

Factors Determining Corporate Rebranding In Services Sector – A Study With Reference To Chennai

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Abstract:

Corporate rebranding is a strategic decision of brand management that has been implemented to cope with the changing of market situation, growing target market, or challenging competitive environment. The organizations, especially in the service industry, that implemented the rebranding strategy could be success or fail. Basically services have many characteristics that different from products, e.g., service intangibility, service heterogeneity, and consumer-employee participation in service processes, therefore the corporate rebranding in service industry is more difficult than that in product industry. Several academics believe that the service corporate rebranding will reward if the changes that occur not only be the apparent change, but also the changes on companies' operations, which require the involvement of employees and its system .Service quality perceptions however; positively and significantly impact customer loyalty, and customer satisfaction significantly and positively impact on customer loyalty. It was recommended that, rebranded should avoid spending huge sums of money influence customer service quality perception and satisfaction

Keywords: *Brand image, Brand loyalty, Consumer behaviour, Market strategy*

1. Introduction

Corporate rebranding is a strategic decision of brand management that has been implemented to cope with the changing of market situation, growing target market, or challenging competitive environment. The organizations, especially in the service industry, that implemented the rebranding strategy could be success or fail. Basically services have many characteristics that different from products, e.g., service intangibility, service heterogeneity, and consumer-employee participation in service processes (Rust & Chung, 2006; Shostack, 1987), therefore the corporate rebranding in service industry is more difficult than that in product industry. Several academics believe that the service corporate rebranding will reward if the changes that occur not only be the apparent change, but also the changes on companies' operations, which require the involvement of employees and its system .Service quality perceptions however; positively and significantly impact customer loyalty. And customer satisfaction significantly and positively impact on customer loyalty. It was recommended that, rebranded should avoid spending huge sums of money influence customer service quality perception and satisfaction

2. Literature reviews

Fredrik, Olsson, Daniel Osorio and Thomas Jensen (2008) in the topic “rebranding in service sector” he examined the recently rebranding bank brand and find that value connected to intended image pursued by the bank management correlate with the individuality held by employee to a relatively large extent. They concluded if customer do not like this style then they probably not select accurate bank.

Chaniago aspizain (2016) explain the topic “the effect of service quality and corporate rebranding on brand image ,customer satisfaction , brand equity and customer loyalty , 12(60) among 173 corporate advertisement 144 respondents the study examined that service quality affect the brand image also service quality significantly influence the customer satisfaction.

Wafa mscallen ,nabilmzoughi,alfa boublel (2009) “customers evaluation after bank renaming, effect of brand name change on brand personality, brand attitude, and customer satisfaction “ 5(3)he defines after two survey respondents of 383 clients he concluded was both customer

satisfaction and brand attitude were not affected brand renaming, whereas the bank personality prescription was to some extend modified.

Laurent muzellec mary lambluin (2006) “corporate rebranding, destroying, transferring or creating brand equity “vol400 (7/8) this research is study about impact of those strategies on corporate brand equity the sample of 166 rebranded companies his concluded that decision to rebrand is most often motivated the structural changes particularly mergers and acquisition, which have important effect on corporative identity and basic strategy

Nareerut Nunchasiri pipop udom., “corporate rebranding in service context: its effect on relationship strength and future share of wallet” he examined change in employees attitude and behavior and perceived change in service system, change in brand relationship quality he concluded highlight on essential elements of corporate rebranding not only brand itself but also employees and service system for service industry.

Mokhtar, et al (2011), the author examined same results that supports that the service quality has a positive effect on the customer satisfaction and customer loyalty. Supports that the quality of service and customer satisfaction significantly affect the level of customer loyalty, research also supports that customer satisfaction is positively connected with the customer loyalty

Charles osei wusu , 2016 ,” interrelationship between corporate rebranding , service customer satisfaction , customer loyalty” he examined corporate rebranding at GCB bank service quality perception significantly and positively impact on customer loyalty the study found that the corporate rebranding does not effect relationship between service quality and customer satisfaction study failed to find enough the evidence is to support that corporate effect and customer satisfaction

Chaniago Aspizain (2016) his study report on topic “the effects of service quality and corporate rebranding on brand image, customer satisfaction, brand equity and customer loyalty: study in advertising company at Tv one” he examined that service quality directly affect the brand image and directly influence the customer satisfaction, also the direct effect on the brand equity and customer loyalty, Brand image has no significant and direct effect on the customer loyalty. Brand equity has direct effect on customer loyalty

Liao (2009) as stated that “The relationship of service quality to the excellence of sources such as customer satisfaction and customer loyalty” International journal that he examined the service quality has may effect on the customer satisfaction and customer satisfaction has impacts to the customer loyalty.

Lo, L.K. et al (2010), the author examined same results that supports that the service quality has a positive effect on the customer satisfaction and customer loyalty. Supports that the quality of service and customer satisfaction significantly affect the level of customer loyalty, research also supports that customer satisfaction is positively connected with the customer loyalty.

Anil kumar singh,vikas tripathi,priyenderyadav (2012) “rebranding and organizational performance soon issue of relevance” researcher examined that rebranding have impact on total income, as a result of rebranding income increases they found through analysis that though corporate rebranding increases the income also it should be done properly or in systematic manner.

Kilic and dursun (2006) “the effect on corporate identity changes on firm value” journal of American academy he analyzed the name change brings the image of corporate best, he concluded that a name change has a positive impact on the firm value.

Emily henewaa bonus,beel (2016) “effect of rebranding on customer satisfaction in the banking industry in GHANA” the research bank in “the study on service satisfaction was conducted by 350 customer in NDVOM bank his results show like name logo, technology rebranding fool impacted positively on customer satisfaction.

3. Research Gap: In the domain of corporate rebranding several researchers predominantly they identify three important factors namely brand reputation, brand knowledge and perceived value of the brands. These studies completely focus on these aspects but did not acknowledge the loyalty and other marketing factors especially in services sector. Therefore the researcher indenting to fill the gap that exist between corporate rebranding and the factors determining.

4. Objectives of study

1. To study and validate the corporate rebranding factors.
2. To measure the influence of corporate rebranding on brand loyalty of consumers.

5. Hypothesis

- There is no significant influence of corporate rebranding on brand loyalty
- There is no significant influence of demographic profile of consumer on the corporate rebranding perception.

6. Methodology

The study is completely based on primary data obtain from out of telecom services and banking services. In order to collect their responses the researcher used a well-structured questionnaire which consisting of two parts namely

1. Demographic and other services details.
2. Customer perception on corporate rebranding the questionnaire consist of both optional type and statement and linkers' five point scale.

7. Data collection

The researcher collected 300 responses from the customer of telecom services and banking services through convenience sampling method of these 300 respondent 150 belongs the customers of telecom services and remaining 150 represent for banks.

8. DATA ANALYSIS

After collecting 300 respondents they are systematically tabulated and coded and entered in the statistical package for social science version 21. These coded with a numerical values are thoroughly analyzed using univariate and multi verity and statistical technique. Infact the researcher used confirmatory analysis followed by linear multiple regression analysis.

In this section the researcher applies exploratory factor analysis followed by confirmatory factor analysis and structure equation model. Since the title deals with corporate rebranding those factors derived are well defined and must also the validated. In order to validate questionnaire the researcher need to apply both exploratory factor analysis and confirmatory factor analysis. The application of exploratory factor analysis derived five factors with a variable loadings as presented below

Table 1.
KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.763
Bartlett's Test of Sphericity	Approx. Chi-Square	2417.548
	Df	300
	Sig.	.000

From the above table it is found that the variables are normally distributed and more suitable for variable reduction as well as dimension reduction process.. The KMO values are statistically significant at 5 percent level, the factor emergence is presented in the following table

Table 2: Number of factors emerged.

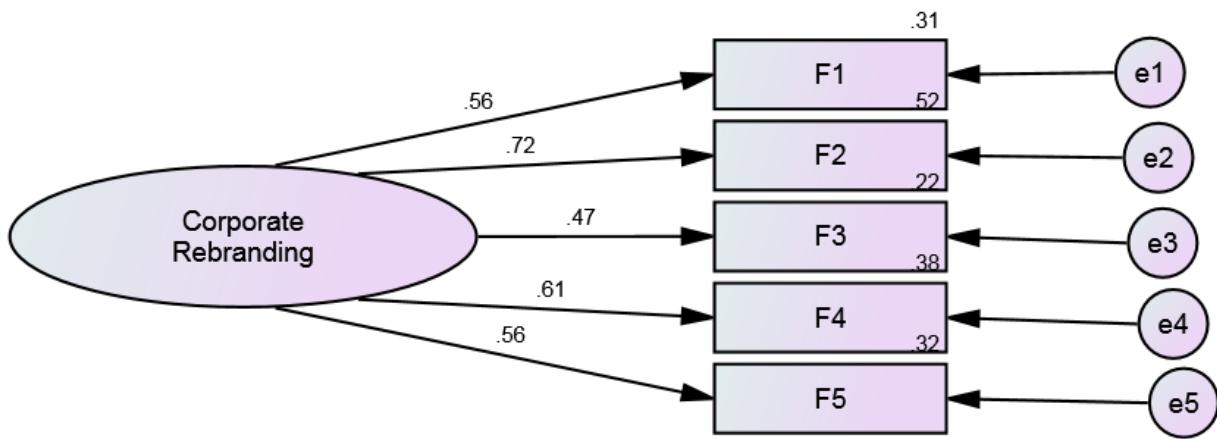
Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.420	17.679	17.679	2.630	10.520	10.520
2	2.198	8.792	26.472	2.231	8.924	19.445
3	1.615	6.461	32.933	2.138	8.552	27.996
4	1.325	5.300	38.233	1.981	7.923	35.920
5	1.252	5.009	43.242	1.831	7.322	43.242
6	1.189	4.755	47.997			
7	1.111	4.444	52.441			
8	1.045	4.179	56.620			
9	1.003	4.010	60.630			
10	.936	3.744	64.375			
11	.871	3.485	67.860			
12	.828	3.313	71.173			
13	.772	3.087	74.260			
14	.725	2.902	77.162			
15	.697	2.789	79.950			
16	.637	2.547	82.498			
17	.621	2.483	84.981			
18	.608	2.431	87.411			
19	.542	2.169	89.580			
20	.506	2.022	91.603			
21	.491	1.965	93.567			
22	.443	1.774	95.341			
23	.418	1.671	97.012			
24	.384	1.536	98.548			
25	.363	1.452	100.000			

The above table indicate that 25 variables are clearly reduced in to 5 predominant factors with respective variable loadings. The table indicates five factors have more than 40 percentage variance which is above the benchmark required. The variable loading in each factor and the confirmative is done through the following confirmatory factor analysis.

Table 3: Factor confirmation.

S. No	Fit indices	Values	Bench mark values
1	Chi-square	3.110	Depends upon p-value
2	P-value	0.398	>0.05
3	Comparative fit index(CFI)	0.980	>0.9
4	Goodness of fit index(GFI)	0.991	>0.9
5	Normed fit index(NFI)	0.979	>0.9
6	Root mean square error of approximation(RMSEA)	0.07	<=0.08

The above table indicate that 5 factors derived from the 25 variable are respectively named as customer satisfaction, Customer loyalty, customer preference, customer expectation and brand performance respectively. These factors are further confirmed indices as mentioned in the table II. The comparative fit index, goodness of fit index and root mean square error approximation. All these values very much satisfy the required bench mark as stated in table I. This conformed and determines customer satisfaction, customer loyalty, customer preference, and customer expectation and brand performance. The overall confirmation of exploratory factor analysis and confirmation factor analysis are summarized in the form of following structure equation model.

DIAGRAM Structural Equation model.

From the above diagram fill that correlation values between unobserved factor corporate rebranding and the absorbed factor customer satisfaction, customer loyalty, customer preference, customer expectation and brand performance are above 0.3. This shows that there is deep relationship between corporate rebranding in service sector and customer satisfaction, customer loyalty, customer preference, customer expectation and brand performance. The error terms are also minimized to prove the corporate rebranding in the perfect combination of 5 factors.

Finding and conclusion

Corporate rebrand in service sector is not a unique phenomenon but it is combination of five factors namely customer satisfaction, customer loyalty, customer preference, customer expectation and brand performance. It is found that the rebranding perception mainly due to level of satisfaction of customer in the service sector. The companies are able to go ahead with high customer loyalty and meticulous preferences from the services sector it is further conclude that the service sector can go for rebranding when there performance of service are well maintained they able to meet at customer expectation. Rebranding is meticulously observed by all the customer and they are able to give the positive co-operation when they are satisfy with brand and perceived their point of culmination in the expectation domain.

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