

Investigating the Effect of Brand Equity on Competitive Advantage in the Banking Industry

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Abstract : As the number of banks and financial institutions working in Iran has been significantly increased, the attracting and retaining customers and encouraging them to continually use the modern banking services have been important and vital issues. Therefore, there would be a serious competition without a deep perception of consumers and fitness of banking services with their needs in the current economic conditions of Iran. It should be noted that concepts such as 'brand equity' is defined based on the view of consumers; however, it is also focused by shareholders, competitors and other beneficiaries of a firm in addition to bank and its consumers. This study examines the impact of brand equity on the competitive advantage in the banking industry as intensive competition between brands of different banks leads to pay more attention to the brands. This research is based on the Aaker's model examining the impact of four dimensions of brand equity on the competitive advantage of private banks in Behshahr city. Moreover, conducting an applied research and data analysis has been carried out by a descriptive method. Data collection was done using literature review and questionnaire. A 'simple random' methodology was selected for sampling staff of banks while sampling methodology to select consumers of banks was the distribution of questionnaire between staff and consumers of five private banks including Tejarat, Mellat, Refah K., Ghavamin and, Tose'e Ta'avon banks. Results show that there is a significant relationship between brand equity and their competitive advantage. In this research, software of SPSS 16 and LISREL 8.5, as well as different methods of descriptive inferential statistics for analyzing data and test hypotheses, were employed.

Keywords : brand awareness, brand loyalty, brand equity, competitive advantage

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