

## *Proscientia: Habitats and bank of choice*

*This research analyzes image of the three leading banks in Austria, characteristics of their banking brands and its influence on the choice of banking services, which are crucial in the financing of habitats and the provision of loans that make this possible.*

### **1. Research topic**

Banking brand personality: a study in Austria

### **2. The (tentative) research questions**

- A. What are the human characteristics which customers of the three leading banks in Austria (Bank Austria, Erste Bank, Raiffeisen Bank) attach to the aforementioned banks?
- B. Which dimensions of personality do these bank brands characterize?

### **3. New about the topic**

Even though the topic brand personality (dimensions of brand personality) has been well researched for years, a topic brand personality in services and especially banking services is still an under-researched area.

As services, unlike to competitive products, cannot be easily copied, probably their most sustainable competitive advantage is creating successful brands. Since services depend on the culture of organization, training, and attitude of employees, it is much harder to create and maintain a successful brand, but it is more difficult to copy it.<sup>1</sup>

The brand management idea is new to the banking industry, as many financial service companies have historically experienced management of a brand relevant only to consumer goods. As the situation at the market is very competitive, especially in the financial services, organisations are giving more and more attention to the building of personality of corporate brand, as they are becoming aware that corporate brand is reflecting values of the organisation.<sup>2</sup>

The banking industry is today different than it was before, as the internet and services offered by the Internet are constantly evolving. The Internet has become the biggest challenge for the banking industry, in which consumer perception has become the basis for banking success. Products offered by banks are very similar and this makes positioning very difficult for banks, as consumers can therefore perceive banks very similarly. Many authors consider that strong corporate image is the most effective way to differentiate in banking and the starting point for creating consumer loyalty as well as maintain the comparative advantage.<sup>3</sup>

The results of this study should provide valuable information and suggestions to leading Austrian banks (Bank Austria, Erste Bank, Raiffeisen Bank) how do their customers (of different age groups) perceive the personality of a banking brand which they use, which

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<sup>1</sup> Doyle, P(1989), Building successful brands: the strategic options, Journal of Marketing Management, Vol.5, No.1, pp. 77-95

<sup>2</sup> Booz Allen Hamilton GmbH (2004), Managing Brands for Value Creation, Retrieved October 24, 2005. From [http://www.boozallen.de/content/downloads/managing\\_brands.pdf](http://www.boozallen.de/content/downloads/managing_brands.pdf)

<sup>3</sup> Morello, G. (1986) The image of Dutch banks, International Journal of Bank Marketing, Vol.6, No.2, pp.38-47

personality traits and dimensions do they attach to their bank and how can banks manage their banking brand in order to make a better image.

#### **4. The key theories, constructs and models and 5. The relationships between the constructs in this research**

The key constructs for this research are: (1) brand personality, (2) dimensions of the brand personality, (3) service/banking brand. The aim of this research is to connect these models in one particular unit through the research which has been done among the customers of the three leading banks in Austria.

##### (1) Brand personality

The personality of the brand has attracted great attention from marketing academics, since the fundamental advantage of creating a brand's personality is the fact that it increases consumer preferences and application, as well as the level of trust and loyalty. It is defined as a set of human attributes attached to a particular brand.<sup>4</sup> The personality of the brand is similar to the personality of people, for example, it has characteristics such as age and gender, characteristics of human personality such as warmth and care, and is also consistent, long-lasting, and everything that is related to the brand affects its personality.<sup>5</sup>

##### (2) Dimensions of the brand personality

In 1997, Aaker developed a brand personality scale that shows five key dimensions of brand personality: *sincerity*, *excitement*, *competence*, *sophistication* and *ruggedness*. Each of these dimensions can be described by some attributes. The most important aspect of brand personality frame is the fact that it applies to different product categories.<sup>6</sup>

##### (3) Service/Banking brand

For successful financial service brands, the brand is defined as everything that the consumer perceives as an experience. The synergy between each element of experience allows brands to be more than the sum of their parts. This reflects a "sophisticated" marketing method where the brand is not just a logo or an advertising campaign.<sup>7</sup> As the situation at the market is very competitive, especially in the financial services, organisations are giving more and more attention to the building of personality of corporate brand, as they are becoming aware that corporate brand is reflecting values of the organisation.

#### **6. The three most important papers on your topic and 7. Why are they important**

1. Aaker, J.L. (1997) Dimensions of Brand Personality, *Journal of Marketing Research*

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<sup>4</sup> Aaker, J.L. (1997) Dimensions of Brand Personality, *Journal of Marketing Research*

<sup>5</sup> Aaker, D.A., (2002). *Building Strong Brands*, Simon & Schuster UK Ltd: London

<sup>6</sup> Aaker, J.L. (1997) Dimensions of Brand Personality, *Journal of Marketing Research*

<sup>7</sup> Aaker, D.A. i Joachimsthaler, E. (2000), *Brand Leadership*, The Free Press, New York, NY

J.L. Aaker has developed the most important scale for measuring brand personality dimensions (sincerity, excitement, competence, sophistication and ruggedness), in which she grouped 42 attributes which describe the brand personality traits.

2. Balmer, J.M.T. i Stotvig S. (1997) Corporate identity and private banking: a review and case study, International Journal of Bank Marketing, UK

Balmer and Stotvig (1997) concluded in their research that companies operating in an enormously rising market environment, such as the financial service sector, when sketching strategic plans, should focus on creating the corporate image that the bank delivers to the public, in order to better and more efficiently implement their marketing strategy.

3. Booz Allen Hamilton GmbH (2004), Managing Brands for Value Creation, Retrieved October 24, 2005.

In its research, Booz Allen Wolf found that banks that use branding strategies, defined as branded companies, achieve a capital of 19%, instead of 8% as was the case with banks that do not use the marking strategy. This study shows that owning a corporate brand in a financial service sector (banking industry) affects the financial success of the company.