

Review Article

EFFECTIVE FACTORS IN BRAND MANAGEMENT FOR FINANCIAL INSTITUTIONS

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ABSTRACT

Brand and trademark management is one of the latest issues in the field of management which in recent years, could present many solutions in order to attract customers and build their loyalty to the organization. In developing countries like Iran, economic trends show that banks are among the most important economic agencies that by providing services have a significant role in the industrial development and economic and monetary growth of capital markets and in our country paying attention to the brand of financial institutions is necessary, that's why costumers are facing to imperative rules from the Central Bank with similar services from banks. Numerous names of financial institutions are active in Iran and in many cases, these institutions have been merged or created a change in the identity of their institute to revitalize their body and re-enter into the competitive capital market. So what it is expected of the banking system to promote the economic and social progress and provide appropriate means in order to develop production and link with global markets, thus, creating a positive mindset by accurate branding in the proper context, can cause long-term relationship between customers and their banks and the same accurate relationship at the times of falling financial markets, prevents transferring of customer resources towards challenging markets and provides more economic stability for the society. In this paper, we aimed to realize the factors that can be effective for reinforcing the identity of the trademarks or brands of financial institutions.

Keywords: *Brand Management, Branding, Brand Identity, Customer Satisfaction, Customer Loyalty*

INTRODUCTION

Consumers pay great attention to the quality of the brand when the rivals easily be able to imitate the products' features. The credit of the brand of a financial institution causes that customers be committed to that institution. Developing a sense of commitment in customers are both in favor of financial institutions and customers. In this way, the banks are more successful in attracting resources and providing facilities, and reserve greater capital and can better participate in the national production and development and costumers, whether they are directly involved in the development and production or to be as average people, receive better, more accessible and less expensive services and are satisfied because they haven't been confused in capital markets and between various financial institutions. Building a brand and its management is so important that a research group in Canada has stated that 72% of consumers believe that a positive mindset and company background influenced their purchase and 80 percent of employees are willing to work for more credible company by lower wages and 89 % of consumers knows their previous perceptions of their purchasing as a determining factor in the purchase of the product with the equal quality.

Branding is not as simple as is seen, because two brands never work similarly. In fact, the main goal of branding is that a product or a business to be seen different from its competitors.

First, we define brand and brand management concepts and its branches and then investigate the place of these definitions in financial institutions.

Services' Brand / Trademark

Services' trademark refers to all brands which are providing services rather than selling products. This means that trademark of service provider, in the process of service delivery, an experience which in the use of this service remains on the minds of the recipients and a communication established between

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recipients and service providers, could become as another hub for trademarks. Services' trademark can obey any legislation that causes that a products' trademark becomes valid and strong, however, as a service provider needs to use observant employees and human interaction, services' trademark managers may focus more on brand identity and communication management to achieve success.

Financial Institutions' Brand as Services' Brand

After the Islamic Revolution in Iran and compiling Islamic banking, many banks have been merged or started their activities by a new brand. These banks traditionally continue their operations that after years, private banks entered into capital market of Iran. By entering these banks, the former tradition was broken. Performance, space, branches design and the accountability changed in a way that the symbol of the new banks quickly became an indicator in public minds. The emergence of banks such as Parsian Bank, which in its emergence time was assumed as the market leader, due to presenting differentiated and new services in an elegant and modern look, could easily distinguish its brand from competitors and as a service brand attract many customers.

Brand Identity in Financial Institutions

Building a strong brand identity is very important and valuable to create value for a brand. There are different interpretations about what includes brand identity. But the common definition is: a set of associations and meanings of the company which a brand manager looks for building, creating and preserving them.

Brand identity in financial institutions based on their theme and what their name represents, in the most basic form, is customers' funds bailment and creating an atmosphere in which customers can have a safe and secure investment in order to have no fear of losing their assets because of the volatility in the capital markets.

In our country, among the banks, only Maskan Bank partly succeeded to establish its trademark among people as a brand in the field of housing and attract all the people who are looking for housing, repairs and whatever is related to house.

The Position of Financial Institutions' Brand/Trademark

Advertising has an important role in branding and establishing an effective communication with the audience, can contribute to enhancing a brand name among other names. The right choice among advertising tools, considering its cost, can be the most effective way to communicate with the general public. Iranian banks are highly active in the field of advertising, from green soccer field, national players' shirts and the occasional series to streets' billboard and among the radio and television programmes which manifest the name of a specific bank. These ads if accompanied with a little creativity and imaginativeness can be very effective by spending less cost, as well.

Brand Architecture of Financial Institutions

Brand architecture is a structure that by the brand expresses the organization of the products, goods and services. It defines the roles of the brand and relationships between this name and the model of company's products.

Brand architecture of financial institutions is more a combination of the name of the bank or the institution with the services provided. Various deposits which are provided proportionally with time or debit cards and electronic services that have found abundance by information technology development always are provided with institutions' names and products names and the integrated brand architecture for the financial institutions are rarely used. Financial institutions generally due to the strong Iranian-Islamic culture in the minds of our people, borrowed their names and the name of their services from the national-religious names such as Parsian Bank, Pasargad Bank and Resalat Loan Bank.

Banks should consider that the trademark prefix is among the benefits of a strong brand which often is necessary for adapting products to environment changes or to develop new products as well as a strategic tool used to enter into new markets

Brand Culture of Financial Institutions

Brand culture of financial institutions with the prospect of clients' respect and expansion of this belief that the customer is always right, extended their place in our society and influenced traditional culture of

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state banks and changed negotiation requirements and customer-orientation status of these banks in favor of clients. Brand community of financial institutions is expanding too, which push banks to the integration in practice of banking affairs and integrated web-based systems among them, the Central Bank and some other related organizations such as the Mining, industry and Commerce Ministry or customs and created a shared database among these institutions.

Online immediate inquiry, access to the official newspapers and proxies, all indicate the created unity in a new society. Creating this context shows the powerful seepage of this brand community in the current atmosphere. Banks should consider that how this strategic alliance changes and affects their perspective.

Brands' Symbol of Financial Institutions

Brand image typically includes several concepts such as understanding and cognition and orientation. Perception, because the brand name is perceivable and visible, cognition, because the brand is measured with the way of attitude and knowledge and orientation, because consumers are dealing with products after understanding and assessing what they perceive about the brand Symbols that financial institutions have chosen in our country, whether are an image representing the institution's identity, such as symbol of Maskan Bank in the form of home or the Keshavarzi Bank in the form of wheat, or from the ancient and traditional beliefs such as the symbols of Parsian Bank and Pasargad Bank, or an interpretation of the institutions' name such as Bank-Day, City Bank or essentially unique symbol for these institutions like EN Bank and Saman Bank. Generally based on our interests and cultural backgrounds, the national-patriotic symbols have more lasting meaning in minds.

Brand Equity

Basically, the goal of every brand manager is to represent products or valuable services of their brands (Park, 1994; Farquhar, 1989). Equity defines brand value and can refer to the trademark and trademark value together, mental and strategic understanding of brand equity is as a financial and mental understanding of the expression of the target through the value of the brand. This measuring is conducted by comparing the trade name with capital at increasing shareholder value.

Brand Audit

Brand audit is considered as assessing the healthiness of a brand and is normally referred to a trademark including assets and current discoveries with the brand. The domestic brand is a detailed description of products which marketed by the brand. Exploratory discussion of brand is related to foreign studies about what consumers perceive about the brand. Audit is useful when be done on a regular basis

Perhaps the audit is a task which the central Bank should practice due to the dramatic growth of financial institutions.

Brand Strategy of Financial Institutions

Whatever has been proposed till now was a beginning to achieve a relevant strategy in order to create financial institutions' brand. Perhaps the procedure-oriented way of presenting financial services was inflexible and passive but the banks development, especially in the field of electronics, showed that changing the way of delivering services, can provide more charm for customers, as well.

Generally, the perspective of financial institutions is to attract funds and relevant allocation of resources. Thus, banks should apply their strategy, in a way that initially be able to create loyalty in customers and attract new customers.

The brand strategy of financial institutions actuate them to a way that by applying punctiliousness, rhetorical and quick response being of staff, beside of providing good and honest services and simultaneously flexibility in banking operations that are not imperative within all banking institutions, try to attract the clients by raise in their own funds and can **Provide Better Facilities and Improve their Turnover**

With the improvement of economic and communication conditions of Iran with other countries, another strategy of banks might be to increase their interactions with foreign banks and providing services to customers outside of Iran boundaries.

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CONCLUSION

The fact is that a brand or trademark, as capital, technology and raw materials, plays an important role to create the added value for an organization, therefore, brand management has become one of the main roles of managers. Banks also know that for their success in the capital market and their role in the country's economy, must be able to manage their trademarks and be careful about their organization treatment with customers, because the variability, the timely presence, accurate and fast performance and act on what they promised and then attracted their customers with it, are their way to enter into the realm of financial institution branding.

Advertising is one of the most common methods to promote the brand. If ads be properly designed and implemented, will have an effective role in promoting the brand and create an image for the organization, although it should be noted that advertisement is merely a tool and the purpose of applying it, is to promote the brand and market development.

The requirement for the effectiveness of advertising is the correct value diagnosis from the perspective of the customer. If an error occurs in this diagnosis, all the effort and cost will be wasted. Differentiation of a product is effective if be formed on the base of consumers' desirability, and otherwise has no effect on the creation of value for the customer (and creating competitive advantage for the organization).

Banks must know that exorbitant spending for ads is no guarantee of their success, but knowing what customers demand and creating value for them, is the key to success. Perhaps one of the ways for banks to able to know their customers desirability, is dividing services into different sections and focus on one service and a particular segment of the market, thereby reducing the complexity of identifying customers' utility and increasing the probability of the effectiveness. Focus on how to provide facilities, electronic services or currency affairs can be an example of this type of categorization.

Financial institutions' brand trust among the customers plays a significant role to determine the position of banks' brand. Today, the competition between brands found A more extended form, so that each bank looks at the other bank as its rival, because they present similar goods and services to the same clients with the same cost and even facing with competitors which with a subtle approach provide higher benefits and lower interest rates lower than what Central Bank determined and temporary attract customers.

Customer loyalty and their trust to a bank gradually cause that clients, in transition of economic fluctuations, because of paying more interest, don't leave their bank and do not transfer their resources into another association or other capital market. Because they believe hat their bank are trustee, honest and custodian of their capital.

Pre-mentioned Cultural factors are effective in brand management for financial institutions, because perception is another factor affecting the choice and brand management of banks should know that considering the customer desirability, their knowledge of the brand, mental quality, emotional intensity and emotional communication between customers and bank, employees and how to provide services, are among factors which enhance the value of a brand and establish their virtual ownership. Other effective factors in brand management are targeted and continuous investment, online advertising, focusing on market segmentation and providing specific services to loyal customers, which are complementary branding factors and lead to customer retention and loyalty, because experience has shown that the cost of attracting a new customer is 4 to 6 times more than maintaining existing clients.

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