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**A STUDY & SOLUTIONS FOR DEVELOPING  
BRAND OF AN BINH BANK IN THE PERIOD 2005-2010**

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## INTRODUCTION

### 1. Background

In recent years, Vietnam's economy has been always at high growth rate, banking is one of the industries has influence on the economy with the highest growth rate in a long time. Besides that, go together high growth is competitive pressure becoming increasingly among banks as well as foreign banks which has not only a strong power of finance but also experience in a long time. To compete with competitors from domestic to foreign, each bank must have good brand. Below are some reasons factors, which make me to, decided chose this topic what makes ABBank to develop its brand in coming time.

- First, under competitive pressure from foreign banks, domestic banks more increasing, ABBank cannot develop without development planning of brand and a certain brand image in customers' mind.
- Second, Vietnam joints WTO, more and more foreign banks penetrate into Vietnam market, and this makes a large pressure for Vietnam's banks.
- Thirdly, ABBank changed operation in commercial and investment banking in a short time and it is new one in Vietnam financial market.

Furthermore, ABBank has difficulties in finding solutions for developing brand as well as improve brand image in customers' mind. Therefore, it must have a plan to develop brand if it wants to exist and develop in fierce condition in today. Moreover, there are sub-reasons what make me interest in studying brand in banking, that is brand in banking is new concept in Vietnam and the number of banks have strong brands is very little.

### 2. Objective & aims

The purpose of this study is to show the issues of brand in ABBank case and propose the solutions for developing brand of ABBank in the period 2007-2010. In the study, I will concentrate studying brand problem of ABBank and raise solutions to develop its brand in coming time. Furthermore, the purpose is to provide an overall seeing about bank brands in Vietnam financial market as well as foundation for future research in the area of brand trust in international markets.

#### *Objective of the study*

This study focus mainly on three objectives as following:

Studying deeply and more detail how brand development is conducted in banking

Finding issues in process of building brand at ABBank as well as aspects, which relate to ABBank.

Propose some solutions, brand model and strategic approach for developing An Binh brand in coming time.

#### *Aims of study*

Applying successfully solutions in the process of developing ABBank brand

Help ABbank become one of five leading commercial joint stock banks in Vietnam in 2010

### 3. Research question

As shown in the research background, there are several important issues to consider when developing a brand. Local bank brands not only have to compete with each other but also to compete with international bank

brands that have the advantage of capital and management skills to attract the consumer. The question to ABBank now is to find the solution for developing Brand of ABBank in coming time as following:

Research question 1: What solutions can help ABBank develop its brand in the period from now to 2010?

Research question 2: What are difficulties and challenges facing AnBinh?

#### **4. Scope of work**

The study is conducted only in ABBank as a sample of Vietnam banking system. In addition, the thesis only study in Hanoi branch of ABBank about 150 to 200 personal customers will be chosen in some branch and transaction offices of ABBank in Hanoi to fulfill the objectives detailed above. The period is chosen for the study is only in 5 years from 2005-2010 and in this thesis, the study focuses on study and proposes solutions for ABBank to build and develop its brand in the period 2005-2010.

#### **5. Data & process**

With the main objectives are to find solution for ABBank to develop its brand in the period from now to 2010. Therefore, this study takes information from many sources as following:

Data source: Company's information & findings, Internet, papers

The way to process data: The method to process data is mainly by excel

Data has been taken from some websites, which specialize on branding in the world such as Brand channel, Interbrand, Business week or Vietnamese magazines.

Information from survey/interviews more than 100 customers in Hanoi as well as over 100 employees of ABBank in Hanoi branch

#### **6. Methods & approaches**

The study uses case study to make clear the problem of brand in banking system in Vietnam. Moreover, to have information for this study, this study concentrates on survey customers and employees by some ways such as questionnaires, interview and observation, case study and Survey by questionnaires, interview, and observation.

This study will be an empirical research, which preliminarily adopts the following two -pronged but integrated methods: Review of related literature/documentation, Survey, in-depth interview, Review of related literature/documentation: this will examine the multidisciplinary theories of and empirical studies on brand in the literature.

#### **7. Significance**

With the objective mentioned above, the study contributes several meanings to banks in Vietnam. On the theory, this study makes clear some aspects of the theory of banking brand in general and in ABBank in particular. This study is also a good reference for banks in Vietnam when they have demand to build brand. It is hoped that, this study will contribute to the body of knowledge on brand and how the brand concept could be deployed more effective in other parts of Vietnam. It will also help Vietnamese banks to understand fully about

brand importance and come up with more suitable brand strategies and policies. On the practice, this study gives a long-time strategy for ABBank developing brand in the future.

## **8. Limitations**

The scope of work, which only in Hanoi branch of ABBank is narrow. Not study in head office.  
The time of the study from 2005-2010 is another limitation  
Customers in surveys is mainly personal not consist of enterprises  
Numbers of customers to interview and survey is not large  
Have not condition to study enterprise customers of bank

## **9. Expected results**

The study expects to show the following findings:  
Propose solutions for building and developing brand in ABBank.  
Understanding more and more detail about brand in banking  
Finding the best solutions for developing brand in ABBank  
Finding the difficulties and challenges in the process of brand in ABBank

## **10. Follow –up (potential)**

Further study will be taken on building and developing ABBank brand after a period. Other way of study will be analyzing the importance of brand to banks in ABBank particularly and all over banks in Vietnam in generally. This study is an information channel for banks in Vietnam when they want to develop their brands. The study will be applied successfully in ABBank in the further future.

## **11. Short introductions**

With objective is considering brand development in CJSbank, therefore, in this study concentrates on studying brand problems in ABBank case. The result of study will take part in helping held with all over Vietnamese banks. In addition, this study will only examine branded difficulties and show solutions for ABBank. Due to the standardized thesis format and for the sake of clarity, this thesis will be divided into five clearly defined parts and chapters: introduction, theoretical framework, research methodology, finding, implications, and conclusions. The main topics of the chapters are as follows:

- 11.1. Introduction
- 11.2 Theoretical Foundation
- 11.3. Research methodology
- 11.4 Solutions for developing Brand of ABBank
- 11.5. Conclusion

## **CHAPTER 1: THEORETICAL FRAMEWORK**

Under competitive pressures from both inside and outside, Vietnamese banks must have new policy in marketing and in branding in order to improve banking image in customers mind as well as attract customers before foreign banks penetrating deeply into Vietnam market. With a strong power of finance and labors force as well as over one hundred years experience they are easy to defeat domestic banks when they are permitted to open their own banks in Vietnam market. It is necessary to build and develop brand and this is an important task even necessary mission to all. Building brand in order to assert banks' position, credit, and reputation is the most important task in this period.

### **1.1 Understanding Brands**

#### **1.1.1 What is brand?**

According to the American Marketing Association (AMA) a brand is defined as a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition. Brand is probably the most important asset of an organization. A brand is ultimately built in the consumer's mind, where he or she gathers up all the knowledge regarding the bank, its products and services, the communication they have with the outside world, and the associations all those elements bring up.

#### **A short history of brands**

Brand has a short history, consists of three stages:

Brand as a mark

Brand as a marketing tool

Brand as a source of sustainable competitive advantage

#### **1.1.2 Types of brand**

A brand in many ways is an external manifestation of an internal culture. The essential point of a brand is that it inspires customer loyalty and/or a method of distinguishing one product from similar rivals. There are two types of brand. Manufacturer brands and Own label brands

#### **1.1.3 Function of brand**

Brand is very important to all banks. The importance of brand is expressed in four functions include: Recognizable and distinguishable, announcing and Conducting, Making feeling and confidence and Economic

#### **1.1.4 What is branding?**

Branding is determining the essence of your institution and communicating it. In this part, we can see the factor relate to brand name and success of branding in services. This expressed in two parts: Branding Context and Service Branding

#### **2.1.5 Key Concepts in Building Brand**

As we know, brand is very common term and in that term, there are quite many concepts related to it : Brand Identity, Brand Awareness , Brand Positioning and Brand Essence

#### **2.1.6 The Corporate Brand**

Corporate branding is a potentially strong tool for re-aligning a corporate strategy and ensures that the corporation – big or small – is leveraging adequately on the untapped internal and external resources. In corporate brand we need to consider four elements

- a. The Corporate Brand in the Banking Sector*
- b. The Value of the Corporate Brand*
- c. Communicate!*
- d. Measure the brand performance*

## **2.2. BRANDING STRATEGY**

Brand has importance in any organization. Therefore, any bank has its branding strategy in development process. When set up a strategy, the bank needs to notice eight issues in branding as following:

### **2.2.1. Positioning**

This is extremely important factor in the process of building brand strategy. This factor will consider where brand of bank is and how it customers think about.

### **2.2.2. Brand Equity**

“Brand equity” refers to the value of a brand. Brand equity is based on the extent to which the brand has high brand loyalty, name awareness, perceived quality and strong product associations.

### **2.2.3. Value**

Value is the trade-off between what a consumer gives and gets from a brand. Intangible values are the benefits that customers experience that are not functional or physical aspects of the brand, which can include the aspects of the brand personality

### **2.2.4. Brand Image and Identity**

These are two unseparated factors in the process of attracting customers to know and remember brand of bank. They are together in all circumstances.

### **2.2.5. Brand Popularity**

Brand popularity reflects the customer perception about brand of bank. Bank wants to develop and enhance its brand in customers mind; it has to do well brand popularity. Because, Brand popularity will positively influence the brand performance in the short run as well as in the long run, by creating a favorable brand image in the minds of consumers. As a result, the brands popularity will have a positive contribution to the brand's loyalty, image, or market sales.

### **2.2.6. Service and Banking Branding**

Corporate brand is when the brand name gives all its identity to the products or service, and then the products receive strength and association through the companies brand values.

### **2.2.7. Yin and Yang Model to Branding**

Vietnam in East Asia, we have specific characteristics to others . we have to know take advantage of our strength in brand development through owned elements. One of specific elements is Yin and yang. This is difference between east and west. Many companies and banks in East Asia succeed when applying oriented philosophy in their business, such as Sony, Toyota, Mitsubishi...

## **2.3. Building banking brands**

### **2.3.1 Introduction about brand in banking**

In Vietnam, we have not famous and huge brand name in banking sector yet. In the 90's, most of banks did not care about building and developing brand. Since the end of 90's to recent years, banks began to develop

brand through some activities such as: advertising or sponsorship, or outdoor activities and so on. However, these activities have not made a huge brand yet in the customers mind. These aspects below are important to bank when building strong brand.

- a. The importance of brand to bank in business*
- b. Why should banks try to build their brands?*
- c. Brand value in banking sector*
- d. Signals to recognize a strong brand in market*
- f. Process of building & developing brand*

### **2.3.2. Factors in building strong brand**

#### *a. General brand factors*

To answer the question: What factors are important in building brand value? Professor David Jobber identifies seven main factors in building successful brands, as following:

Quality, Positioning, Repositioning, Well-blended Communications, Credibility, Long-term perspective and Internal marketing

#### *b. Internal brand factors driving successful banking brands*

In banking sector, 70% internal factors participate in build a successful brand .therefore study of internal brand factor is very important to bank. There are seven internal factors which driving successful banking brands.

Below are seven factors:

- The brand is a holistic experience
- Consistent and integrated approach to branding
- The brand is responsive to change
- Synergy between brand and culture
- The brand challenges the norm
- The brand is based upon excellent, personalized customer service
- Organizational members are highly brand literate

#### *c. Fundamental principles of building a brand*

When do any thing we often have a principle, to do that we have clear direction in dong. Building brand is not exception; in building brand, we also need a principle. Below we have four Fundamental principles in building brand of bank: Differentiate yourself, Create a position, Be consistent and persistent and Customize your services

#### *d. Key Criteria in Building Bank Brands*

Besides the factors and fundamental principles, we need to notice the criteria in building a brand of bank. That is: Focused Position, Consistency, Values, Systems and Other themes

### **2.3.3 Communicating banking brands**

In communicating, there are two problems the banks need to pay attention when develop brand. These are extremely important to banks. Many banks in the world have been affected by problems related to two these aspects

*a. Banking public relations*

*b. Word of mouth*

#### **2. 3. 4 What brand model for bank**

In the process of building and developing its brand, the bank must have an overall strategy as well as a specific brand model in order to develop brand in certain orbit. In the case of ABBank, the model Brand Resonance Pyramid is considered the most suitable. Because it has similarities with ABBank's circumstance in common. This model has four stages as following: identity, meaning, response and relationships

#### **2. 4. Experience in building and developing banking brands**

##### **2. 4. 1 Failures and Success in building brand**

It is said that: experience is the best teacher. So when developing brand, banks should learn experience from the cases in the world as well as in Vietnam. From the experience of cases both success and failures in building brand, banks will draw many important lessons from the cases. Base on such success and failures, banks can set up a suitable strategy in building for them in order to avoid being gone in track of failures in the past and then make sure have success in developing and enhancing brand image in customers mind.

##### **2. 4. 2 Experience in building brand**

To build a strong brand, the bank need learn lessons in the past, experience of success and failures of cases will be the basic for bank. Below is some experience:

*a. First, Innovation*

*b. Fast or failures*

*c. Take advantage of all information channels*

*d. Extending thinking*

*e. Competitors*

In the process of building and developing brand, each bank never forgets its competitors; banks should pay attention some factors in below: Have no plan, Skipping from one to another, Follow up revenue, Over focus on competitors, Do not understand bank's image clearly, Misunderstanding between tactics and strategy and Lack of understanding about brand



## **CHAPTER 2: RESEARCH METHODOLOGY & EMPIRICAL FINDINGS**

Brand is the most important asset in bank and it is centre in strategy in bank. This chapter has the purpose to explain approach that was chosen for this thesis in order for the author to illustrate the applied research method in this section. Beside that, it mentions the approach used in determining the structure of the thesis that will lead to the fulfillment of this study's objectives and result of the survey customers and employees in the case study.

### **2.1 Research Approach**

The aim of this study is to evaluate the factors have influence on process of building brand and find the solutions for developing brand of the bank.

### **2.2 Research Method**

Quantitative and qualitative research methods are used mainly in this study.

### **2.3 Data collection method**

Data can be collected through two types of sources, primary and secondary. Primary data is gathered with the particular study in interview and observation, and thus gathered for the first time. Secondary sources do not have this connection to the study, and the data is collected before the study often by others

### **2.4. Overview of the case ABBank**

#### **2.4.1 Introduction**

An Binh Commercial Joint-Stock Bank (ABBank) founded in 1993 and since 2003 it changed in commerce and investment. With change in business, ABBank had difficulties in the first time. Building and developing brand in ABBank has been carried out since that, however, the bank not only develop brand but also have to cope with competitive pressure from competitors. That is why the brand development in ABBank until now has much difficulties as well as challenge.

#### **2.4.2 History and development process of ABBank**

History of ABBank consists of four stages: 1993- 2002, 2002-2006, 2006-2007 and 2007 to 2010. Moreover, the thesis also mentions some aspects of the bank, that is:

##### *Development process of the Bank*

*Network Development:* In 2006, ABBank has expanded quickly the network to serve new customers and bring more convenience to existing customers. The goal of ABBank in network development in 2007 is to increase the number of branches and offices to 60 by the end of the year in nationwide.

*Results and dividends:* The net profit for the year ended 31 December 2006, after taxation, was VNDm 58,147 (2005: VNDm 8,230). In the year, the Bank has paid a dividend of VNDm 6,608

*Deposit Mobilizations:* At the year-end of 2006, total of deposit grew 288% from VND 485.541 to VND 1,888.002 billion. Deposit from businesses and individuals increased by 649% from VND 209.317 billion to VND 1,567.350 billion, making up 83.01% of total deposit.

### **2.4.3 Mission, Vision and Objectives of ABBank**

#### ❖ Mission of ABBank

ABBank is one of leading commercial and joint stock banks in providing diversified services, packing service and have high competition and high quality in technology by international standards for all customers who are individuals, investors and enterprises.

#### ❖ Vision of ABBank

To 2010, ABBank will become one of five Vietnam the largest and the best joint stock banks about finance power, transaction network; size and operation result and have high brand reputation and service quality.

#### ❖ Core value of ABBank

- Meet customers' demand and satisfaction of customers are guideline and measure in the entire bank's operation.
- Teamwork and experience exchange among people and departments in bank are basis of bank development and innovation.
- Explicitness, creativeness, commitment and responsibility are behavioral principles of people in ABBank.
- Talents and dedication are begged and treated worthy with income and promotional opportunities.

#### ❖ Objectives of ABBank consist of two stages: 2007 and 2010

##### • *Objectives For 2007*

- Profit before tax grows 250% to VND 250 billion.
- Total assets increase 250% to VND 10,000billion.
- Lending assets grow 250% to VND 4,000 billion
- Deposit rises 250% - 300% to between VND 5,000 and 8,000 billion
- Total number of branches and transactional offices will increase to 60 locations throughout the country.

##### • *Objectives For 2010*

- Total assets increase to VND 50,000billion.
- Lending assets grow to VND 20,000billion
- Increased chartered capital to VND 20,000 billion
- Total employees are 3,000 people
- 200 transaction offices in nation wide

## **2.5 Empirical findings**

### **2.5.1 Empirical Data**

Objectives of this study are to find solutions for developing brand of ABBank in the period from now to 2010. In this part, the empirical data of the ABBank case, general statistics and result of survey will be presented

generally. We study more detail about ABBank case with information from interviews and surveys. In chapter 3, we will study more detail the following parts:

- Bank information
- Difficulties and challenges of ABBank
- Solutions for ABBank to develop its brand in the period from now to 2010

### **2.5.2 Data analysis**

In this part, we make clear the factors relate to brand development of bank since then finding the difficulties and challenges to bank and have solutions to develop bank.

#### ***Objects of research***

In this study, objectives are to know understanding of employees about brand, feeling of them about corporate culture at ABBank, evaluation about recruitment policy, difference between ABBank and others, working environment. In other word, this study wants to indicate factors have relation to brand development of ABBank and then show difficulties and challenge of ABBank in the process of developing brand.

#### **Outcomes of the Survey**

This part for managers and employees in ABBank, Below are some main results in the survey.

According to the survey' results, there are many staff think of that brand as a “marketing tool” and trade mark (see more in table 2-1). A little people consider brand as trademark and good origin indications. Most of people make sure that trademark is a brand. Then, 100% of them think that brand; brand identity and brand strategies are in full importance in enterprises' activities.

We can see that, there is 70.43% of staff being aware of brand as a “marketing tool” and trade mark. Most of people make sure that trade mark is a brand. There is only 13.04% people answer correctly question one. That mean 13.04 % people understand precisely the nature of brand.

When ask about importance of band to bank, there are 99% people think that brand is very important to bank. It is expressed that employees are aware of brand importance to bank.

When ask about functions of brand, 74,78% people have wrong answer, although they are aware of importance of brand but they really don't know the functions of brand is thing the board of bank need to notice when have HR policy to employees .

Table 2-1: Employees' understanding about brand

Trade mark	81	70.43%
Advertising tool	40	34.78%
Geographical indication of Service	16	13.91
Product Origin	21	18.26

#### **Evaluating the Understanding of Customer about ABBank Brand**

Objectives of this report consists of 2 points as follows:

- Determine ABBank's image in customers' mind
- Study the influence of bank brand in customers' choices

### *Result of the Survey*

For customers' point of view, we can see that ABBank's is not a good brand in customer's choice when compare to VCB, Techcombank, Sacombank or DongA brands. Because, when to be asked there are 48.27% chose VCB brand. There are 28.96% customers said that the first thing they think of when people mention ABBank is image and 28.27% customers think of name of bank services.

Table 2-4: Customer's viewpoint about style of ABBank

Style of ABBank	Ratio
Dynamic & Enthusiastic	37.24%
Traditional & Modern Combination	22.75%
Professional Training	22.06%
Youthful & Ebullient	17.95%

Among elements constitute AnBinh's style; we can take view of dynamic performance with agreement of 37.24% customers. Next are two styles, which are traditional and modern, Professional Training catching 22.75% and 22.06% agreement. There are 17.95% customers think that AnBinh is professional in the way of performance. There are 54.48% said that promotion at ABBank is normal and not attractive to them, only 30.66% evaluated that is attractive and 10.73% is very attractive

### *Elements influence in customers' choices of bank*

There are four measures the importance of customers' choice of ABBank's.

- Promotional interest rate
- Quick time of transaction
- Service quality
- Service behavior of employees

These elements have their own importance and influence in customers' choices. This part define that customers are aware of bank's brand but this does not influence much on their choice in trading in bank.

For Service quality: 38.62% customers range this from importance to very importance. This indicates that customers take care of Service quality which show that customers have much choices so they need service quality is good, because this reflect their demand and satisfaction.

- ❖ There are 24.82% of customers are interested in behavior of employees. They need truth from employees as well as commitment from the bank when they put money in the bank. To do that they want the bank has the guarantee that the bank is the safest place for them to put money.
- ❖ For the term of payment, only 6.22% customers like the term of payment have to be quick.
- ❖ There are 30.34% customers really take care of Promotional interest rate, this is factor make customers pay attention to ABBank. When competition among banks becomes fierce, interest rate is really an important factor to attract customers.
- ❖ We can see the factor make the most satisfaction in customers is convenient venue; because there are 60.69% said that they actually satisfied when go to a bank have a convenient venue. However, 62.07% customers think that reasonable cost is factor make them satisfied when deal with bank. In addition, there are three factors promotional policy, quick time of transaction and employee's behavior has the same ratio with 45.52%, 48.27% and 46.89% respectively.

Customers satisfaction is one of important factor reflect the success of a brand. Therefore, the bank must focus on the customer's satisfaction through services and employees' performance as well as their behavior in the process of contacting with customers.

## **2.6 Status of brand development in ABBank**

Activities in developing brand of ABBank: Service performance and development, Network, Press releases: Corporate events, Promotions, Relationship program, Social Activities, Advertising, Brochures:

## **2.7 Why are Vietnamese banking brands not great?**

### **2.7.1. Overview of banking brand in Vietnam**

*A review of banking services*

General speaking, brand is relatively new concept to most banks in Vietnam, through the process of studying; there are some outstanding problems in banking service in Vietnam as follow:

- Services in banking industry are actually not attractive to customers.
- Types of service are poor and lack of innovation in supply
- Technology application in domestic banks is low.
- Numbers of services are poor and qualities of them are not high
- Service quality of banking industry is not good

### **2.7.2. Actual existences of bank branding in Vietnam**

#### ***a. Four general difficulties to banks***

- Regulation from state bank
- Financial capacity of banks is limit and actually weak
- Banking technology
- The last difficulty is Human resource

*Next are some challenges to bank Vietnamese banks have many challenges, for example*

- The largest challenge to Vietnamese commercial banks is factor inside banks that are capital size, limited human resource and technology progress. Most of them are lower than countries' in the area.
- Product and services in banks are mainly traditional and even poor when compare to other banks in the Asia.
- Service quality is not high, not follow up to customers' demand.
- There is no product and service has breakthrough in technology or convenience.
- Risk management in Vietnamese banks is not good.
- Application in information technology is lower
- Online banking system has not reached standard and cached up the market demand.
- Competitive ability of Vietnamese banks are limited
- Vietnamese banks are facing fierce competition from foreign banks
- Competitions among domestic commercial banks are fierce

### **2.7.3. Why are Vietnamese bank brands not great?**

We will consider causes make bank brands in Vietnam are not great.

- Service quality of bank is poor
- Human resource policies and practices to support the bank brand
- Lack of differentiation in services
- Need more focus upon and understanding of branding
- Lack of strong corporate culture in bank
- Importance of brand values

## CHAPTER 3: SOLUTIONS FOR DEVELOPING BRAND OF ABBANK

### 3.1 Orientations develop banking industry in coming time.

#### 3.1.1 Objective and strategy in developing Vietnam's banks in coming time

##### *a. Objectives develop Vietnam's banks in coming time*

On may 24<sup>th</sup> 2006 the Vietnam prime minister signed decision No 112/2006/QĐ-TTg in order to approved project: “development on banking industry to 2010 and 2020 vision forward by restructuring completely the organizational model and operations of banking systems”. In order to guarantee all banks have enough ability to compete with oversea banks, the government has some objectives and strategies to get those.

- ❖ Reform strongly and develop commercial and joint stock banks system forward to multifunctional, modern, and diversified about ownership and kind of organization.
- ❖ Restructure commercial banking system, disparate credit policy and business credit

##### *b. Orient strategy to merge international economics in banking field*

- Enhance the role and influence of Vietnam banking system to financial market in area and in the world.
- Permit commercial banks issue and list shares of them in both domestic and foreign stock market
- Participate in international arrangements, clubs, area forums
- Apply strongly international standards and requirements in banking performances
- Reduce gradually barriers and restrictions to foreign banks
- Building a legal system, in which all banks have chance to compete with others in comfortable conditions.

#### 3.1.2 Government orientation in developing banking services

##### *a) Orientations develop mobilization services*

##### *b) Orientations develop credit services in people*

##### *c) Orientations develop payment services*

##### *d) Orientations develop exchange currency services*

##### *e) Orientations develop different banking services*

##### *f) Orientations develop banking services market and considering served customers of banking system*

#### 3.1.3 The future of banking branding

With the booming of IT and other factors, branding is one element is concerned than ever. Banking is not exception in the process of innovation. The future of banking branding is expressed in three aspects as follow:

- a. A shift in the retail banking of branding
- b. Brand evolution
- c. An image crisis

### **3.3 Difficulties and challenges in developing brand of ABBank**

Besides four general difficulties to Vietnamese banking system mentioned in chapter 2, below are some main difficulties and challenges to ABBank:

#### *Difficulties to ABBank*

- Competitive pressure is getting more and fiercer
- Technology infrastructure is limited
- Employees are young and they have not enough experience in banking
- Competitive pressures are getting more.
- Infrastructure is relatively poor, many transaction offices are small and this makes customers feel that ABBank is a small bank.
- Employee's performance is to take long time for customers.
- Promotional campaigns is both less than others banks and attraction level is not high to customers.
- With limited services number as now, services in the bank are not diversified and have no much choice for customers.

#### *Challenges to ABBank*

- Number of banks increasing in recently and continue expanding in coming years, competitive level among banks become fierce and hard the ever most.
- Requirements in banking technology more and more getting important
- Network of ABBank is limited
- Degree of human force in ABBank is still not strong enough to compete with large competitors in Vietnam.
- There are many choices for customers, it is difficult to attract customers
- Pressure from itself when it has to strive for objectives is become one of three strongest commercial joint-stock banks in 2010.
- Branch network is limited, transaction offices are not much

### **3.4 Solutions for developing ABBank brand**

#### **3.4.1 General solutions for developing ABBank brand**

To deal with difficulties and challenges above the banks need to focus on below solution groups as following:

##### **a. Portfolio of products and services**

- The Bank's marketing and organization strategy need to be grounded in a mix of customer and service-line segments, which are the Bank's profit centers.
- Relationship managers provide the link between these clients and all the Bank's services and operations.
- ABBank needs show customers that its service is better than competitors are, because it is more interested in its customers' businesses than others are.
- The bank must sure service delivery is good or better than competitors are



- The bank has always refused to deal with clients and or transactions that failed to meet the ethical standard required of the Bank.

#### **b. Network**

Until now, ABBank only have 39 branches and transaction offices in 14 currently whereas the top four Vietnamese joint stock banks have networks numbering between 100 and 120 branches and transactions offices in 20 to 40 provinces.

- ABBank need open many branches in nationwide in order to attract customers
- With advantage from EVN, ABBank soon set up branches network in provinces in nation wide consist of three areas, especially in the middle and the northern.

#### **c. Reputation**

- In the early years, ethics will be very clear to bank as the way forward.
- Management meetings must be held with a degree of openness and discourse unheard of in the traditional, formal culture of Vietnamese business.
- Training employees in order to remind them that, they must have good ethics before want to work in a standard and professional working environment.
- Vision and values for the bank must be certainly inspiring and newsworthy; these words alone do not create a compelling customer preference and set of business processes that generate success.
- Building a specific corporate culture in bank and make people feel comfortable and interesting with that culture.
- Publish. Write articles, write a book, and create a website. Having published information available to the public enhances brand identity and increases the business' equity.

#### **d. Performance**

- Branches must be beautiful, make a comfortable environment
- Every month, the Bank should conduct from 50 to 70 customer interviews in each branch, to monitor customer satisfactions.
- Banks should concentrate on attracting and keeping big customers before financial organizations and investments funds do that.
- Connect to airlines, because credit card usage and telephone payment were not widespread in Vietnam and
- Making a competitive environment among employees, through pressures they will try to do work and becoming better.
- Watch competitors. See what other people in the industry do, and then do the opposite. Because of, all imitations lead to fail.

Besides the solutions above, below are some suggestions for the leaders of ABBank in improving and enhancing bank image in customers' eyes.

- The CEO needs to lead the brand strategy work
- Build your own model as not every model suits all
- Involve your stakeholders including the customers
- Advance the corporate vision

- Exploit new technology
- Empower people to become brand ambassadors
- Create the right delivery system
- Adjust relentlessly and raise your own bar all the time
- Control internal information sources tightly
- Make employees and managers see the importance of brand vision:

Above are solutions for developing brand of ABBank in general with macro level, but in micro level what should branches to develop brand in what way? Below are seven strategies to boost Bank branch performance as well as its brand name.

- Create a small-bank feel with big-bank capabilities.
- Boost the productivity of revenue-generating employees.
- Give customers one-number access to key personnel.
- Build customer intimacy and retention.
- Communicate a consistent brand experience.
- Reduce your exposure to risk.
- Drive down the total cost and accelerate your return on investment.

### **3.4.2 Application of Brand Resonance Pyramid model in ABBank**

To make brand of AnBinh become salient, the bank must focus on some

There are three main factors in making difference of bank: products and services, cost and price of service and human and the bank should focus on things as follow:

- Service quality must be good even very good to common standard in banking system.
- Price of product and cost of services must be reasonable or lower than competitors' must.
- Products and services must be diversified.
- Performance of employees must be better than performance of competitor's.
- The bank must save time for customers; especially, employees always think that saving time for customers is similar to themselves.
- Behavior of employees must be a factor make customers feel safe when deal with the bank.

*Below are some Points of difference (POD) can be applied in ABBank:*

- Reduce time of services in deal with customers.
- Make more features in cards.
- Reduce procedures for customers when they have demand to borrow money
- Support customers who are small and medium sized enterprises
- Give award or gifts to customers who have many transactions in one year.
- Making customers have a comfortable emotion before supply the services or products for them.

### **3.3.3. Recommendations**

- Keep alive brand resonance model in developing brand in the period after 2010
- TV/radio advertising:

- Continuing carry out the Unique Organization Value Proposition (UOVP) model with strategic approach in developing brand
- ABBank should have plan of advertising on TV with different channels
- Web advertising: The first website to consider is that Google website
- Participating in banks' festivals, those are Golden Star award, Red Star award organized by Vietnam Young Enterprises.
- Take part in demonstrations, which celebrate big events, such as International Independence, September 2, sport event.
- Advertising on newspapers

## CONCLUSIONS

*This final part will examine the conclusions and findings of this study. Conclusions are based on the empirical data and analysis of the process of building and developing brand in An Binh bank.*

### **Overall Findings**

The findings in this study are based on case study of ABBank; thus, the purpose is not to generalize the findings to a banking system in Vietnam. Moreover, a qualitative case study usually does not aim to do so. However, as the study suggests, results from case study can be used to support or challenge existing theory. Furthermore, the main empirical evidence was collected in interviews and surveys from both sources, which are customers and manager, employees at each department and transaction office. More important, the thesis relied on secondary data to collect all information obtained from the personal interviews and surveys. The findings presented in this chapter relate to the research questions examined in this study: What solutions can help ABBank develop its brand in the period from now to 2010? What are difficulties and challenges facing AnBinh?

In the literature, the brand was described as an important strategic asset to a bank, which was confirmed in the case study as all respondents saw the banking brand as a very important asset. It was also found that the interest for the banking brand among the banks being studied was at a peak. However, the focus in the banking brand literature is the implementation of the brand, which was outside the focus of this study. The difficulties and challenges of ABBank found in the brand building in bank were mainly the internal corporate brand building process involved in this process. The major steps identified in the process included the brand awareness, brand identity, and brand position, which confirmed the steps in the theoretical framework. Furthermore, the main elements of the brand building process were the brand awareness and brand identity. The detailed answers to the research problem will be provided by answering the research questions, which are presented next.

- Make clear problem in developing brand of commercial banks.
- Indicate the importance of brand to banks
- Raise challenges and difficulties as well as propose solutions in developing brand of a bank.
- Learn more experience from case study and then draw lessons in building and developing a brand for bank.
- Analyze and show the status of developing brand of ABBank in the period 2005-20010 and then propose solutions for developing brand of ABBank in order to get the objective as mention above.

### **Conclusions**

An Binh still has not an overall strategy in developing, all activities for brand are set of marketing activities. There is no detailed strategy for branding but they consider that marketing activities are synonymous with brand building. Therefore, the bank meets difficulties in propagandizing its brand image and brand name to customers. Without brand strategy blueprint, the bank cannot give out direction to set out the vision, values, personality, and positioning for the brand, brand culture and architecture and other aspects of longer term brand strategy.

First, bank needs to realize that the brand is even more important for services than the goods. Bank lacks a physical product, which embodies a large part, or even all of the brand and its values. Therefore, a bank brand is based entirely on ‘the way the bank does things’ and on the bank’s culture. A brand personality and brand

image cannot just be designed by a marketing department. This is because customers' perceptions of the brand depend highly on individual interactions with staff, so particular emphasis has to be placed on the consistent delivery of the service.

Building brand is duty of everybody in organization from the CEO to bodyguard, everyone has responsibility in make impression to customers when they come to transact. Especially, the leader must be set a good example before require others do follow up. To do that, building brand become not difficult to any organization. Corporate culture is very important, so the Directors board need focus on making a specific corporate culture and propagandize the importance of brand to people. In doing so, people are easy to understand and accept. That is the way to make people feel comfortable and enthusiastic in working.

Brand building needs to be undertaken from the bottom up and involves a profound analysis of every aspect of the interaction between the customer and the bank.

Finally, the brands of banks should reflect the fact that most customers purchase financial products not as an end in itself, but rather as a mean to acquire non-financial products, such as a car or a holiday. Customers do not really want a mortgage; rather they want to buy a house.

The current lack of powerful brands in the banking sector clearly illustrates the overall challenges associated with banking branding. A banking brand has to be based on a clear competitive position, which in turn has to be derived from the corporate strategy. This requires a holistic approach and the involvement of the entire bank. The brand positioning and benefits should then be communicated to both staff and the target market segments.

The bank needs to develop a strategic brand platform, depends on careful selection, development and management of a brand personality, and proposes ownership of a specific and unique position in the minds of consumers.

### ***Implications for further research***

From this study, we can study more detail and further about brand in banking system. Base on this study we can expand topics about brand or aspects, which relate to brand in banking and financial services. This study is basis for An Binh developing its brand in the period 2007-2010. Therefore, to develop brand in a higher level, the bank needs to apply the rest two stages in the Brand Resonance model as well as maintain the results in the first two stages. Through that, the brand of ABBank will be one of five strongest commercial joint stock banks after 2010.

Besides that, every year, the bank should hold the short courses in order to training employees and managers about brand building and its principles in developing brand in new area.

Develop a new concept in brand: That is lovemark, this is higher grade of brand in the future, a brand when surpass simple advertising campaign to make sympathy with customers. In customers' eyes, brand is a live object and has sound. Therefore, people love that by a love beyond their reason. According to Kevin Roberts, Lovemark stress on relationship between brand and customers. Due to this relationship, Lovemark is always stand in the top of customers' mind compare to competitors, it also have absolute loyalty in customers, and the customers are people protect the brand.

According to this theory, mystery, suggestion and closeness are main factors to make Love mark. In the future, Lovemark is a higher grade of brand development and this is a new achievement to all brands in where

bank brand. After carry out two stages in Brand resonance model, the bank continue to apply the two rest stages in develop its brand, this is chance to make a huge resonance about An Binh brand in banking sector. To do that, ABBank will be a brand has strong and lure impression in customers mind in the 21<sup>st</sup> century in Vietnam.

After building a good brand, we need have policy to manage brand in order to maintain an impressed brand image in customer's mind. Here is Brand checklist for banks. Given the opportunities to leverage brands in the financial services world, what are the basics to keep in mind when implementing brand management? This checklist provides a high-level view.

❖ Do you know what you want your brand to stand for?

Ensure that you have established a set of goals for your brand that is based on how you want your clients to perceive you, how you want to differ from the competition, and how you want your brand to support your business.

❖ Do the messages your clients receive reflect your brand?

Once you have set a strategy for your brand, identify the messages that will best communicate the brand's promise and integrate the messages across various channels, such as advertising, media/investor relations and sponsorship.

❖ Do the messages your employees receive reflect your brand?

After you have ensured that your client messaging is "on-brand", verify that your employee communications – such as management letters, road shows and intranet sites consistently reflect your brand.

❖ To what degree are the interactions with your clients guided by brand?

Assess your client interactions by firstly identifying all the points where your client interacts with the firm; assess each of these interactions with regard to the brand and determine what improvements are necessary.

❖ Is brand incorporated in organizational decision-making?

Finally, check to see at what level senior management uses branding in long-term business planning and organizational development. After building and developing a strong brand in banking market, the bank need pay attention much to management of brand to maintain brand image and reputation of bank. To do this, An Binh brand will ever is a strong brand in Vietnamese customers' mind.

Based on our findings, we would have to recommend that banking brands focus heavily on building and developing brand and brand image as a form of marketing communication. The apparent ease of banking brand experiences coupled with the opportunity to prove the product's taste advantage offers bank brand marketers great opportunities to diversify their marketing mix and bring their brand closer to customers. However, we think that building and developing brand is an extremely important task for marketing channel for most banking services and products, as it offers the possibility of giving a "face" to the brand and positioning the brand as a one that is interested enough about the consumers to meet them face-to face.