

CHAPTER 1
RESEARCH INTRODUCTORY

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1.1 Introduction

Virtual Brand, especially in the recent booming of Web 2.0 has encouraged research to explore the virtual way of branding in the involvement of marketing development of the company. Many companies have realized the many importance roles to raise the profile and awareness of the company in a virtual environment. However, limited strategic research has been conducted to find out how virtual brand personality will enhance the virtual world of marketing development especially in the Malaysian context.

Nowadays, most brands have begun to value the impact and the involvement in the virtual world of brand marketing of the company. New web strategy and comprehensive review of the virtual brand has emerged to be equally important to a brick-and-mortar company.

Given the rapid development of virtual brand, marketers and brand managers have realized the importance to raise their profile and awareness of the company through branding in a virtual way. Branding in an online setting is also playing an important role especially through the identification of virtual brand personality.

In this research, the researcher aimed to determine the dimensions that will influence the Virtual Brand Personality adapted from Aaker (1997) and discover its relationship to Customer Satisfaction and Brand Loyalty adapted from Selnes (1993), Davies et. al. (2003), Davies & Chun and Oliver (1997). The researcher has also identified Malaysian online banking industry as the subject for the study and the respondents were distributed a questionnaire survey with focus on virtual brand personality, customer satisfaction and brand loyalty.

1.2 Research Questions and Objectives

The objectives of the research are to explore whether the banking industry communicate clear and distinctive virtual brand personality, that is their intended competitive position. Secondly, it demonstrates a relatively simple but powerful qualitative tool for identifying and then portraying these virtual brand personalities relative to other players. The initiation of the research is also to distinguish the relationship of virtual brand personality with customer satisfaction and brand loyalty. Specific research questions for this study are as follows:

1. Is the online banking industry understood clearly its virtual brand personality dimensions and traits?
2. If so, what would the virtual brand personality dimensions be and which traits should be maintained?
3. Does virtual brand personality have relationship with customer satisfaction and brand loyalty?

With the above questions, the following are the research objectives:

1. To determine which dimensions of Virtual Brand Personality exists in the online banking industry.
2. To distinguish whether Virtual Brand Personality, Customer Satisfaction and Brand Loyalty have a positive relationship between the variables.
3. To identify relationship of Virtual Brand Personality and Brand Loyalty, and whether Customer Satisfaction exists as a mediating factor.

Through understanding the above objectives, it is therefore able to help marketers and brand managers to determine how their websites can be designed and structured to maximize the potential capability of making positive impact on Customer Satisfaction and Brand Loyalty.

1.3 Scope of Study

In Malaysia, there are 22 banks comprising of 9 domestic banks and 13 locally incorporated foreign banks with operations in the country registered under The Association of Banks in Malaysia (2009). The domestic banks include Affin Bank Berhad, Alliance Bank Malaysia Berhad, Ambank (M) Berhad, CIMB Bank Berhad, EON Bank Berhad, Hong Leong Bank Berhad, Maybank, Public Bank Berhad and RHB Bank Berhad.

For locally incorporated foreign banks operating in Malaysia, the banks are Bangkok Bank Berhad, Bank of America Malaysia Berhad, Bank of China (Malaysia) Berhad, Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad, Citibank Berhad, Deutsche Bank (Malaysia) Berhad, HSBC Bank Malaysia Berhad, J.P. Morgan Chase Bank Berhad, Standard Chartered Bank Malaysia Berhad, The Bank of Nova Scotia Bank, The Royal Bank of Scotland Berhad and United Overseas Bank (Malaysia) Berhad.

Under licenses of the Banking and Financial Institution Act 1989 and the Islamic Banking Act 1983 from Central Bank of Malaysia, only approved and notified banks in Malaysia are allowed to offer Internet banking services in Malaysia. The list of Internet banking providers is as follows:

1. Affin Bank Berhad
2. Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
3. Alliance Bank Malaysia Berhad
4. AmBank (M) Berhad
5. Amlslamic Bank Berhad
6. Bank Islam Malaysia Berhad
7. Bank Kerjasama Rakyat Malaysia
8. Bank of America Malaysia Berhad
9. Bank of Tokyo-Mitsubishi UFJ (Malaysia) Bhd
10. CIMB Bank Berhad
11. Citibank Berhad
12. Deutsche Bank (Malaysia) Berhad
13. EON Bank Berhad
14. Hong Leong Bank Berhad
15. HSBC Amanah Malaysia Berhad
16. HSBC Bank Malaysia Berhad
17. Malayan Banking Berhad
18. OCBC Bank (Malaysia) Berhad
19. Public Bank Berhad
20. RHB Bank Berhad
21. RHB Islamic Bank Berhad
22. Standard Chartered Bank Malaysia Berhad
23. United Overseas Bank (Malaysia) Berhad

With Internet banking facilities, it allows individual to manage his/her finance from home, work or from just about anywhere in the world. Individuals will also be able to perform a variety of banking transactions online. Depending on the service providers, the main services offered through Internet banking include checking account balances and statements, submit applications for new accounts, credit cards or loans, transfer funds between accounts, pay bills, loads, and insurance premiums, check status or stop payment of cheques, apply for bank drafts and more.

The researcher has also distinguished that the online banking industry in Malaysia is potentially growing and keen to use online banking industry as a model industry to study the virtual brand personality and develop the existence of its relationship of customer satisfaction and brand loyalty.

1.3 Thesis Organization

The research consists of five chapters which will cover the following topics:

Chapter 1: Research Introductory

This chapter introduces the research background in general and provides a brief introduction of the objectives of the research and the scope of study for the research.

Chapter 2: Literature Review

This chapter reviews the relevant literature topics that the past and present researchers have produced and aimed to serve as a basis for this research to relate and identify the relevant topics in virtual brand personality, customer satisfaction and brand loyalty.

Chapter 3: Research Methodology

This chapter explains how this research is being developed and designed; and identifies which methodology that the research used in collecting the data, and samples collection methods.

Chapter 4: Research Results

This chapter describes the research results and the analysis of the research through testing the hypotheses and its relationship of the variables.

Chapter 5: Conclusion and Implications

This chapter concludes the research by giving feedback on the limitation of the study, managerial implication of the research and recommendations on the future study topics and discovery.

1.5 Chapter Summary

This chapter provides a general understanding of the research topic. The research problems and research objectives were established and identified. Furthermore, the chapter outlines the scope of the study for online banking industry in Malaysia and how the research will be organized.