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Determinants of Customer-Based Brand Equity in Banking Sector

– Prof. I. Anand Pawar*
– Rambabu Lavuri**

Abstract

Now a day's many of the financial institutions and banking sector are using strategic branding for capturing customer attention in long- run, so Banks must adopt various types of strategic planning towards develop a positive perception in the minds of customers. For that, developing and implementing customer centric strategies, banks need to provide a consistent strategic brand experience to prevent customer from switch out to other competitive banks. In order to understand customer expectations of banking services, there is a need to understand customer based brand equity and its major determents. The current research paper deals to identify the various determinants of customer-based brand equity in the banking sector. For this purpose, a structured questionnaire was developed and a sample of 140 respondents was taken from the customers of select banks from Hyderabad city. For analyzing the data, statistical tools like, correlation analysis and multiple regressions by using SPSS 20.0 Version. Correlation analysis was conducted on the study variables and the results indicated that there are strong, positive and significant relationships between demographical variable and determinants of CBBE, and the multiple regression results showed that Brand verdict, brand felling and brand performance have significant influence on the banking customers.

Keywords: Brand equity, Brand verdict, Brand felling, Brand performance, CBBE

Introduction

Customer-based brand equity (CBBE) is a way of assessing the value of a brand in customers' minds. The CBBE concept approaches brand equity from the perspective of the consumer, whether the consumer is an individual or an organization or an existing or prospective customer. The basic premise of the CBBE concept is that, the power of a brand lies in what resides in the minds and hearts of customers. The challenge for marketers in building a strong brand is ensuring that customers have the right type of experiences with products and services and their accompanying marketing programs so that the desired thoughts, feelings, images, beliefs, perceptions, opinions, and experiences become linked to the brand. Mainly it refers, the value consumer's associate with a brand, as reflected in the dimensions of brand awareness, brand associations, perceived quality, brand loyalty and other proprietary

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DIGITAL TRANSACTIONS IN BANKING AND ITS IMPACT ON OPERATING PROFITS – A COMPARATIVE STUDY

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ABSTRACT: *Digital Transactions in banking are the order of the day now and it has made ease of banking transactions to bankers as well as customers. Due to the intervention of technology in banking and other financial institutions are totally computerized, their portfolios are completely automated. The technology is playing the vital role in improving the business performance in banking domain across the world and more particularly in India. In this background, it is pertinent to know, how these commercial banks are performing and generating operating profits after digitalization of banking services/transactions after the implementation 3G and 4G. Thus, this study assumes greater significance to analyze the banking digital transactions and its impact on the operating profits of only two larger commercial banks viz., SBI and ICICI Bank. The time series has been used for analyzing the financial data for a period of ten years i.e., from 2008-09 to 2017-18 and the focus was on the services taken into consideration are ATM, NEFT, RTGS and Mobile transactions of banking business. It is concluded that the public sector led bank SBI ATM transactions are having the stronger impact on its operating profit in both 3G and 4G period whereas the ICICI Bank (private sector bank) mobile transactions are observed to having higher influence on the operating profit.*

Keywords: Digital Transactions, ATM, NEFT, Mobile, RTGS, operating profits.

INTRODUCTION

The Digital India is the Indian Government's flagship programme with a vision to convert India into a digitally empowered country. "Faceless, Paperless, Cashless" is one of supposed function of Digital India. In digital transactions (receipts and payment), banking sector plays a major role by providing digital instruments like debit cards, mobile banking, mobile wallets etc. A major obstacle for the adoption of this digital payment system in India is slow internet connectivity and the additional charges over the digital transactions. Concept of digital transactions in Indian Banks has witnessed a radical change from 'conventional banking to convenience banking'. Today, they are poised for 'digital banking' at a rapid pace. A digital transaction is a seamless system involving one or more participants, where transactions are effected without the need for cash. Digital transaction involves a constantly evolving way of doing things where financial technology (fintech) companies collaborate with various sectors of the economy for the purpose of meeting the increasingly sophisticated demands of the growing tech-savvy users. As the needs of investors and financial service users become more complex, there is a demand for effective tools to simplify the processes and transactions carried out by end-users. It is inevitable that financial institutions would have to increase the number of digitized services and offerings, given a rise in the use of automated services. Implementing technology in the financial industry is a necessity for the survival of businesses as customers seek lower cost alternatives to traditional financial services. Fintech companies have led the revolution in transforming the financial sector by digitalizing the end-client's transactional eco-system. A digital transaction converts a traditional cash-operational society to a cashless one. It can be anything from paying for goods at a brick-and-mortar store to transferring money online to making investment trades.

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Consumer Perception towards Online Banking

DR. I. ANAND PAWAR AND RAMBABU LAVURI

The research study was an attempt to identify the consumer perception towards online banking in terms of security, privacy, usefulness of online banking and quality of online banking services in Hyderabad. For this study a sample of 110 customer respondents and data was analyzed with the help of percentages and multiple regression analysis by using SPSS 20.0 Version. The results of the study revealed that online banking has positively influenced consumer perception. Based on the study results, it can be considered as much useful.

Keywords: *Consumer, consumer perception, internet, online banking.*

INTRODUCTION

Technology is affecting the life of every individual both qualitatively and quantitatively in the present age. The quick expansion of information technology has imbibed into the lives of millions of people and introduced major changes in the worldwide economic and business atmosphere. In the present scenario online services have become an added feature in the banking sector. Online banking (Internet) banking allows customers to conduct financial transactions on a secure website. Credit goes to advanced technology that provided ultimate ease to the customers at their convenient place and time. Online banking allows people to perform all the banking related activities such as money transfer, past transactional information, cash withdrawals and deposits etc with a just one click of a mouse. Customers can easily check the account balance every day just by visiting the website of their bank. This provides the place and time utility to people provided if one has Internet access. Online banking also eliminates unnecessary waste, which an organization incurs in the form of office supplies. This facet has also helped in meeting the social concerns. However, using internet for money transaction is never been free from risk. More importantly, security is always been an issue of concern. Internet banking a cause of concern to majority

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Journal of INDIAN INSTITUTE OF MANAGEMENT AND COMMERCE

ISSN : 2581-6527 RNI : TELMUL / 2019 / 75626 Volume - 2 / Issue - 2 / Dec 2019

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Factors Influencing the Choice of Investment in Life Insurance Policy

I. ANAND PAWAR

Insurance industry in India is flourishing with a number of national and global players in the form of Joint ventures and is excelling with the exponential growth in business. In spite of infusing several rules and regulations of the Government of India, Insurance industry has been experiencing tremendous progress in terms of increasing number of investors with a considerable number of new entry of insurance companies into the sector. At present there are 24 numbers of domestic and foreign players operating in the sector. In India insurance still has been considered as a tax saving tool instead of an investment option. The present study analyzes the Factors Influencing the Choice of Investors in Life Insurance Policy in Hyderabad city. The specific objective was to find out whether there is any association between annual income of investor and factors influencing consumer choice of investment in life insurance. A sample of 75 insurance investors' data was statistically analyzed with the help of Chi-square test. The study was concluded that there is no association between annual income and factors influencing investor choice of investment in life insurance. It is suggested that majority of the investors' should treat insurance policy as not only a tax saving option but also the risk protection and a multi-faceted investment option.

Keywords: *Insurance, investor, tax benefits, risk protection, multi-faceted investment option.*

INTRODUCTION

Insurance is now a days one of the important options for the investors for yielding long-term returns, tax benefits as well as risk coverage. As a human being every person has the risk from one form or the other. At the same time, being individual he has the responsibilities to discharge. Indian consumers are highly influenced by emotional factors. But at the same time their investment behaviour in insurance policy is influenced by rational factors. A Typical Indian believes in future and tries to have better and self secured life for his family. A rupee earned by the person will be spent towards leading the family in present and for the better life in future. Exactly here life insurance companies trying to

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EFFECTIVENESS OF CORPORATE GOVERNANCE PRACTICES IN AN INFRA ORGANIZATION

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DOI: https://doi.org/10.53555/bma.v5i1.1747

Keywords: Corporate fairness, transparency, CSR, strategy, self-evaluation

ABSTRACT

Corporate Governance (CG) is a principle as well as policy guidelines for promoting corporate fairness, transparency, and accountability in its business operations. It is pertinent to all sectors and industries and not an exception to Infrastructure Company. Therefore, an attempt has been made to measure the effectiveness of CG practices from its employees' perspective and promote effective CG at GMR (Grandi Mallikarjun Rao) a leading infrastructure company in the industry as well as in the country. This study found that there is no difference of opinion among the Executives and Non-Executives of GMR towards its CG practices. However, corporate discipline, fairness and transparency as part of good CG should be improved further in order to boost up the stakeholders confidence.

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CRM PRACTICES IN ORIENTAL BANK OF COMMERCE AND HDFC BANK – A COMPARATIVE STUDY

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DOI: https://doi.org/10.53555/bma.v5i1.1748

Keywords: Customer Relationship Management, Banking Sector, Banking Competition

ABSTRACT

The idea of Customer Relationship Management (CRM) is that it helps businesses use technology and human resources gain insight into the behaviour of customers and the value of those customers. If it works as hoped, a business can: provide better customer service, make call centers more efficient, cross sell products more effectively, help sales staff close deals faster, simplify marketing and sales processes, discover new customers, and increase customer revenues. It doesn't happen by simply buying software and installing it. For CRM to be truly effective an organization must first decide what kind of customer information it is looking for and it must decide what it intends to do with that information. The Indian banking sector is trying to survive this dynamic challenge of winning more and

more customers and retaining them by giving customised services. Now, more and more banks are increasingly getting customer-focused by implementation of CRM. This paper presents a research study on status of the adoption and use of CRM in banking sector as a comparative study in Hyderabad city. For this a sample of 100 (50 each from select private and public sector banks) were

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JOURNAL: PRIMAX INTERNATIONAL JOURNAL OF COMMERCE AND MANAGEMENT RESEARCH
ISSN: Print ISSN: 2321-3604 Online ISSN: 2321-3612 & Open Access
DOI : 10.17605/OSF.IO/BWSMX

OPEN ACCESS

Impact Factor: 7.184

PRIMAX IJCMR VOLUME NO.10, ISSUE NO.1, APRIL-JUNE 2022

Research Article

MANAGEMENT OF NON-PERFORMING ASSETS IN PUBLIC AND PRIVATE SECTOR BANKS IN INDIA: A COMPARATIVE STUDY OF SBI AND ICICI BANKS

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Abstract: *Banking sector is the backbone of the Indian economy but the ever growing Non-performing assets are one of the main glitches of Indian banks and they unfavourably reflect the performance of banks. As a result, the earning capacity and profitability of the banks are highly affected. The major reason is large number of credit defaulters in corporate business which hugely affects the profitability and net-worth of banks. But this problem has indirect impact on public and government, they carry this burden. In this study one public sector bank and one private sector bank (State Bank of India from public sector and ICICI Bank from private sector) in India were analysed and compared and compared with the help of key indicators, like, the Gross NPA, Net NPA and Net NPA to Advances over a period of 5 years (2017 to 2021). The study has been analysed with the help of simple percentage of net NPAs to net advances in public sector banks and private sector banks and why the banks NPAs are continuously increasing, how to avoid NPAs in Indian banks and their effects on Indian economy and steps for reducing NPAs.*

Keywords: Non-performing assets, public sector banks, private sector banks, Profitability.

Introduction

According to the Reserve Bank of India (RBI), the banking sector is well-funded and well managed. The financial and economic conditions in the country are much higher than in any other country in the world. Debt risk, market and financial risk research suggests that Indian banks tend to be more resilient and more resilient. The increase in the number of working people and the revenue available may further fuel the demand for banking services in India. Rural banks are expected to prove strong growth in the future Indian banks, including state-owned banks and private companies are actively improving their technology infrastructure to improve customer experience and achieve better competition, internet and mobile banking gaining momentum. The increase in revenue is expected to increase the demand for banking services in rural areas and thus accelerate sector growth. Now they not only get involved in their traditional receiving and lending business but have also shifted their careers to new business ventures such as real estate brokerage, rental, real estate, mutual

Emerging Trends in Banking, Insurance and Tourism *ISBN978-93-85187-19-10*

CAUSES AND CONSEQUENCES OF RAISING NPAS IN INDIA AND ITS COMPARISON WITH NPAS HANDLING PROCEDURES IN ADVANCED NATIONS

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ABSTACT

The bank is the significant financial intermediary in the economy as it connects people with excess and deficit funds. It acts as an intermediary to individuals and industries which promote savings, production, investment and trade. The sector has a visible impact on economic development through the money and capital markets. The banking sector is also been allocated with the role of providing support to other revenue generating sectors such as agriculture, small-scale industries and exports. The banking system facilitates domestic and global trade. A large part of trade is done on credit, where banks play a vital role. With the globalization of financial markets and the consequent exposure of Indian banks to the global financial milieu, the changes in the financial markets, institutions and products, technological innovations and other developments. The sector has undergone a metamorphosis. There are several challenges confronting to commercial banks in India. The main challenge confronting the commercial bank is the disbursement of funds in quality assets (loans and advances).

The issue of Non-Performing Assets (NPAs) in Indian banking sector has become a matter of concern and discussion. The Standing Committee on Financerecently released a report on the banking sector in India, where it observed that banks' capacity to lend has been severely affected because of mounting NPAs. The current research is an attempt to study the Non-Performing Assets (NPAs), show the major causes, consequences and compare the same with the NPAs handling procedures in advanced nations.

Keywords: *Non-Performing Assets, savings, production, investment and trade, quality assets.*

INTRODUCTION

Banking occupies a central role in a country's economy and it is a medium of measurement for the overall growth of the country. The banking sector acts as a midway to all industries and promotes savings, investment, and trade. The sector has a very important role to play in the economic development of the country through the money and capital markets. It is significantly different from that of other Asian nations because of the country's uniqueness in geographical, social and economic physiognomies. The country's economic policy framework combines socialistic and capitalistic features and has followed a path of growth- led exports rather than export –led growth with an emphasis on import substitution. This has reflected in the structure, size and diversity of the country's banking and financial sector. The banking system in India does serve the goal of economic policies articulated in five-year development plans, particularly concerning equitable income distribution, moreover the sector had been assigned the role of providing support to economic sectors such as agriculture, small-scale industries and exports.

The Narasimham Committee (1991) on "Financial System Reforms" introduced the concept of non-performing assets.The status on non-performing assets constitutes the best indicator of judging the health of the banking industry. The problem of NPAs is linked with the lending procedure of banks as these are an inevitable burden on the banks.A bank gives out money upfront and earns income over a time on the promise of a borrower to repay. When loans are not repaid, the bank loses both its income stream, as well as its capital. Lending is always accompanied by the credit risk arising out of the borrower's default in repaying the money (Mittal & Suneja, 2017).The major problem today faced by all the commercial banks is the increasing risk of non-performing assets, which poses challenge to their ultimate survival. The