28, and 15% named more than 40. Half of the brands were food names. What is interesting is that the age of brands named was most remarkable. As table 2-2 illustrates, over 85% were well over 25 years old whilst 36% were over 75 years old.

Table 2-2 Ages of best-known brands.

Age of Brand	Percentage of 4,923 Brands Mentioned
Over 100 years	10
75 to 99 years	26
50 to 74 years	28
25 to 49 years	4
15 to 24 years	4
Under 14 years	3

Ages of Best-Known Brand Names. Source: Aaker (1991:70).

Another fascinating research by the famous Boston Consulting Group, compared leading brands in 1925 with those of 1985 in 22 product categories. According to Aaker (1991), in 19 categories the leader was the same. In the other three the leader was still a major factor. The implications of the above research, argues Aaker (1991), is that the establishment of a strong name anchored by high recognition creates an enormous asset. The author further stated that the asset gets stronger over the years as the number of exposure and experiences grows. The author concludes by stating that as a result, a challenging brand – even with an enormous advertising budget and superior product or service – finds it difficult to fight its way into the memory of the customer.

The importance of knowledge in memory to consumer decision-making has been well documented by Alba et al (1991), as cited by Keller (1995:2), “Understanding the content and structure of brand knowledge is important because they influence what comes to mind when a consumer thinks about a brand – for an example, in response to a marketing activity for that brand.”

### **2.2.6.3 Brand recognition**

Brand recognition is defined by Keller (1998:67) as “ the consumer’s ability to confirm exposure he/she had (prior) to the brand when given a brand as a cue.” Brand recognition requires that the customer should be able to discriminate the brand as having been previously seen or heard. For example when a Standard Bank customer sees Standard Bank ATM machine, he/she will recall Standard Bank brand from prior exposure, i.e. when he opened the account at the branch.

On the other hand brand recall relates to the customer’s ability to retrieve the brand, say ABSA brand from memory when given the product category, the need fulfilled by the category, or a purchase or usage situation as a cue, Keller (1998). Keller further states that brand recall requires that the consumer should correctly generate the brand from memory (where it is stored) when given a relevant cue. For example an ABSA customer when given the tag line, “Today, Tomorrow, Together” should be able to recall that it is tag line of his or her bank, ABSA. The customer is aided in the recall and thus called aided brand recall.

Keller (1998) argues that it is easier to recognise a brand than to recall a brand from memory. Brand recall is thus a very important area in customer-based branding. It is easier for a customer to recall a brand when he/she is in a bank (where physical products are present) but difficult to recall outside the bank or in a situation where a brand is physically not present. In this instance, a customer will be unaided and unaided brand recall is more difficult than aided recall. Aaker (1991) agrees with Keller (1998) when he states that the power of brand recall should never be underestimated. People like the recognizable. Consumers must actively seek the brand and be able to retrieve it from memory when appropriate. Consider an example of FNB customer applying for car finance online. He/she should be able to log online on the internet and discriminate all other brands, i.e. Standard Bank, Nedbank, ABSA, etc. and log to the “correct” Web site of FNB.

#### **2.2.6.4 Brand image**

Brand image is defined by Keller (1993) as “perceptions about a brand as reflected by the brand associations held in consumer memory.” Aaker (1996) agrees with Keller (1993:3) by stating that brand image is how customers and others perceive brand. A question now arises: How does a brand affect a bank image? According to Bednarski (2001), branding creates the images

from which all things or not much at all can spring. Author further argued that image making creates a sum that is lot larger than parts. Branding affects the image of a bank. A good image will improve the bank's image and the converse is true.

Hague et al (1994:38) explains the concept of brand image eloquently by stating that "the values which make up a brand exist because they are perceived. Potential customers and others making up the market also evaluate them positively or negatively. These evaluations are a brand image." The authors state that the first thing people should accept about image is that a perception need not be a fact. Based on their perception of the firm, whether the perception is right or wrong, customers will hold an opinion and their perception may just as well determine the purchasing decision.

Neil Reyer Vice President of Corporate food services for Chase Manhattan Bank cited by King (2000), seems to agree with Bednarski by stating that branding is about character, hence a company's image is its brand and image is about how customers feel about your product, concept and service. Reyer argues that a powerful brand creates an indestructible image in the minds of



a company's customers. The converse is true: a weak image or negative image can cause a negative but equally indestructible image. Reyer concludes by stating that a company's image should be built only on truths and that a company should never stop trying to reach its audience with its image.

#### **2.2.6.5 Brand positioning**

The concept of positioning was popularised by two advertising executives, Al Ries and Jack Trout, cited in Kotler (2000:298). According to the authors, positioning is a creative exercise done with an existing product or service. Authors define positioning as follows: “ Positioning starts with a product. A piece of merchandise, a service, a company, an institution, or even a person ... but positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.” Ries et al (1994:15) argue, “ The law of the mind follows the law of perception. If marketing is a battle of perceptions, not product, then the mind takes precedence over the market place.”

Positioning is a very complex concept and this is acknowledged by Keller et al (2002). The authors state that competitive brand positioning is hard work

and continued by explaining the pitfalls of brand positioning. According to the authors many brands falter and they suggest the following pitfalls to watch namely:

1. Banks or firms sometimes try to build brand awareness before establishing a clear brand position – banks or firms need to know where they are before they can convince anyone.
2. Banks or firms often promote attributes that consumers don't care about – banks or firms should “stick” to attributes relevant to customers.
3. Banks or firms sometimes invest too heavily in points of difference that can easily be copied – positioning needs to be used to keep competitors out, not in.
4. Certain banks or firms become so intent on responding to competition that they walk away from their established positions – banks or firms should stick to the knitting.
5. Banks or firms may think they can reposition a brand, but this is nearly always difficult and sometimes impossible – it is difficult to reposition a brand and brand managers need to be aware of this.

Keller et al (2002) conclude by stating that many companies concentrate on points of difference (the benefits that set each brand apart from the competitor). Example is BMW, superior handling; Mercedes Benz, superior engineering; Volvo, safest car, etc. To them, such points of differentiation are in many cases what the customer remembers about the brand, but such points are not enough to sustain the brand against the competitors. Effective positioning requires not only a careful look at the point of difference, but also to concentrate on what Keller et al (2002) call points of parity with other products or services.

#### **2.2.6.6 Consumer's Perceptual Space Model.**

Consumer perceptual space model is explained by Sengupta (1990:3). The author argued that “ in marketing there is no such thing as a product or service which exists by itself in space, independent of the consumer. For a product to exist, it must find a place in an individual consumer's perception of the world products around him or her. And this perception is subjective, governed by the individual consumer's values, beliefs, needs, experiences and environment.” The author continued by stating that the core thought behind brand positioning is the idea that each brand (if at all noticed) occupies a particular point or space in the individual consumer's perception

of the brand in question and in its relation to other brands. The point the author is trying to put forward is that the special distance between the points in that the consumer's mind reflects the subject's perception of similarity or dissimilarity between products/services and brands.

Professor Phillip Kotler is cited in Sengupta (1990:3) as stating, “ Once the core product concept is chosen, it defines the character of the product space in which the new product has to be positioned. An instant breakfast drink means that this product will compete against bacon and egg, breakfast cereals, coffee and pastry, and other breakfast alternatives...”

To explain the consumer conceptual map concept, assume the banking concept is selected. A service positioning map is shown in Exhibit 2-4 where different banks stand in relation to each other. Positioning starts with our understanding or “mapping” of the consumer's mental perception of products/services.

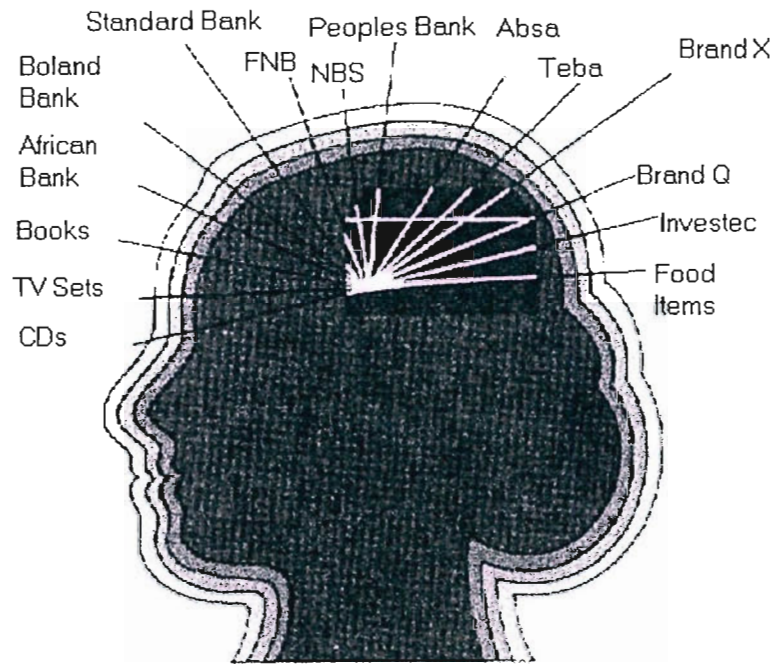


Exhibit 2-4. Consumer's mind, its mysterious working represented by the "black box". Innumerable banks and brands are jostling for a space inside that limited space. Source: Adapted from Sengupta (1990:5).

As can be seen in exhibit 2-4, the mind is already cluttered with numerous brand names for various categories. "It is as though the consumer has drawn his or her own mental map of his or her various wants and needs and has given different points on that map to different products and brands to satisfy those needs," writes Sengupta (1990:6). The author continued by stating that a very successful worldwide consumer products company talks of situating the brand in the prospect's mind. The author added that today's clutter

makes it advisable for firms to give some thought as to how best to help the consumers situate the product within his or her existing frame of reference.

#### **2.2.6.6.1 Renting Mind Space**

With reference to Exhibit 2- 4, if we were to expand on the analogy of the consumer's mind map further, we can say “ the sites or positions on that map are not for outright sale, not even for a 90 year lease! A brand can hope at best to occupy such a position as a tenant, for periods that will vary according to the quality and quantity of marketing efforts behind that brand. Other would-be renters are always putting forth tempting offers to the owner of the site,” writes Schultz et al (in Sengupta 1990:6).

The strategy of brand managers must be to create a perception for their brand in the prospect's mind so that it stands apart from competing brands and is closer to what the consumer wants. Banks such as Nedbank, FNB, Absa, Standard, etc need to cover that space in the consumer's mind as if they had won a long-term lease and always keep out “squatters” or competing brands. Put somewhat differently, banks need to find a strong position in that mind and sit on it.

#### **2.2.6.7 Perceived quality.**

Perceived quality pays off for any firm. For a firm to have a strong brand, it is a pre-requisite that the product or service rendered should be perceived by the customers to be of a high quality. According to Aaker (1991), studies using data from thousands of businesses in the PIMS database, perceived quality improves price, market share, and ROI. The same research named perceived quality as the top competitive advantage in a survey of managers of business units. PIMS results concluded that perceived quality provides a reason to buy, a point of differentiation, a price premium option, channel interest, and a basis for brand extensions.

Buzzell et al (1987) concur with Aaker (1991) by arguing that there is no doubt that the relative perceived quality and profitability are strongly related. The authors conclude by stating that a business with a superior product/service offering outperforms those with inferior products. Jones et al (1995:91) agree with (Aaker 1991; Buzzell et al 1987) by citing research done by Xerox, which shows that, “ high quality products and associated services designed to meet customer needs will create high level of customer satisfaction. This level of satisfaction will lead to greatly increased customer loyalty.” Xerox research concluded that increased customer loyalty is the

single most important driver of long-term financial performance. The implication of Xerox research to banks is that delivering perceived quality service to customers would result in high level of satisfaction and therefore high customer loyalty. Jeffrey Gitomer cited in Kotler (2000:46) agrees but argues that, “ Today’s customers are harder to please. They are smarter, more price-conscious, more demanding, less forgiving, and approached by more competitors with equal or better offers.” The challenge for banks is not to produce satisfied customers but to produce loyal customers.

Jackson (2001,56) has an opposing view of quality to that of (Aaker 1991; Buzell et al 1987; Jones et al 1995). The author argues, “ Having a terrific product is not always enough to sustain a brand.” The author says that putting the customer at the centre is important. Sales promotions, relationship with the media, with sponsors and especially customers are the essence of his basketball team business. The author concludes by stating that if customers don’t buy from a bank, the bank has no business, hence the customer is central.



### 2.2.6.8 Brand associations

Brand association is defined by Aaker (1991:109) as “ anything that is mentally linked to the brand.” Using a banking example, Athletics are associated with Absa, Fun walk is associated with Radio 702/FNB, WWF is associated with Nedcor, etc. Bank associations have a level of strength. A link to the bank brand will be stronger when it is based on many customer experiences or exposures to communications rather than a few. Banks such as Absa and Nedbank are known to have many brand associations in order to strengthen the “link” in memory to their brands. Exhibit 2-5 Shows brand associations.

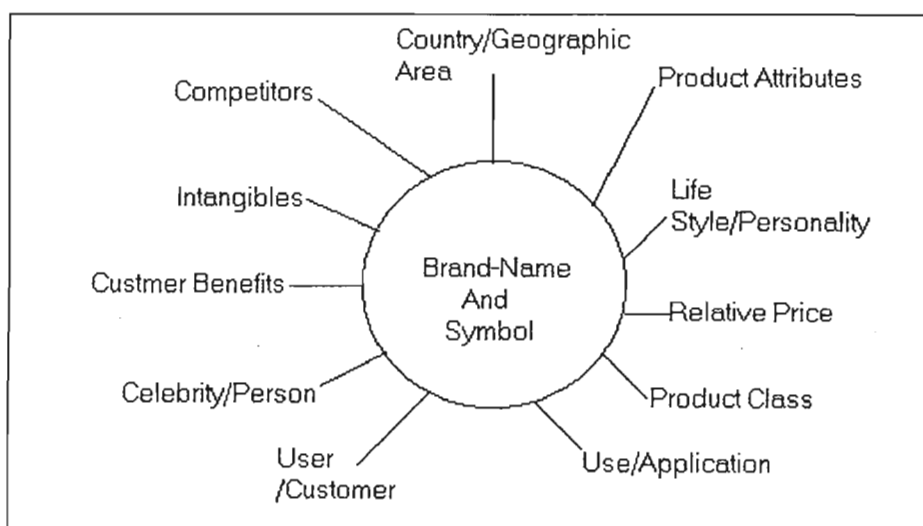


Exhibit 2-5. Brand associations. Source: Aaker (1991:115).

## **CHAPTER 3 CUSTOMER-BASED BRAND EQUITY MODEL**

### **3.1 Introduction.**

This research is based on a conceptual model developed by Keller (1993). The basic premise of Keller's model is that in customer-based brand equity, the power of brand lies in the minds of consumers and what they have experienced and learned about the brand over time.

### **3.2 Analysis of constructs and Frameworks.**

Research is based on branding from a customer perspective approach. Keller (1993) has come up with a model on brand equity called the customer -based brand equity model (CBBE model). The CBBE model was presented in the Journal of Marketing in 1993. Keller (1993) presented brand equity from the perspective of the individual consumer. Previously, brand equity was more on the supply side, for example it was more about the "incremental value of a business above value of its physical assets due to market position achieved by its brand and extensions potential" writes Tauber (1988) (in Sengupta 1990:226). Aaker(1991) pioneered the supply side explanation of brand equity.

According to Keller (1993:1), “ customer-based brand equity is defined as the differential effect of brand knowledge on consumers’ response to the marketing of the brand.” Keller (1993) continued by stating that “ a brand is said to have a positive or negative customer-based equity brand equity when customers react more or less favourably to an element of the marketing mix for the brand than they do to the same marketing mix element when it is attributed to a fictitious named or unnamed version of the product or service.”

Relating to banking, ABSA bank used free Internet access to build its brand. Customers reacted favourably to the element in the marketing mix for the brand as thousands of customers signed on. Anthony Swart, CEO of brand consultants Enterprise IG (Africa and Middle East division) is cited in Barron (2002:7) as stating that “ whether it was a financial success or not, it was a huge coup because it started changing people’s perception of people who bank with ABSA as being funny little guys with grey shoes who work in the post office. Hey, it could be the guy next door. That perception change continues.” The author continued by stating that the fact that ABSA had free Internet access and to later stop it, created a strong enough impression in the

customers' minds that ABSA is serious about technology – it is not that old-fashioned bank people thought it was.

Brand knowledge according to Keller (1993) is conceptualised according to an association of network memory in terms of two components, namely: brand awareness and brand image discussed in this research in chapter 2. Aaker (1991:109) defines brand association as “ anything linked in memory to a brand.” Keller (1993)'s brand associations differ from those of Aaker (1991) as he stated that brand associations help to link the brand in memory by:

- Helping the process or retrieval information about the brand – associations influence the interpretation of facts. A visual image of say Standard Bank's advert on the Grahamstown Art Festival will remind customers that Standard Bank backs arts in the country and then “link” arts sponsorship in memory to the Standard Bank brand.
- Differentiate or position the brand – associations in banking can provide important basis for differentiation. If a bank is well-positioned relative to its competitors, competitors will find it hard to attack that particular bank.

- Assisting in a reason-to-buy – a bank such as Standard Bank provides a specific reason to its customers or prospective customers to use its services or products. Standard Bank purports to offer simpler, better, faster service.
- Creating positive attitude or feelings – advertising a banking product can make the experience of using the bank's products or services seem more rewarding. Example will be using Nedbank affinity products and thereby getting that personal satisfaction that one is helping a good cause, be it Green Trust or Sport Trust.
- Help with brand extensions – brand associations can provide the basis for extension by creating a sense of fit between the bank's brand and a new product or by providing reasons to buy or use the extension. Example will be ABSA introducing Internet access to its customers and non-customers linking the Internet service to its brand.

Keller (1993) sums up his model by stating that customer-based brand equity occurs when the customer is familiar with the brand and when he/she holds some favourable, strong, and unique brand associations in memory.

### **3.3 Assumptions behind the model.**

The basic assumption of the model is understanding the knowledge about the brand and how it relates to brand equity. The importance of brand knowledge in memory to the customer or prospect decision-making is crucial as it “ influences what comes to mind when a consumer thinks about a brand – for example, in a response to marketing activity for that brand.” Writes Keller (1993:2).

### **3.4 Customer-based brand equity model.**

Keller (1998) developed a consumer-based brand equity pyramid. Core values at the bottom two levels of the pyramid – brand salience, performance, and imagery are typically more idiosyncratic and unique to a product and service category than other brand values, namely consumer judgement, consumer feelings and consumer brand resonance. The basic premise with CBBE model is that the power of a brand lies in the minds of the consumers and to a larger extent what they have experienced and learned about the brand over time.

According to Keller (1998:102), “ the CBBE model maintains that building a strong brand involves a series of logical steps:

1. Establishing the proper brand identity – banks need to establish breadth and depth of brand awareness. Top-of-mind awareness should be the ultimate aim of each bank.
2. Creating the appropriate brand – banks need to create strong and favourable brand associations.
3. Eliciting the right brand responses – banks’ ultimate aim should be to elicit positive and accessible brand responses.
4. Forging appropriate brand relationship with customers – banks need to forge a strong relationship with their customers to encourage customer loyalty.

Keller (1998) continued by stating that according to the model, building a strong brand breadth and depth of brand awareness relates to the likelihood that the brand can be recognised or recalled. A strong brand will elicit positive accessible brand responses and will forge intense active brand relationship. The author concluded by stating that achieving the above four steps in turn involves establishing six brand-building blocks, namely: brand salience, brand performance, brand imagery, brand judgement, brand

feelings and brand resonance. Exhibit 3-1 illustrates Customer-based brand equity pyramid.

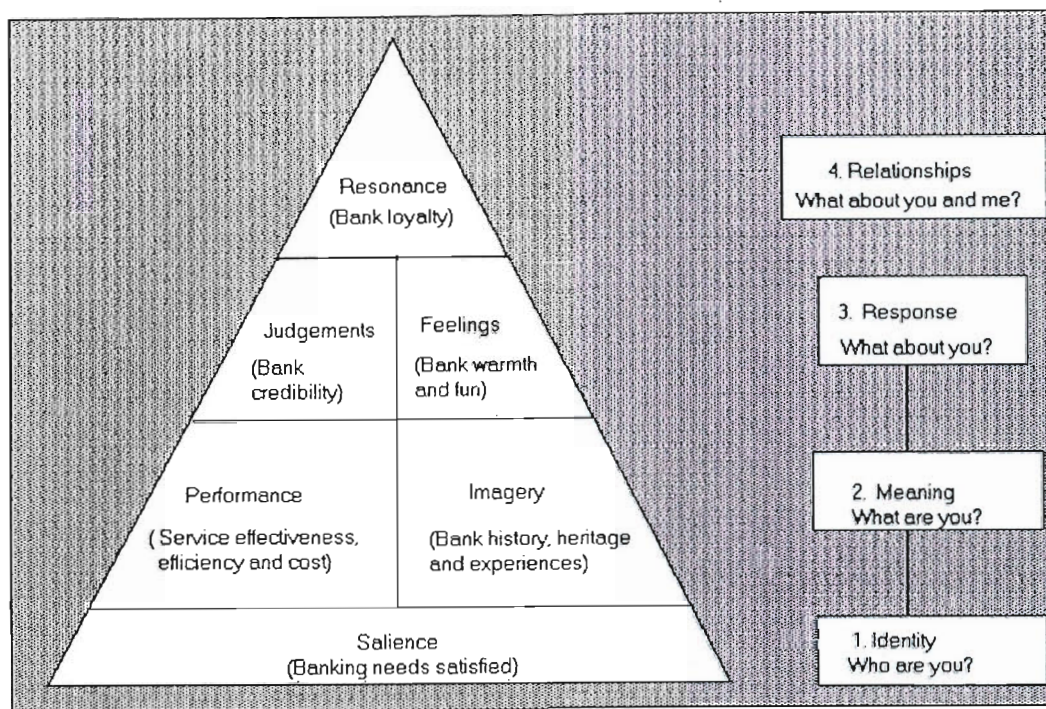


Exhibit 3-1 Customer-Based Brand Equity Pyramid. Source: Keller (1998:76-77).

Keller (1998) argues that the strongest brands excel on all six of the above dimensions and thus fully execute all four steps of building a brand. At the top of the CBBE pyramid is brand resonance which is the highest most brand building block and occurs when all other core brand values are completely “in sync” in respect to customer’s needs, wants and desires. Brand resonance could be compared to Maslow’s self-actualization level of



need. Brand resonance reflects a completely harmonious relationship between customers and the brand. Once a bank has achieved a true brand resonance, it will have customers with a high degree of loyalty characterized by a close relationship with the brand. Successful businesses thus reap rewards in the form of charging premium prices and a more efficient and effective marketing.

Keller (1998:102) argues, “ The basic premise of the CBBE model is that the true measure of the strength of a brand depends on how consumers think, feel, and act with respect to that brand.” Keller continued by stating that for firms or banks to achieve a brand resonance, requires eliciting the proper cognitive appraisals and emotional reactions to the brand from its customers. This is possible through establishing a brand identity and creating the right meaning in terms of brand performance and brand imagery associations.

The author concluded that the brand with the right identity and meaning could result in customers believing that the brand is relevant to them and they will associate with the bank’s product or service. “The strongest brands will be those brands for which consumers become so attached and passionate that they, in effect, become evangelists or missionaries and attempt to share

their beliefs and spread the word about the brand,” concludes Keller (1998:103).

### **3.5 Philosophy.**

Keller (1993) based his Customer-based brand equity model on the most widely accepted associative model formulated by (Anderson 1983; Wyer and Srull 1989). The latter came up with a model called the associative network memory model. Keller (1993:2) states that “ the associative network memory model views semantic memory knowledge as consisting of a set of nodes and links. Nodes are stored information connected by links that vary in strength. A “spreading activation” process from the node to node determines the extent of retrieval in memory.”

Keller (1993:2) continued by stating, “ A node becomes a potential source of activation for other nodes either when external information is being encoded or when internal information is retrieved from long term memory”. It is important to note that activation can thus spread from this node to other linked nodes in memory. According to (Collins and Loftus 1975; Raaijmakers and Shiffrin 1981; Ratcliff and McKoon 1988) in (Keller 1993:2), “ When the level of activation of another node exceeds some

threshold level, the information contained in that node is recalled. Thus the strength of association between the activated node and all linked nodes determines the extent of this spreading activation and the particular information that can be retrieved from memory.”

An example will help to clarify what the model is about. Suppose a customer is considering applying for a credit card. The customer may think of a Nedbank Visa credit card because of its strong association with the product category. Customer knowledge most strongly linked to Nedbank credit card should also then come to mind, such as perception of colour of the Visa plastic, the picture on the card or even recalled images from a recent advertising campaign or past product experiences.

Consistent with an associative network memory model, brand knowledge is conceptualised as consisting of a brand node in memory to which a variety of brand associations are linked, writes Keller (1993). Keller (1993) concludes by stating that given this conceptualisation, a key question is: what properties do the brand node and brand associations have? The relevant dimensions that distinguish brand knowledge and affect consumer response are the awareness of the brand (discussed in chapter 2) in terms of

brand recall and recognition and the favorability, strength, and uniqueness of the brand associations in consumer memory. These dimensions, namely brand recall and recognition are affected by other characteristics of and relationships among the brand associations.

The Consumer-based brand equity model could also be linked to the famous Maslow's hierarchy of needs. The hierarchy of needs has five levels of needs. At the bottom of Maslow's pyramid is physiological need, followed by safety and security, belongingness, esteem and status with self-actualisation at the top of the pyramid. Woodward (1991:128) states that "Maslow would argue that society moves to the next level when it has achieved material satisfaction, and that material considerations then include the air, the earth and the atmosphere. Those who have recognised this have achieved a lot, but those who have not risk major losses of market share, profitability, or entire brand."

To put it somewhat differently, products or services according to Maslow's hierarchy of needs should offer not only physical or functional satisfaction but psychological or non-functional rewards as well. The non-functional values of the brands should satisfy the social and esteem needs of customers.

### **3.6 Application of customer based brand equity model to build a construct.**

A construct is defined by Cooper et al (2001:41) as “ an image or idea specifically invented for a given research and/or theory building purpose.”

The authors further state that constructs are built by combining the simpler concept, especially when the idea or image we intend to convey is not directly the subject of observation.

#### **3.6.1 Brand salience**

Achieving the right brand identity for the banks involves creating brand salience with customers. Brand salience relates to aspects of the awareness of the brand, i.e. how often and easily is a bank brand evoked under various situations or circumstances - Keller (1998). Brand salience measures the extent to which a brand could be recalled or recognised by customers (top-of- mind awareness and recall). Names of brands will be say Nedbank, ABSA, FNB, and Standard Bank. Brand salience also includes questions like how frequently do customers use banks? This could be whenever they need finance.

### **3.6.2 Brand performance**

A product or service is at the heart of brand equity, writes Keller (1998). Without a product or service there is no brand. Brand performance could be compared with Aaker (1991)'s perceived quality. Aaker (1991) argues that for a bank to have a strong brand, it is a prerequisite that the product offering or service rendered should be perceived by the customer to be of a high quality. The same applies to banking. Customers demand fast, quality and efficient service.

It is therefore logical that the banking industry should deliver products or services that satisfy the target market's needs and wants regardless of whether the product or service is tangible or intangible. An example of a product that meets the customer's need will be say Nedbank's Nedcredit which revolutionized the way vehicle were financed. Car finance is linked to the current account, and excess deposits into the car account helped to reduce the interest burden. Brand performance deals with questions like: How reliable is this bank's brand? This is very important since customers only want to deal with reliable banks. Durability is also an issue to some customers. A bank like FNB often puts the date it was established on its

advertisements. This is presumably to assure customers that it has been around for well over a century and therefore can be trusted.

### **3.6.3 Brand imagery**

Brand imagery deals with the extrinsic properties of the bank's products or services, writes Keller (1998). This includes the ways in which the brand attempts to meet customers' psychological or social needs. According to Kotler and Zaltman (1971) cited by Houston (1986), they argue that the marketing concept calls for most effort to be spent on discovering the wants of a target market and then creating the products and services to satisfy them. The famous marketing concept was a concept coined by Keith (1960) by arguing that a firm aims its effort at satisfying customer's needs and wants at a profit.

Brand imagery deals with questions like: How much do banking customers like the people who use the bank, say Nedbank brand? Example would be where people choose Nedbank/Nelson Mandela Children's Fund credit card because they like Mr Mandela and want to contribute to his cause. Another question dealing with the brand imagery could be: To what extent do you feel you grew up with the brand? The latter question is more relevant to

customers whose families opened them banking accounts as children and their accounts changed when they went to college/university to young adults. The same accounts were converted to say, professional banking accounts once they had finished their studies and were employed as professionals.

#### **3.6.4 Brand judgment**

Brand judgement deals with banking customers' personal opinions and evaluations with regard to the brand, writes Keller (1998). Thus, branding judgements will involve how customers put together all different performance and imagery associations of the brand, say ABSA brand to form different kinds of opinions. Banking customers may make all the types of judgements with respect to a brand, but in terms of creating a strong banking brand, four types of brand judgements are very important, namely: quality, credibility, consideration and superiority. The question dealing with brand quality is: What is your overall opinion of the bank brand? Credibility could be: How knowledgeable are the marketers of say Standard Bank brand? Front line employees' product knowledge will ultimately make or break the brand. Consideration could be tested by questions like: Would you recommend the brand say Nedbank to others? Superiority is tested by a question like: how unique is this banking brand, say ABSA brand?



### **3.6.5 Brand feelings**

Brand feelings are customers' emotional responses and reactions with regards to the brand, Keller (1998). Example will be emotional responses from customers after attending say Standard Bank's Jazz festival, Nedbank's Golf Challenge or watching Standard Bank sponsored - Orland Pirates Football Club. Questions that could be used to test Brand feelings are whether a brand gives you a feeling of warmth, fun, excitement, security, social approval and self-respect. Example of Brand warmth will be Nedbank branches, specifically Menlyn branch situated at Menlyn Shopping complex where there is a coffee machine and a big screen TV inside the banking mall. The branch could be mistaken for a coffee shop! This is presumably done to make customers feel at home.

### **3.6.6 Brand resonance**

Brand resonance as per the CBBE triangle focuses on the ultimate relationship and level of identification that the banking customer has with say FNB brand. Brand resonance could be compared with Maslow's self-actualisation level of need. Brand resonance deals with the nature of this relationship and the extent to which customers feel they are "in sync" with the brand. Example will be say Nedbank customers who use Green Trust to

support say Dolphins, Sports, Nelson Mandela Children's Fund, etc. Because they support say dolphins and their bank also supports the same cause, these customers are therefore "in sync" with Nedbank brand. Brand resonance can further be broken into four categories, namely: Behavioural loyalty, attitudinal attachment, sense of community and active engagement.

### **3.7 Critique of Customer-based equity model.**

Keller (1993)'s model is based on associative network memory theory. Conventional consumer behaviour studies argue that a consumer goes through a buying process. Schiffman et al (1978:5) defines consumer behaviour as " the behaviour that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs," Hoyer et al (2001) agree by stating that consumer behaviour is about four basic domains, namely:

1. The psychological core which includes internal processes that consumers use to make decisions – in banking this means before customers can make decisions, they need to have some form of knowledge or information upon which their decisions can be based.

2. The consumer culture which includes the external factors that influence consumers' decisions – in banking this means that customers will be affected by the cultural environment in which they operate. Cultural environment affects how consumers make decisions and process information. Gender, age, social class, and friends affect values and lifestyle and thus influence the decisions customers make and how and why they are made.
3. The process of making decisions – in banking this means consumers will go through the process of making decisions, namely, problem recognition, judgement and decision-making and post-purchase decision process.
4. The outcome of consumer behaviour – in banking this means the psychological core, decision-making process and the consumer culture affect consumer behaviour outcomes such as the symbolic usage of products or services and the diffusion of ideas, products or services through the market.

As discussed under brand loyalty in chapter 2, Olshavsky and Granbois cited by Weilbacher (1993) refuted this assertion that a decision process precedes a customer's purchase. The authors argued that a significant portion of the

purchase may not necessarily be preceded by a buying process. The authors continued by arguing that consumer behaviour is not based on continuous, rational and involved evaluation of alternative brands. The authors concluded that the tendency under circumstances is for customers to develop a group or set of brands that is acceptable and to concentrate their purchase among this group or set of brands. The researcher tends to agree with Olshavsky and Granbois, especially when the purchase involves every day items, which do not require a cumbersome decision making process, i.e. weighing the pros and cons before making a purchase.

The Consumer-based equity model is silent on factors that influence the favourability, strength, and uniqueness of brand associations. Keller (1993) agrees that this area needs to be explored further. Lastly, Keller (1993) recommends that the costs and benefits of leveraging secondary associations should be explored.

### **3.8 Hypotheses**

A hypothesis is defined by Levin et al (1991:400) as “ an assumption we make about a population parameter.” The researcher has formulated the following hypotheses:

#### **3.8.1 Hypothesis 1.**

**The null hypothesis (Ho): Rows (province) and columns (gender) are independent (not related) and alternative hypothesis (Ha): Rows and columns are dependent (related).**

#### **3.8.2 Hypothesis 2**

**The null hypothesis (Ho): Rows (province) and columns (top-of-mind awareness – 1<sup>st</sup> mention) are independent (not related) and alternative hypothesis Ha): Rows and columns are dependent (related).**

#### **3.8.3 Hypothesis 3**

**The null hypothesis (Ho): Rows (province) and columns (trust and confidence) are independent (not related) and alternative hypothesis: Rows and columns are dependent (related).**

#### **3.8.4 Hypothesis 4**

The null hypothesis ( $H_0$ ) is rows (province) and columns (brand loyalty – strongly agree) are independent (not related) and alternative hypothesis is that rows and columns are dependent (related).

#### **3.8.5 Reasons for hypotheses.**

##### **Hypothesis 1.**

Researcher wants to determine relationship between rows (province) and columns (columns). Relationship between rows and columns will be tested using the Chi-square to determine whether rows and column are related or not related.

##### **Hypothesis 2**

The reason why the researcher want to test this hypothesis is that in the Sunday Times/Markinor benchmark survey, single bank brands such as Standard Bank, FNB and ABSA scored high on weighted top-of-mind awareness than multi-brand banks such as Nedbank, Perm, Peoples Bank, and NBS. The latter are under the umbrella of Nedcor Bank. Table 3-1 shows weighted awareness scores for top banking brands survey –year 2002. Standard Bank has the highest weighted awareness score of 61, followed by

FNB with 50 and ABSA with 48. Nedbank (a multi-brand) follows a distant fourth with a weighted awareness average of 17.

The researcher wants to determine whether a relationship exists between provinces and top of mind awareness. In addition, the researcher wants to test whether the respondents in both provinces, i.e. Limpopo (Polokwane) and Gauteng (Pretoria) have a higher brand awareness to single brand banks such as ABSA, Standard Bank, and FNB or to multi-brand banks such as Nedbank, Perm, Peoples Bank or NBS. According to Sunday Times/Markinor study, Single brand banks have a higher top-of-mind awareness than multi-brand banks.

### **Hypothesis 3.**

The reason why the researcher wants to test this hypothesis is that in the Sunday Times/Markinor benchmark survey, single bank brands such as Standard Bank, FNB and ABSA are perceived to have a higher weighted trust and confidence scores than multi-brand banks such as Nedbank, Perm, Peoples Bank, and NBS. The latter are under umbrella of Nedcor Bank. Table 3-1 shows weighted trust and confidence for top banking brands survey-year 2002. Standard Bank has the highest weighted trust and

confidence score of 85, followed by FNB with 81 and ABSA with 83. Nedbank (a multi-brand bank) is rated fourth with a weighted trust and confidence average of 70.

The researcher wants to determine whether a relationship exists between provinces and brand trust. In addition, researcher wants to test whether respondents in both provinces, i.e. Limpopo (Polokwane) and Gauteng (Pretoria) perceive single brand banks such as ABSA, Standard Bank, and FNB to have a higher level of trust and confidence than multi-brand banks such as Nedbank, Perm, Peoples Bank or NBS. According to Sunday Times/Markinor study, single brand banks have a higher brand trust and confidence than multi-brand banks.

#### **Hypothesis 4**

The reason why the researcher wants to test this hypothesis is that in the Sunday Times/Markinor benchmark survey, single bank brands such as Standard Bank, FNB and ABSA scored high on brand loyalty than multi-brand banks such as Nedbank, Perm, Peoples Bank, and NBS. The latter are under the umbrella of Nedcor Bank. Table 3-1 shows weighted trust and confidence for top banking brands survey –year 2002. Standard Bank has the



highest brand loyalty score of 78, followed by FNB and Absa with a joint second position score of 75. Nedbank (a multi-brand bank) is rated fourth with a brand loyalty score of 64

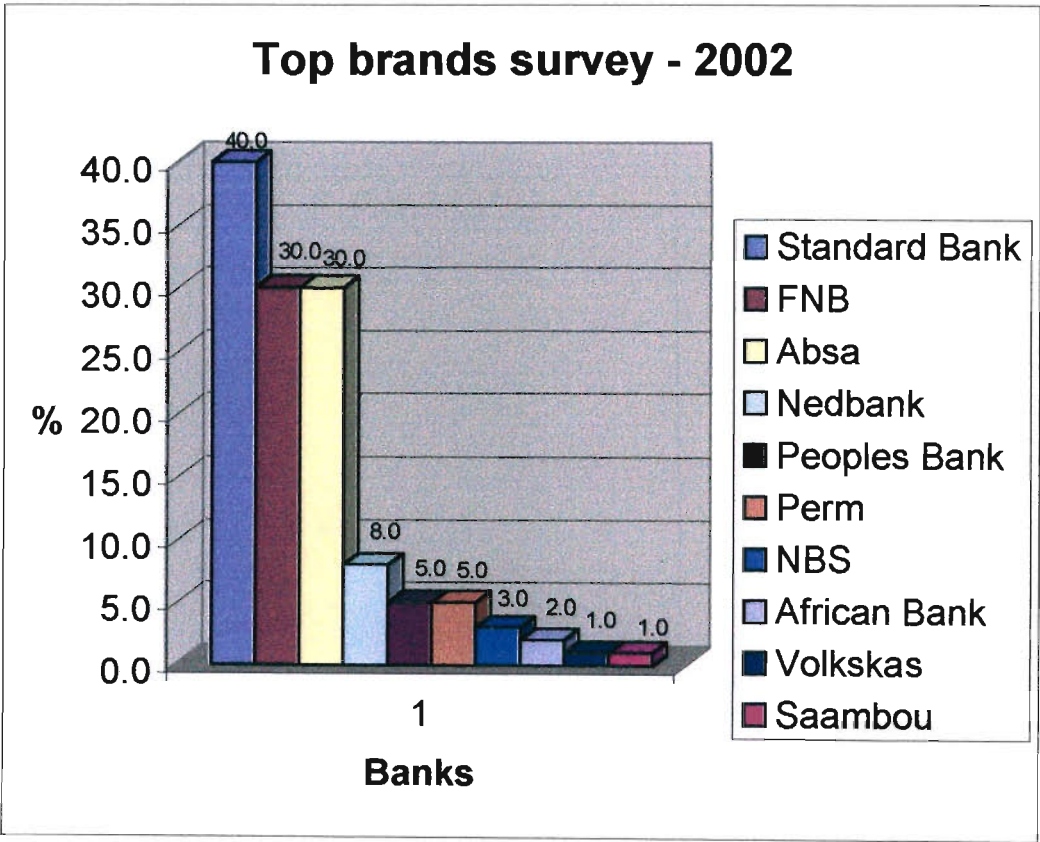
The researcher wants to determine the relationship between provinces and brand loyalty. In addition researcher wants to test whether the respondents in both provinces, i.e. Limpopo (Polokwane) and Gauteng (Pretoria) perceive single brand banks such as Absa, Standard Bank, and FNB to have a higher brand loyalty than multi-brand banks such as Nedbank, Perm, Peoples Bank or NBS. According to the Sunday Times/Markinor study, single brand banks have a higher brand loyalty than multi-brand banks.

### **3.9 Benchmark study.**

Table 3-1 shows top banking brands survey for the year 2002 conducted by Sunday/Times Markinor. According to Barron (2002:1), “ the three scores for spontaneous awareness, levels of trust and commitment have been combined to produce a brand relationship score which provides a holistic measurement of a brand’s health.” Exhibit 3-1 shows the results of the top banking survey in percentages. According to Barron (2002:1), “ The ultimate measure of a brand’s worth is its ability to sustain sales. But to

arrive at this point it first needs to establish itself prominently in the mind of the consumer (the awareness phase) and then build favourable attitudes (the attitudinal phase). Finally, positive attitudes should lead to purchasing of the brand.”

Exhibit 3-2 Top banking brands survey –2002.



Source: Sunday Times/Markinor, Top brands survey, 2002.

Table 3-1 Top banking brands survey – 2002.

	Weighted Awareness	Weighted Trust/Confidence	Brand Loyalty
Standard Bank	61	85	78
FNB	50	81	75
Absa	48	83	75
Nedbank	17	70	64
Peoples Bank	11	67	71
Perm	11	66	64
NBS	6	73	73
African Bank	5	60	65
Volkscas	4	54	55
Saambou	6	37	38

Source: Sunday Times/Markinor, Top Brands Survey, 2002.

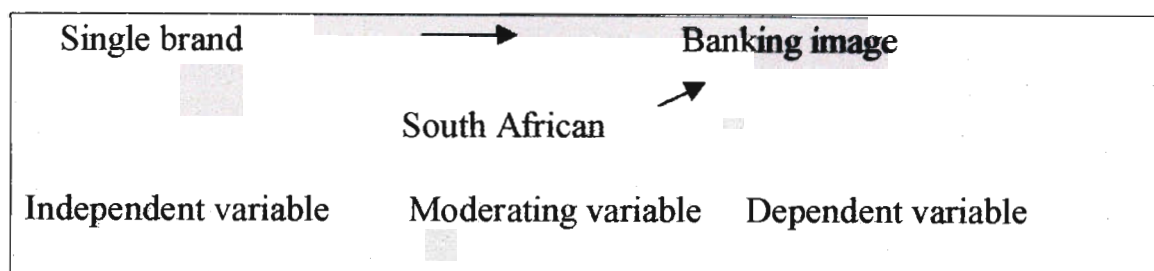
### Variables.

According to Rudestam et al (2001), a construct is the concept used for scientific purposes in building theories. Constructs (for example image), like concepts, are abstractions formed by generalizing from specific behaviours or manipulations. Rudestam et al (2001,p18) continue by stating that,

“ When constructs are operationalized in such a way that they can be scored to take on different numerical values, they are referred to as variables.”

The research topic is the effects of a single brand on the South African banking image. The rationale for the research is to establish the relationship between variables. In each relationship there is at least one independent variable and one dependent variable.

Table 3.2 Relationships between Independent, Moderating and Dependent variables.



Source: Rudestam et al (2001:18-19)

Table 3.2 illustrates the relationship between independent, moderating and dependent variables. Using the research topic, single brand will be an independent variable (IV). It “ causes” dependent variable (DV) banking image to occur. South African is a moderating variable that the researcher introduced to limit the study to South African banks only. Moderating variable (MV) will have a contributory effect on the originally stated IV-DV

relationship. Banking image in table 3.2 includes amongst others the appearance of bank staff, the bank's branches and offices.

## CHAPTER 4 RESEARCH DESIGN AND METHODOLOGY

### 4.1 Introduction

In this chapter, univariate tabulations are used to reduce a mass sample data to less data and are used to derive frequency distributions and measures of central tendency and dispersion. Cross-tabulations will be used to compare various variables. The researcher chose survey research, which is a system whereby data is obtained about a population by means of various measurements techniques, be they quantitative and/or qualitative.

### 4.2 Descriptors of Research Design.

Table 4-1 Descriptors of this research design.

Category	Options
The degree to which the research question has been crystallized.	Formal Study - The purpose of the research is to answer the research question posed. In this study, three hypotheses are tested and results presented.
The methods of data collection.	Interrogational/communication - The researcher questioned the respondents and collected their responses by personal interviews.

The power of the researcher to produce effects in the variables under study.	Ex post facto - The researcher reports only what happened or what is happening.
The purpose of the study.	Descriptive - This research is concerned with finding out who, what, where or how much, hence the study is descriptive.
The time dimension.	Cross-sectional - The researcher chose a cross-sectional study, which represents a snapshot of one point in time.
The topical scope – breadth and depth – of the study	Statistical study – a statistical study was chosen. The researcher took a sample in two provinces and results are presented.
The research environment	Field setting – The researcher chose field setting as a research design occurs under actual environment condition or under other conditions.
The subjects’ perceptions of research activity	Modified routine – Subjects’ perception of this research is modified, i.e. not actual routine).

Source: Adapted from Cooper et al (2001:135)

Table 4-1 depicts research design for this study. It summarizes the whole research study and is like a road map guiding direction of this research.

### **4.3 Population size.**

Only the metropolitan area of Pretoria and non-metropolitan area of Botlokwa in Polokwane (formerly Pietersburg) in Limpopo were used for the survey. Population comprised of all males and females over the age of 18 years and above having a banking account.

### **4.4 Sample.**

Sample is defined by Aaker et al (2001:740) as, “ a subset of elements from a population.” Sampling universe comprised of all adults 18 years and older living in residential areas of Pretoria metropolitan areas in Gauteng and non-metropolitan (rural) area of Botlokwa in Polokwane city (formally Pietersburg) in Limpopo province.

#### **4.4.1 Sampling procedure.**

The sample was stratified by city and township as far as was possible. Stratified random sampling is defined by Cooper et al (2001:773) as “ a probability sampling technique in which each stratum size is not proportionate to the stratum’s share of the population; allocation is usually based on variability of measures expected from the stratum, cost of sampling from a given stratum, and size of various strata.” The researcher used



cluster-sampling method to draw a random sample and then do further interviews in the vicinity of each respondent. Cluster sampling is defined by Cooper et al (2001:759 as “ a sampling plan that involves dividing the population into clusters or subgroups, then drawing a sample from each subgroup in a single-stage or multistage design.” Probability sampling as a sampling technique was used. According to Martins et al (1999), Cluster sampling as a probability sampling method saves time and costs compared to simple or stratified random sample. In Limpopo province, the researcher chose Botlokwa rural area and within Botlokwa, a busy shopping complex with a commuter station was chosen to do interviews.

In Gauteng province, Pretoria’s residential suburb of Waterloo was chosen and Mamelodi East and West. In Waterkloof, a busy shopping complex was used for interviews, whereas in Mamelodi East and West two Medical Centers were used.

#### **4.4.2 Sample size.**

Sample size comprised of a total of 245 respondents, 85 in Limpopo province and 160 in Gauteng province.

#### **4.5 Measuring instrument.**

The instrument was in the form of structured questions with structured responses. The researcher used a nominal scale-type questionnaire to record respondent's answers to (dichotomous) questions, i.e. gender and educational level.

To obtain age of respondents, the researcher used interval scale-type questionnaire (multiple-choice) with single answers. The researcher used ordinal scales questionnaire (multi-choice) with multiple answers for brand awareness, brand trust/confidence and brand loyalty. For branding questions, Likert scale was more appropriate as the “ scale requires respondents to indicate a degree of agreement with each series of statements related to the attitude object,” writes Martins et al (1999:228).

To compare the relationship between variables the researcher used cross-tabulations. Cross-tabulations are defined by Martins et al (1999:315) as follows, “ A cross tabulation comprises bivariate observations, each cell containing those observations which correspond both to the appropriate column heading and the appropriate side heading.” In this study a cross-tabulation of province and all other variables was done. The aim is to

compare data obtained from Limpopo province with that of Gauteng province.

Table 4-2 Commonly used measures of associations

Measurement	Coefficient
Interval	Pearson Correlation Coefficient)
Ordinal	Spearman’s rho
Nominal	Contingency Coefficient C

Commonly used measures of associations. Source: Adapted from Coopers et al (2001:532).

Table 4-2 depicts measures of association that were used for data analysis. Pearson correlation coefficient was used to measure interval data. According to Cooper et al (2001:768), “ the r symbolizes the estimate of the linear association on sampling data and varies over a range of +1 to –1.” They further explain that the prefix (+1,-1) indicates the direction of the relationship between variables (positive or inverse), while the number represents the strength of the relationship. Closer to 1, the stronger the relationship; 0 implies no relationship between variables and P represents the population correlation.

The researcher used Spearman’s rho to measure ordinal data. Spearman’s rho is a nonparametric measure of association and is a popular ordinal measure. Rho correlates ranks between two variables, say province and

gender. A positive relationship between variables suggests a stronger relationship and the inverse is true.

Chi-Square, a nonparametric test of significance was used for nominal measurement. According to Coopers et al (2001) chi-square is used to detect relationship between the variables tested. To measure skewness of the sample distribution we used Kurtosis. Kurtosis is defined by Coopers et al (2001:764) as “ a statistic that measures a distribution’s peakness or flatness (ku); a neutral distribution has a ku of 0, a flat distribution is negative and a peaked distribution is positive.” Skewness measures sample distribution from symmetry. If sample distribution is symmetrical, the sample mean, median and mode will be in the same location.

The researcher used histograms to display data graphically. Histogram is a useful solution for the display of interval data like age. According to Coopers et al (2001:455), “ histograms are used when it is possible to group the variable’s values into intervals. Histograms are constructed with bars where each occupies an equal amount of area within the enclosed area.” The researcher used histograms to measure dependent variables, namely branding questionnaires.

To measure sampling distribution for province, gender, age and education, the researcher used Pie Charts and Histograms. The causes of the problem under investigation are sorted in a decreasing importance with the bar height descending from left to right. The pictorial array that results reveals the highest concentration of quality improvement potential in the fewest number of remedies” writes Coopers et al (2001:468).

The purpose of the questionnaire is to investigate whether single brand banks scored high on top-of-mind awareness, trust and confidence and loyalty as opposed to a multi-brand bank. The first part of the questionnaire asked respondents their province, name, gender, age and educational level. The second part measured respondents’ top-of-brand awareness, how much trust and confidence they have in each brand they mentioned and lastly the researcher measured how loyal respondents are to the banking brands they mentioned. Questionnaire on brand is adapted from yearly Top Brands Survey by Sunday Times/Markinor.

#### **4.5.1 Constructs and items in the measuring instrument.**

Constructs to be interrogated in the measuring instrument will be branding and the branding questionnaire comprised the following three dimensions:

- ❖ Top-of-mind awareness (1<sup>st</sup> mention; 2<sup>nd</sup> mention; 3<sup>rd</sup> mention and other mentions),
- ❖ Trust and confidence in a brand (A great deal; Quite a lot; Not very much and None at all) and
- ❖ Brand loyalty (strongly agree; Agree; Neither agree nor disagree; Disagree; Strongly disagree and Don't know).

#### **4.5.2 Biographical questionnaire.**

The biographical questionnaire consisted of five dimensions. They were the following: Province, Name, Gender, Age and educational level.

#### **4.5.3 Coding**

All completed questionnaires were coded to enable the researcher to capture sample data into SPSS® software. Coding is defined by Martins et al (1999:299) as “A technical process whereby codes are assigned to the respondents' answers preparatory to their tabulations.”

**4.6 Interviewing method.**

All interviews were comprised of a personal face-to-face. The researcher chose personal interviews, as it is very useful method for collecting primary data.

Table 4-3 Advantages and disadvantages of Personal Interviews.

Advantages	Disadvantages
<ul style="list-style-type: none"><li>• Personal interviews are ideal for collecting primary data. Primary data is required as no study was conducted before studying effects of a single brand on the South African banking image.</li><li>• It is the most flexible method of collecting data. Presence of interviewer enables the researcher to use various forms on interaction between the interviewer and the respondents. Personal interviews have the highest response rate due to the interviewer’s presence.</li><li>• Mere presence of the interviewer</li></ul>	<ul style="list-style-type: none"><li>• Interviewer may add bias to the interview. The researcher used Matric and college graduates.</li><li>• Interviewees are not always available – time constraints. It is difficult to conduct personal interviews as most respondents have time constraints.</li><li>• It is a very expensive method of primary data collection. People who are helping to do personal interviews had to be paid.</li><li>• Interviewer may not follow instructions. This could be attributed to limited training given</li></ul>

<p>motivates the respondents to cooperate.</p> <ul style="list-style-type: none"> <li>• Highest response rate. Almost all respondents that were asked to be interviewed agreed, hence the high response rate.</li> </ul>	<p>to those who helped researcher.</p> <ul style="list-style-type: none"> <li>• Contamination – interviewer may contaminate the measurement by introducing his/her own ideas into the communication system.</li> </ul>
--	--

Adapted from Mayer (1974: 2-82 – 83)

#### 4.7 Administrative procedure.

##### 4.7.1 Data collection

As stated earlier in this chapter, the method of data collection comprised of interrogation (communication). The researcher used personal interviews as a method of collecting primary data.

##### 4.7.2 Objectives

A construct was interrogated using questionnaires to test the three hypotheses, namely: Hypothesis 1, hypothesis 2 and hypothesis 3.

#### 4.8 Method of data analysis.

Data from the survey instruments was analysed using descriptive statistics. The researcher used central tendencies or averages – mean, median, and



mode and dispersion of scores – range and standard deviation. To examine data graphically in more detail the researcher used Pie charts, histograms and Chi-square. The researcher used correlations to make inferences about relationships between variables. For example the relationship between variables was analysed with correlation analysis.

All statistical surveys are prone to statistical error. The sampling results were evaluated within the margin of error as determined by the sample size, response rate and the sampling method used.

## **CHAPTER 5 ANALYSIS AND DISCUSSION OF RESULTS.**

### **5.1 Introduction.**

This chapter commences with a descriptive analysis of sample data performed using SPSS® software package. Univariate tabulations are discussed first and then followed by cross-tabulation between variables. Cross-tabulations are very useful in explaining the relationship between variables. The three hypotheses named in Chapter 3 are tested and results are presented. Lastly, the correlation between the three variables namely, top-of-mind awareness (1<sup>st</sup> mention), trust and confidence (A great deal) and brand loyalty (strongly agree) is tested and results are presented.

### **5.2 Description of the sample**

A total of 245 interviews were done, 160 were in Gauteng (Pretoria) and 85 in Limpopo (Botlokwa). Summary of key descriptive statistics is depicted in table 5-1.

Table 5-1 Descriptive statistical summaries.

		Top-of-mind (1 <sup>st</sup> mention)	Trust confidence great Deal)	& (A	Brand loyalty (Strongly agree)
N	Valid	245	245		245
	Missing	0	0		0
Mean		4.6816	4.6612		4.6857
Std. Error of Mean		0.2424	0.2441		0.2419
Median		4.000	4.000		4.000
Mode		1.00	1.00		1.00
Std. Deviation		3.7934	3.8213		3.7867
Variance		14.3900	14.6020		14.3393
Skewness		0.381	0.387		0.379
Std. Error of Skewness		0.156	0.156		0.156
Kurtosis		-1.566	-1.576		-1.560
Std. Error of Kurtosis		0.310	0.310		0.310
Range		10.00	10.00		10.00
Minimum		1.00	1.00		1.00
Maximum		11.00	11.00		11.00
Sum		1147.00	1142.00		1148

a Multiple modes exist. The smallest value is shown.

Table 5-1 depicts the summary of descriptive statistics using SPSS® statistical software. Objective of the table 5-1 is to show the descriptive statistics used in the research. There are no missing values and thus n =245. All respondents' responses were accounted for when data was captured. The common measures of central tendency, namely the mean, median and mode were calculated per key variables and are presented.

### **5.2.1 Common measures of central tendency.**

#### **5.2.2 Mean**

The sample mean is defined by Aaker et al (2001:429) as “ simply the average number, obtained by dividing the sum of the responses to a question by the sample size (the number of respondents to that question).” The mean for brand variables were calculated and are presented. Table 5-1 depicts means for key brand variables measured, namely top of mind awareness (1<sup>st</sup> mention) with a mean of 4.6816, trust and confidence (a great deal) has a mean 4.6612 and lastly brand loyalty (strongly agree) has a mean of 4.6857.

#### **5.2.3 Standard error of the mean.**

Standard error of the mean is defined by Cooper et al (2001,p773) as “ a measure of the standard deviation of the distribution of sample means.” Where it is not possible to estimate the true mean, it is possible to estimate the interval in which the true  $\mu$  (arithmetic average of the population) will fall by using any of the samples. Table 5-1 depicts standard error of mean for key branding variables. Standard error of mean for top of mind awareness (1<sup>st</sup> mention) is 0.156, trust and confidence is 0.2441 and brand loyalty (strongly agree) is 0.2419.

#### **5.2.4 Median**

Median is defined by Levin et al (1991:80), as “ a simple value from the data that measures the central item in the data.” In simple terms half of the sample values lie above this point (median) and the remaining half lie below this point (median).

Median as a measure of central tendency has advantages and disadvantages. Advantage is that extreme values do not affect median as strongly as they affect the mean. On the negative side, because the mean is an average position, data need to be arranged first before median can be calculated. The median for key branding variables as depicted in table 5-1 is 4. All branding variables have a common median of 4.

#### **5.2.5 Mode**

Mode is defined by Levin et al (1991:86) as “ that value that is repeated most often in the data set.” In table 5-1, mode for brand variables namely, top-of mind (1<sup>st</sup> mention) is 1.00, trust and confidence (a great deal) is 1.00 and brand loyalty (strongly agree) is 1.00.

### **5.2.6 Comparing the mean, median and mode.**

In a positively skewed distribution (skewed to the right) as in all variables in table 5-1, the values are concentrated at the left end of the horizontal axis. Here the mode is at the highest point of the distribution; the median is to the right of that; and the mean is to the right of both the mode and the median. In a negatively skewed distribution, the median is the best measure of location as it always lies between the mean and the mode, write Levin et al (1991). With reference to table 5-1, all the three branding variables have a positively skewed sample distribution.

### **5.2.7 Dispersion: Average deviation measures.**

The common measures of spread, also referred to as dispersion, namely the variance, standard deviation and range were calculated. The common measures of spread illustrates how scores cluster or scatter in a distribution, Cooper et al (2001). Average deviation measures deal with the average deviation from some measures of tendency.

#### **5.2.7.1 Sample variance and sample standard deviation.**

Standard deviation is defined by Cooper et al (2001:773) as “ the positive square root of the variance, it is the most frequently used measure of the

spread or variability of data dispersion; symbol = s or std. dev.; affected by the score.” Sample variance is defined by the author as “ the squared deviation scores from the data distribution’s mean, it is a measure of score dispersion about the mean; the greater the dispersion of scores, the greater the variance in the data set.” Both sample variance and standard deviation of this research indicate to us the average distance of any observation in the data from the mean of the distribution. Standard deviation of top-of-mind awareness (1<sup>st</sup> mention) is 3.7934 from the mean of 4.6816, trust and confidence is 3.8213 from the mean of 4.6612 and brand loyalty is 3.7867 from the mean of 4.6857.

#### **5.2.7.2 Skewness and Kurtosis**

The shape of the distribution was measured using skewness and kurtosis. These illustrate departures from symmetry of a distribution and its relative flatness or rather peakedness.

Distribution of the sample as depicted in table 5-1, reveals that all branding variables measured have positively skewed distribution. A distribution is positively skewed when values are stretching towards the right and the inverse is true for negative skewness. Kurtosis for all branding variables is

negative or flat. It is important to note that if the sample distribution was symmetrical, the sample mean, median and mode will be in the same location, which is not the case.

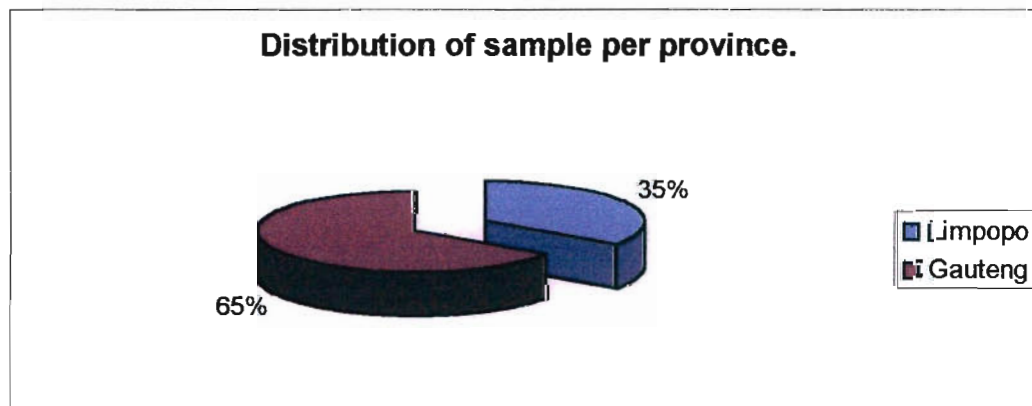
### 5.3 Distribution of sample per province.

Table 5-2 Distribution by province.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Limpopo	85	34.7	34.7	34.7
	Gauteng	160	65.3	65.3	100.0
	Total	245	100.0	100.0	

Table 5-2 presents the frequency and percentages of the sample per province. Objective of the table 5-2 is to show a split of results between the two provinces. Results show that 85 and 160 respondents were interviewed in Limpopo and Gauteng respectively.

Exhibit 5-1 Pie Chart: Distribution by province.





In exhibit 5-1, Pie chart is used to illustrate results in percentages of the 245 respondents from the two provinces namely Limpopo (35%) and Gauteng (65%).

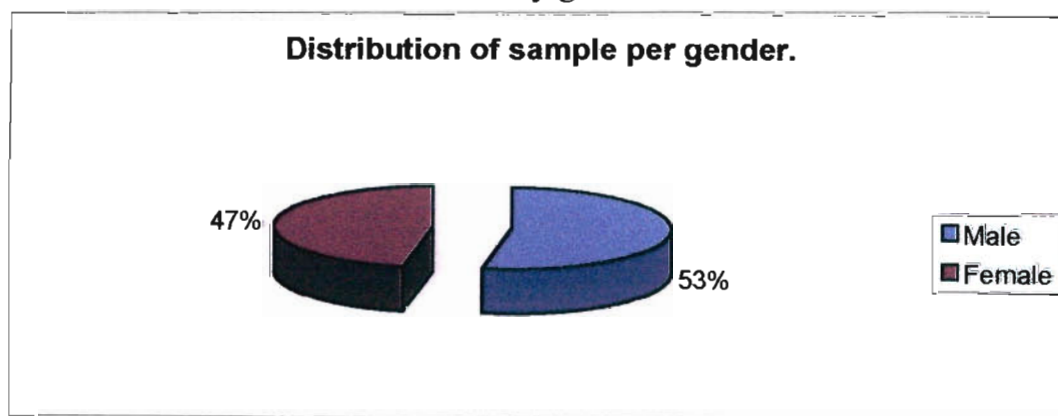
#### 5.4 Distribution of sample per gender

Table 5-3 Distribution by gender.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	130	53.1	53.1	53.1
	Female	115	46.9	46.9	100.0
	Total	245	100.0	100.0	

The frequency and percentages of the sample per gender are presented by table 5- 3. Objective of table 5-3 is to show results per gender of respondents in both provinces. Results show that sample is made of 130 and 115 male and females respectively (n=245). Corresponding frequency and percentage is also shown.

Exhibit 5.2 Pie Chart : Distribution by gender.



Results of distribution by gender were determined and are presented in exhibit 5-2. Male accounted for 53% of the respondents whereas female accounted for 47% of the respondents in both provinces, namely Limpopo and Gauteng.

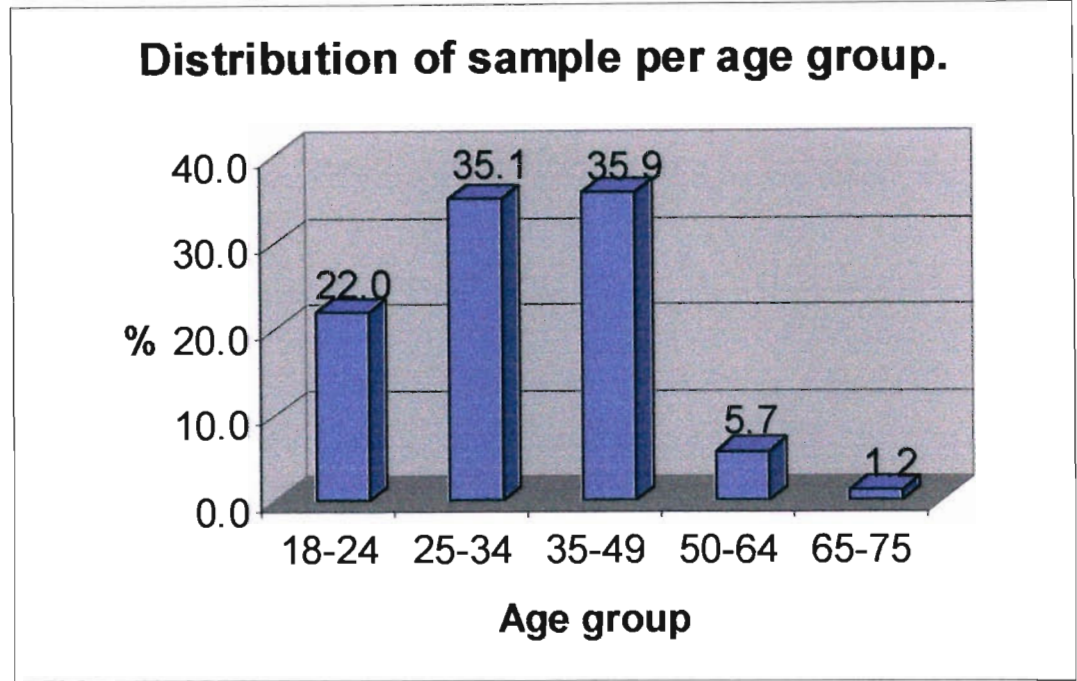
## 5.5 Distribution of sample per age.

Table 5-4 Distribution by age.

		Frequency	Percent	Valid Percent	Cumulative Percent	X	F	FX
Valid	18-24	54	22.0	22.0	22.0	21	54	1134
	25-34	86	35.1	35.1	57.1	29.5	86	2537
	35-49	88	35.9	35.9	93.1	42	88	3696
	50-64	14	5.7	5.7	98.8	57	14	798
	65-75	3	1.2	1.2	100.0	70	3	210
	Total	245	100.0	100.0			245	8375

Table 5-4 presents the frequency and percentages of the sample per age. Objective of table of table 5-4 is to present results by age group. The calculated mean for age is 34 years ( $8375$  which is sum of  $fx/245$  which is sum of  $f$ ). Results show the 35-49 age group, generation X dominates with 88 of 245 respondents falling in this group. The 25-34 age group, the baby boomlet closely follows with 86 of 245 falling in this group. The calculated mean of age falls in this group.

Exhibit 5-3 Histogram: Distribution by age.



Results per age group were determined for various age groups and are expressed in percentages in exhibit 5-3. Age group 18-24 (young adults) accounted for 22.0% of the sample population, age group 25-34 (baby boomlet or bimodal class) accounted for 35.1% of the sample population and age group 35-49 (generation X or the modal class) accounted for 35.9% of the population, age group 50-64 (baby boomers) accounted for 5.7% of the population. According to Kotler (2000:141), “ For marketers, the most populous age groups shape the marketing environment. In the United States, the “baby boomer.” The 78 million people born between 1946-1964 are one of the most powerful forces shaping the market place.” Lastly 65-75 years

accounted for 1.2% of the population. Results show that most of the respondents lie in the 35-49 group, the generation X.

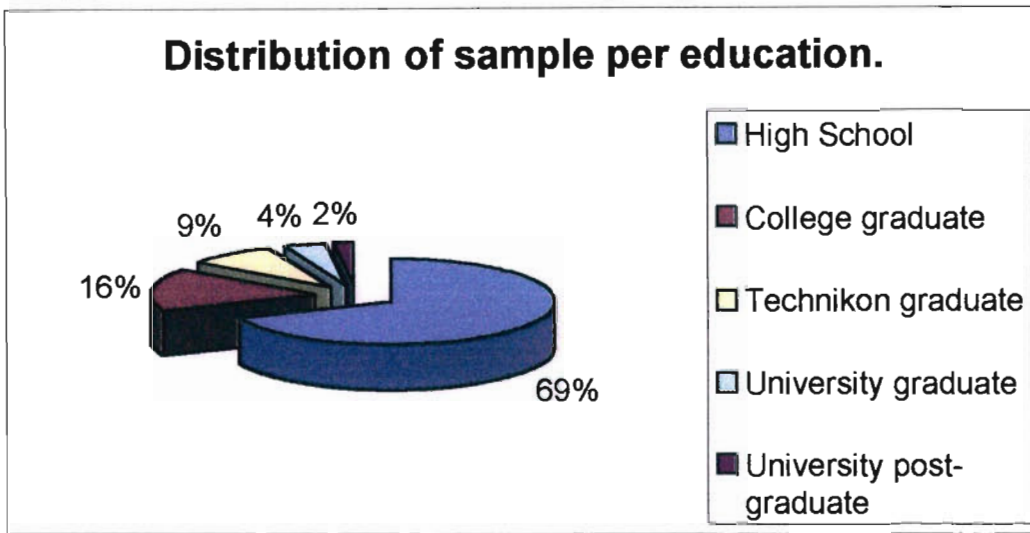
**5.6 Distribution of sample per educational level.**

Table 5-5 Distribution by education.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High school	169	69.0	69.0	69.0
	College graduate	39	15.9	15.9	84.9
	Technikon graduate	22	9.0	9.0	93.9
	University graduate	10	4.1	4.1	98.0
	University post-graduate	5	2.0	2.0	100.0
	Total	245	100.0	100.0	

Table 5-5 presents the frequency and percentages of the sample per Education. The objective of table 5-5 is to show a split of responses based on educational level of respondents. Results show that most of the respondents had a matriculation qualification, the majority (modal class) with 169 of 245 respondents whilst post-graduates are few with only 5 of the 245 respondents.

Exhibit 5-4: Pie Chart: Distribution of sample by education.



Results per educational level were determined and are presented in percentages in Exhibit 5-4. High school graduates accounts for 69% of all the respondents, college graduates accounts for 16%, Technikon graduates account for 9.0%, University graduates account for 4% and lastly University post-graduates account for 2.0% of all respondents. Based on results as depicted in exhibit 5-4, high school graduates makes the highest percentage of the respondents.

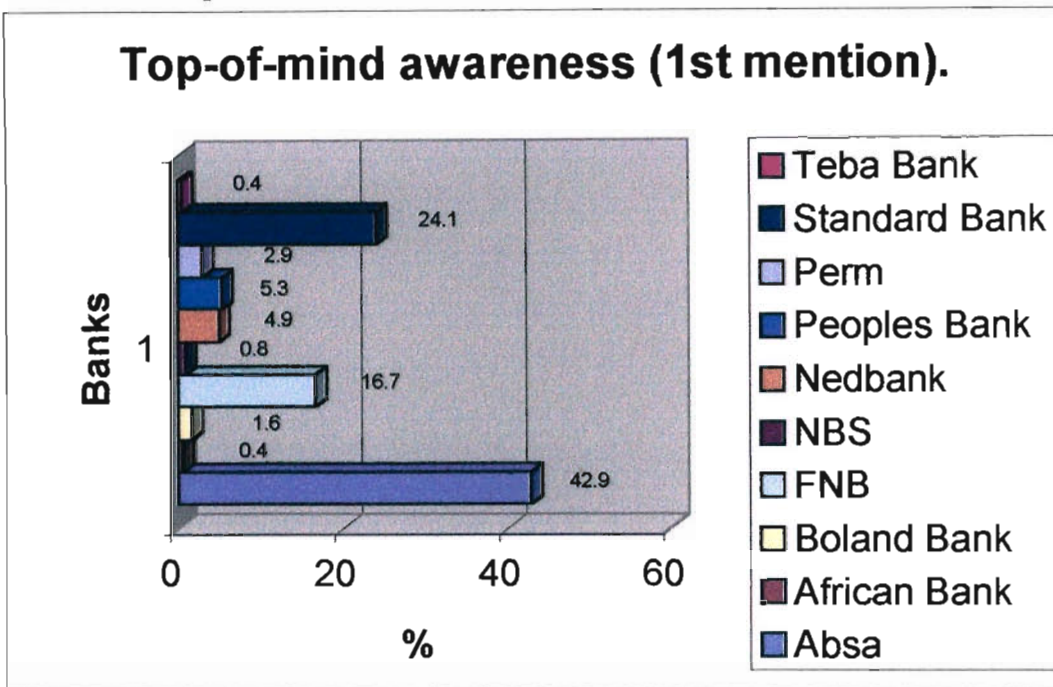
**5.7 Distribution of sample per top-of-mind awareness.**

Table 5-6 Top of mind brand awareness (1<sup>st</sup> mention).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absa	105	42.9	42.9	42.9
	African Bank	1	.4	.4	43.3
	Boland Bank	4	1.6	1.6	44.9
	FNB	41	16.7	16.7	61.6
	NBS	2	.8	.8	62.4
	Nedbank	12	4.9	4.9	67.3
	Peoples Bank	13	5.3	5.3	72.7
	Perm	7	2.9	2.9	75.5
	Standard Bank	59	24.1	24.1	99.6
	Teba Bank	1	.4	.4	100.0
	Total	245	100.0	100.0	

Table 5-6 shows results of top of mind brand awareness. Objective of table 5-6 and exhibit 5-5 is to show the bank that came first in an unaided brand recall. ABSA (a single brand) is clearly leading the pack with 105 of the 245 respondents mentioning it first. Respondents were asked to think of a South African bank brand and spontaneously mention the brands that comes to mind, top-of-mind awareness (1<sup>st</sup> mention).

Exhibit 5-5 Top-of-mind awareness: 1<sup>st</sup> mention.



Results of top-of-mind awareness were determined and are presented in percentages in exhibit 5-5. ABSA leads the pack with 42.9% of respondents mentioning it first in both provinces surveyed. Standard Bank follows with 24.1%, FNB with 16.7% and Peoples Bank at 5.3%. Results as depicted in table 5-6 and exhibit 5-5 shows that ABSA has reached top-of-mind awareness.

Authors like Aaker (1991) argue that a brand that comes first in an unaided recall has achieved top-of-mind awareness. The gap between ABSA and its



closest competitor Standard Bank is significant and between ABSA and the Peoples Bank (a multi-brand) is very high, i.e. 42.9% vis-à-vis 5.3%.

Table 5-7 Top of mind awareness (2<sup>nd</sup> mention).

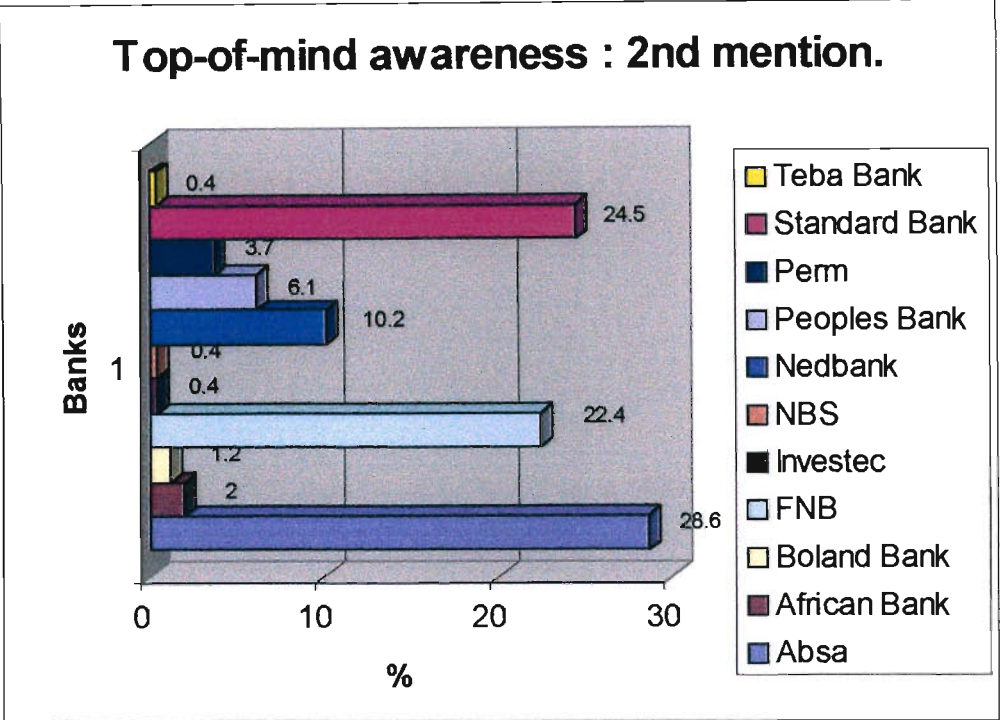
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absa	70	28.6	28.6	28.6
	African Bank	5	2.0	2.0	30.6
	Boland Bank	3	1.2	1.2	31.8
	FNB	55	22.4	22.4	54.3
	Investec	1	.4	.4	54.7
	NBS	1	.4	.4	55.1
	Nedbank	25	10.2	10.2	65.3
	Peoples Bank	15	6.1	6.1	71.4
	Perm	9	3.7	3.7	75.1
	Standard Bank	60	24.5	24.5	99.6
	Teba Bank	1	.4	.4	100.0
	Total	245	100.0	100.0	

Table 5-7 illustrates results of distribution of sample by top-of-mind awareness (2<sup>nd</sup> mention). The objective of table 5-7 and exhibit 5-6 is to show the banking brand that was mentioned second in an unaided brand recall. Results shows ABSA claiming a pole position with 70 of 245 respondents followed by Standard Bank with 60 of the 245 respondents.

The questionnaire measured which bank is spontaneously mentioned second by respondents. FNB was recalled third. All the three banks occupying the first three positions in an unaided top-of-mind recall are single brand banks. Nedbank a multi-brand bank, came fourth after being mentioned by 25 of the 245 respondents.



Exhibit 5-6: Top-of-mind awareness: 2<sup>nd</sup> mention.



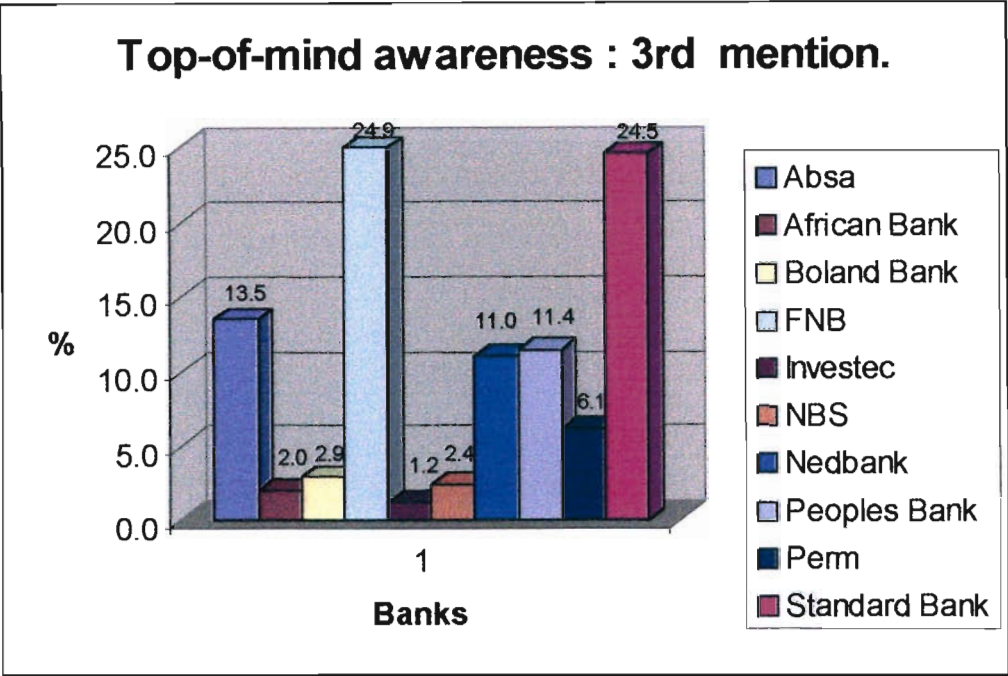
Results of top-of-mind (2<sup>nd</sup> mention) were determined and are presented in exhibit 5-6. As can be seen, ABSA enjoys 28.6% of respondents, compared with Nedbank’s 10.2%. The gap between ABSA (28.6%) and Nedbank (10.2%) is wide showing that ABSA has a high brand unaided recall (2<sup>nd</sup> mention) than Nedbank, a multi-brand.

Table 5-8 Top of mind awareness (3<sup>rd</sup> mention).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absa	33	13.5	13.5	13.5
	African Bank	5	2.0	2.0	15.5
	Boland Bank	7	2.9	2.9	18.4
	FNB	61	24.9	24.9	43.3
	Investec	3	1.2	1.2	44.5
	NBS	6	2.4	2.4	46.9
	Nedbank	27	11.0	11.0	58.0
	Peoples Bank	28	11.4	11.4	69.4
	Perm	15	6.1	6.1	75.5
	Standard Bank	60	24.5	24.5	100.0
	Total	245	100.0	100.0	

Distribution of sample according to top of mind awareness (3<sup>rd</sup> mention) is depicted in Table 5-8. Objective is to show banking brands that were mentioned third in an unaided recall. FNB was mentioned first by 61 of the 245 respondents, followed by Standard Bank with 60 of respondents. Peoples Bank was mentioned by 28 of the 245 respondents and Nedbank was mentioned by 27 of the 245 respondents.

Exhibit: 5-7 Top-of-mind awareness: 3<sup>rd</sup> mention.



Results of Top-of-mind awareness were determined and presented in exhibit 5-7. FNB (24.9%) leads the pack followed by Standard Bank (24.5%) with ABSA (13.5) and Nedbank a multi-brand at 11.0%.

Table 5-9 Top of mind awareness (other mentions).

		Frequency	Percent
Missing	System	245	100.0

Results of table 5-9 are self-explanatory. None of the respondents interviewed mentioned a bank that is not in the questionnaire.

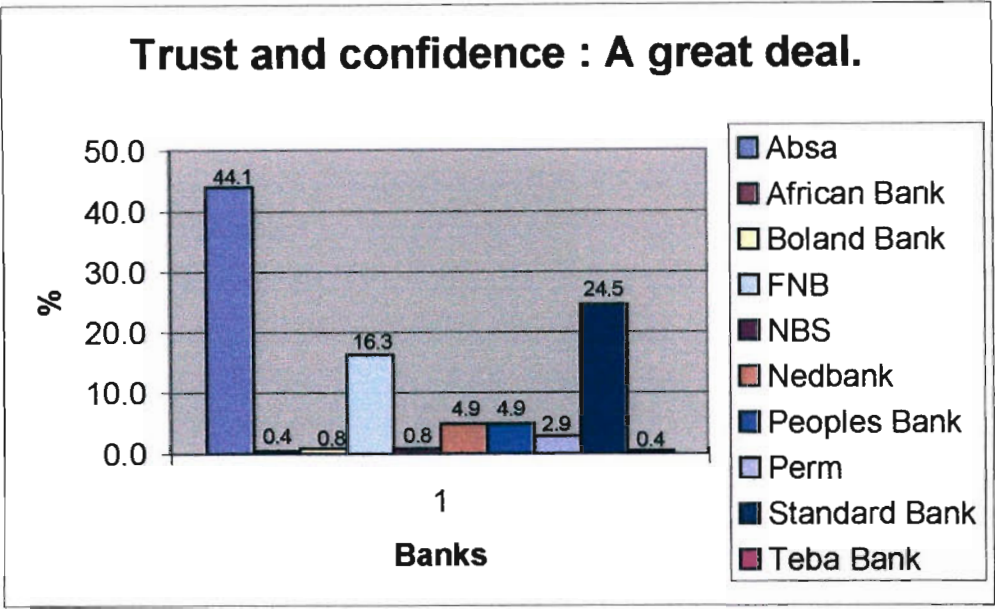
## 5.8 Distribution of sample per brand trust and confidence.

Table 5-10 Trust and confidence in a brand (A great deal).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absa	108	44.1	44.1	44.1
	African Bank	1	.4	.4	44.5
	Bolan Bank	2	.8	.8	45.3
	FNB	40	16.3	16.3	61.6
	NBS	2	.8	.8	62.4
	Nedbank	12	4.9	4.9	67.3
	Peoples Bank	12	4.9	4.9	72.2
	Perm	7	2.9	2.9	75.1
	Standard Bank	60	24.5	24.5	99.6
	Teba Bank	1	.4	.4	100.0
	Total	245	100.0	100.0	

Distribution of sample per trust and confidence (A great deal) are depicted in Table 5-10. Objectives of table 5-10 and exhibit 5-8 is to show results per trust and confidence (A great deal). Results show that just less than half of the respondents (108 of the 245) said they trust and have confidence in ABSA. Absa is the most trusted brand followed by Standard Bank with 60 of the 245 respondents. Respondents were asked tell the interviewer how much trust and confidence they have in each of the brands they mentioned under top-of mind awareness section.

Exhibit 5-8 Trust and confidence: A great deal.



Results of trust and confidence in a banking brand were determined and are depicted in exhibit 5-8. ABSA (44.1%) was the bank most trusted by respondents in both provinces surveyed. The gap between Absa (44.1%) and Nedbank and Peoples Bank (4.9%) is very wide.

Table 5-11 Trust and confidence in a Brand (Quite a lot).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absa	62	25.3	25.3	25.3
	African Bank	4	1.6	1.6	26.9
	Boland Bank	3	1.2	1.2	28.2
	FNB	58	23.7	23.7	51.8
	NBS	1	.4	.4	52.2
	Nedbank	27	11.0	11.0	63.3
	Peoples Bank	15	6.1	6.1	69.4
	Perm	10	4.1	4.1	73.5
	Standard Bank	64	26.1	26.1	99.6
	Teba Bank	1	.4	.4	100.0
	Total	245	100.0	100.0	

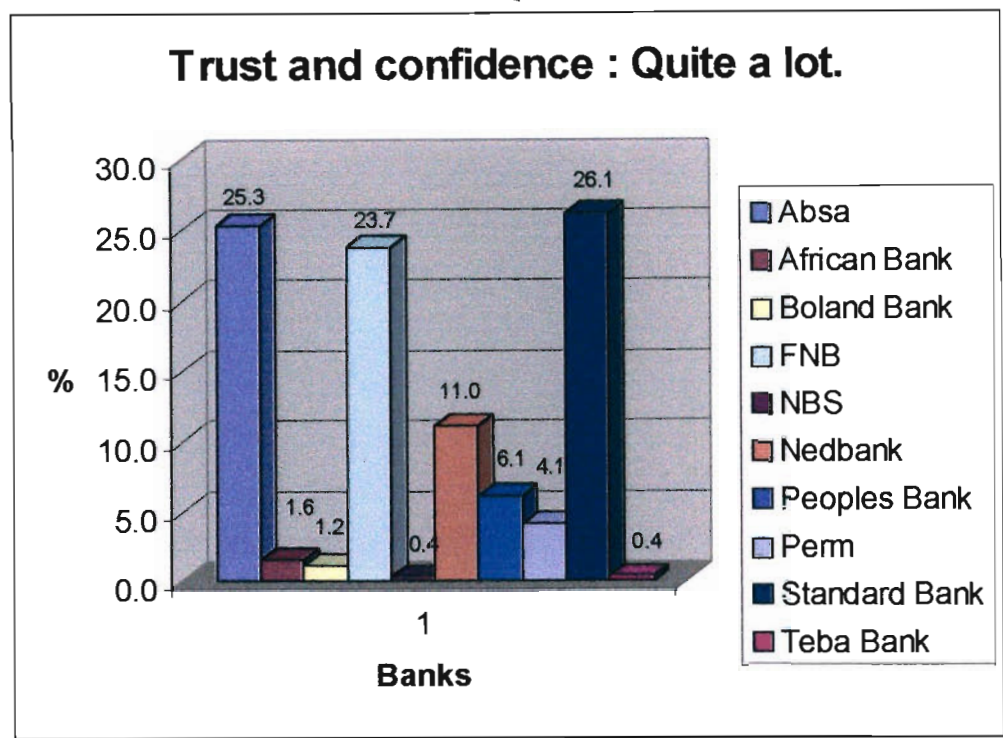
Table 5-11 depicts distribution of sample per trust and confidence (Quite a lot). The objective of table 5-11 and exhibit 5-9 is to show results per trust and confidence (quite a lot). Results shows that 64 of 245 of respondents trust Standard Bank quite a lot compared with 62 of 245 respondents for ABSA. Nedbank is fourth with 27 of 245 respondents whilst Boland Bank was the least trusted with 3 of the 245 respondents.

What is significant about the results of trust and confidence (Quite a lot) is that most of the respondents (combined 211 of 245 respondents) have trust and confidence in the big four commercial banks in South Africa namely: Standard Bank, ABSA, FNB and Nedbank. This must be seen in the background of consolidation of the smaller banks, especially with the demise of Saambou Bank and Unifer. BOE Bank had to merge with Nedcor due to a deposit run which happened earlier at Saambou.





Exhibit 5-9 Trust and confidence: Quite a lot.



Results of trust and confidence (Quite a lot) were determined and presented in percentages in exhibit 5-9. Standard Bank came tops at 26.1%, closely followed by ABSA at 25.3% whilst Nedbank is 11.0%.

Smaller banks such as the mining bank, Teba (0.4%) and NBS (0.4) are languishing at the bottom of trust and confidence measurement. The same reason advanced earlier concerning the demise of the smaller banks is relevant except the Teba Bank is relatively unknown as it services the miners.

096083

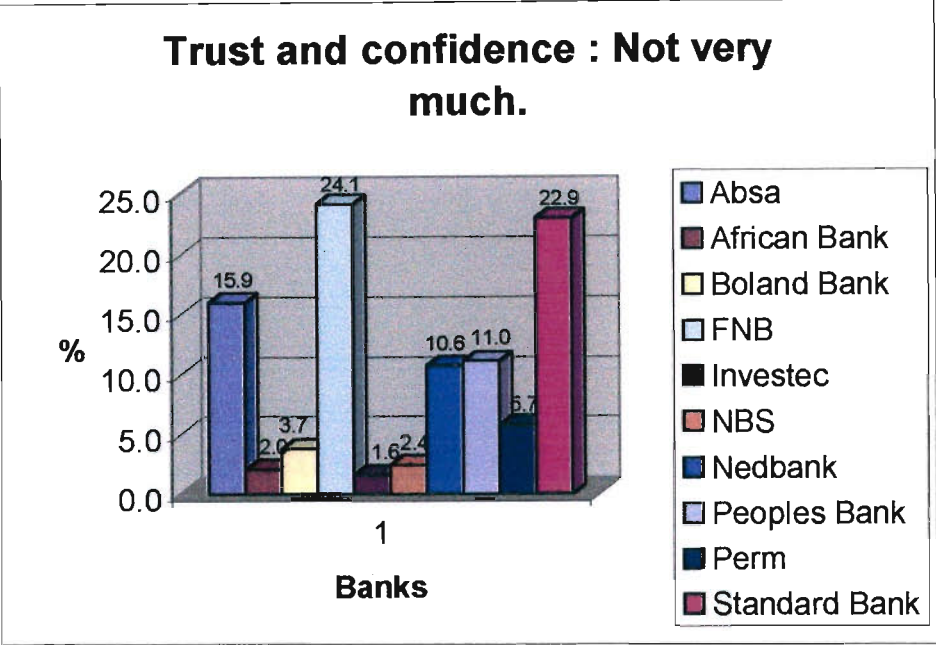
Table 5-12 Trust and confidence in a brand (Not very much).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absa	39	15.9	15.9	15.9
	African Bank	5	2.0	2.0	18.0
	Boland Bank	9	3.7	3.7	21.6
	FNB	59	24.1	24.1	45.7
	Investec	4	1.6	1.6	47.3
	NBS	6	2.4	2.4	49.8
	Nedbank	26	10.6	10.6	60.4
	Peoples Bank	27	11.0	11.0	71.4
	Perm	14	5.7	5.7	77.1
	Standard Bank	56	22.9	22.9	100.0
	Total	245	100.0	100.0	

Distribution of sample per trust and confidence in a brand (Not very much) is depicted in table 5-12. Objective of Table 5-12 and exhibit 5-10 is to show results per trust and confidence (Not very much). Twenty four percent of the respondents said they have not very much trust and confidence in FNB, (59 of 245 respondents) followed by Standard Bank with 56 of the 245 respondents) and ABSA with 39 of the 245 of respondents.



Exhibit 5-10: Trust and confidence: Not very much.



Results of trust and confidence: Not very much, were determined and are presented in percentages in exhibit 5-10. Twenty four percent (24.1%) of respondents said they don't trust FNB very much with 11% saying they don't trust Peoples Bank and Nedbank's percentage is 10.6%.

Table 5-13 Trust and confidence in a brand (None at all).

		Frequency	Percent
Missing	System	245	100.0

Table 5-13 is self-explanatory. None of the banking brands mentioned in the questionnaire is not trusted at all.

**5.9 Distribution of sample per brand loyalty.**

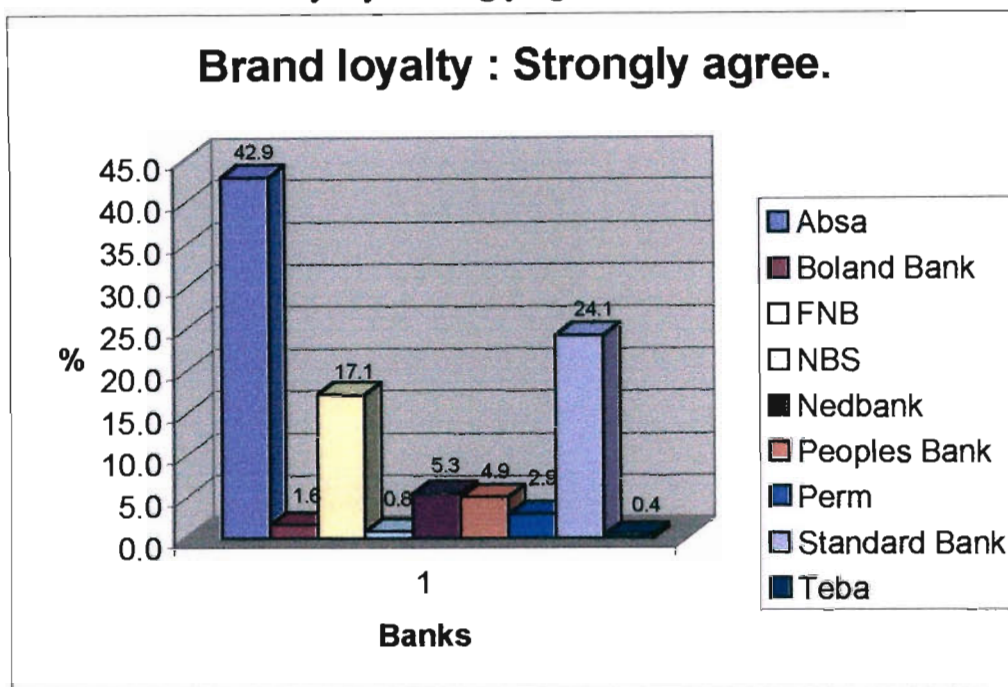
Table 5-14 Bank loyalty (Strongly agree).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absa	105	42.9	42.9	42.9
	Boland Bank	4	1.6	1.6	44.5
	FNB	42	17.1	17.1	61.6
	NBS	2	.8	.8	62.4
	Nedbank	13	5.3	5.3	67.8
	Peoples Bank	12	4.9	4.9	72.7
	Perm	7	2.9	2.9	75.5
	Standard Bank	59	24.1	24.1	99.6
	Teba Bank	1	.4	.4	100.0
	Total	245	100.0	100.0	

Distribution of sample per brand loyalty (Strongly agree) is depicted in table 5-14. The objective of table 5-14 and exhibit 5-11 is to show results per brand loyalty (Strongly agree). Results show that of all the banks surveyed, ABSA has the highest brand loyalty (105 of 245 respondents), followed by Standard Bank with 59 of 245 respondents and FNB with 42 of the 245 respondents. Respondents were asked if it would matter a great deal if the first three brands they mentioned no longer existed.

Brand loyalty is very important for each and every business and the banks are not an exception. It is expensive to gain new clients and therefore the best alternative is for a business to have a higher brand loyalty, which would be a competitive advantage.

Exhibit 5-11 Brand loyalty: Strongly agree.



Results of brand loyalty: Agree were determined and presented in percentages exhibit 5-14. ABSA was highly trusted by 42.9% of respondents. Standard Bank came close at 24.1% and FNB came third at 17.1%. Nedbank and Peoples Bank were 5.3% and 4.9% respectively.

The significance of table 5-14 and exhibit 5-11 is that single brand banks such as ABSA, Standard Bank and FNB are occupying the first three positions whereas multi-brand banks such as Nedbank, Peoples bank, Perm and NBS are showing very little brand loyalty by respondents.

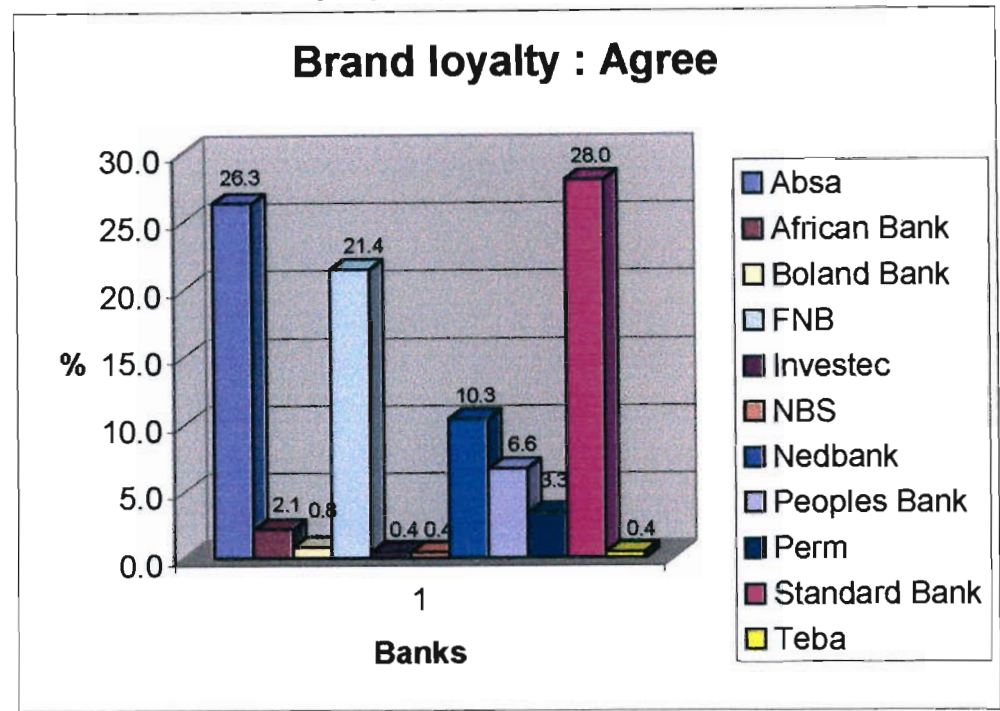
Table 5-15 Brand loyalty (Agree).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absa	64	26.1	26.3	26.3
	African Bank	5	2.0	2.1	28.4
	Boland Bank	2	.8	.8	29.2
	FNB	52	21.2	21.4	50.6
	Investec	1	.4	.4	51.0
	NBS	1	.4	.4	51.4
	Nedbank	25	10.2	10.3	61.7
	Peoples Bank	16	6.5	6.6	68.3
	Perm	8	3.3	3.3	71.6
	Standard Bank	68	27.8	28.0	99.6
	Teba Bank	1	.4	.4	100.0
	Total	243	99.2	100.0	
Missing	System	2	.8		
Total		245	100.0		

The objective of table 5-15 and exhibit 5-12 is to show results per brand loyalty (Agree). Results shows that 68 of 243 respondents agree that it would matter a great deal should Standard Bank cease to exist. Standard Bank leads the pack with followed by ABSA (64 of the 245 respondents), and FNB with 52 of the respondents. Two respondents did not choose this phrase (agree) hence missing values is two, i.e. n=243.

Nedbank, Peoples Bank, Perm and Boland Bank were mentioned by (25 of 243, 16 of 243 and 2 of 245 respondents respectively) and the results of brand loyalty (agree) show that majority of respondents are not loyal to multi-brands. The latter banking brands are all multi-brands under the umbrella of Nedcor.

Exhibit 5-12 Brand loyalty: Agree.



Results of brand loyalty: Agree, were determined and are presented in exhibit 5-12. Respondents seem to trust the big four banks, namely Standard Bank, ABSA, FNB and Standard Bank and Nedbank than smaller banks as depicted in exhibit 5-12.

Table 5-16 Brand loyalty (Neither agree or disagree).

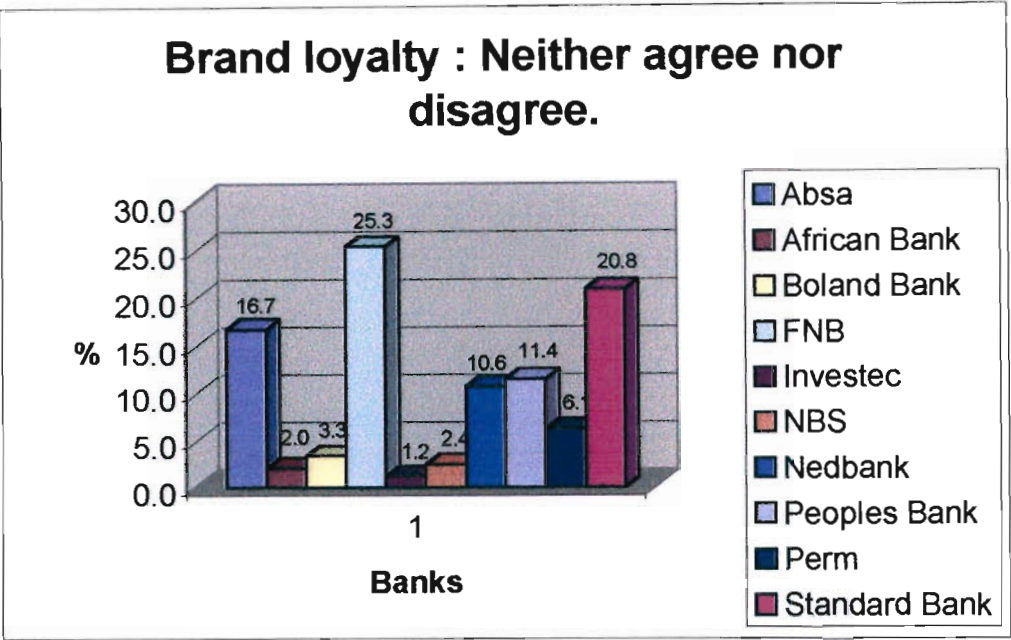
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absa	41	16.7	16.7	16.7
	African Bank	5	2.0	2.0	18.8
	Boland Bank	8	3.3	3.3	22.0
	FNB	62	25.3	25.3	47.3
	Investec	3	1.2	1.2	48.6
	NBS	6	2.4	2.4	51.0
	Nedbank	26	10.6	10.6	61.6
	Peoples	28	11.4	11.4	73.1

	Bank				
	Perm	15	6.1	6.1	79.2
	Standard Bank	51	20.8	20.8	100.0
	Total	245	100.0	100.0	

Objective of table 5-16 and exhibit 5-13 is to show a distribution of sample per brand loyalty (Neither agree or disagree). Results show that respondents neither agreed nor disagreed with the statement: “ It would matter a great deal to you personally (if the names of the first three brands individually answered in A1) no longer existed.” Sixty-two of the two hundred and forty five (62 of the 245) respondents were unsure whether they are brand loyal to FNB.



Exhibit 5-13 Brand loyalty: Neither agree nor disagree.



Results of brand loyalty (Neither agree nor disagree) were determined and are presented in exhibit 5-13. It is interesting to note that a high percentage of respondents were unsure as to whether they agree with statement on brand loyalty. A combined seventy three percent (73%) of the respondents representing the big Four banks, namely ABSA, Standard Bank, FNB and Nedbank neither agree nor disagree with the statement.

Table 5-17 Brand loyalty (Disagree).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Nedbank	1	.4	50.0	50.0
	Standard Bank	1	.4	50.0	100.0
	Total	2	.8	100.0	
Missing	System	243	99.2		
Total		245	100.0		

The objective of table 5-17 and exhibit 5-13 is to show distribution per brand loyalty (disagree). Results shows that only one respondent disagreed with the statement that it would matter a great deal should Nedbank cease to exist. To put it more tersely, the respondent would not mind should Nedbank no longer exist.

Table 5-18 Brand loyalty (Strongly disagree).

		Frequency	Percent
Missing	System	245	100.0

Table 5-18 is self-explanatory. No respondents chose the strongly disagree phrase.

Table 5-19 Brand loyalty (Don't Know)

		Frequency	Percent
Missing	System	245	100.0

Table 5-19 is self-explanatory. No respondents mentioned said they don't know if it would matter a great deal should the brands they mentioned cease to exist.

**5.10 Cross-tabulations**

Cross-tabulations are defined by Coopers et al (2001:471) as “ a technique for comparing two classification variables.” Cross-tabulations are explained further by Martins (1999:315) as “...bivariate observations, each cell containing those observations which correspond both to the appropriate



column heading and appropriate side heading.” Whereas univariate tabulations are a very useful and simple means of reducing sampling data to less data, they are nevertheless less useful where there is more than one variable as is applicable in this research.

Cross-tabulations are useful in explaining the relationship between variables.

The researcher used percentages as they serve two purposes. “Firstly, they simplify the data by reducing all numbers to a range from 0 to 100. Secondly, they translate the data into standard form, with a base of 100, for relative comparisons. In a sampling situation a number of cases that fall into a category is meaningless unless it is related to some base,” writes Cooper et al, (2001:470-471). A series of cross-tabulations that were conducted are discussed below.

#### **5.10.1 Differences between variables.**

Cross-tabulation between different variables were calculated and results are depicted in various tables and exhibits below. The rationale behind cross-tabulations is to reduce sample data and to illustrate the relationship between variables and the researcher used percentages to further explain the results.

**5.10.2 Testing hypothesis 1.**

**5.10.2.1 Cross-tabulation: Province and gender.**

Objective of table 5-20 is to show a distribution of sample according to province and gender with male and female split into the two provinces, namely Limpopo and Gauteng. In Limpopo, respondents were mainly based in the rural area called Botlokwa. In total, eighty five (85) respondents were interviewed made up of 55 (64.7%) males and 30 (35.3%) females. In Gauteng, one hundred and sixty (160) respondents were interviewed made up of 75(53.1%) males and 85(46.9%) females. As per results male respondents dominated the survey in both provinces.

**Hypothesis 1.**

**The null hypothesis (Ho): Rows (province) and columns (gender) are independent (not related) and alternative hypothesis (Ha): Rows and columns are dependent (related).**

**Table 5-20 Results of hypothesis test ( Province and gender)**

			GENDER		Total
			Male	Female	
PROVINCE	Limpopo	Count	55	30	85
		% Within PROVINCE	64.7%	35.3%	100.0%
		% Within GENDER	42.3%	26.1%	34.7%
	Gauteng	Count	75	85	160
		% Within PROVINCE	46.9%	53.1%	100.0%
		% Within	57.7%	73.9%	65.3%

		GENDER			
Total		Count	130	115	245
		% Within PROVINCE	53.1%	46.9%	100.0%
		% Within GENDER	100.0%	100.0%	100.0%

Table 5-21 Chi-Square tests (province and gender).

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	7.086	1	0.008		
Continuity Correction	6.388	1	.011		
Likelihood Ratio	7.169	1	.007		
Fisher's Exact Test				.010	.006
Linear-by-Linear Association	7.057	1	.008		
N of Valid Cases	245				

a. Computed only for a 2x2 table

b. 0 cells (.0%) have expected count less than 5. The minimum expected count is 39.90.

The objective of table 5-21 is to test the relationship between rows (province) and columns (gender) of table 5-20. The null hypothesis (Ho): Rows and columns are independent. Alternative hypothesis (Ha): Rows and columns are dependent. Chi-square results are depicted in table 5-21. Chi-square is 0.008. Since 0.008 is less than 0.05, null hypothesis (Ho) is rejected and alternative hypothesis (Ha) accepted. Province is dependent on gender.

### 5.10.3 Cross-tabulation: Results per province and educational level.

Cross-tabulation between province and educational level was determined and the results are presented in table 5-22. Matric graduates (modal class) account for the largest percentages in both provinces. In Limpopo province, 75.3% of respondents had Matric whilst in Gauteng province 65.6% of respondents had Matric.

Table 5-22 Cross-tabulation: Distribution of sample according to Province and educational level.

			EDUCATION					Total
			High School	College Graduate	Technikon Graduate	University Graduate	University Post-Graduate	
PROVINCE	Limpopo	Count	64	13	6	1	1	85
		% Within PROVINCE	75.3%	15.3%	7.1%	1.2%	1.2%	100.0%
		% Within EDUCATION	37.9%	33.3%	27.3%	10.0%	20.0%	34.7%
	Gauteng	Count	105	26	16	9	4	160
		% Within PROVINCE	65.6%	16.3%	10.0%	5.6%	2.5%	100.0%
		% Within EDUCATION	62.1%	66.7%	72.7%	90.0%	80.0%	65.3%
Total		Count	169	39	22	10	5	245
		% Within PROVINCE	69.0%	15.9%	9.0%	4.1%	2.0%	100.0%
		% Within EDUCATION	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## **5.11 Testing of hypothesis 2.**

### **Hypothesis 2**

**The null hypothesis (Ho): Rows (province) and columns (top-of-mind awareness – 1<sup>st</sup> mention) are independent (not related) and alternative hypothesis Ha): Rows and columns are dependent (related).**

#### **5.11.1 Cross-tabulation: Province and Top-of mind awareness (1<sup>st</sup> mention)**

Objectives of table 5-23 and 5-24 are to test hypothesis 2, top-of-mind awareness (1<sup>st</sup> mention variable). Table 5-23 and 5-24 depict results of a cross-tabulation between the two provinces surveyed, namely Limpopo and Gauteng and top-of-mind variable (1<sup>st</sup> mention). Results of the hypothesis testing are used to either reject null hypothesis (Ho) or accept alternative hypothesis (Ha) or alternatively to accept null hypothesis (Ho) and reject alternative hypothesis (Ha).

Table 5-23 Results of hypothesis 2 (Awareness – 1<sup>st</sup> mention)

			Top-of-mind Awareness (1 <sup>st</sup> mention)										
			Absa	African Bank	Boland Bank	FNB	NBS	Nedbank	Peoples Bank	Perm	Standard Bank	Teba Bank	Total
Province	Limpopo	Count	35	1	2	15	1	3	5		23		85
		% Within PROVINCE	41.2%	1.2%	2.4%	17.6%	1.2%	3.5%	5.9%		27.1%		100.0%
		% Within Top-of-mind awareness (1 <sup>st</sup> mention)	33.3%	100.0%	50.0%	36.6%	50.0%	25.0%	38.5%		39.0%		34.7%
		% Of Total	14.3%	.4%	.8%	6.1%	.4%	1.2%	2.0%		9.4%		34.7%
	Gauteng	Count	70		2	26	1	9	8	7	36	1	160
		% Within PROVINCE	43.8%		1.3%	16.3%	.6%	5.6%	5.0%	4.4%	22.5%	6%	100%
		% Within Top-of-mind awareness (1 <sup>st</sup> mention)	66.7%		50.0%	63.4%	50.0%	75.0%	61.5%	100.0%	61.0%	100.0%	65.3%
		% Of Total	28.6%		.8%	10.6%	.4%	3.7%	3.3%	2.9%	14.7%	0.4%	65.3%
Total		Count	105	1	4	41	2	12	13	7	59	1	245
		% Within PROVINCE	42.9%	.4%	1.6%	16.7%	.8%	4.9%	5.3%	2.9%	24.1%	0.4%	100.0%
		% Within Top-of-mind awareness (1 <sup>st</sup> mention)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100%	100.0%	100.0%
		% Of Total	42.9%	.4%	1.6%	16.7%	.8%	4.9%	5.3%	2.9%	24.1%	0.4%	100.0%

Table 5-24 Results of Chi-Square tests (Awareness – 1<sup>st</sup> mention)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.961	9	.538
Likelihood Ratio	10.751	9	.293
Linear-by-Linear Association	.005	1	.942
N of Valid Cases	245		

a 12 cells (60.0%) have expected count less than 5. The minimum expected count is .35.

The objective of table 5-24 is to test the relationship between rows (province) and columns (top-of-mind-awareness – 1<sup>st</sup> mention) of table 5-23. Null hypothesis (Ho): Rows and columns are independent. Alternative hypothesis (Ha): Rows and columns are dependent. Chi-square results are depicted in table 5-24. Chi-square is 0.538. Since 0.538 is greater than 0.05, null hypothesis (Ho) is accepted and alternative hypothesis (Ha) rejected. Province and top-of-mind awareness (1<sup>st</sup> mention) are independent (not related.)

#### **5.11.2 Cross-tabulation: Province and Top-of-mind awareness (2<sup>nd</sup> mention)**

Objectives of table 5-25 and 5-26 are to test sub-hypothesis 2, top-of-mind awareness (2<sup>nd</sup> mention variable). Table 5-25 depicts results of a cross-tabulation between the two provinces surveyed, namely Limpopo and Gauteng and top-of-mind variable (2<sup>nd</sup> mention). Results of the hypothesis testing are used to reject sub-null hypothesis (Ho) and accept alternative sub-hypothesis (Ha) or alternatively to accept sub-null hypothesis (Ho) and reject alternative sub-hypothesis (Ha).



Table 5-25 Results of hypothesis 2 test (Awareness – 2<sup>nd</sup> mention)

		Top-of-mind Awareness (2 <sup>nd</sup> mention)												
			Absa	African Bank	Boland Bank	FNB	Investec	NBS	Nedbank	Peoples Bank	Perm	Standard Bank	Teba Bank	Total
	Count	25	1	1	22	1			9	8		18		85
Province	% within PROVINCE	29.4%	1.2%	1.2%	25.9%	1.2%			10.6%	9.4%		21.2%		100%
	% within Top-of-mind awareness (2 <sup>nd</sup> mention)	35.7%	20.0%	33.3%	40.0%	100.0%			36.0%	53.3%		30.0%		34.7%
	% of Total	10.2%	.4%	.4%	9.0%	.4%			3.7%	3.3%		7.3%		34.7%
	Count	45	4	2	33			1	16	7	9	42	1	160
	% within PROVINCE	28.1%	2.5%	1.3%	20.6%			.6%	10.0%	4.4%	5.6%	26.3%	0.6%	100.0%
	% within Top-of-mind awareness (2 <sup>nd</sup> mention)	64.3%	80.0%	66.7%	60.0%			100.0%	64.0%	46.7%	100%	70.0%	100.0%	65.3%
	% of Total	18.4%	1.6%	.8%	13.5%			.4%	6.5%	2.9%	3.7%	17.1%	0.4%	65.3%
	Count	70	5	3	55	1	1		25	15	9	60	1	245
	% within PROVINCE	28.6%	2.0%	1.2%	22.4%	.4%	.4%		10.2%	6.1%	3.7%	24.5%	0.4%	100.0%
	% within Top-of-mind awareness (2 <sup>nd</sup> mention)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	% of Total	28.6%	2.0%	1.2%	22.4%	.4%	.4%		10.2%	6.1%	3.7%	24.5%	0.4%	100.0%

Table 5-26 Results of Chi-Square tests (Awareness – 2<sup>nd</sup> mention)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.823	10	.297
Likelihood Ratio	15.508	10	.115
Linear-by-Linear Association	.775	1	.379
N of Valid Cases	245		

a. 11 cells (50.0%) have expected count less than 5. The minimum expected count is .35.



The objective of table 5-26 is to test the relationship between rows (province) and columns (top-of-mind-awareness – 2<sup>nd</sup> mention) of table 5-25. Sub-null hypothesis (Ho): Rows and columns are independent. Alternative sub-hypothesis (Ha): Rows and columns are dependent. Chi-square results are depicted in table 5-26. Chi-square is 0.297. Since 0.297 is greater than 0.05, null hypothesis (Ho) is accepted and alternative hypothesis (Ha) rejected. Province and top-of-mind awareness (2<sup>nd</sup> mention) are independent (not related.)

#### **5.11.3 Cross-tabulation: Province and top-of-mind awareness (3<sup>rd</sup> mention).**

Objectives of table 5-27 and 5-28 are to test sub-hypothesis 2, top-of-mind awareness (3<sup>rd</sup> mention variable). Table 5-27 depicts results of a cross-tabulation between the two provinces surveyed, namely Limpopo and Gauteng and top-of-mind variable (3<sup>rd</sup> mention). Results of the sub-hypothesis testing are used to reject sub-null hypothesis (Ho) and accept alternative sub-hypothesis (Ha) or alternatively to accept null sub-hypothesis (Ho) and reject alternative sub-hypothesis (Ha).

Table 5-27 Results of hypothesis 2 test (Awareness – 3<sup>rd</sup> mention)

			Top-of-mind Awareness (3rd mention)										
			Absa	African Bank	Boland Bank	FNB	Investec	NBS	Nedbank	Peoples Bank	Perm	Standard Bank	Total
Province	Limpopo	Count	10	1	2	22			7	14	2	27	85
Province		% within PROVINCE	11.8%	1.2%	2.4%	25.9%			8.2%	16.5%	2.4%	31.8%	100.0%
		% within Top-of-mind awareness (3 <sup>rd</sup> mention)	30.3%	20.0%	28.6%	36.1%			25.9%	50.0%	13.3%	45.0%	34.7%
		% of Total	4.1%	4%	8%	9.0%			2.9%	5.7%	0.8%	11.0%	34.7%
	Gauteng	Count	23	4	5	39	3	6	20	14	13	33	160
		% within PROVINCE	14.4%	2.5%	3.1%	24.4%	1.9%	3.8%	12.5%	8.8%	8.1%	55.0%	65.3%
		% within Top-of-mind awareness (3 <sup>rd</sup> mention)	69.7%	80.0%	71.4%	63.9%	100.0%	100.0%	74.1%	50.0%	86.7%	55.0%	65.3%
		% of Total	9.4%	1.6%	2.0%	15.9%	1.2%	2.4%	8.2%	5.7%	5.3%	13.5%	65.3%
Total		Count	33	5	7	61	3	6	27	28	15	60	245
		% within PROVINCE	13.5%	2.0%	2.9%	24.9%	1.2%	2.4%	11.0%	11.4%	6.1%	24.5%	100.0%
		% within Top-of-mind awareness (3 <sup>rd</sup> mention)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	13.5%	2.0%	2.9%	24.9%	1.2%	2.4%	11.0%	11.4%	6.1%	24.5%	100%

Table 5-28 Results of Chi-Square tests (Awareness – 3<sup>rd</sup> mention)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.350	9	.082
Likelihood Ratio	18.606	9	.029
Linear-by-Linear Association	1.861	1	.173
N of Valid Cases	245		

a 8 cells (40.0%) have expected count less than 5. The minimum expected count is 1.04.

The objective of table 5-28 is to test the relationship between rows (province) and columns (top-of-mind-awareness – 3<sup>rd</sup> mention) of table 5-27. Sub-null hypothesis (Ho): Rows and columns are independent. Alternative sub-hypothesis (Ha): Rows and columns are dependent. Chi-square results are depicted in table 5-28. Chi-square is 0.082. Since 0.082 is greater than 0.05, null hypothesis (Ho) is accepted and alternative hypothesis (Ha) rejected. Province and top-of-mind awareness (3<sup>rd</sup> mention) are independent (not related.)

### **5.12 Testing hypothesis 3**

#### **Hypothesis 3**

**The null hypothesis (Ho): Rows (province) and columns (trust and confidence) are independent (not related) and alternative hypothesis: Rows and columns are dependent (related).**

#### **5.12.1 Cross-tabulation: Province and Trust and confidence (A great deal)**

Objectives of table 5-29 and 5-30 are to test hypothesis 3, Trust and confidence (A great deal). Table 5-29 depicts results of a cross-tabulation between the two provinces surveyed, namely Limpopo and Gauteng and Trust and confidence (A great deal). Results of the hypothesis testing are

used to reject null hypothesis (Ho) and accept alternative hypothesis (Ha) or alternatively to accept null hypothesis (Ho) and reject alternative hypothesis (Ha).

Table 5-29 Results of hypothesis 3 test (Trust – A great deal)

		Trust/Confidence (A great deal)										
		Absa	African Bank	Boland Bank	FNB	NBS	Nedbank	Peoples Bank	Perm	Standard Bank	Teba Bank	Total
Province	Limpopo	Count	38	1	13	1	3	4		25		85
Province		% within PROVINCE	44.7%	1.2%	15.3%	1.2%	3.5%	4.7%		29.4%		100.0%
		% within Trust/Confidence (A great deal)	35.2%	100.0%	32.5%	50.0%	25.0%	33.3%		41.7%		34.7%
		% of Total	15.5%	4%	5.3%	4%	1.2%	1.6%		10.2%		34.7%
	Gauteng	Count	70	2	27	1	9	8	7	35	1	160
		% within PROVINCE	43.8%	1.3%	16.9%	6%	5.6%	5.0%	4.4%	21.9%	0.6%	100.0%
		% within Trust/Confidence (A great deal)	64.8%	100.0%	67.5%	50.0%	75.0%	66.7%	100.0%	58.3%	100.0%	65.3%
		% of Total	28.6%	8%	11.0%	4%	3.7%	3.3%	2.9%	14.3%	0.4%	65.3%
Total		Count	108	1	40	2	12	12	7	60	1	245
		% within PROVINCE	44.1%	4%	16.3%	8%	4.9%	4.9%	2.9%	24.5%	0.4%	100.0%
		% within Trust/Confidence (A great deal)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100%	100.0%	100.0%	100.0%
		% of Total	44.1%	4%	16.3%	8%	4.9%	4.9%	2.9%	24.5%	0.4%	100.0%

Table 5-30 Results of Chi-Square tests (Trust – A great deal).

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.293	9	.411
Likelihood Ratio	12.721	9	.176
Linear-by-Linear Association	.028	1	.866
N of Valid Cases	245		

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .35.

The objective of table 5-30 is to test the relationship between rows (province) and columns (Trust and confidence – A great deal) of table 5-29. The null hypothesis ( $H_0$ ) is that rows and columns are independent. Alternative hypothesis ( $H_a$ ) is that rows and columns are dependent. Chi-square results are depicted in table 5-30. Chi-square is 0.411. Since 0.411 is greater than 0.05, null hypothesis ( $H_0$ ) is accepted and alternative hypothesis ( $H_a$ ) rejected. Province and trust and confidence (A great deal) are independent (not related.)

### 5.12.2 Cross-tabulations: Province and Trust and confidence (Quite a lot)

Objectives of table 5-31 and 5-32 are to test hypothesis 3, trust and confidence (Quite a lot). Table 5-31 depicts results of a cross-tabulation between the two provinces surveyed, namely Limpopo and Gauteng and trust and confidence (Quite a lot). Results of the hypothesis testing are used to reject sub-null hypothesis ( $H_0$ ) and accept alternative sub-hypothesis ( $H_a$ )

or alternatively to accept sub-null hypothesis (Ho) and reject alternative sub-hypothesis (Ha).

Table 5-31 Results of hypothesis 3 (Trust – Quite a lot)

		Trust/Confidence (Quite a lot)											
			Absa	African Bank	Boland Bank	FNB	NBS	Nedbank	Peoples Bank	Perm	Standard Bank	Teba Bank	Total
Province	Limpopo	Count	20	1	1	24		8	8	1	22		85
Province		% within PROVINCE	23.5%	1.2%	1.2%	28.2%		9.4%	9.4%	1.2%	25.9%		100.0%
		% within Trust/Confidence (Quite a lot)	32.3%	25.0%	33.3%	41.4%		29.6%	53.3%	10.0%	34.4%		34.7%
		% of Total	8.2%	4%	4%	9.8%		3.3%	3.3%	0.4	9.0%		34.7%
	Gauteng	Count	42	3	2	34	1	19	7	9	42	1	160
		% within PROVINCE	26.3%	1.9%	1.3%	21.3%	6%	11.9%	4.4%	5.6%	26.3	0.6%	100.0%
		% within Trust/Confidence (Quite a lot)	67.7%	75.0%	66.7%	58.6%	100.0%	70.4%	46.7%	90.0%	65.6%	100.0%	65.3%
		% of Total	17.1%	1.2%	8%	13.9%	4%	7.8%	2.9%	3.7%	17.1%	0.4%	65.3%
Total		Count	62	4	3	58	1	27	15	10	64	1	245
		% within PROVINCE	25.3%	1.6%	1.2%	23.7%	4%	11.0%	6.1%	4.1%	26.1%	0.4%	100.0%
		% within Trust/Confidence (Quite a lot)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	25.3%	1.6%	1.2%	23.7%	4%	11.0%	6.1%	4.1%	26.1%	0.4%	100.0%



hypothesis (Ha) or alternatively to accept sub-null hypothesis (Ho) and reject alternative sub-hypothesis (Ha).

Table 5-33 Results of hypothesis 3 test (Trust - Not very much)

			Trust/confidence (Not very much)										
			Absa	African Bank	Boland Bank	FNB	Investec	NBS	Nedbank	Peoples Bank	Perm	Standard Bank	Total
Province	Limpopo	Count	12	1	4	22	1		8	14	1	22	85
Province		% within PROVINCE	14.1%	1.2%	4.7%	25.9%	1.2%		9.4%	16.5%	1.2%	25.9%	100.0%
1.2% 25.9%		% within Trust/Confidence (Not very much)	30.8%	20.0%	44.4%	37.3%	25.0%		30.8%	51.9%	7.1%	39.3%	34.7%
		% of Total	4.9%	1.4%	1.6%	9.0%	1.4%		3.3%	5.7%	0.4%	9.0%	34.7%
	Gauteng	Count	27	4	5	37	3	6	18	13	13	34	160
		% within PROVINCE	16.9%	2.5%	3.1%	23.1%	1.9%	3.8%	11.3%	8.1%	8.1%	21.3%	100.0%
		% within Trust/Confidence (Not very much)	69.2%	80.0%	55.6%	62.7%	75.0%	100.0%	69.2%	48.1%	92.9%	60.7%	65.3%
		% of Total	11.0%	1.6%	2.0%	15.1%	1.2%	2.4%	7.3%	5.3%	5.3%	13.9%	65.3%
Total		Count	39	5	9	59	4	6	26	27	14	56	245
		% within PROVINCE	15.9%	2.0%	3.7%	24.1%	1.6%	2.4%	10.6%	11.0%	5.7%	22.9%	100.0%
		% within Trust/Confidence (Not very much)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.9%	2.0%	3.7%	24.1%	1.6%	2.4%	10.6%	11.0%	5.7%	22.9%	100.0%

**Table 5-34 Results of Chi-Square tests ( not very much)**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.544	9	.139
Likelihood Ratio	16.626	9	.055
Linear-by-Linear Association	.260	1	.610
N of Valid Cases	245		

a. 8 cells (40.0%) have expected count less than 5. The minimum expected count is 1.39.

The objective of table 5-34 is to test the relationship between rows (province) and columns (trust and confidence – Not very much) of table 5-33. The null hypothesis (Ho): Rows and columns are independent. Alternative hypothesis (Ha): Rows and columns are dependent. Chi-square results are depicted in table 5-34. Chi-square is 0.139. Since 0.139 is greater than 0.05, null hypothesis (Ho) is accepted and alternative hypothesis (Ha) rejected. Province and trust and confidence (not very much) are independent (not related.)

#### **5.13 Testing hypothesis 4.**

Hypothesis 3 will be used to determine brand loyalty among respondents in two provinces. The researcher's primary objective is to determine whether a single bank brand has a higher brand loyalty (Strongly agree) than a multi-brand bank. Sub-hypothesis brand loyalty (Agree and neither agree nor disagree) will also be tested.



#### **Hypothesis 4**

**The null hypothesis (Ho) is rows (province) and columns (brand loyalty – strongly agree) are independent (not related) and alternative hypothesis is that rows and columns are dependent (related).**

##### **5.13.1 Cross-tabulation: Province and Brand loyalty (Strongly agree).**

Objectives of table 5-35 and 5-36 are to test hypothesis 4, brand loyalty (Strongly agree). Table 5-35 shows results of a cross-tabulation between the two provinces surveyed, namely Limpopo and Gauteng and brand loyalty (strongly agree). Results of the hypothesis testing are used to reject null hypothesis (Ho) and accept alternative hypothesis (Ha) or alternatively to accept null hypothesis (Ho) and reject alternative hypothesis (Ha).

Table 5-35 Results of hypothesis 4 ( Brand loyalty – Strongly agree)

		Brand loyalty (Strongly agree)									
		Absa	Boland Bank	FNB	NBS	Nedbank	Peoples Bank	Perm	Standard Bank	Teba Bank	Total
Province	Limpopo	Count	36	2	15	1	4	3		24	85
Province		% within PROVINCE	42.4%	2.4%	17.6%	1.2%	4.7%	3.5%		28.2%	100.0%
		% within Brand loyalty (Strongly agree)	34.3%	50.0%	35.7%	50.0%	30.8%	25.0%		4.07%	34.7%
		% of Total	14.7%	.8%	6.1%	.4%	1.6%	1.2%		9.8%	34.7%
	Gauteng	Count	69	2	27	1	9	9	7	35	160
		% within PROVINCE	43.1%	1.3%	16.9%	.6%	5.6%	5.6%	4.4%	21.9%	100.0%
		% within Brand loyalty (Strongly agree)	65.7%	50.0%	64.3%	50.0%	69.2%	75.0%	100.0%	59.3%	65.3%
		% of Total	28.2%	.8%	11.0%	.4%	3.7%	3.7%	2.9%	14.3%	65.3%
Total		Count	105	4	42	2	13	12	7	59	245
		% within PROVINCE	42.9%	1.6%	17.1%	.8%	5.3%	4.9%	2.9%	24.1%	100.0%
		% within Brand loyalty (strongly agree)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	42.9%	1.6%	17.1%	.8%	5.3%	4.9%	2.9%	24.1%	100.0%

Table 5-36 Chi-Square tests (Brand loyalty – Strongly agree)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.416	8	.601
Likelihood Ratio	8.960	8	.346
Linear-by-Linear Association	.004	1	.952
N of Valid Cases	245		

a 10 cells (55.6%) have expected count less than 5. The minimum expected count is .35.

The objective of table 5-36 is to test the relationship between rows (province) and columns (brand loyalty – strongly agree) of table 5-35. The null hypothesis ( $H_0$ ) is that rows and columns are independent. Alternative hypothesis ( $H_a$ ) is that rows and columns are dependent. Chi-square results are depicted in table 5-36. Chi-square is 0.601. Since 0.601 is greater than 0.05, null hypothesis ( $H_0$ ) is accepted and alternative hypothesis ( $H_a$ ) rejected. Province and brand loyalty (strongly agree) are independent (not related.)

#### **5.13.2 Cross-tabulation: Province and Brand loyalty (Agree).**

Objectives of table 5-37 and 5-38 are to test hypothesis 4, brand loyalty (Agree). Table 5-37 depicts results of a cross-tabulation between the two provinces surveyed, namely Limpopo and Gauteng and brand loyalty (Agree). Results of the hypothesis testing are used to reject null hypothesis ( $H_0$ ) and accept alternative hypothesis ( $H_a$ ) or alternatively to accept null hypothesis ( $H_0$ ) and reject alternative hypothesis ( $H_a$ ).

Table 5-37 Results of hypothesis 4 test (Brand loyalty – Agree)

		Brand loyalty (Agree)											
		Absa	African Bank	Boland Bank	FNB	Investec	NBS	Nedbank	Peoples Bank	Pern	Standard Bank	Teba Bank	Total
Province	Limpopo	Count	19	2		19	1		7	9		26	83
Province		% within PROVINCE	22.9%	2.4%		22.9%	1.2%		8.4%	10.8%		31.2%	100.0%
		% within Brand loyalty (Agree)	29.7%	40.0%		36.5%	100.0%		28.0%	56.3%		38.2%	34.2%
		% of Total	7.8%	.8%		7.8%	.4%		2.9%	3.7%		10.7%	34.2%
	Gauteng	Count	45	3	2	33	1	18	7	8	42	1	160
		% within PROVINCE	28.1%	1.9%	1.3%	20.6%	.6%	11.3%	4.4%	5.0%	26.3%	0.6%	100.0%
		% within Brand loyalty (Agree)	70.3%	60.0%	100.0%	63.5%	100.0%	72.0%	43.8%	100.0%	61.8%	100.0%	65.8%
		% of Total	18.5%	1.2%	.8%	13.6%	.4%	7.4%	2.9%	3.3%	17.3%	0.4%	65.8%
Total		Count	64	5	2	52	1	1	25	16	8	68	243
		% within PROVINCE	26.3%	2.1%	.8%	21.4%	.4%	.4%	10.3%	6.6%	3.3%	28.0%	100%
		% within Brand loyalty (Agree)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	26.3%	2.1%	.8%	21.4%	.4%	.4%	10.3%	6.6%	3.3%	28.0%	100.0%

Table 5-38 Results of Chi-Square tests (brand loyalty – Agree)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.325	10	.206
Likelihood Ratio	17.149	10	.071
Linear-by-Linear Association	.496	1	.481
N of Valid Cases	243		

a. 11 cells (50.0%) have expected count less than 5. The minimum expected count is .34.

The objective of table 5-38 is to test the relationship between rows (province) and columns (brand loyalty – Agree) of table 5-37. The null

hypothesis (Ho): Rows and columns are independent. Alternative hypothesis (Ha): Rows and columns are dependent. Chi-square results are depicted in table 5-38. Chi-square is 0.206. Since 0.206 is greater than 0.05, null hypothesis (Ho) is accepted and alternative hypothesis (Ha) rejected. Province and brand loyalty (agree) are independent (not related.)

### **5.13.3 Cross-tabulations: Province and Brand loyalty (Neither agree nor disagree).**

Objectives of table 5-39 and 5-40 are to test hypothesis 4, brand loyalty (Neither agree nor disagree). Table 5-39 depicts results of a cross-tabulation brand loyalty (Neither agree nor disagree). Results of the hypothesis will be used to reject Ho and accept Ha or vice versa.

Table 5-39 Results of hypothesis 4 test (Brand loyalty – Neither agree nor disagree)

			Brand loyalty (Neither agree nor disagree)										
			Absa	African Bank	Boland Bank	FNB	Investec	NBS	Nedbank	Peoples Bank	Perm	Standard Bank	Total
Province	Limpopo	Count	16	1	3	24			7	15	2	17	85
Province		% within PROVINCE	18.8%	1.2%	3.5%	28.2%			8.2%	17.6%	2.4%	20.0%	100.0%
		% within Brand loyalty (Neither agree nor disagree)	39.0%	20.0%	37.5%	38.7%			26.9%	53.6%	13.3%	33.3%	34.7%
		% of Total	6.5%	.4%	1.2%	9.8%			2.9%	6.1%	0.8%	6.9%	34.7%
	Gauteng	Count	25	4	5	38	3	6	19	13	13	34	160
		% within PROVINCE	15.6%	2.5%	3.1%	23.8%	1.9%	3.8%	11.9%	8.1%	8.1%	21.3%	100.0%
		% within Brand loyalty (Neither agree nor disagree)	61.0%	80.0%	62.5%	61.3%	100.0 %	100.0 %	73.1%	46.4%	86.7%	66.7%	65.3%
		% of Total	10.2%	1.6%	2.0%	15.5%	1.2%	2.4%	7.8%	5.3%	5.3%	13.9%	65.3%
Total		Count	41	5	8	62	3	6	26	28	15	51	245
		% within PROVINCE	16.7%	2.0%	3.3%	25.3%	1.2%	2.4%	10.6%	11.4%	6.1%	20.8%	100.0%
		% within Brand loyalty (Neither agree nor disagree)	100.0%	100.0%	100.0 %	100.0 %	100.0 %	100.0 %	100.0%	100.0%	100.0 %	100.0%	100.0%
		% of Total	16.7%	2.0%	3.3%	25.3%	1.2%	2.4%	10.6%	11.4%	6.1%	20.8%	100.0%

Table 5-40 Results of Chi-Square tests (Brand loyalty – Neither agree nor disagree)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.225	9	.115
Likelihood Ratio	17.446	9	.042
Linear-by-Linear Association	.363	1	.547
N of Valid Cases	245		

a 7 cells (35.0%) have expected count less than 5. The minimum expected count is 1.04.

The objective of table 5-40 is to test the relationship between rows (province) and columns (brand loyalty–agree) of table 5-39. Sub-null hypothesis (Ho): Rows and columns are independent. Alternative sub-hypothesis (Ha): Rows and columns are dependent. Chi-square results are depicted in table 5-40. Chi-square is 0.115. Since 0.115 is greater than 0.05, sub-null hypothesis (Ho) is accepted and alternative sub-hypothesis (Ha) rejected. Province and brand loyalty (agree) are independent (not related.)

#### **5.14 Sample coefficient of correlation between branding variables.**

The purpose of table 5-41 is to determine the relationship between the three variables tested, namely top-of-mind awareness (1<sup>st</sup> mention), trust and confidence (A great deal) and brand loyalty (strongly agree).

Sample correlation is defined by Aaker et al (2001:735) as “a number between +1 and –1 that reflects the degree to which two variables have a linear relationship.”



Table 5- 41 Sample coefficient of correlation - branding variables.

			Top of Mind Awareness (1 <sup>st</sup> Mention)	Trust and Confidence (A great Deal)	Brand Loyalty (Strongly Agree)
Spearman's rho	Top of Mind Awareness (1 <sup>st</sup> Mention)	Correlation Coefficient	1.000	.888	.890
		Sig. (2- tailed)	.	.000	.000
		N	245	245	245
	Trust and Confidence (A great Deal)	Correlation Coefficient	.888	1.000	.927
		Sig. (2- tailed)	.000	.	.000
		N	245	245	245
	Brand Loyalty (Strongly agree)	Correlation Coefficient	.890	.927	1.000
		Sig. (2- tailed)	.000	.000	.
		N	245	245	245

\*\* Correlation is significant at the .01 level (2-tailed).

Table 5-24 depicts results of correlation between Top-of-mind awareness, Trust and confidence (A great deal) and Brand loyalty (Strongly agree). Spearman's rho (nonparametric correlation) was used, as it is the most popular measure of ordinal data. Correlation between top-of mind awareness and trust and confidence is significant with correlation coefficient tested at a confidence level of 0.01. The sample coefficient of correlation is  $r = 0.888$ . The relationship between the two variables is direct and slope is positive, thus  $r$  is positive.



Relationship between top-of-mind awareness (1<sup>st</sup> mention) and Brand loyalty (Strongly agree) is positive at a significant level of 0.01. The sample coefficient of correlation is 0.890. The relationship between the two variables is direct and slope is positive, implying that the direction of relationship between the two variables is positive and thus significant.

There is a positive relationship between trust and confidence ( A great deal) and brand loyalty ( Strongly agree). The sign of  $r = 0.927$  indicating that the relationship between the two variables is significantly strong, very close to +1 compared with the relationship between other variables, i.e. 0.888 and 0.890.

## **CHAPTER 6 RECOMMENDATIONS AND CONCLUSIONS.**

### **6.1 Introduction**

In the previous chapter the findings of the study were discussed. This last chapter of the study focuses on the summary of the main findings. The study is evaluated and recommendations are put forward.

### **6.2 Main Findings**

The data in this dissertation was collected during a study of the effects of a single brand on the South African banking image. Consumer-based brand equity model by Keller (1993) was used as the main theoretical focus to explain why some banks are successful in their branding strategy and some are not.

A survey research design was implemented to 245 respondents interrogating the three constructs, namely: top-of-mind awareness, trust and confidence and lastly brand loyalty. Data was analyzed to arrive at the quantitative results as presented in Chapter 5.

### **6.2.1 Province and gender.**

#### **Hypothesis 1**

Based on the results of this study, males and female in provinces do however see banks in the different provinces as being different. Chi-square test was done to determine if the province and gender were related (dependent on one another). The Chi-square test (gender) showed 0.008 was less than 0.05 which means the null hypothesis that province and gender are independent (not related) is rejected. Alternative hypothesis that province and gender are related (depend on each other) is accepted. The implication of Chi-square results for banks is that male and females perceive banks differently and therefore the branding strategies need to be different.

### **6.2.2 Top-of-mind awareness.**

#### **Hypothesis 2**

Based on the results of this study, Absa was rated first in a single brand category. Chi-square test was done to determine if the province and top-of-mind-awareness were related (dependent on one another). The Chi-square test (top-of-mind awareness – 1<sup>st</sup> mention) showed 0.538 was greater than 0.05 which means the null hypothesis that province and top-of-mind awareness are independent (not related) is accepted.

Based on results of table 5-23, ABSA ( a single brand bank) was rated 1<sup>st</sup> by 105 of 245 respondents. Nedbank on the other hand was rated low (13 of 245 respondents). Nedbank is smaller than Absa and therefore is more visible than Nedbank.

Literature says that marketing is about perceptions, not about products or services, argues Ries et al (1994). ABSA has managed to position itself in the minds of respondents. It managed to map the consumer's mental perception of its product and services. All the various banks are fighting for a space in respondents' minds and ABSA has succeeded by situating the brand in the prospect's mind. ABSA has succeeded by covering the space in respondents' minds "as if it has won a long term lease," Schultz et al (in Sengupta 1990:6). The results of the survey confirms the benchmark study by Sunday Times/Markinor. In the latter study, three banks occupy the first three positions measured on top-of-mind awareness. All the three banks are single-brand banks, namely Standard Bank, FNB and ABSA.

ABSA is a single brand having amalgamated all its brands under one umbrella. Nedcor which includes Perm (now Old Mutual Bank), NBS, and Peoples Bank is a multi-brand bank under the umbrella of Nedcor. In the

benchmark study, Standard Bank came first measured on top-of-mind awareness. Similarity between benchmark study and this research is that both have a common denominator, a single brand bank topping in spontaneous top-of-mind awareness measurement, i.e. Benchmark (Standard Bank) and this study (ABSA).

### **6.2.3 Brand trust and confidence.**

#### **Hypothesis 3**

Based on the results of this study, Absa was rated first in a single brand category. Chi-square test was done to determine if the province and brand trust/confidence were related (dependent on one another). The Chi-square test (trust and confidence – a great deal) showed 0.411 was greater than 0.05 which means the null hypothesis that province and trust and confidence are independent (not related) is accepted. This seem to contradict existing Nedbanks' strategy of brand differentiation.

Results of trust and confidence confirm the benchmark survey by Sunday Times/Markinor study. In the benchmark study the first three banks are Standard Bank, FNB and ABSA (single brand banks). Nedbank came fourth in the same survey where trust and confidence variable was measured. In the

benchmark study, Standard Bank came first measured on brand trust and confidence variable. Similarity between benchmark study and this research is that both have a common denominator, a single brand bank topping in trust and confidence measurement, i.e. Benchmark study (Standard Bank) and this study (ABSA).

#### **6.2.4 Brand loyalty.**

##### **Hypothesis 4**

Based on the results of this study, Absa was rated first in a single brand category. Chi-square test was done to determine if the province and brand loyalty were related (dependent on one another). The Chi-square test (brand loyalty – strongly agree) showed 0.601 was greater than 0.05 which means the null hypothesis that province and brand loyalty are independent (not related) is accepted. This seem to contradict existing Nedbanks' strategy of brand differentiation.

According to Aaker (1991) brand loyalty of the customer base reduces the vulnerability to competitive action. He added by stating that competitors might be discouraged from spending resources to attract satisfied customers. Successful companies who have very high brand loyal clients are able to

gain greater trade leverage, since customers expect the brand to be always available.

Results of brand loyalty confirm the benchmark survey by Sunday Times/Markinor study. In the benchmark study the first three banks based on brand loyalty measurement are Standard Bank, FNB and ABSA (single brand banks). Nedbank (multi-brand bank) came fourth in the survey in the same survey. In the benchmark study, Standard Bank came first measured on brand loyalty. Similarity between benchmark study and this research is that both have a common denominator, a single brand bank toping in brand loyalty measurement, i.e. Benchmark study (Standard Bank) and this study (ABSA).

#### **6.2.5 Correlation between branding variables.**

Sample coefficient correlation between top-of-mind (1<sup>st</sup> mention), trust and loyalty (A great deal) and brand loyalty (strongly agree) was tested using nonparametric correlation, Spearman's rho. Results of sample coefficient of correlation were presented in Chapter 5. Results show a positive correlation between branding variables tested. What the results means is that a bank that is first in an unaided recall and perceived to have a higher trust and

confidence is more likely to have a higher brand loyalty. Results of this study shows that ABSA is first in all the three branding variables measured,

### **6.3 Value of this study.**

The yearly Markinor/Sunday Times survey lists top banking brands without differentiating single bank brands and multi-bank brands. The results of this study show banking brands by province and differentiates single brands like ABSA, Standard Bank, FNB, etc, from multi-brand bank like Nedcor (Nedbank, Peoples Bank, Perm and NBS). The comparison of single brand vis-à-vis multi-brand will help market the researchers to investigate further which branding strategy is effective in creating an “outstanding loyalty.”

### **6.4 Shortcomings of this study.**

The reasons why single brand banks are so successful in communicating their brands to their target market were not addressed in this study. The researcher did not determine the reasons why multi-brand banks are not successful with their branding strategy. By being unsuccessful the researcher means not being able to be recalled first in an unaided top-of-mind awareness; not being perceived as having higher brand trust and confidence in the brand and lastly not having a higher brand loyalty than single brand



banks. Unlike Markinor's research, the study was conducted amongst a relatively small sample and did not cover all provinces of South Africa.

## **6.5 Recommendations for further study.**

Future studies could be conducted to determine why banks such as ABSA, Standard Bank and FNB (all single brands) are so successful in building brand loyalty in a commoditised market where differentiation is proving to be difficult. Studies could be conducted to determine how these banks have managed to build their single brand into a successful and potent brand. The researcher suggests that ABSA's branding strategies should be studied, as the bank seems to be on the right track based on the survey results. The results could be used by other single brand banks wanting to emulate AbSA and by multi-brands bank like Nedcor to test the effectiveness of their branding strategies.

## **6.6 Conclusion.**

### **6.6.1 Province and gender.**

Results of this study show that province and gender is related (dependent on each other). Banks should market their products and services on a gender basis as male and female perceive branding differently.

### **6.6.2 Recommendation to a multi-brand bank.**

Nedbank's multi-brand strategy seem to be correct based on the Chi-square tests which showed that provinces and gender are related. Men should be marketed differently to women in provinces. This seems to contradict a single brand strategy as it does not differentiate between males and females in provinces.

### **6.7 Top-of-mind awareness.**

Results of this study show that ABSA, a single brand was spontaneously named first in an unaided brand recall. The objective was to test top-of-mind awareness. Results of Sunday Times/Markinor benchmark study show that Standard Bank was named first in spontaneous brand recall.

#### **6.7.1 Recommendations to a multi-brand bank**

Chi-square tests showed that there is no relationship between the province and brand awareness as they are independent. The implication for banks is that it would not be sensible to try and differentiate branding between provinces. Based on the results of this study, a multi-brand strategy that tries to be different for different provinces will not be advisable as provinces are independent of the way the brand is perceived. Because Chi-square results

show province is independent of brand and the descriptive statistics show ABSA rated high on top-of mind awareness in relation to Nedbank, perhaps Nedbank should consider a single brand strategy because provinces are independent of the brand awareness.

Results of this study and that of the Sunday Times/Markinor benchmark study show there is a compelling case to pursue a single-brand strategy. Based on top-of-mind measurement, ABSA was rated first by 42.9% of respondents in an unaided recall. Unaided recall is more difficult than aided brand recall, and therefore ABSA is ahead of other South African banking brands in respondents' minds.

Implications for ABSA are that other banks will find it difficult to compete with ABSA, as the bank is a dominant brand. Literature review says a dominant brand “ provides a strong competitive advantage. In many purchase situations it means that no other brand will even be considered,” writes Aaker (1991). A multi-brand bank such as Nedbank needs to re-evaluate its marketing strategies with the objective of having it recalled first in an unaided recall. Marketing strategies should concentrate on brand awareness. Nedbank brand and its sister brands, namely Peoples Bank, Perm

and NBS should aim for brand recognition, brand recall which should lead to top-of-mind awareness. Once spontaneous top-of-mind awareness (first mention) is attained, multi-brands bank will be brands to be considered when customers need banking products and services.

### **6.8 Trust and confidence.**

Chi-square tests showed that there is no relationship between the province and brand trust/confidence as they are independent. The implication for banks is that it would not be sensible to try and differentiate branding between provinces. Based on the results of this study, a multi-brand strategy that tries to be different for different provinces will not be advisable as provinces are independent of the way the brand is perceived. Because Chi-square results show province is independent of brand and the descriptive statistics show ABSA rated high on brand trust and confidence in relation to Nedbank, perhaps Nedbank should consider a single brand strategy because provinces are independent of the brand trust and awareness.

Results of this study show ABSA being rated first on trust and confidence. This confirms Sunday Times/Markinor Study in which Standard Bank came first measured on trust and confidence variable.

### **6.8.1 Recommendations to a multi-brand bank.**

The implication for multi brand banks is that customers need to have higher trust and confidence so as to retain those clients.

### **6.9 Brand loyalty.**

Chi-square tests showed that there is no relationship between the province and brand loyalty as they are independent. The implication for banks is that it would not be sensible to try and differentiate branding between provinces. Based on the results of this study, a multi-brand strategy that tries to be different for different provinces will not be advisable as provinces are independent of the way the brand is perceived. Because Chi-square results show province is independent of brand and the descriptive statistics show ABSA rated high on brand loyalty in relation to Nedbank, perhaps Nedbank should consider a single brand strategy because provinces are independent of the brand loyalty.

Based on the results of this study, ABSA has the highest brand loyalty than any other South African bank. As per Sunday Times/Markinor study, Standard Bank has the highest brand loyalty than any other South African bank. Literature review says the loyalty of the customer base reduces the

vulnerability to competitive action. Competitors may be discouraged from spending resources to attract satisfied customers. Further, the higher loyalty means greater trade leverage, since customers expect the brand to be always available, writes Aaker (1991).

#### **6.9.1 Recommendations to a multi-brand bank.**

Implication of this study's results is that multi-brand banks need to have a higher brand loyalty among their customers. Should multi-brand banks succeed by having brand loyal customers, it will be relatively inexpensive to retain them, as it is expensive to gain new customers.

#### **6.10 Lessons from Standard Bank and Absa's branding strategies.**

According to the benchmark study by Sunday Times/Markinor, Standard Bank consistently came top of the banking category and is named by the South African public as one of the top ten (10) mostly admired brands in the country. When asked how Standard Bank has managed to have an edge over other banks, Standard Bank's head of marketing Terry Timson (in Barron 2002:7) attributed their success to the following:

- “ Unwavering and long-term commitment to meeting and exceeding customer expectations and consistent management in the application of the brand image and corporate identity,
- Playing a meaningful role in the community. Reinvesting in the community through various initiatives such as the Standard Bank Foundation, education, health and sport, to name a few, and
- Getting the basics of banking and customer service right and again, most importantly, representing security and sincerity in everything we do.”

Literature said that banks like any other business need to understand their customers' needs and then come up with an offering to satisfy their needs. Banks need to be aware that they are fighting for space in their customers' minds. With reference to the consumer conceptual map concept, the best bank will be the one that successfully differentiates itself from all other banks in the customer's "black box" and thereby rent the space in a customer's mind. Based on Sunday Times/Markinor survey of top brands, Standard Bank has managed to differentiate itself from ABSA, FNB, Nedcor, etc, in the customer's "black box." Due to the consistency of Standard Bank brand in the top banking brands survey, Standard Bank has

managed to position its brand firmly in the prospect's mind. Standard Bank is occupying the position in consumers' mind as a tenant, for periods that will vary according to the quality and quantity of marketing efforts behind that brand. Other would be renters like FNB and Absa are always putting forth tempting offers to the owner of the site, Schultz et al (in Sengupta 1996).

Literature said marketing is about perceptions, not products or services. Banks need to understand customer's perceptions. Perceptions are not facts. Customer's perceptions could either be right or wrong, but the fact is that that is what they perceive to be true in their eyes. Banks need to create an indestructible positive image in the minds of their customers.

Research by (Michell 2002; Reichheld 2001) shows that for a company to be successful, it needs to market not only to its customers but to its employees too. Internal marketing is important to help employees make a powerful emotional connection with the products and services. Without that connection, it will be difficult for employees to market the bank to the public. Mitchell (2002) showed that when employees care about and believe in a brand, they are most likely to be motivated to work harder and their



loyalty increases. It is not enough to have customer loyalty without employee loyalty. A successful company will have both and in addition have loyalty of all other stakeholder including suppliers and shareholders. This is what Reichhard (2001) terms “outstanding loyalty.”

ABSA seemed to have followed the advice of (Mitchell 2002; Reichheld 2001) as the bank was also judged the best company to work for last year (2002). In addition to having the highest brand loyalty than any other bank surveyed, its employees rated ABSA as the best bank to work for. This seems to confirm assertions by (Mitchell 2002; Reichheld 2001). According to Sunday Times/Markinor benchmark survey, ABSA was also voted as South Africa’s most loved financial services brand – for the year 2002 and came fifth ahead of Standard Bank in the ten most loved South African Brands, a list topped by Telkom. Standard Bank came seventh in the survey. ABSA and Standard bank were the only banks represented in the top ten.

Trends and analysis seems to imply that a single brand has a better image than a multi-brand as discussed above. The benchmark study and this research have the three single banking brands in the top three whilst Nedbank and its sister banks follows at a distant fourth.

The gap between the single brand and multi-brands could be attributed to the marketing strategies of the two opposing brands. It is easier to market a single brand than to market a multi-brand. All the marketing resources are channeled into one brand and there is one consistent yet compelling message directed at the customers. Marketing a multi-brand bank is expensive as each brand is marketed, sometimes leading to duplication of effort and resources. There is a possibility of confusing target market as different banking brands belonging to the same stable are positioned in their minds. Multi-brand bank such as Nedcor could argue that it is using multi-brand strategy by leveraging on channels of its partners or intermediaries like Pick n' Pay and Old Mutual.

The researcher is of the opinion that this study has proved the research problem, as the results of the study show that a single brand bank has a better image in the eyes of the respondents from the two provinces surveyed. To solve the problem of the multi-brand banks, the researcher suggests that they consider adopting the single brand model as the benchmark. The best way or alternative for multi-brand banks, will be to study how a bank like ABSA specifically has managed to amalgamate all its different brands within a short space of time and form a potent brand that is doing very well

on top-of-mind awareness, trust and confidence and brand loyalty as this research has shown.

ABSA recently changed the well-known rugby Bankfin Currie Cup to ABSA Cup. The rationale is presumably to consolidate all its brands under one roof. The effect of a multi-brand not going a single brand route is that a multi-brand bank's image will continue to play a second fiddle to that of a single brand as the benchmark and this study have shown.

The effect of going the single brand route is that image is likely to improve, as the bank will be "speaking with one voice." The researcher therefore argues that a single brand bank has a positive effect on the South African banking image. The researcher would go as far as to suggest that a multi-brand bank like Nedcor should appoint a "Chief Branding Officer" or "CBO" to coordinate all its marketing activities and that this official ensure that Nedcor and its associated brands are managed seriously as if they were newly granted loans.

## **6.11 Recommended phases to implement a single brand bank strategy –**

### **A project plan.**

Based on Sunday Times/Markinor benchmark top brands study and this study, there is a compelling argument for a multi-brand bank to change to a single brand. The researcher put forward a project plan for such a change. Unlike ABSA, which rapped its brand into one basket within a period of two years, this study suggests a cumulative period of at least 32 months or 2.6 years.

#### **6.11.1 Concept.**

ABSA was established in 1991 by amalgamating Allied, United and Volkskas. Bankorp including TrustBank and Absa Vehicle Finance was later added to the enlarged group in 1992. ABSA operated as a multi-brand from 1992 to 1998 when it was formally launched as a single brand (Internet 3). A multi-brand bank should follow the example of ABSA by consolidating all the brands to form a single banking brand. Customer involvement is important in choosing a brand name that will simple and easy to remember, writes Crawford et al (2003). A neutral name should be chosen to avoid estranging the customers and employees of previous brands. ABSA group settled on the name Absa for the same reason (Internet 4). A multi-brand

bank such as Nedcor with joint ventures and subsidiaries could be trick to change to a single brand bank, however the researcher is of the opinion that there is a compelling evidence to change. A timeline of six (6) months is recommended.

#### **6.11.2 Design.**

Once a name is agreed upon, a multi-brand bank needs to design an appropriate logo. The chosen brand logo should have a clear meaning. With reference to ABSA, the meaning of ABSA logo is “ An artistic adaptation of capital A and represents the idea of “beginning”. It is therefore known as the Alpha symbol. A or “Alpha” was taken as a logo due to the fact that ABSA started with a merger, an amalgamation.” (Internet 4). The dot in the Alpha symbol depicts the core values of the group. “In July 1999 ABSA logo was selected to be one of the case studies at the prestigious 11<sup>th</sup> International Corporate Identity Conference in Montreal Canada” (Internet 5). A timeline of six (6) months is recommended.

#### **6.11.3 Implementation.**

Having decided on a brand name and a logo, a multi-brand bank should now implement the new brand name. The researcher suggests the Chief Branding

Officer alluded to earlier in this chapter should coordinate the brand awareness of the new brand name. Stressing importance of a CBO's reporting line, Bedbury (2002:155) writes, "If not God, at least the next best thing: the CEO. The brand is often the most important asset of the organization. Since it knows no boundaries, don't put it in a silo somewhere three levels away from the person calling all the really difficult shots."

Aaker (1991)'s brand awareness pyramid (Exhibit 2-3) discussed in chapter 2, could be used as a guiding model. ABSA used a series of advertisements showing individual brands forming ABSA with a catch phrase Today Tomorrow Together. For a multi-brand brand awareness to succeed, the drivers of brand awareness should understand how similar banks such as ABSA succeeded in changing from a multi-brand to a single brand. ABSA changed from a multi-brand to a single brand within a very short period of time hence the researcher recommends ABSA's branding model to be used as a benchmark. A timeline of eight (8) months is recommended.

#### **6.11.4 Commissioning.**

The chosen advertising agency should be given a brief on how to change from a multi-brand to a single brand bank. The chosen brand "should no

longer simply be a logo or icon. It should be a holistic experience, a total brand experience. It should encompass the company's products, services, distribution, sponsorships, pricing, history, employees, advertising agency, corporate investor and public relations." (Internet 6). Recommended timeline is twelve (12) months.

## **BIBLIOGRAPHY**

1. Aaker, D.A. (1996). **Building a strong brand**. 1<sup>st</sup> edition, The Free Press, New York, USA.
2. Aaker, D.A. (1991). **Managing Brand Equity**. 1<sup>st</sup> edition, The Free Press, New York, USA
3. Aaker, D.A, Kumar, V, Day, G. (2001). **Marketing Research**. 7<sup>th</sup> edition, John Wiley & Sons, Inc, New York, USA.
4. Banking Sector Skills Plan (2003)
5. Barron, C. (2002). **Sunday Times/Markinor Top Brands – The annual survey of brand awareness, trust, and loyalty**. Sunday Times, 29 September.
6. Bedbury, S. (2002). **A new brand world**. 1<sup>st</sup> Edition, Penguin Group, New York, USA.



7. Bednarski, P.J. (2001). **Branding a perception.** Broadcasting & Cable, (June 11).
8. Buzell, R.D. & Gale, B.T. (1987). **The PIMS Principles.** 1<sup>st</sup> edition. Free Press, New York, USA.
9. Cooper, D.R & Shindler, P.R. (2001). **Business Research Methods.** 7<sup>th</sup> edition, McGraw-Hill, Boston, USA.
10. De Chernatony, L. & McDonald, M.H.B. (1993). **Creating Powerful Brands.** 2<sup>nd</sup> edition, Butterworth-Heinemann Ltd, Oxford, UK.
11. Duckworth, G.(1991). **Brands and Role of Advertising.** Understanding Brands, 1<sup>st</sup> edition, Kogan Page Limited, London, UK.
12. Grinden, C. (1999). **Getting to the heart of branding.** Discount Store News, 6 September.
13. Joachimsthaler, E & Aaker, D.A. (1999). **Building Brands without Mass Media.** Harvard business Review, 1-22.

14. Jones, J.P. (1986). **What's in a name?** 1<sup>st</sup> edition, Lexington Books, Canada.
15. Hague, P. & Jackson, P. (1994). **The Power of Industrial Brands.** 1<sup>st</sup> edition, McGraw-Hill Book Company Europe.
16. Hills, S. & Lederer, C. (2001). **The Infinite Asset – Managing Brands to Build New Value.** 1<sup>st</sup> edition, Harvard Business School Press, Boston, Massachusetts, USA.
17. Holliday, K.K, (1997). **Putting Brands to The Test.** USBanker, December 1997, 58-64.
18. Houston, F.S. (1986). **The Marketing Concept: What it is and what it is not.** Journal of Marketing, Vol. 50, (April), 81-87.
19. Hoyer, W.D. & MacInnis, D.J. (2001). **Consumer Behavior.** 1<sup>st</sup> edition, Houghton Mifflin Company, Boston, USA.

20. Jackson, M. (2001). **Bringing a Dying Brand to Life.** Harvard Business Review, Vol. 79, No. 5, (May).
21. Jones, T.O. & Sasser Jr, W.E. (1995), **Why Satisfied Customers Defect.** Harvard Business Review, Vol 73. No. 6, (November-December 1995), 88-99.
22. Keith, P.J. (1960). **The Marketing Revolution.** Journal of Marketing, Volume 24 (January), 35-38.
23. Keller, K.L. (1998). **Building, Measuring, and Managing Brand Equity.** 2<sup>nd</sup> edition, Prentice Hall, New Jersey, USA.
24. Keller, K.L. (1993). **Conceptualising, Measuring, and Managing Customer-Based Brand Equity.** Journal of Marketing, Volume 57 (January 1993), 1-22.
25. Keller, K.L. Sternthal, B, and Tybout, A. (2002). **Three Questions You Need to Ask About Your Brand.** Harvard Business Review, (September 2002), 81-86.

26. King, P. (2000). **Any branding effort starts with a positive self-image.** Nation's Restaurant News, (03 July).
27. Kotler, P (2000). **Marketing Management.** The Millennium Edition, Prentice Hall, New Jersey, USA.
28. Levin, I.L. & Rubin, D.S. (1991). **Statistics for Management.** 5<sup>th</sup> edition, Prentice-Hall International, New Jersey, USA.
29. Martins, J.H. Loubser, M. Van Wyk, H de J. (1999). **Marketing Research – A South African Approach.** 1<sup>st</sup> edition, University of South Africa, National Book Printers.
30. Mayer, C.S. (1974). **Data Collection Methods: Personal Interviews.** Handbook of Marketing Research, 2-82 – 2-89.
31. Mitchell, C. (2002). **Selling the Brand Inside.** Harvard Business Review, Vol. 80, No.1, (January), 99-105.

32. Monigle Associates. **Top seven tips to better brand building: Powerful brands don't just happen – they are developed through careful planning and extensive work.** PR Newswire, (30 July 2002).
33. Murphy, J.M, (1987). **Branding: A Key Marketing Tool.** 1<sup>st</sup> edition, The McMillan Press Ltd, London, UK.
34. Prokesch, S.E. (1995). **Competing on Customer Service: An interview with British Airways' Sir Colin Marshall.** Harvard Business Review, Vol.73.No. 6, (November-December), 101-112.
35. Reichheld, F.F. (2001). **Lead for Loyalty.** Harvard Business Review, Vol. 79, No.7, (July-August), 76-84.
36. Ries, A & Trout, J (1994). **The 22 Immutable Laws of Marketing.** 1<sup>st</sup> edition, HarperCollins, Publishers Inc, USA.
37. Rudestam, K.E. & Newton, R.R. (2001). **Surviving Your Dissertation.** 2<sup>nd</sup> edition, Sage Publication, Inc.

38. Sampson, J. (1998). **Branding + Design = Wealth**. The Encyclopaedia of Brands & Branding in South Africa, Affinity Advertising and Publishing, Auckland Park, South Africa, 12-15.
39. Schiffman, L.G. & Kanuk, L.L. (1978). **Consumer Behaviour**. 4<sup>th</sup> edition, Prentice-Hall International Editions, New Jersey, USA.
40. Schmitt, B. & Simonson, A. (1997). **Marketing Aesthetics**. 1<sup>st</sup> edition, The Free Press, New York, USA.
41. Sengupta, S. (1990). **Brand Positioning – Strategies for Competitive Advantage**. 1<sup>st</sup> edition, TaTa McGraw-Hill Publishing Company Limited, New Delhi, India
42. Stevens, K. **Big banks needs better brands**. Advertising Age, 27 April 1998, Volume 69, Issue 17.
43. Stevens, K. **ABA Best Practices in Retail Financial Services Symposium**. Business Wire, 26 February 1999.

44. Upshaw, L.B. (1995). **Building Brand Identity**. 1<sup>st</sup> edition, John Wiley & Sons, Inc, New York, USA.

45. Vermeulen, L.M. (1998). **Research Orientation**. Potchefstroom University for Christian Higher Education.

46. Weilbacher, W.M. (1993). **Brand Marketing**. 1<sup>st</sup> edition, NTC Business Books, Chicago, USA.

47. Woodard, S (1991). **Understanding brands**. 1<sup>st</sup> Edition, Kogan Page Limited, London, UK

### Internet

#### **Internet 1 - KPMG 2002 Banking Survey.**

<http://www.kmpg.amorphous.net/modules/home/content.cfm?toplevel=477>

&secondlevel=480

Accessed on 15<sup>th</sup> July 2003 at 19h00.

---

**Internet 2 - Sunday Times/Markinor Top brands survey.**

<http://www.suntimes.co.za/2001/10/07/business/surveys/survey07.asp>,

Accessed on 18<sup>th</sup> September 2002 at 19h15.

---

**Internet 3 – ABSA history.**

[http://www.absa.co.za/About\\_Absa/0.2999,1414,00.html](http://www.absa.co.za/About_Absa/0.2999,1414,00.html)

Accessed on 08<sup>th</sup> July 2003 at 20h15.

---

**Internet 4 – ABSA meaning.**

[http://www.absa.co.za/About\\_Absa/0.2999,1415,00.html](http://www.absa.co.za/About_Absa/0.2999,1415,00.html)

Accessed on 08<sup>th</sup> July 2003 at 20h45.

---

**Internet 5 – ABSA Achievements**

[http://www.absa.co.za/About\\_Absa/0,2999,1416,00html](http://www.absa.co.za/About_Absa/0,2999,1416,00html)

Accessed on 25<sup>th</sup> July 2003, at 19h40.

---

**Internet 6 – South Africans love the ABSA brand.**

[http://www.absa.co.za/absa/media\\_release/article\\_Page/0,1551,383,00.html](http://www.absa.co.za/absa/media_release/article_Page/0,1551,383,00.html)

Accessed on 08<sup>th</sup> July 2003 at 21h05.



## APPENDICES

### Appendix A: Coding used on SPSS®

<b>Province</b> Limpopo province = 1 Gauteng province = 2  <b>Gender</b> Male = 1 Female = 2  <b>Age</b> Under 18 = 0 18-24 = 1 25-34 = 2 35-49 = 3 50-64 = 4 65-75 = 5  <b>Educational level</b> High school = 1 College graduate = 2 Technikon graduate = 3 University graduate = 4 University post-graduate = 5	<b>Top-of-mind awareness</b> First mention = A1_1stme Second mention = A_2ndme Third mention = A1_3rdme Other mentions = A1_Other  <b>Trust and confidence</b> A great deal = A2great Quite a lot = A2quite Not very much = A2notver None at all = A2none  <b>Brand loyalty</b> Strongly agree = A3strongl Agree = A3agree Neither agree nor disagree = A3neithe Disagree = A3disagr Strongly disagree = A3strdis Don't know = A3dontkn
---	--

**Appendix B: Questionnaire.**

**Effects of a single brand on South African banking image**

**Province :** .....

**Name :** .....

**1. What is your gender?**

- ☐ Male
- ☐ Female

**2. What is your age category?**

- ☐ Under 18
- ☐ 18 - 24
- ☐ 25 - 34
- ☐ 35 - 49
- ☐ 50 - 64
- ☐ 65 - 75

**3. Education level**

- ☐ High school
- ☐ College graduate
- ☐ Technikon graduate
- ☐ University graduate
- ☐ University post-graduate

DO NOT READ OUT ANY BRAND NAMES.	A1				A2			
	1 <sup>st</sup> MENTION	2 <sup>nd</sup> MENTION	3 <sup>rd</sup> MENTION	OTHER MENTIONS	A GREAT DEAL	QUITE A LOT	NOT VERY MUCH	2. NONE AT ALL
1. Of all the different <b>BANKS</b> available, what brand names immediately come to mind?								
ABSA								
African Bank								
Boland Bank								
First National Bank								
Investec								
NBS								
Nedbank								
Peoples Bank								
Perm								
Standard Bank								
Others (Specify): One mention per line :								
.....								
.....								
.....								
.....								
.....								
None/don't know								

▶ **INTERVIEWER INSTRUCTION:** ASK A2 BEFORE PROCEEDING

**SHOW CARD:** By using one of the phrases on this showcard, please tell me how much **trust** and confidence you have in each of the brands that you mentioned. **READ OUT EACH BRAND NAME MENTIONED IN A1. ONE PHRASE ONLY PER BRAND NAME.**

**SHOW CARD:** It would matter a great deal to you personally if (name the first 3 brands individually answered in A1) no longer existed. Please tell me if you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree. **DO NOT READ OUT DON'T KNOW.**

WRITE IN FIRST THREE MENTIONS AS CODED IN A1	STRONGLY AGREE	AGREE	NEITHER AGREE NOR DISAGREE	DISAGREE	STRONGLY DISAGREE	DON'T KNOW
1. ....						
2. ....						
3. ....						

pted from Markinor : Top Brands Survey, 2002