

the design of co-branding model In banking industry

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Abstract

The aim of the current research is to design a joint branding model using the structural-interpretive modeling method. The research method of this study is exploratory in terms of nature, with a mixed approach. In order to collect data and identify factors; the method of content analysis and review of related texts was used, as well as interviews with ten selected experts using a non-random method and snowball technique to achieve theoretical saturation. To achieve the research findings, a matrix questionnaire was constructed. Findings were compiled to determine the relationships between indicators. The data obtained from the questionnaire were analyzed using structural-interpretive modeling and depicted on three levels in an interactive network, as a result of which the factor of banking dynamics was placed at the highest level. Also, the amount of influence and the degree of dependence of these factors on each other were investigated in the matrix of influence-dependency. According to the results, the dynamic index of banking and target customers are located in the matrix of influence-dependency in the dependent area, i.e., the highest degree of dependency; and the least influence and service evaluation factors, human force dynamics, organization development, mental norm are located in the connected area, i.e., the highest power of influence and the highest interdependence

Keywords:

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Extended Abstract

Introduction

One of the latest brand development approaches is co-branding. Based on the studies, it is expected that joint marketing measures will increase significantly in the coming years. Surveys show that 38% of companies carry out joint marketing measures, including joint branding, at an increasing rate (Nygard & Dahlstrom, 2023). Rao & Ruekert (2017) defined co-branding as the integration of two or more products in short-term or long-term periods. Of course, these researchers redefined their definition of joint branding in the following years. According to them, this method occurs when two or more existing and independent brands join together in a common product or are marketed together in a similar form (Abbaszadeh et al, 2018).

Considering that the current research is about joint branding in the banking industry, the banking industry is one of the businesses that have grown rapidly in recent times, so that accessibility of the banks is easier than other trades, in any area of an urban environment, and this is also due to many researches that have been done in the field of availability of bank branches; but why should there be so many branches of this industry in a human society, while in modern banking, borders have disappeared? Now, due to the merger of five banks and military financial institutions (Ansar, Qavamin, Kotsar, Hekmat and Mehr Eghtesad Iran) in Sepeh Bank, one of the main concerns is creating a suitable image of the Sepeh brand and presenting a common model for the brand, because neglection to this may have negative consequences on other bank businesses, such as the decrease in deposits, operating profit and the bank's rating in this industry. Based on the mentioned cases, what is the basic problem of the current research of the joint branding model in the banking industry?

Theoretical framework

Despite the different definitions that have been presented in relation to branding, all experts agree that the brand is a very important intangible asset for organizations, and plays an effective role in gaining a competitive advantage (Ruschman, 2020). A brand enables an organization to differentiate its market offerings from competitors. Consequently, strong brands are very important for any type of product, service or organization, including those in the public sector (Drostkar et al, 2022).

Co-branding is a kind of strategic alliance between parties. In recent years, creating strategic alliances with co-branding has become common in many industries, because the co-branding strategy has the ability to achieve significant synergy, which focuses on the unique strengths of each of the co-brands. Rao and Ruckert, at the beginning of their research, defined co-branding as the integration of two or more products in short-term or long-term periods (Labrović et al, 2021).

Research methodology

The purpose of this research is to provide a local model of joint branding in the banking industry. Therefore, in terms of nature, the research is exploratory with a mixed approach. Interpretive Structural Modeling (ISM) has been used to determine the sequence and relationships between the identified elements. In order to collect data and identify factors, the method of content analysis and review of sources, books and interviews with participants, which include university experts and organization experts who have a series of characteristics such as doctorate degrees and scientific productions (books, articles, etc.) and the background of high performance in this field was used. Also, non-random sampling and snowball technique were used to select experts until theoretical saturation was achieved. MATLAB software was used for interpretive structural modeling (ISM).

Research findings

In this section, the relationships between research factors were analyzed in pairs and couples, and led to structural-interpretive modeling and the use of the relationship between experts' concepts, using the following symbols to determine the relationships between factors. The structural interaction matrix itself is composed of research dimensions and factors and their comparison through four modes of concept relations. The final accessibility matrix (FRM) is formed by applying the existing multiplicative relationships among the factors. In this way, the next stage of the implementation of the ISM methodology can be completed. In this matrix, secondary relationships between factors are controlled.

In order to analyze the power of penetration and the degree of dependence (MICMAK), the factors are classified into four groups. In order to calculate the influence of factors, it is enough to add the number of 1's in each row of the final access matrix.

Conclusion

In this research, joint branding factors have been identified. After identifying the factors through the achievement matrix, an attempt was made to examine the factors affecting co-branding. Based on the results of the research, the factor of banking dynamics is located at the first level, the factor of target customers at the second level, and the factors of service evaluation factors, human force dynamics, organization development, and mental norm at the third level. Co-branding to support a new product or service has emerged as a legitimate and legal way to develop a brand, especially to establish or maintain competitive advantages, which represents the long-term cooperation strategy of a product by two brands. Considering the increasing intensity of competition in the market, joint branding between companies has become a tool to achieve the interests of both sides of strategic partners. Co-branding can influence consumer perceptions such as trust, confidence, satisfaction and commitment. Therefore, it should be noted that the relationship between partners can be considered as a process, so that the common brand is trusted when that brand is similar to the consumer. This reduces the feeling of discomfort and inconsistency, thereby making the brand more reliable. The ability to trust the product will bring consumer satisfaction, and the consumer in the next step will commit to the brand. And in order to maintain this process, it is necessary to create a competitive advantage by adopting creative and innovative strategies, and competitors cannot imitate it.