BRAND RECOGNITION AND CUSTOMER PATRONAGE OF DEPOSIT MONEY BANKS IN PORT HARCOURT

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ABSTRACT

This study investigated the relationship brand recognition and customer patronage of deposit money banks in Port Harcourt. The population of the study was 24 deposit money banks. All the firms were studied. 3 copies of questionnaire was distributed 3 respondents in each deposit money bank. The respondents included customer relationship managers, business development managers and marketing managers. The primary data collection instrument was designed in Likert scale of very low extent to very high extent. Data collected from respondents was analyzed using the Pearson Product Moment Correlation statistic; and relying on the Statistical Package for Social Science (SPSS0 version 20. The results obtained showed that brand recognition has positive and statistically significant relationship with customer patronage, through repeat purchase and customer retention. The study therefore concluded that brand recognition relates to customer patronage of deposit money banks in Port Harcourt. Therefore, the study recommends that managers of deposit money banks should undertake programmes that enhance the recognition of their brands.
Keyword: Brand recognition, customer patronage, customer retention, repeat purchase

INTRODUCTION

Industry participants employ financial, customer, internal, and learning-based measures to assess consumer loyalty (see Greve, 2003; Hauser & Katz, 1998); and with a view to improving results in these areas, they often spend significant resources but achieve less than desired results (Ateke & Akani, 2018). Consequently, firms, especially, deposit money banks invest extensively in programmes designed to improve brand awareness and rely on branding strategies to remain competitive and maintain revenues.

The marketing strength of a deposit money bank's brand is quickly becoming one of the most important differentiators and success factors, as they provide consistent brand experience to prevent losing consumers to competing banks. Because the service sector is people-oriented, a strong brand must be established in order to attract patronage, the importance of brand reputation in the banking industry has risen.

According to De La Sabaté and De Puente (2003), a company's reputation is the sum of the perceptions held by various stakeholders throughout time. Reputation is more important than branding for financial services than for consumer goods since the focus is on service provision. Since most financial institutions provide essentially the same products, it may be difficult to choose between them.

It is said that brands have not been able to successfully distinguish themselves and have instead just succeeded in increasing consumer awareness. According to (Travis, 2000), a well-respected brand serves not only as proof of possession but also as a vocal warranty, mark of integrity and pledge of essential value. Often, brand reputation is enhanced by brand dependability - a brand's consistency in meeting customers' expectations (Khurram et al., 2018).

Today's global and local business climate is marked by intense and fierce competition (Ateke & Akani, 2018). Many studies have been conducted in efforts to discover if, and how brand reputation influence consumer loyalty. Ateke and Akani (2018) examined the relationship between brand positioning and marketing health, while Ateke and Nwulu (2017) investigated the relationship between brand value and marketing health. Brand recognition was studied by Kilei et al. (2016) to determine its impact on profitability of service brands in Kenya.

Also, Nkpurukwe et al. (2020) researched process management and patronage of Nigerian deposit money banks; while De La Sabaté and De Puente (2003) examined and quantified the concept of corporate reputation, applying their findings to Spanish financial intermediaries. However, none of these studies examined the relationship between brand reputation and customer loyalty. Thus, this study was designed is to examine the relationship between brand reputation and patronage of deposit money banks, the study uses repeat purchase and purchase as metrics of patronage.

LITERATURE REVIEW

Baseline Theory

This study is rooted in theory of planned behaviour (TPB) (Ajzen, 1991) which assumes that human behaviour is rational, conscientious, and deliberate. Other research has however established that behavior might be effortless, inadvertent, uncontrolled, automatic, conscious, or unconscious (Ajzen & Fishbein, 2000). TPB is an expectancy-value paradigm developed by to analyze and understand behavior based on intentions in nearly any human behavior scenario (Ajzen, 1991). TPB assumes that people are rational, that they utilize available knowledge in a systematic manner, and that they examine the repercussions of their actions before choosing whether or not to enact a given behavior.

TPB relies on one's motivation for engaging in a certain action (Ajzen, 1991). The central tenet of TPB is that an individual's goals and plans for their conduct provide the best explanations for their actions. The theory presumes that (i) individuals act rationally and systematically utilize available information when deciding whether or not to act, (ii) individuals' actions are guided by conscious motives as opposed to unconscious motives, and (iii) individuals consider the consequences of their actions prior to performing them (Ajzen, 1980; Ajzen & Fishbein, 1975). Attitude and subjective norms shape individuals' intents to engage in certain behaviors. Thus, individuals' actions are influenced by their own behavioral goals. TPB was chosen as the foundation for this research because it explains deposit money banks' effort to build strong reputation is motivated by their desire to successfully leverage same to drive client patronage.

Concept of Brand Recognition

Consumers' capacity to identify and contrast one brand from another is referred to as brand recognition. Brand recognition is also the speed with which a consumer recognizes and associates a brand with any of its components. Hamid et al. (2012) defines brand recognition as the degree to which people identify a brand for its recognized qualities or messages. Brand awareness is the foundation of brand recognition and recall effectiveness. Brand recognition is described by Latif et al. (2014) as consumers' capacity to verify past exposure to a brand when given the brand as an indication. According to Savins et al. (1995), brand awareness is an important asset to firms.

According to Rossiter (2014), to quantify brand recognition, the brand stimulus must be reproduced iconographically or precisely as the customer would hear or see it. Literature in psychology shows that recognition influence people's judgment. Brand recognition has traditionally been measured based on customer understanding, present market share, or degree of market penetration. According to Kim et al. (1997), once a company's brand awareness has been developed, it can be applied to all market categories.

If one of two objects is recognized while the other is not, people will choose the recognized object because they will assume it has a higher criterion value for the judgment in question (Goldstein & Gigerenzer, 2002; Gigerenzer et al., 1999). Brand awareness may be tested in two ways: indirectly, via recall tests, and directly, through recognition tests (Plessis, 2005). Todd et al. (2005) claim that high level of awareness of a brand's origin influences purchase decisions more than low of awareness.

Kim and Chung (1997) state that consumers' perceptions of quality is linked to their familiarity with a brand; and that consumers' familiarity with a brand serve as a proxy for quality, and influences evaluation of potential substitutes. Singh et al. (1988, as cited in Hamid et al., 2012) argued that recognizable brands need to have excellent attracting attributes. Typically, people go with what they know. So, brand recognition works best when it confirms previous exposure to the brand. Consumers who are familiar with a brand are more likely to buy it again (Portor & Claycomb, 1997).

Concept of Customer Patronage

Customer patronage results from a company's outstanding service (Nkpurukwe et al., 2010). The level of support a brand receives is a major factor in how well they are evaluated. Banks exist primarily to serve customers' needs. Therefore, degree of patronage is the single most important factor in a bank's existence, making all other performance metrics secondary. Customers might be individuals or other businesses that regularly buy from the core business. According to Nadube and Akahome (2017), customer loyalty may be conceptualized as the correlation between a company's sales volume and the amount its customers spend.

The term "patronage" describe the act of buying a product (Kenny et al., 2015). Customer loyalty, as defined by Howard (2007), occurs when clients repeatedly buy the company's goods. Zeithaml (1988) claims that perceived value and benefits provided by a product is what ultimately influence a customer's decision to make a purchase. Customers are more willing to spend money with a company if they perceive that they would benefit from purchasing its goods and services (Nkpurukwe et al., 2010). By doing so, the company may increase its market share, profits, and competitive edge. Loyalty of a consumer to a company's products is referred to as patronage (Nwadigoha & Ahaiwe, 2021).

Customer patronage has several proxies. Nwadigoha and Ahaiwe (2021) identified repeat purchase while Nkpurukwe et al. (2020) pointed out that buying intention and repeat purchase are adequate metrics of customer patronage. In this study, we used repeat purchase and customer retention to proxy customer patronage.

Repeat Purchase

Repeat patronage is the tendency of customers to repeatedly purchase a product from the same supplier (Chao-Min et al. (2014). It is consumers' willingness to buy again (Eugine & Nkosivile, 2015; Lin & Liang, 2011). Consumers' propensity to buy again is influenced by their positive experiences with that product in the past (Taylor et al., 2008). Eliciting repeat patronage behavior is crucial to firms because it enhances profitability (Gupta & Kim, 2007).

Repeat purchase or expressed interest to make more purchases is an indicator of satisfied customers (Lam et al., 2004). The value customers received from earlier purchases influence their willingness to purchase again from the same vendor. Hence, it is important for firms to identify customer groups, learn their needs and devise strategies to meet those needs better than competitors (Ali et al., 2013).

Despite the challenges and expenses involved, repurchase is essential to businesses because it improves or maintains competitive edge. Repeat purchase intention is the likelihood that a consumer would make more purchases from a specific service provider in light of their current circumstances and anticipated future events (Tuan, 2012). Repurposing has the potential to boost an organization's overall sales, which in turn increases profitability (Adiele et al., 2011).

Customer retention

Customer retention describes customers’ disposition to stick to, or remain with a brand, and preferring the brands’ product than competing offers. Customer retention is thus hinged on satisfying offerings the firm provides (Jimoh, 2012). Successful customer retention requires an organization to establish and keep up a positive connection with its clientele. Customers who stick around buy more and often upgrade their business with a firm (Mazour, 2016). Thomas and Tobe (2013) argue that keeping current customers is more lucrative than trying to bring in new ones; and also that that satisfied customers are less likely to defect to competitors.

The primary objective of firms include creating high-quality products that compete favourably in the market. Customers remain loyal to a brand that consistently meet their needs. It is therefore unlikely that the importance of customer retention to firms can be overstated. Effective marketing strategies that align with consumer interests and generate positive customer sentiments toward the business are developed by in-depth research into consumers' intentions (Jimoh, 2012).

Customers' stated purpose to act predicts their actual action (Babatude & Olukeme, 2012). Hence, businesses in the fiercely competitive service sector invest heavily in customer behavior research in efforts to effectively satisfy and retain customers (Mazour, 2016). Concerns about customer satisfaction, loyalty, and retention are exacerbated by fierce competitive in the service sector (Markidan, 2015).

Brand Recognition and Customer Patronage

Kilei et al. (2016) examined impact of brand awareness on market performance of Kenyan banks. The study used a cross-sectional survey method to collect data 347 customers and 35 upper-level managers of 35 Kenyan banks. The results obtained, showed a positive statistically significant link between brand awareness (proxied by brand recall and brand recognition) and market performance of Kenyan banks.

Similarly, Cretu and Brodie (2007) investigated correlates of market performance of manufacturers of fast-moving consumer goods; and found strong correlation between a company's market standing and loyalty of customers. Relatedly Almeida et al. (2005) shows that an organization's reputation significantly affects how its customers see it and how loyal they are to the brand.

Also, Hamid et al. (2012) probed factors affecting brand recognition. The study focused on reputation, quality, and innovation. Two-hundred test units participated in the study. The study not only shed light on the global valuation of domestically produced goods, but also portrays the competitive landscape by highlighting a number of factors associated with known brand awareness abroad.

Based on the foregoing, the study formulates the following null hypotheses:

Ho_1: Brand recognition has no significant relationship with repeat purchase of deposit money banks in Port Harcourt.

Ho_2: Brand recognition has no significant relationship with customer retention among deposit money banks in Port Harcourt.

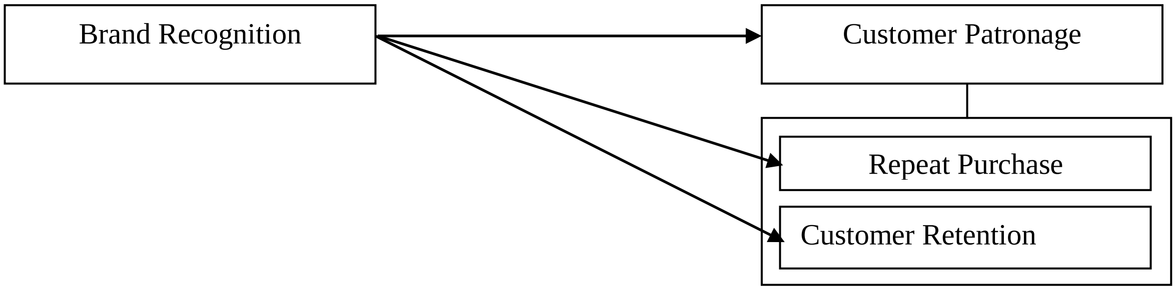

Fig.1: Conceptual framework of relationship between brand reputation and customer patronage of deposit money banks

METHODOLOGY

The design of the study is cross-sectional research design. The population of the study was twenty four (24) deposit money banks in Port Harcourt. 3 copies of questionnaire were distributed to 3 respondents from each of these banks. Therefore, 72 staff of deposit money banks, including customer relationship managers, business development managers, and marketing manager participated in the study. However, data gathered from only 60 respondents was used in the final analyses of the study. The Pearson Product Moment Correlation was used to test the formulated hypotheses. All statistical analyses were performed using the Statistical Package for Social Sciences (SPSS) version 22.0.

RESULTS AND DISCUSSION OF FINDINGS

Table 1: Correlation Matrix for Brand Reputation and Customer Patronage

			Brand Recognition	Repeat Purchase	Customer Retention
Pearson Product Moment correlation	Brand Recognition	Correlation Coefficient	1.000	.839**	.783**
		Sig. (2-tailed)	.	.000	.000
		N	60	60	60
	Repeat Purchase	Correlation Coefficient	.839**	1.000	.840**
		Sig. (2-tailed)	.000	.	.000
		N	60	60	60
	Customer retention	Correlation Coefficient	.783**	.840**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	60	60	60

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Research Data 2023

Table 1 shows the correlation coefficient of relationship between brand recognition and measures of customer patronage. The table indicates that brand recognition has a very strong positive and statistically significant relationship with repeat purchase (r = 0.839; pv of 0.000<0.05). Table 1 also shows that brand recognition has a strong positive relationship with customer retention (r = 0. 783; pv of 0.000<0.05). These statistics show that brand recognition is a strong antecedent to customer patronage. The position corroborates earlier findings which present brand recognition as a driver of market performance (Kilei et al., 2016; Cretu & Brodie, 2007) and marketing wellness (Ateke & Akani, 2018).

The present findings also accentuate the view of Kim and Chung (1997) that consumers' perceptions of quality is influenced by familiarity with a brand; and that of Portor and Claycomb (1997) that consumers who are familiar with a brand are more likely to buy it again. In addition, the findings support the position that brand recognition fosters customer-based performance measures including customer satisfaction (Mumtaz & Chaipoopirutana, 2020). Furthermore, the present finding lend support to the report of Ateke and Didia (2018) that consumers' knowledge of brands influence their purchase intention. Therefore, it is worthy of note that brand familiarity hold the potential to increase customers' patronage of bank deposit money banks.

Conclusion and Recommendations

Based on the findings from the study, we conclude that brand recognition relates to customers' patronage of deposit money banks in Port Harcourt; and that customers' patronage of deposit money banks depends on brand recognition. The study therefore recommends that manager of deposit money in Port Harcourt that seek to achieve increased patronage should engage in marketing programmes like campaigns to enhance their brand recognition.

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