

# **The Relationship between Brand-Building Factors and Branding Benefits in Commercial Banks Operating in Jordan: An Empirical Investigation of Managers' Perspectives**

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## **ABSTRACT**

This research aimed at investigating the relationship between brand building factors and branding benefits from managers' perspectives. The primary data were collected from marketing and branch managers working for the commercial banks operating in Jordan. Based on the services branding literature review, a model was developed and hypotheses were generated and empirically tested in this research. A quantitative methodology was designed to test the research model and achieve its objectives. The primary data collection tool was a structured questionnaire, which was developed for this study. Multiple and simple regression analysis were employed to test the research hypotheses. The most important findings are: first, there is a positive relationship between brand building factors and the overall brand benefits, the financial and non-financial benefits, acting as separate dependent variables. Second, the effect of the brand building factors on the non-financial brand benefits is stronger than their effect on the financial brand benefits, which showed that the effect of the brand building factors is highly intangible and embodied in the way that a bank does the banking business. Third, the most significant predictors, in sequence, of the brand building factors on the overall brand benefits, financial and non-financial benefits are distinctive banking product, corporate culture and cross functional teams. Indeed, research results, conclusions, practical recommendations, contributions to branding knowledge and future research opportunities are also discussed.

**KEYWORDS:** Service Brands, Brands Building, Brand Benefits, Intangible Assets, Corporate Culture, Banks, Jordan.

## **1. INTRODUCTION**

In recent years, general managers have increasingly recognized the importance of their service companies' brands in driving customer loyalty, price premiums, revenue growth, increasing profits, and consequently, enhanced shareholders value. As building and maintaining service brands can be costly, risky, and a time-consuming process, many general managers are

seeking new approaches that achieve brand objectives more quickly and more efficiently. A key issue in today's managers' mind is identifying and understanding the factors that contribute to brand-building, which are able to distinguish a successful service business from its rivals. Another key issue is identifying the appropriate approach that enables service companies to planning and execution of brand strategy. Service corporate brands are important elements to growth and profitability, and then improving returns on shareholders' value. Further, strong brands enable service companies to develop new services and launch new businesses.

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Historically, CEOs or general managers relied heavily on using different media means, especially huge advertising budgets, as the main approach to create brand awareness and build brands in the customers' minds. In a service business context, specifically financial services, this is not the case. Financial service business managers need a different approach to build a successful brand due to the unique characteristics of financial services and their implications on marketing practices in such businesses. However, despite the fact that the Jordanian economy is service oriented, service branding is still under research and undeveloped research field especially from managers' standpoint. Consequently, this research paper has come to increase our understanding in relation to the factors that contribute to brand-building and branding potential benefits in the banking industry in Jordan. In this research, we start by identifying our research problem and questions, objectives, variables, model, hypotheses and limitations as well as reviewing the suitable literature review in the field of services and financial service branding. Next, we describe our research design and methodology, empirical work, testing the hypotheses and showing results, as well as discussion, conclusions, recommendations, future research opportunities and contribution to services and brand literature are also discussed.

### **The Research Problem Definition**

The research problem is related to brand-building factors and their potential benefits. The research problem is identified based on a careful examination of service brand literatures from which a number of gaps have been found and addressed in research endeavors. First, a critical examination of the branding literature, especially in banking industry in Jordan, indicates that there are almost no previous research efforts that are devoted to investigate the topic of brand-building factors or potential brand benefits. Second, banking services have unique characteristics that distinguish them from other services and physical goods. These characteristics are intangibility, heterogeneity, inseparability, perishability, and high Labour Intensive (e.g., Kasper et al., 1999; Al-

Dmour, 2005). These unique characteristics have crucial implications on bank marketing strategy. This makes brand building in customers' minds an invaluable approach to minimize problems created by the unique characteristics of banking services.

Third, several researchers in the topic of branding have strongly encouraged conducting marketing research projects in this vital topic. For example, Denby-Jones (1995); McDonald et al. (2001) and Lovelock (2001), separately, argue that branding is still underdeveloped in the banking industry and more research is needed in this vital area. The above authors have also encouraged conducting research projects among different business cultures and service industries in developed and developing business environments. Consequently, this research has come to fulfill these gaps in the branding literature through examining brand-building factors and their benefits in the banking industry in Jordan. The competitive position of commercial banks in Jordan is questionable in terms of marketing skills and building strong corporate brands. This is evidenced by the entrance of three new competitors into the Jordanian market over the last two years. The result is severe competition in the banking industry in Jordan which has already been intensified by the liberalisation of the Jordanian economy. Consequently, based on the research problem and service branding literature (discussed in the next sections), the research questions are:

1. What are the brand-building factors at commercial banks operating in Jordan?
2. What are the benefits of brand-building at commercial banks operating in Jordan?
3. Is there any relationship between brand-building factors collectively and brand benefits at commercial banks operating in Jordan?
4. Are there any relationships between brand-building factors individually and brand benefits at commercial banks operating in Jordan?
5. What are the most influential factors of brand-building on the brand benefits at commercial banks operating in Jordan?

### The Research Objectives

The research aims to achieve the following objectives:

1. To identify brand-building factors at commercial banks operating in Jordan.
2. To identify the benefits of brand-building at commercial banks operating in Jordan.
3. To examine the relationship between brand-building factors collectively and brand benefits at commercial banks operating in Jordan.
4. To examine the relationships between brand-building factors individually and brand benefits at commercial banks operating in Jordan.
5. To determine the most influential factors of brand-building on the brand benefits at commercial banks operating in Jordan.
6. To provide strategic insights to bank managers pertaining to the most important factors of brand-building and brand benefits. This would help them to formulate competitive marketing strategies and focus on strategic brand competencies that can contribute to achieving long-term objectives at their banks.

### 2. BRAND-BUILDING LITERATURE REVIEW

Brand management is one of the central issues of market driven organizations. Brand-Building (BB) is a key component of developing a market driven product strategy. The pivotal role of brands in markets became increasingly important as CEOs recognize their value and leverage potential of widely respected brand names. Organizations are convinced that strong brands outperform their weaker counterparts. Consequently, brand management is a strategic necessity that should be seen as comprehensive and interrelated functions and systems. These functions and systems can be employed in the strategic process of building a successful brand that should result in financial and non-financial benefits e.g., increasing sales, ROI, market share or increasing customer loyalty (Cravens et al., 2000). Service businesses have started to comprehend the fact that building a successful corporate brand is one of the crucial paths to tackle the challenges and problems created by the unique characteristics of services (e.g., minimizing

intangibility) especially in the customers' minds (McDonald et al., 2001; Davis, 2002; Moorthi, 2002). Numerous recent attempts have been made to understand BB process in the service organisations due to the strategic role of BB on service business performance (O'Loughlin and Szmigin, 2005; Brady et al., 2005; Eberl and Schwaiger, 2005; King and Grace, 2005; Cravens, 2006).

Examining the service brand literature has revealed that there is a number of factors that have a critical role to play on BB. Table (1) presents a summary of the most relevant service brand literature. A careful examination on service brand literature has found that seven factors have a critical role on BB as follows: Corporate Culture (CC), Internal Marketing (IM), Service Delivery Process (SDP), Atmospherics (ATMO), Distinctive Banking Product (DBP), Marketing Communications (MC) and Cross Functional Teams (CFT). However, the literature review in this study presents the hallmarks of service brand literatures related to BB and their potential benefits.

Howcraft and Lavis (1986) found that building a corporate image can be done through corporate identity (external and internal design and facilities), public relations, the design of distribution and delivery systems, and improving the customer service. Berry et al. (1988) argued that strong brand names can accelerate market awareness and acceptance of a high-quality service. Zeithmal et al. (1985) found that building a company reputation can be achieved by stimulating the word-of-mouth communication. Other researchers: Shostack (1977); Berry (1980); Zeithaml et al. (1985) advocated company branding strategy through using distinctive logo or physical facilities that consumers can immediately associate them with specific service providers. Dobree and Page (1990) found that establishing and enhancing a strong service brand would be achieved through distinct service offerings and a superior service delivery process by which a company can meet its promises. Balmer and Wilkinson (1991) argue that a powerful marketing weapon is having a corporate identity. BB is about incorporating the organization's philosophy, culture and

**Table 1: Branding Literature Review Summary.**

Research Variable		OC	IM	SDP	Atmo	DBP	MC	CFT
Previous Studies	Nature of the Study							
Shostack 1977	Conceptual			X				
Berry 1980	Conceptual		X					
Zeithmal et al 1985	Empirical				X		X	
Howcroft and Lavis 1986	Conceptual				X			
Onknivist and Shaw 1989	Conceptual				X			
Dobree and Page 1990	Empirical		X	X		X		
Stewart 1991	Empirical	X				X	X	
Balmer and Wilkinson 1991	Empirical	X	X			X		X
Bigger and Selame 1992	Conceptual	X					X	
Dibb and Simkin 1993	Empirical	X						
Saunders and Watters 1993	Conceptual	X				X		
Denby-Jones 1995	Conceptual	X	X	X				
Aaker 1996	Conceptual	X	X			X		
Balmer 1998	Conceptual	X	X	X	X		X	
Doyle 1999	Empirical	X				X	X	
Tilley 1999	Empirical	X	X				X	
De Chernatony and Dall'Olmo Riley 1999	Empirical	X	X				X	X
Berry 2000	Conceptual	X	X			X		X
Harris and De Chernatony 2001	Empirical	X	X					
McDonald et al 2001	Empirical		X			X	X	X
Davis 2002	Conceptual	X						X
De Chernatony and Segal-Horn 2003	Empirical	X	X					
King and Grace 2005	Empirical		X					
Eberl and Schwaiger 2005	Empirical	X						
Cravens 2006	Conceptual	X						X

**Source:** The Authors' synthesis of relevant branding literatures indicated in the table.1.

personality. Every point of contact between the organisation and the customer counts and is important to its BB. Having a strong corporate identity (e.g. helpful and friendly) requires using an internal marketing strategy, having a well-skilled staff, and well managed marketing mix (Balmer and Wilkinson, 1991).

Boyd et al. (1994) found that the most important criterion upon which customers choose a financial service company is its reputation (Boyd et al., 1994). Denby-Jones (1995) found that building a corporate image needs an organisational commitment and delivering consistent services to customers (how fast the telephone is answered).

The customer focus is the central point of the business culture. He found that branding provides increased market share, greater profitability, and significant boost to a company asset value. However, a significant contribution to the brand management literature has come from the seminal work of Aaker (1996). Aaker (1996) argues that companies have strong brand names and identities which are characterised as innovative, having high quality products, well-qualified people, organisational values and cultures, differentiation, respect customers and good customer relationships. Strong brands provide values for customers, which constitute both functional and emotional

benefits. The functional values are those related to the product attributes that provide the functional utility to the customer. The emotional benefits can be found when a particular brand gives the customer a positive feeling. The emotional benefits add richness and depth to the experience of using the brand.

Doyle (1999) argues that strong brands have higher market shares and higher profitability since they create personality for the companies and insure the future earnings. Doyle strongly argues that BB can be achieved by (a) quality is number one; (b) building superior service; (c) get first to the market; (d) new market segments and (e) differentiation. Tilley (1999) argues that BB is not just having a name or logo or design activity, but also, it is the way in which the organisation carries out its activities in order to create a customer value. This leads to an important point which is that branding is not practiced within the department of marketing, but is the remit of the whole organisation. The value of BB should be understood by the organisation and its people, and it should be the core of the organisation communication system and its training programmes. De Chernatony and Dall'Olmo Riley (1999) view branding as a critical source of overcoming some difficulties that have been created by the unique characteristics of services. There is a crucial role for the human dimension in order to create a brand image because people in the organisation and their attitudes, behaviour and activities strongly affect brands. They found that, in the financial service in particular, the "company as brand" and internal training are specially important means of communicating to both consumers and employees what the brand stands for, thus insuring that the service delivery consistently exceeds customer expectations. The study revealed that the service characteristics make brand differentiation more difficult, and many financial service firms were criticised in terms of not capitalising on clear identity systems to make their offerings more tangible.

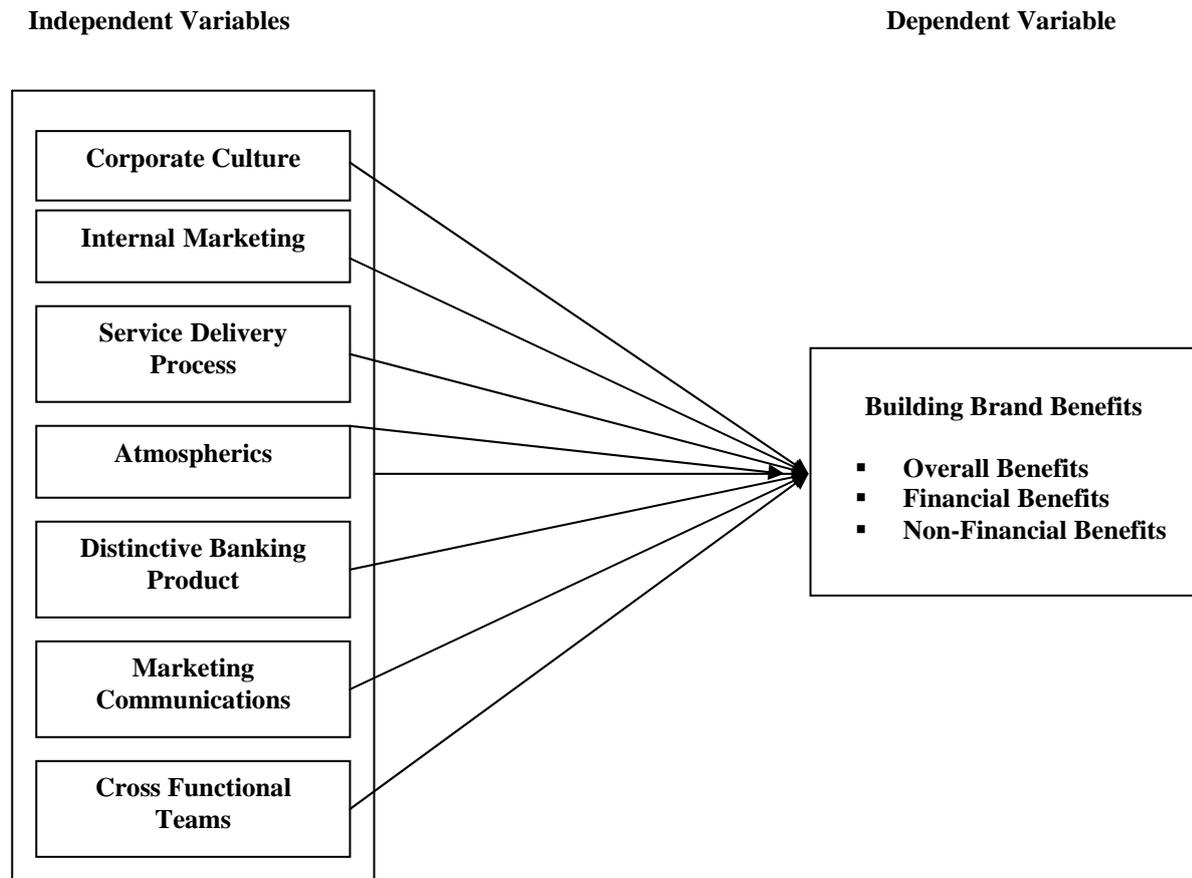
Other researchers found that using an internal marketing strategy is imperative to create a cohesive and consistent organisational culture (Berry, 1980; De Chernatony and Dall'Olmo Riley, 1999). Berry (2000) found that a well-presented brand name does not rescue a weak service, and all company marketing activities

should be consistent to deliver the promise to customers. He found that BB relies on strategy differentiation (be different) and uses strong internal marketing strategies. Recently, McDonald et al. (2001) found that to execute successful service brands, companies need to practice greater degree of internal marketing through recruiting well-skilled staff, inducting and training them very well in order to deliver the brand's promises. A strong corporate brand image was seen as the most effective form of differentiation in the financial services. McDonald et al. (2001) focused on an organization's culture for BB within financial service context. Further, the creation and development of service brands represents a source of sustainable competitive advantage.

Harris and de Chernatony (2001) argue that an organisation's employees have a pivotal role to play in BB as they have been described as a brand "ambassadors". Employees play a crucial role in both internal and external brand environments and have a powerful impact on customers' perceptions. Lovelock (2001) argues that, in service businesses, BB depends on corporate culture to identify and differentiate them. Davis (2002) discussed steps for implementing brand asset management strategy. Among these steps are brand attributes, marketing communication mix, organizational culture and differentiation.

De Chernatony and Segal-Horn (2003) examined the criteria for successful service brands. They found that the most important criteria are focused position, consistency in delivering services, and values and systems (corporate culture). A recent study, King and Grace (2005) explored the crucial role of employees in the delivery of brands. They found that a service company's employees, by practicing a strong internal marketing strategy, have the most important role on building and delivering its brand in the marketplace. Eberl and Schwaiger (2005) found that corporate reputation has exerted a strong effect on the organizations' financial performance. Cravens (2006) argues that one of the strategic marketing global challenges is strategic brand initiatives. His view is that strategic brand is a high priority issue in many the organizations' and the power of strong brand on performance is highly acknowledged by many scholars.

Figure. 1. The Research Model.



### 3. DEVELOPING THE RESEARCH MODEL AND HYPOTHESES

Based on the service brand literatures and the research objectives, a research model is developed to be empirically tested. Figure 1 shows the research model.

#### The Research Hypotheses

Based on a critical examination of the branding literature review and to achieve the research objectives posed by the researchers, a number of main and sub-hypotheses were advanced in the null hypotheses shape as follows:

#### Major Hypothesis One

HO1: There is no relationship between brand-building factors (corporate culture, internal marketing, service

delivery process, atmospherics, distinctive banking product, marketing communications and cross functional teams) and overall brand benefits.

#### Sub-hypotheses

HO1.1: There is no relationship between corporate culture and overall brand benefits.

HO1.2: There is no relationship between internal marketing and overall brand benefits.

HO1.3: There is no relationship between service delivery process and overall brand benefits.

HO1.4: There is no relationship between atmospherics and overall brand benefits.

HO1.5: There is no relationship between distinctive banking product and overall brand benefits.

HO1.6: There is no relationship between marketing

communications and overall brand benefits.

HO1.7: There is no relationship between cross functional teams and overall brand benefits.

### **Major Hypothesis Two**

HO2: There is no relationship between brand-building factors (corporate culture, internal marketing, service delivery process, atmospherics, distinctive banking product, marketing communications and cross functional teams) and financial brand benefits.

### **Sub-hypotheses**

HO2.1: There is no relationship between corporate culture and financial brand benefits.

HO2.2: There is no relationship between internal marketing and financial brand benefits.

HO2.3: There is no relationship between service delivery process and financial brand benefits.

HO2.4: There is no relationship between atmospherics and financial brand benefits.

HO2.5: There is no relationship between distinctive banking product and financial brand benefits.

HO2.6: There is no relationship between marketing communications and financial brand benefits.

HO2.7: There is no relationship between cross functional teams and financial brand benefits.

### **Major Hypothesis Three**

HO3: There is no relationship between brand-building factors (corporate culture, internal marketing, service delivery process, atmospherics, distinctive banking product, marketing communications and cross functional teams) and non-financial brand benefits.

### **Sub-hypotheses**

HO3.1: There is no relationship between corporate culture and non-financial brand benefits.

HO3.2: There is no relationship between internal marketing and non-financial brand benefits.

HO3.3: There is no relationship between service delivery process and non-financial brand benefits.

HO3.4: There is no relationship between atmospherics

and non-financial brand benefits.

HO3.5: There is no relationship between distinctive banking product and non-financial brand benefits.

HO3.6: There is no relationship between marketing communications and non-financial brand benefits.

HO3.7: There is no relationship between cross functional teams and non-financial brand benefits.

## **4. RESEARCH METHODOLOGY**

### **The Research Population and Sample**

The population of the current study was identified as all commercial banks operating in Jordan. There are 22 commercial banks operating in Jordan in 2005 and have a membership at the Association of Banks. The 22 banks were approached by the researchers from which only 17 banks agreed to be part of this study. The research sample was identified as all the marketing managers at banks' headquarters and branch managers who were engaged in the banks' operations in Amman Municipality. The researchers chose this area for three reasons: first, the biggest banking operations are run in Amman. Second, the number of bank branches operating in Amman (for 17 banks) is 227 branches which represent around 57% of the total number of branches in Jordan (403). Third, other limitations such as time, cost and banks' cooperation restrictions.

### **Data Collection Methods**

The primary data were collected through a questionnaire which was specifically developed for the purpose of this research. The questionnaire was highly structured in which questions were fixed-response alternative questions that required the respondents to select from specific responses. Five point Likert scale was used (Churchill, 2001; Aaker et al., 2001). The type of research is a cross-sectional design in which the collection of data from the respondents (managers) was carried out only once (Churchill, 2001).

### **Operationalisation of the Research Variables**

In order to develop an operational definition for each

variable included in the research model, five point Likert scale was used (runs from “Strongly Agree” given the score of “5” to “Strongly Disagree” given the score of “1”). The variable operational definitions are:

1. Organizational culture. It is concerned with the extent to which banks have an organizational culture that enhances building brands in the marketplace. The operational definition is generated based on work of previous researchers such as Saunders and Watters (1993); Balmer (1998); De Chernatony and Dall’Olmo Riley (1999); Berry (2000).
2. Internal marketing. It is concerned with the extent to which banks practice internal marketing to build brands in the marketplace. The operational definition is generated based on work of previous researchers such as Berry (1980); Aaker (1996); Berry (2000); McDonald et al. (2001).
3. Service delivery process. It is concerned with the extent to which banks have developed service delivery processes that focus on customers to build brands in their eyes. The operational definition is generated based on work of previous researchers such as Dobree and Page (1990); Balmer and Wilkinson (1991); De Chernatony and Dall’Olmo Riley (1999).
4. Atmospherics. It is concerned with the extent to which banks are interested in internal and external customer oriented atmosphere to distinguish their brands in the customers’ eyes. The operational definition is generated based on work of previous researchers such as Shostack (1977); Zeithmal et al. (1985); Howcroft and Lavis (1986); Bigger and Selame (1992); Balmer (1998).
5. Distinctive banking product. It is the extent to which banks have superior banking products and services that are considered unique to build brands. The operational definition is generated based on work of previous researchers such as Stewart (1991); Balmer and Wilkinson (1991); Doyle (1999); Berry (2000); McDonald et al. (2001).
6. Marketing communications. It is the extent to which banks have a set of marketing communications that

are able to build strong brands. The operational definition is generated based on work of previous researchers such as Zeithmal et al. (1985); Balmer (1998); Tilley (1999); McDonald et al. (2001).

7. Cross-Functional Teams. It is the extent to which banks focus on teamwork and integration between a bank’s functions to build strong brands. The operational definition is generated based on work of previous researchers such as (Tilley 1999; De Chernatony and Dall’Olmo Riley (1999); Berry (2000); McDonald et al. (2001).

### **Branding Benefits**

A considerable amount of branding literature review has revealed that BB is a crucial strategic tool and has a paramount role to play on financial service firms’ performance and on achieving sustainable competitive advantage. This literature indicates that the benefits of BB in the financial service companies are expressed in financial and non-financial benefits. Consequently, it is argued that the benefits of BB are:

A. Financial Benefits (e.g., Doyle, 1999; Berry, 2000; McDonald et al., 2001; Harris and de Chernatony, 2001). These dimensions are: increasing market share, increasing profitability, increasing sales, boosting the company’s value assets and increasing return on investment

B. Non-Financial Benefits (Berry et al., 1988; Boyd et al., 1994; Aaker, 1996; McDonald et al., 2001; Harris and de Chernatony, 2001). These dimensions are: better reputation, continuous growth, better positioning in the customers’ eyes and building relationships with customers.

### **Developing and Administering the Questionnaire**

The questionnaire was developed based on guidelines provided by marketing researchers and based on previous empirical research (e.g., Aaker et al., 2001; Malhotra, 2004). The design of the questionnaire was tested based on the pilot study work of a judgmental sample of branch managers, which was not included in the final analysis. In addition, managers in the banking industry examined the questionnaire as well as consulted academics in Jordanian

universities to examine the relevancy of the questionnaire to the study objectives. The Likert scale was employed to measure the research constructs. The questionnaires were personally delivered to the sample, and the objectives of the research were explained to each manager (Sekaran, 2003; Malhotra, 2004). The primary data collection process lasted around a three-month period from June to August 2005 which included establishing contacts with the banks. The distributed questionnaires to the managers were 244; 17 were delivered to marketing managers at banks' headquarters and 227 were delivered to branch managers. The returned questionnaires were 170. The response rate was around 70% which was relatively high. Finally, four questionnaires were discarded, as a result of data auditing procedures, from the final analysis because they were incomplete.

### Statistical Treatment

The data analysis strategy has used a set of appropriate statistical techniques and methods that are able to achieve our study objectives. The unit of analysis in our study is "the manager" who was the marketing branch manager in commercial banks that agreed to be part of our study. In order to prepare our data for appropriate analysis, strict data cleaning and preparation procedures were followed (Hair et al., 1998). The statistical methods used to analyze the data and to test the hypotheses are all parametric tests (descriptive statistics) (mean and standard deviation), reliability, simple and multiple regression analysis.

### Validity and Reliability

#### Validity

The validity of the instrument and scales were assessed by face validity and content validity. **Face validity:** the research instrument was presented to a number of academics in the marketing field as well as managers in the banking industry in Jordan. They were asked about the appropriateness and ability of the instrument and scales to achieve the research objectives. They were asked about the instrument design, layout and contents and ability to understand its questions. After

receiving feedback, minor refinements were carried out on the questionnaire, then it was ready for the empirical work; providing evidence of face validity. **Content validity:** according to Churchill, content validity is examined through the procedures used to develop the research instrument. The procedures used by the researchers to develop the research instrument are: first, reviewing the most relevant previous empirical and theoretical literatures in the field of services branding upon which the operational definition for each variable was generated; second, conducting the pilot study work before starting the major fieldwork to test the instrument; and third, at the beginning of each section in the study instrument, complete instructions were given to the managers related to how to complete the questionnaire.

#### Reliability

The reliability of the research instrument was assessed by examining the Cronbach's Alpha Coefficient (Sekaran, 2003). The values of Cronbach's alpha range from zero to one. Table (2) shows the reliability coefficients for all the research variables. It shows that the reliability coefficients of all the research variables were above the cut off point, 60%, of alpha used in this research. The reliability coefficients for all the variables ranged from 0.7788 to 0.9066. Consequently, the research instrument and variables are of reasonable reliability and have considerable internal reliability coefficient. Based on assessing validity and reliability, it can be claimed that the instrument is valid and reliable to be used in data collection.

#### Examining the Regression Assumptions

In order to use parametric statistical tests such as multiple regression, there are assumptions that should be met to perform such robust tests (Hair et al., 1998). The assumptions of using simple and multiple regression analysis are carefully examined according to statistical methodologies which are recommended by well-known marketing researchers (e.g., Hair et al., 1998). These assumptions are: (a) the normal distribution. It was examined by performing Kolmogorov-Smirnov test (K-S) to test if the data are normally distributed. The test was

**Table 2: Reliability Coefficients for the Research Variables-Cronbach’s Alpha.**

<b>Building Brands Dimensions</b>	<b>Number of items</b>	<b>Reliability Coefficients</b>
Corporate Culture	8	0.8398
Internal Marketing	7	0.8940
Service Delivery Process	6	0.7788
Atmospherics	5	0.7857
Distinctive Banking Product	8	0.8852
Marketing Communications	7	0.8730
Cross Functional Teams	4	0.8205
Overall Brands Building Dimensions	45	0.9648
<b>Building Brands Benefits</b>		
Financial Benefits	5	0.8998
Non-Financial Benefits	4	0.9066
Overall Branding Benefits	9	0.9291

performed for each item in the questionnaire. The results, which are not shown here to save space but are available upon request from the authors, revealed that all tests were less than the cut off point, 0.05, indicating that the data are normal and this assumption is met. (b) The multicollinearity assumption. This assumption is tested through Variance Inflation Factor (VIF) and tolerance throughout all the regression models in the research. VIF measures how much the variance of the regression coefficients is an independent measure. If the VIF is more than 5 and the tolerance is less than 0.20 in a regression model, this indicates a problem of multicollinearity (Hair et al., 1998). All the VIF and tolerance in the regression models were calculated and indicated that the multicollinearity is not of a great concern in this research. This is evidenced when the VIF values are ranged between 1.865 and 3.888 and the tolerance values are ranged between 0.257 and 0.536 (see the multiple regression analysis results in the tables). (c) The independent error assumption. This assumption is tested by Durbin-Watson statistic. If the value of the test is ranged between 1 and 3 then the assumption is met. If the value of the test is close to 2, which is the best, this assumption is strongly met. If the value of the test is less than 1 or more than 3 this assumption is not met and the errors are not independent. This test is run in all the regression models in the research that indicates that this

assumption is met providing evidence that the errors are independent. This is evidenced when the values of Durbin-Watson statistic are ranged between 1.581 and 2.168 which indicates that this assumption is also met. (d) Linearity among the variables. All the produced normal probability plots indicated that the relationships between all the variables are linear, which provided evidence for the linearity.

**5. ANALYSIS AND HYPOTHESES TESTING**

The purpose of this section is to provide a descriptive analysis for BB factors and BB benefits at commercial banks operating in Jordan in order to achieve objectives 1 and 2 of this study. The next part of the analysis section is concerned with achieving the remaining objectives of the study through examining the stated hypotheses. Table (3) presents the results of descriptive analysis for all the variables included in the study; independent and dependent variables. The descriptive analysis discusses the most important results in relation to each variable included in the study.

**Corporate Culture.** Table (3) shows that the highest mean score (4.45) is given to being more customer focused than competitors. This indicates that banks focus heavily on being more customer focused than competitors, as a major part of their culture, to tackle the

**Table 3: The Research Variables Descriptive Statistics-Means and Standard Deviations.**

<b>Statements</b>	<b>Mean</b>	<b>Standard Deviation</b>
<b>Corporate Culture</b>	4.0971	0.58926
Our bank is more customer focused than our competitors	4.4578	0.71860
Our bank has a strong commitment to our customers	4.3855	0.69337
Our bank is always looking at approaches to create customer value	4.3795	0.71812
Our marketing manager participates in top management decisions	3.8735	0.88880
The customer's interest comes first in our bank	3.9518	0.92643
Our bank builds marketing activities based on knowledge of customers needs	4.0000	0.89443
Our bank objectives are driven primarily by customer satisfaction	4.0843	0.88359
Our bank measures customer satisfaction systematically	3.6446	1.07317
<b>Internal Marketing</b>	3.7547	0.80978
Our bank recruits customer oriented personnel	3.7048	1.03437
Our bank personnel are trained to interact with customers carefully	4.1446	0.85468
Our bank trains employees to improve their capabilities	4.2349	0.88021
Our bank rewards those employees who provide excellent service	3.6325	1.17185
Our bank views increasing employees' knowledge and skills as an investment rather than a cost	4.0000	0.94708
Our bank collects data about our employees' needs and wants regularly	3.1506	1.13146
Our bank has reward systems that encourage employees to work together as a team	3.4157	1.17633
<b>Service Delivery Process</b>	3.8604	0.61115
Our bank focuses on the quality of the service delivery activities for satisfying customers	4.0361	0.74583
Our bank focuses on using standard procedures in delivering our banking services to customers	4.1205	0.75314
Our bank has qualified to interact with customers during the service delivery process	4.0000	0.89443
Our bank uses information technology in processing work processes	4.0181	0.95011
Our bank focuses on personal delivery for our banking services to customers	3.7169	0.87971
Our bank prepares a "flowchart" which describes the activities required to perform banking services to customers	3.2711	1.05830
<b>Atmospherics</b>	3.3952	0.74442
Our bank facilities are designed to achieve a specific image objectives	3.7651	0.97184
Our bank customer contact employees are dressed in a way to achieve the desired image	2.2711	1.31840
Our bank working atmosphere is designed to satisfy customers e.g., furnishing, colours...etc	3.4398	0.94995
Our bank focuses on overall facilities layout, décor, lighting, for creating friendly atmosphere	3.7048	0.86877
We design our facilities and layout in order to communicate service quality	3.7952	0.89793
<b>Distinctive Banking Product</b>	4.0911	0.62483
Our bank offers a variety of banking services	4.2169	0.79465
Our employees have a fundamental role on building our brand reputation	4.3855	0.76802
Our bank provides a distinctive service quality to build our brand reputation	4.2771	0.85014
Our bank introduces consistent banking services quality to our customers	4.1205	0.84420
Our bank provides superior service quality better than competitors	3.8193	0.83331
Our bank introduces new banking services continuously	3.9518	0.93295

Our bank has a strategy for customer service	3.9639	0.83042
Our bank enhances customer services staff knowledge to deliver customer services effectively	3.9940	0.84922
<b>Marketing Communications</b>	3.9182	0.71183
Our bank encourages our customers to recommend our bank to other customers	3.9036	0.86149
The elements of marketing communications tools are strategically consistent	3.6867	0.90020
Our marketing communications tools focus on sending a unified message	3.8012	0.92258
Our bank uses advertising media to create the desired image	4.0843	1.01151
Our bank uses customer contact points to create the desired image	3.9518	0.97114
Our bank uses publicity and public relations to enhance our image	4.0000	0.95980
Our bank uses direct marketing methods such as telemarketing, direct mail, the internet to enhance our image	4.0000	0.97856
<b>Cross Functional Teams</b>	3.6852	0.81507
The bank's departments are co-ordinated to ensure customer satisfaction	3.8614	0.88699
Our bank integrates the marketing unit with the main business to create a distinctive image	3.8554	0.94237
The bank's managers and employees have the necessary interaction skills and capabilities to create a unique image	3.6024	1.00833
Our bank motivates the employees to successfully execute the desired image	3.4217	1.18189
<b>Building Brands Benefits</b>	4.2999	0.66222
<b>Financial Benefits</b>	4.3229	0.66484
Increasing market share	4.3795	0.68353
Increasing profitability	4.3494	0.72084
Increasing sales	4.3133	0.73736
Boosting the bank's assets value	4.2169	0.86757
Increasing return on investment	4.3554	0.90128
<b>Non-Financial Benefits</b>	4.2711	0.77675
Better reputation in the market	4.3855	0.82140
Continuous growth	4.3313	0.84127
Better image in the customers' minds	4.1687	0.93185
Building relationships with customers	4.1988	0.91599

severe competition in the Jordanian market especially after entering three competitors. The lowest mean score (3.64) is given to measuring customer satisfaction systematically as part of banks' culture. This indicates that banks are less interested in measuring customer satisfaction systematically as part of their culture, which may indicate that banks focus more on customer as a result of competition than being customer oriented.

**Internal Marketing.** Table (3) shows that the highest mean score (4.23) is given to training employees to increase their capabilities. This is reasonable since most

banks are looking to increase employees' productivity through improving their capabilities. The lowest mean scores (3.15) and (3.41) are given, subsequently, to collecting data about employees' needs and wants, and having reward systems that encourage employees to work as a team. These results reflect the fact that the practice of internal marketing, in general, at banks is weak and needs to be improved.

**Service Delivery Process.** Table (3) shows that the highest mean score (4.12) is given to standard procedures in delivering banking services. This may indicate that

banks are encouraged to use technology and systematic procedures to deliver their services as a result of computerizing work. The lowest mean score (3.27) is given to preparing a flowchart for bank service delivery processes. This low mean score reflects the fact that banks do not recognize the importance of a well designed service delivery process on customer satisfaction and the resulting image.

**Atmospherics.** Table (3) shows that the highest mean score (3.79) which is given to designing banks' facilities and layout to communicate service quality. This result indicates that banks are interested in designing facilities, based on customer orientation, to deliver the desired image to customers. The lowest mean score (2.27) for banks' employees dressed in uniforms to create a specific image. This result is very reasonable since very few banks ask employees to put on uniforms to create a good image; the banks do not know the impact of employees' uniforms on image.

**Distinctive Banking Product.** Table (3) shows that most of the items encapsulated are important, as managers recognize them, to build reputation through a distinctive banking product. The highest mean score (4.38) is given to the fundamental role of employees that banks rely on to build reputation in the marketplace. This finding is very consistent with service branding literature that advocates the fact that, in service businesses, customers perceive a bank's employees as an essential part of banking products, if not the product itself. The lowest mean score (3.81) is given to providing superior service quality better than competitors. This finding seems to show that banks focus on service quality issues to tackle competitive pressures in the marketplace rather than provide superior service quality better than competitors.

**Marketing Communications.** Table (3) shows that the highest mean score (4.08) is given to advertising, as a major marketing tool, to build banks' desired image in the marketplace. This finding tends to show that banks

still recognize marketing the same as advertising to build image, meanwhile other important tools are more important than advertising to build image e.g., superior service quality and customer service. The lowest mean score (3.64) is given to strategic integration of marketing communications to deliver a consistent message to the marketplace. This finding may reveal that banks are in need to coordinate their marketing communication activities to deliver a unified message to markets.

**Cross Functional Teams.** Table (3) shows that most items encapsulated these variables are given low mean scores. The highest mean score (3.86) is given to the coordination among a bank's departments for ensuring customer satisfaction. Although this score is relatively low, banks tend to show that they recognize that all departments should work as a team in order to satisfy today's demanding customers. The lowest mean score (3.60) is given to banks' employees who have interaction skills and capabilities to create a unique image. This result may indicate that marketing should have a greater role at banks in order to create a unique image through improving employees' interaction skills and abilities.

**Building Brand Benefits.** The descriptive analysis findings, shown in table (3) reveal that the managers seem to recognize the financial and non financial benefits of branding at banks. The mean scores, given to both financial and non financial benefits, are very close and highlight the fact that building brands is a strategic issue in banks. Further, building brands would bring strategic benefits on short and long terms alike. In general, the managers tend to focus on financial benefits, based on mean scores, as a direct result of branding. This is not surprising since the managers tend to focus on tangible results of building brands which are best expressed in financial terms such as profitability.

To test the stated hypotheses, simple and multiple regression analyses are used to examine the relationships between the independent variables and the dependent variables for achieving the research objectives.

**Table 4: Multiple Regression Analysis-Dependent Variable is Overall Brand Benefits.**

Multiple R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson	Analysis of Variance		HO Result
					F Value	Sig. F	
0.798	0.637	0.621	0.40763	2.054	39.636	0.000	Rejected
Independent Variables in the Multiple Regression Equation							
Independent Variables		Standardized Coefficients	T Value	Sig. T	Collinearity Statistics		
		Beta			Tolerance	VIF	
Corporate Culture		0.234	3.057	0.003	0.392	2.552	
Internal Marketing		-0.083	-1.000	0.319	0.333	3.006	
Service Delivery Process		0.093	1.086	0.279	0.312	3.200	
Atmospherics		-0.018	-0.270	0.788	0.536	1.865	
Distinctive Banking Product		0.415	4.391	0.000	0.257	3.888	
Marketing Communications		0.030	0.339	0.735	0.297	3.371	
Cross Functional Teams		0.205	2.438	0.016	0.326	3.069	

**Table 5: Simple Regression Analysis for Each Independent Variable-Dependent Variable is Overall Brand Benefits.**

Independent Variable	R Square	Adjusted R Square	Standardized Coefficients/ Beta	T Value	Sig. T	Durbin-Watson	HO Result
Corporate Culture	0.465	0.462	0.682	11.937	0.000	1.962	Rejected
Internal Marketing	0.336	0.332	0.580	9.114	0.000	1.791	Rejected
Service Delivery Process	0.430	0.427	0.656	11.127	0.000	1.840	Rejected
Atmospherics	0.240	0.235	0.490	7.189	0.000	1.671	Rejected
Distinctive Banking Product	0.577	0.574	0.759	14.943	0.000	2.014	Rejected
Marketing Communications	0.448	0.445	0.670	11.548	0.000	2.108	Rejected
Cross Functional Teams	0.456	0.453	0.676	11.735	0.000	1.985	Rejected

**Major Hypothesis One**

HO1: There is no relationship between brand-building factors (corporate culture, internal marketing, service delivery process, atmospherics, distinctive banking product, marketing communications and cross functional teams) and the overall brand benefits.

Table (4) shows the results of the multiple regression analysis of the independent variables on the overall brand benefits, as a dependent variable. The multiple regression model, R square is 0.637, is significant at 0.000. The regression findings indicate that there is a significant and positive relationship between all the independent variables and overall brand benefits. These findings provide empirical support for rejecting major hypothesis

HO1 and accepting the alternative hypothesis HA1. Table (4) shows that 63.7 per cent of the variation in overall brand benefits is explained by the independent variables together. The findings indicate that distinctive banking product (beta is 0.415, significant at 0.000), corporate culture (beta is 0.234, significant at 0.003) and cross functional teams (beta is 0.205, significant at 0.016) are the strongest predictors of variations in the overall brand benefits. Although marketing communications and service delivery process failed to present any significant relationship with the overall brand benefits, the relationships are still positive. As can be seen from table (4), internal marketing and atmospherics failed to present any significant relationships with the overall Brand

**Table 6: Multiple Regression Analysis-Dependent Variable is Financial Benefits.**

Multiple R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson	Analysis of Variance		HO Result
					F Value	Sig. F	
0.714	0.510	0.488	0.47575	1.918	23.462	0.000	Rejected
Independent Variables in the Multiple Regression Equation							
Independent Variables		Standardized Coefficients		T Value	Sig. T	Collinearity Statistics	
		Beta				Tolerance	VIF
Corporate Culture		0.275		3.086	0.002	0.392	2.552
Internal Marketing		-0.150		-1.555	0.122	0.333	3.006
Service Delivery Process		0.081		0.817	0.415	0.312	3.200
Atmospherics		0.112		1.479	0.141	0.536	1.865
Distinctive Banking Product		0.370		3.366	0.001	0.257	3.888
Marketing Communications		-0.048		-0.466	0.642	0.297	3.371
Cross Functional Teams		0.155		1.589	0.114	0.326	3.069

**Table 7: Simple Regression Analysis for Each Independent Variable-Dependent Variable is Financial Benefits.**

Independent Variable	R Square	Adjusted R Square	Standardized Coefficients/ Beta	T Value	Sig. T	Durbin-Watson	HO Result
Corporate Culture	0.389	0.385	0.623	10.208	0.000	1.873	Rejected
Internal Marketing	0.243	0.238	0.493	7.252	0.000	1.803	Rejected
Service Delivery Process	0.329	0.325	0.574	8.976	0.000	1.934	Rejected
Atmospherics	0.248	0.244	0.498	7.362	0.000	1.820	Rejected
Distinctive Banking Product	0.452	0.449	0.672	11.635	0.000	1.924	Rejected
Marketing Communications	0.326	0.322	0.571	8.914	0.000	2.057	Rejected
Cross Functional Teams	0.324	0.320	0.570	8.873	0.000	1.989	Rejected

Benefits and their relationships are also negative. The negative signs do not mean that these variables are unimportant but when all variables taken together, the results show that three predictors are among the most important independent variables. This is supported by simple regression analysis findings, shown next, which revealed positive relationships between each independent variable, when taken separately, and the overall brand benefits.

#### Sub-hypotheses HO1.1-HO1.7

Table (5) shows results of the simple regression analysis of each independent variable on the overall brand benefits. Simple regression is used to test each one of the sub-hypotheses generated from major hypothesis

one. The findings of simple regression analysis, shown in table (5), show that there is a significant and positive relationship between each independent variable and the overall brand benefits; based on values of R square, T values and significance of each simple regression model. These findings provide empirical support for rejecting sub-hypotheses HO1.1-HO1.7 and accepting the alternative hypotheses.

#### Major Hypothesis Two

HO2: There is no relationship between brand-building factors (corporate culture, internal marketing, service delivery process, atmospherics, distinctive banking product, marketing communications and cross functional teams) and the financial brand benefits.

**Table 8: Multiple Regression Analysis-Dependent Variable is Non-Financial Benefits.**

Multiple R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson	Analysis of Variance		HO Result
					F Value	Sig. F	
0.788	0.620	0.603	0.48919	2.168	36.856	0.000	Rejected
Independent Variables in the Multiple Regression Equation							
Independent Variables		Standardized Coefficients	T Value	Sig. T	Collinearity Statistics		
		Beta			Tolerance	VIF	
Corporate Culture		0.155	1.980	0.049	0.392	2.552	
Internal Marketing		0.001	0.016	0.987	0.333	3.006	
Service Delivery Process		0.092	1.044	0.298	0.312	3.200	
Atmospherics		-0.154	-2.303	0.023	0.536	1.865	
Distinctive Banking Product		0.400	4.141	0.000	0.257	3.888	
Marketing Communications		0.108	1.201	0.231	0.297	3.371	
Cross Functional Teams		0.227	2.640	0.009	0.326	3.069	

**Table 9: Simple Regression Analysis for Each Independent Variable-Dependent Variable is Non-Financial Benefits.**

Independent Variable	R Square	Adjusted R Square	Standardized Coefficients/ Beta	T Value	Sig. T	Durbin-Watson	HO Result
Corporate Culture	0.411	0.407	0.641	10.695	0.000	2.003	Rejected
Internal Marketing	0.342	0.338	0.585	9.238	0.000	1.822	Rejected
Service Delivery Process	0.415	0.411	0.644	10.782	0.000	1.728	Rejected
Atmospherics	0.165	0.160	0.406	5.686	0.000	1.581	Rejected
Distinctive Banking Product	0.543	0.540	0.737	13.967	0.000	2.037	Rejected
Marketing Communications	0.453	0.450	0.673	11.663	0.000	2.054	Rejected
Cross Functional Teams	0.471	0.468	0.687	12.095	0.000	1.920	Rejected

Table (6) shows results of the multiple regression analysis of the independent variables on the financial brand benefits, as a dependent variable. The multiple regression model, R square is 0.510, is significant at 0.000. The regression findings indicate that there is a significant and positive relationship between all the independent variables and the financial brand benefits. These findings provide empirical support for rejecting major hypothesis HO2 and accepting the alternative hypothesis HA2. Table (6) shows that 51.0 per cent of the variation in the financial brand benefits is explained by the independent variables together. The findings indicate that distinctive banking product (beta is 0.370, significant

at 0.001) and corporate culture (beta is 0.275, significant at 0.002) are the strongest predictors of variations in the financial brand benefits. Although marketing communications and service delivery process failed to present any significant relationship with the financial brand benefits, the relationships are still positive. As can be seen from table (6), internal marketing, service delivery process and atmospherics failed to present any significant relationships with the financial brand benefits and their relationships are also negative. The negative signs do not mean that these variables are unimportant but when all variables taken together, the results show that two predictors are among the most important

independent variables. This is supported by simple regression analysis findings, shown next in table (7), which revealed positive relationships between each independent variable, when taken separately, and the financial brand benefits.

#### **Sub-hypotheses HO2.1-HO2.7**

Table (7) shows results of the simple regression analysis of each independent variable on the financial brand benefits. Simple regression is used to test each one of the sub-hypotheses generated from major hypothesis two. The findings of simple regression analysis, shown in table (7), show that there is a significant and positive relationship between each independent variable and the financial brand benefits; based on values of R square, T values and significance of each simple regression model. These findings provide empirical support for rejecting sub-hypotheses HO2.1-HO2.7 and accepting the alternative hypotheses.

#### **Major Hypothesis Three**

HO3: There is no relationship between brand-building factors (corporate culture, internal marketing, service delivery process, atmospherics, distinctive banking product, marketing communications and cross functional teams) and the non-financial brand benefits.

Table (8) shows results of the multiple regression analysis of the independent variables on the non-financial brand benefits, as a dependent variable. The multiple regression model, R square is 0.620, is significant at 0.000. The regression findings indicate that there is a significant and positive relationship between all the independent variables and the non-financial brand benefits. These findings provide empirical support for rejecting major hypothesis HO3 and accepting the alternative hypothesis HA3. Table (8) shows that 62.0 per cent of the variation in the non-financial brand benefits is explained by the independent variables together. The findings indicate that distinctive banking product (beta is 0.400, significant at 0.001), cross functional teams (beta is 0.227, significant at 0.009), corporate culture (beta is 0.155, significant at 0.049) and atmospherics (beta is -

0.154, significant at 0.023) are the strongest predictors of variations in the non-financial brand benefits. Although marketing communications, internal marketing and service delivery process failed to present any significant relationship with the non-financial brand benefits but the relationships are still positive.

#### **Sub-hypotheses HO3.1-HO3.7**

Table (9) shows results of the simple regression analysis of each independent variable on the non-financial brand benefits. Simple regression is used to test each one of the sub-hypotheses generated from major hypothesis three. The findings of simple regression analysis, shown in table (9), show that there is a significant and positive relationship between each independent variable and the non-financial brand benefits; based on values of R square, T values and significance of each simple regression model. These findings provide empirical support for rejecting sub-hypotheses HO3.1-HO3.7 and accepting the alternative hypotheses.

## **6. RESULTS AND DISCUSSION**

The multiple and simple regression analysis findings indicate that there is a significant and positive relationship between the brand-building factors, which are corporate culture, internal marketing, service delivery process, atmospherics, distinctive banking product, marketing communications and cross functional teams, and the financial and non-financial brand benefits. These findings indicate that those factors have a crucial role to play in building brands at commercial banks operating in Jordan, and the rewards that banks receive, as perceived by managers, are financial and non-financial benefits. In general, these findings provide empirical support for the service branding literatures that advocate, shown in table (1), that building brands would enhance the financial position of a service business as well as achieve non-financial benefits. A detailed discussion of the research findings is shown next.

#### **Brand Building Factors and Overall Brand Benefits**

The multiple regression analysis findings indicate that there is a significant and positive relationship between all the BB factors and the overall brand benefits; financial

and non-financial. These findings provide empirical evidence to reject HO1 and accept HA1. The multiple regression results show that, based on beta values shown in table (5), distinctive bank product, corporate culture and cross functional team are the strongest predictors of BB factors and they exert the strongest effect on the overall brand benefits. These results provide empirical support to the service brand literatures summarized in table (1). The literature and our study advocate that having superior banking products relative to those of competitors would create a unique image in the marketplace especially in the customers' eyes. It is known that the banking products are relatively similar in the market and do not distinguish a specific bank from another. Consequently, as found in this research, BB need a "distinctive banking product" that should be different from those of competitors, which should provide superior value to customers. However, a distinctive banking product requires a high quality of employees, superior service quality and consistency in providing banking services, which all contribute to BB in commercial banks. These findings are supported by the results of descriptive analysis that reach to a similar evidence. The second strongest variable of BB factors that contributed well to the overall brand benefits is corporate culture. The empirical results concerning this variable show strong support to the branding literatures shown in table (1). This body of literature advocates the fact that corporate culture is a very strong contributor to brand building in service businesses. The service brand literature and empirical evidence in our study suggest that it is difficult for banks to build brand in the marketplace unless they create the suitable corporate culture that enhances building brand culture. The heart of any corporate culture that contributes to brand building is customer orientation. This requires a bank's top management to put the customer at the centre of its decisions and operations and create a superior value for him or her. A good corporate culture is one that sees its banking business from the customer perspective rather than the bank perspective, and be committed to put customers' interests first. Finally, a major part of corporate culture is to measure

customer satisfaction continually, not occasionally. The third strongest variable of BB factors is cross functional teams. The results show that this variable has significantly affected the overall brand benefits, which provide an empirical support for the branding literatures, shown in table (1), that advocate the crucial role of cross functional teams on BB and its benefits. Cross functional teams have a critical role to play in BB since BB is not the sole responsibility of marketing department it is the responsibility of the whole bank to satisfy customers. To build a distinguished brand, all units and departments should be well coordinated and motivated to build the required brand image through providing the best services to customers. This requires a bank to have employees who have all the necessary interaction skills and abilities to deal with customers and their requests. In other words, everyone in the bank is responsible for helping or serving the customer at anytime or any contact point.

#### **Brand Building Factors and Financial Brand Benefits**

The multiple regression analysis findings indicate that there is a significant and positive relationship between the BB factors and the financial brand benefits. These findings provide empirical evidence to reject HO2 and accept HA2. The multiple regression results show that, based on beta values shown in table (6), distinctive bank product and corporate culture are the strongest predictors of the BB factors and they exert the strongest effect on the financial brand benefits. These results provide empirical support to the service brand literatures summarized in table (1). The results of this study, based on R squares and beta values, indicate that the effects of the BB factors on the overall and non-financial brand benefits are stronger than their effects on the financial brand benefits. This empirical evidence is consistent with the service branding literatures, shown in table (1), which advocate that the benefits of branding tend to be highly intangible and difficult to be imitated by other competitors. The final results of non-financial brand benefits (e.g., good reputation) are financial such as increasing profitability and ROI. Again, the multiple regression results show that the effects of five out of

seven predictors of the BB on the financial brand benefits are non significant. The non-significant predictors and negative signs do not mean that these variables are unimportant, as explained earlier. This is supported by the results of simple regression analysis that show that there is a significant and positive relationship between each independent variable of the BB factors, taken separately, and the financial brand benefits.

### **Brand Building Factors and Non-Financial Brand Benefits**

The multiple regression analysis findings indicate that there is a significant and positive relationship between the BB factors and the non-financial brand benefits. These findings provide empirical evidence to reject HO3 and accept HA3. The multiple regression results show that, based on beta values shown in table (6), distinctive bank product, cross functional teams, corporate culture and atmospherics are the strongest predictors of the BB factors and they exert the strongest effect on the non-financial brand benefits. These results provide empirical support to the service brand literatures summarized in table (1). A very important finding to report in this context is that the effect of the BB factors on the non-financial benefits is stronger than their effect on the financial brand benefits. This finding holds crucial implications to the service branding literature. These findings underpin a strong argument in our study that claims that although there are clear financial benefits of branding but the essence of successful branding is intangible especially in the customers' minds and reputation in the marketplace. This empirical evidence is consistent with the service branding literatures, shown in table (1), and adds significant empirical evidence to validate them. Again, the multiple regression results show that the effects of three out of seven predictors of the BB on the non-financial brand benefits are non-significant, reasons were already indicated. This is supported by the results of simple regression analysis that show a significant and positive relationship between each independent variable of the BB factors, taken separately, and the non financial brand benefits.

### **7. CONCLUSIONS**

Service brand management has become a major research field in the service marketing and resources based theory as one of the highly intangible assets that have very promising implications on service organisations' performance. Many marketing scholars argue for the positive effect of strong and powerful brands on performance. However, the main question that this study addressed is: what are the factors that contribute to brand building? Based on the conceptual framework and empirical findings of this study, the following conclusions can be drawn:

1. Branding is a strategic issue at banks since brand building has significantly affected the overall brand benefits from managers' perspectives. Banks' top managements must be involved in branding issues since they affect performance.
2. Managers, included in our research, seem to recognize the factors that contribute to brand building and their potential benefits.
3. There is a positive relationship among the brand building factors (which are corporate culture, internal marketing, service delivery process, atmospherics, distinctive banking product, marketing communications and cross functional teams) and the overall brand benefits, financial and non-financial brand benefits.
4. There is a positive relationship between each of the brand building factors and the overall, financial and non-financial brand benefits.
5. The most important factors of brand building are, based on beta values and in sequence, distinctive banking product, corporate culture, and cross functional teams. These factors exerted the strongest effects on the overall, financial and non-financial brand benefits.
6. Brand building requires a comprehensive approach that should include the seven factors examined in this study, although their effect on brand benefits is different.
7. Although received important support from the service brand literature, the internal marketing, service delivery process, atmospherics and marketing

communications did not exert significant effect on the overall, financial and non-financial brand benefits. Those factors have a significant and positive effect on the overall, financial and non-financial brand benefits only, when taken separately. This may indicate that those factors play a supportive role alongside the significant three factors when the seven variables are taken together.

8. The effect of the brand building factors on the non-financial brand benefits is, based on R squares in multiple regression results, greater than their effect on the financial brand benefits. This conclusion has a very important implication which reveals the fact that brand building is highly intangible and is an invaluable asset that is difficult to imitate by competitors.

## **8. RECOMMENDATIONS AND FUTURE RESEARCH**

Based on the empirical findings of our study we recommend the following:

1. In order to make brand building effective in the marketplace and gain potential benefits, management should focus on providing distinctive banking products, not traditional banking products, which give customers superior value to outperform those competitors.
2. Managers should start focusing on building a customer oriented corporate culture that operates as an engine for brand building and may achieve a unique position in the marketplace.
3. The managers need to place a greater emphasis on a banking marketing culture that spreads a philosophy of cross functional teams, an understanding that every employee in the bank is responsible for customer satisfaction.
4. Managers need to pay more attention to the employees in front offices by using internal marketing within a strategic orientation philosophy to brand building to achieve long term benefits. The empirical findings show that internal marketing is still weak at banks.
5. Managers need to focus on marketing

communications, atmospherics and service delivery activities to enhance building the desirable image in the marketplace.

6. The managers need to adopt a comprehensive approach to brand building that includes corporate culture, distinctive banking product, internal marketing, service delivery process, atmospherics, marketing communications and cross functional teams. The rationale is that marketing is in touch with reality, and can be the best way to win "customers' minds and hearts".

## **Contributions**

The authors of this article believe that this research has contributed to the service branding from several angles. From a theoretical perspective, this paper has synthesised a considerable body of service marketing and branding literatures in one piece of work from which a branding model is developed and tested for the first time in the banking industry in Jordan. From a methodological perspective, this research is one of the very few branding studies that has employed a quantitative research design and methodology in the field of service corporate branding. In fact, the rationale behind this contribution is that most branding literature is either conceptual in nature or has employed qualitative methodologies in investigating the topic of branding with very little focus on quantitative studies. From a practical perspective, this research has made two contributions as follows: (a) This is the first empirical study in the banking industry in Jordan that has investigated the factors that affect brand building and their relationship with brand potential benefits from managers' perspectives. (b) This study has offered a relatively comprehensive guide, which can be used by banks' managers in Jordan, to realize the factors that affect brand building and understand the resulting financial and non-financial brand benefits.

## **Future Research Opportunities**

In spite of the fact that this research has achieved its objectives and added some contribution to the service branding literature review, there are some research areas that

need to be addressed in future research endeavours. First, the findings of this research cannot be generalised to other service industries in developed and developing countries and are limited to the banking industry in Jordan. A good area of research is conducting research projects in the field of service branding in other service industries inside and outside Jordan, especially comparative branding studies. Second, this research has been carried out from managers' perspectives working for banks in Jordan. A considerable area of research is to carry out studies so as to understand the factors that affect brand building and branding benefits from customers' perspectives in banking and other service industries. Third, it is clear that there is a positive relationship between brand building factors and brand benefits. A fruitful area of research is to carry out empirical studies concerning the antecedents and consequences of brand building in banks and other service industries inside and outside Jordan. Fourth, the service branding literatures and findings of this research indicate that branding is quite complicated and highly intangible and should be dealt with on the strategic levels in any service organisation. A very fruitful area of research is to understand the factors that affect the implementation of branding strategies as well as understanding if the relationship between brand building factors and brand benefits are direct or indirect. In other words, are there any moderating or mediating variables that affect the relationships between brand building factors and brand benefits?

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## Research Limitations

From an academic perspective and as with any empirical research, this research has its own limitations as a result of trade off decisions in research designs. The authors of this paper recognize the following limitations. First, this research has employed managers' perceptions to understand the effect of brand-building factors on brand benefits. Therefore, managers may be biased or may exaggerate the effect of brands on banks' performance. However, the rationale that underpins using managers' perceptions is threefold; (a) The authors did not find hard or quantitative measures (financial data) in the banking industry that can be utilised to investigate the effect of branding among banks; there are no such studies in the banking industry. (b) Key figures in banks recommended using managers' perceptions to understand the effect of branding since branding is highly intangible and is a complex phenomenon. (c) Managers' perceptions have been extensively used in the branding literature and a well-accepted methodology to examine their benefits from managers' perspectives in service businesses. Second, there are almost no previous research studies in the service industries in Jordan, especially in the banking industry. Therefore, this research relied on branding literatures from Western business environment which may hold some culture differences related to the branding issue.

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## العلاقة بين عوامل بناء العلامة التجارية ومزايا العلامة في البنوك التجارية العاملة في الأردن: بحث ميداني من وجهة نظر مديري البنوك

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### ملخص

يهدف هذا البحث إلى اختبار العلاقة بين عوامل بناء العلامة التجارية ومزايا العلامة في البنوك العاملة في الأردن من وجهة نظر مديري البنوك. لقد اعتمدت منهجية البحث على جمع بيانات أولية من مديري التسويق ومديري الفروع للبنوك التجارية العاملة في الأردن ممثلة بمنطقة عمان الكبرى وضواحيها. بناء على مراجعة أدبيات تمييز العلامات التجارية في حقل تسويق الخدمات، فقد تم تطوير نموذج البحث وفرضياته وتم اختبارها عملياً على البنوك العاملة في الأردن. لقد تم استخدام منهجية كمية لاختبار نموذج البحث وتحقيق أهدافه. وتم تطوير استبانة لأغراض جمع البيانات الأولية الخاصة بالبحث. وتم استخدام أسلوب الانحدار البسيط والمتعدد لاختبار فرضيات البحث. وكانت أهم نتائج الدراسة ما يلي:

1. هناك علاقة إيجابية بين عوامل بناء العلامة التجارية ومزايا العلامة ممثلة بمزايا مالية وغير مالية استخدمت كعوامل تابعة في الدراسة.
  2. إن اثر عوامل بناء العلامة على المزايا غير المالية للعلامة أقوى من أثرها على المزايا المالية للعلامة، حيث أشارت الدراسة إلى ان العوامل المؤثرة في بناء العلامة لدى البنوك هي غير ملموسة ومتجدرة في الطريقة التي يؤدي فيها البنك أعماله وتعتمد بشكل كبير على ثقافة البنك التسويقية.
  3. إن أكثر العوامل المستقلة أهمية وتأثيراً من عوامل بناء العلامة في البنوك على مزايا العلامة الكلية والمالية وغير المالية وبالترتيب كانت: وجود منتج مصرفي مميز، وثقافة البنك التسويقية، ووجود فرق عمل وظيفية متكاملة. وأخيراً تمت مناقشة نتائج البحث واستنتاجاته وتوصياته وكذلك مساهمته في أدبيات العلامة إضافة إلى فرص بحث مستقبلية يمكن للباحثين الاستفادة منها.
- الكلمات الدالة:** العلامات التجارية للخدمة، بناء العلامات التجارية، مزايا العلامات التجارية، الأصول غير الملموسة، الثقافة المؤسسية، البنوك، الأردن.

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#### Fields of Interest:

International Marketing, Organizations' Management, Sales' Management, International Marketing Strategies, Imports and Exports.

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