Corporate branding in banking environment: Evidence from acquisition process

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Abstract. Banking service companies today have become the needs of modern society, from those who live and live in big cities to small villages. This research was conducted to find out how the image of PT Bank Danamon Indonesia during the acquisition process was reluctant to Bank DBS Singapore. In this study, the approach used is quantitative research, this research used the Leedy formula 100 samples. The population in this study were all active individual customers of Bank Danamon in Sunter and Kelapa Gading, North Jakarta. The results of this study, the withdrawn dimension that has the greatest effect on corporate branding, each indicator from each dimension is in the position of moderate to high value. This proves that during the acquisition process Bank Danamon continued to have a positive branding.

Keywords: corporate branding, banking service, company image

1. Introduction
Today many companies and organizations both profit and non-profit realize the importance of a good image. Image development is not only limited to building an image that is profitable for the company, but also to escape from a negative impression of the public. The image is like a reflection of a company or organization in the public eye or in the eyes of the community.

The formation of a positive image, maintaining a positive image that has been achieved or changing a negative image into a positive one is the main task of a Public Relations Officer or in Indonesia also called Public Relations. A positive image is the main goal to be achieved by the public relations profession or the world of Public Relations in particular and companies or organizations in general. This is caused by each company or organization having an image attached to itself either directly or indirectly and consciously or unconsciously, the image formed has a great influence on the development and existence of the company.

At this time when people have been very critical in making decisions, including in choosing products or services to be on consumption. The decision-making process is included in criticizing the image of a company or organization that offers products and / or services. Image provides a major influence on the success of a company or organization. A positive image indicates that the company or organization is a company or organization that has high credibility. Having a positive image will make the public appreciate, respect and be proud to be a consumer of the company or organization, indirectly for the company profit also means it will have a stable profit or even increase. While a bad image for a company or organization is like poison that will kill the company or organization.
Understanding the image itself is intangible and cannot be measured systematically, but its form can be felt from the results of research or research. From the results of this research can be known good or bad opinion of the general public about companies or organizations that conduct research. The assessment or response from the community is related to favorable and favorable impressions of the image of a company or organization regarding the products and/or services offered by the company or organization. Conversely, if the community does not give a good response about the company or organization, the company will experience a crisis of trust from the public and can have negative consequences for the company or organization, such as the public will not consume the products and/or services offered by the company. The company's image is a fragile commodity. However, most companies also believe that a positive corporate image is essential, sustainable and long-term success [1].

This acquisition will certainly provide some changes to Bank Danamon, such as possible changes in the company's name, company logo, vision and mission, customer targets, services provided to customers, products offered up to policies or rules that will be applied later. Changes that are likely to have occurred previously by several banks that have made a merger or acquisition with a Foreign Bank and changes such as the company name have been outlined in Indonesia.

Changes that may occur coupled with various problems as well as the pros and cons currently faced by Danamon can affect the positive image that has been successfully achieved by Danamon. If this acquisition has a positive impact on Danamon, the rating currently owned by Danamon as the number six trusted bank in Indonesia can rise to number five, four, three, two, even one. Customer trust in Danamon will also increase which is influenced by Danamon rising ratings and will certainly attract many new customers to Danamon.

Conversely, if the changes that occur in Danamon after the acquisition are done are no better than the existing services and policies and if this acquisition has a negative impact on Danamon, the imaging that has been successfully created by Danamon so far will be in vain. Because indirectly the negative impact will affect the positive image that has been obtained. Not only will Danamon's image become negative, it will rank as the number six trusted bank in Indonesia affected and customers who have been owned by Danamon today will not hesitate and are reluctant to leave Danamon.

2. Literature review

2.1. Corporate branding
The American Marketing Association defines corporate branding as names, terms, signs, symbols, or designs, or a combination of all that is intended to identify company, goods or services from a seller or group of sellers so that they can be distinguished from competitors. Researcher revealed that brands have an important strategic role as a differentiator between the products offered by the company and its competitors [2].

Famous and trusted brands are very valuable assets. Previous research also explains the brand definition of consumers, a brand is a guarantee of the consistency of product performance and provides any benefits (in the form of image or prestige) that consumers look for when buying a particular product or brand [2]. In addition, the brand is a promise to consumers by mentioning his name. They hope that the brand will provide the best quality, comfort, status, etc. that are taken into consideration when consumers make a purchase.

According to [3], brand image is a perception and trust carried out by consumers, such as associations that occur in consumer memory. So, brand image is a number of brand beliefs. In the process of purchasing a product, brand image or brand image is often the initial consideration for consumers before considering other things such as quality, price, and benefits provided [4]. The brand image can be considered as a type of association that arises in the minds of consumers when considering certain brands. Such associations can appear in the minds of consumers [2]. Previous research developed a concept that explains the effect of relationships between all entities related to a brand [5]. Three important components build the formation of a brand image. The first one is corporate images, a group of associations that customers feel about companies that have products or services. The second is user
images, a group of consumer associations perceived by product users. The third is product images, which is their relationship with the attributes, benefits, and guarantees of the product.

This theory is related to the advertising theory expressed by [6] that advertising is all forms of non-personal demonstrations and promotion of ideas, goods or services carried out by certain companies. Advertising becomes an important element in introducing goods or services. In general, advertising products are supported by influencers that aim to provide information, persuade, remind, provide added value, and help [2].

According to [7], there are six main dimensions in measuring company image, namely;
1. Dynamic: A company can be said to be dynamic if the company is very enthusiastic in expanding its business network.
2. Cooperative: The company is expected to be able to work well with other companies in order to be mutually beneficial as well as with other parties such as the government, opinion leaders, the media or even create corporate synergy.
3. Business-wise policies: Business-wise deals with how a company makes decisions wisely.
4. Character: Companies must be able to show their own character without exaggerating or reducing it.
5. Successfully: Successfully is the success obtained by a company which includes.
6. Withdrawn: is the tendency of companies to withdraw from conflicts that arise. So, the company prefers to resolve conflicts internally.

Spector stated the character dimension (character) has a very big influence on how the public views on the company's image. Next is the willingness to work together (cooperative), successful, withdrawn, dynamic, and the last is business-wise. However, based on the degree of importance, dynamic is the most important corporate image, followed by cooperative, business-wise, character, successfully and withdrawn.

2.2. Acquisition
According to [8] the acquisition is a merger of two companies in which the acquirer company must purchase a portion of the shares owned by the acquired company which later the management control of the acquired company can be transferred to the acquiring company and each company can still operate as a legal entity stand-alone. Acquisition is the acquisition of a share or asset of a company by another issuer, but both issuers continue to operate the company as a separate legal entity [9].

Another way to combine business is with acquisitions. Through this acquisition, the company can make the target company its subsidiary, so in other words, the company, both the acquirer company and the target company, still stands tall [10]. In the acquisition process, most of the shareholders of the target company will get many benefits compared to the shareholders of the acquiring company. This can happen if in a takeover tender, many companies participate so that the company's stock offering becomes higher [11].

3. Methodology
In this study, the approach used is quantitative research. Quantitative research is a theory or theoretical paradigm used to guide researchers to find research problems, hypotheses, concepts, methodologies and data analyzes [12]. This research is quantitative because the researcher wants to measure the image of Bank Danamon Indonesia Tbk after acquisition with DBS Bank Singapore, namely by giving questionnaires to respondents, in this study the respondents are customers of Bank Danamon Indonesia Tbk.

This type of research used in this research is descriptive research. Descriptive words in the form of English verbs to describe which means "describe". So descriptive research is a type of research whose main purpose is to describe something. Things that can be described in the study include customer characteristics, buying behavior, buying motivation, consumer attitudes, customer satisfaction levels, etc. [13]. Descriptive research aims to systematically describe the facts or characteristics of certain
populations or certain fields factually and accurately, this research only describes situations and events. This study does not seek or explain relationships, do not test hypotheses or make predictions. The purpose of this study is to describe the characteristics or functions of the market. Descriptive research assumes that the researcher has an initial understanding of the problem situation at hand. Descriptive research characterizes the existence of specific hypothesis formulations, so the information needed has been clearly formulated. As a result, descriptive research is planned, structured, and usually based on a large, representative sample. Descriptive research designs require clear specifications of the 6W factor, namely who, what, when, where, why, and way.

The population is the entire unit of analysis unit (unit of analysis) to be examined, in this study are independent individuals. The unit of analysis of a study in communication studies can be individuals, groups of individuals, and mass media texts [14]. According to [14] population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are applied by researchers to be studied and then drawn conclusions. Samples are representative representatives of the population. [14] states that the sample is part of the number and characteristics possessed by the population. If the population is large, and researchers have limited funds, manpower and time, then researchers can use samples taken from the population and because not all data and information will be processed and not everyone will be examined, but enough to use representative sample representing it. Because the population in this study is unknown, the researchers used the Leedy formula 100 samples. The population in this study were all active individual customers of Bank Danamon in Sunter and Kelapa Gading, North Jakarta.

4. Results and discussions
In the next stage, the validity test is done. The results can be seen in Table 1. Before analysing the path model and testing the hypothesis, the validity test of each indicator is first performed using the help of Smart PLS 3.2.9 software. The individual reflexive measure is said to be valid if it has a loading value ($\lambda$) with the latent variable you want to measure $\geq 0.5$, if one indicator has a loading value ($\lambda$) $<0.5$ then the indicator must be eliminated (dropped) because it shows that the indicator is not good enough to measure latent variables precisely.

Based on the loading factor values below, all of the research indicators have high convergent validity values, where the indicators have a loading factor above 0.5 and are significant.

| Indicators | Loading | Information          |
|------------|---------|----------------------|
| A1         | 0.847   | Valid dan Significant |
| A2         | 0.908   | Valid dan Significant |
| B1         | 0.881   | Valid dan Significant |
| B2         | 0.687   | Valid dan Significant |
| C1         | 0.947   | Valid dan Significant |
| C2         | 0.939   | Valid dan Significant |
| D1         | 0.917   | Valid dan Significant |
| D2         | 0.784   | Valid dan Significant |
| E1         | 0.935   | Valid dan Significant |
| E2         | 0.725   | Valid dan Significant |
| F1         | 0.961   | Valid dan Significant |
| F2         | 0.964   | Valid dan Significant |
| Y          | 1.000   | Valid dan Significant |
In research, a variable is said to be quite reliable if the variable has a construct reliability value greater than 0.7. Table 2 shows the results of the reliability testing of each research variable.

| Variables    | Composite Reliability | Cronbach's Alpha |
|--------------|-----------------------|------------------|
| Dynamic      | 0.838                 | 0.768            |
| Cooperative  | 0.911                 | 0.882            |
| Business wise| 0.888                 | 0.854            |
| Character    | 0.888                 | 0.849            |
| Successfully | 0.831                 | 0.839            |
| Withdrawn    | 0.922                 | 0.893            |

R2 is the coefficient of determination which is part of the total variation in the dependent variable which is explained by variations in the independent variable. The following table explains the results of the analysis of the coefficient of determination of research variables.

It is known from Figure 1 that all dimensions of six dimensions from corporate branding have an effect as a predictor of 0.684 or can be said to be able to determine corporate branding of 68.4%. This result is quite high in several studies because it has an R-Square value above 50%. All indicators of each dimension have a loading factor above 0.6 so that it can be said that each indicator is able to measure each dimension.
In Figure 2, it is known that the value of T statistics is very minimal in each dimension that is not until 2 and only in the withdrawn dimension is obtained a large enough value that is equal to 4.315 this gives the conclusion that the dimension of withdrawal has the greatest effect on corporate branding.

Table 3. Result PLS

| Hypothesis                        | Original Sample (C) | Sample Mean (M) | Standard Deviation | T Statistics (IO/ST) | P Values |
|-----------------------------------|---------------------|-----------------|--------------------|----------------------|----------|
| Business-Wise -> Corporate Branding | -0.181              | -0.191          | 0.134              | 1.345                | 0.179    |
| Character -> Corporate Branding    | 0.150               | 0.160           | 0.120              | 1.249                | 0.212    |
| Cooperative -> Corporate Branding  | 0.122               | 0.138           | 0.096              | 1.273                | 0.204    |
| Dynamic -> Corporate Branding      | 0.035               | 0.020           | 0.126              | 0.277                | 0.782    |
| Successfully -> Corporate Branding | 0.541               | 0.533           | 0.125              | 4.315                | 0.000    |

Table 3 provides information that only hypothesis 6 is accepted, namely the withdrawn dimension that has the greatest effect on corporate branding. Withdrawn is the tendency of companies to withdraw from conflicts that arise. Thus the company prefers to resolve conflicts internally. This is consistent with research carried out by Abid et al. having the same results that withdrawn has a strong influence [15]. Customers in Indonesia have a high sensitivity to all news about the companies they entrust, especially to bank companies. Corporate branding is greatly affected by the acquisition process that will be carried out by a bank. The tendency of companies to withdraw from conflicts that arise. So, the company prefers
to resolve conflicts internally is the most appropriate step because it has a high level of influence on corporate branding [7].

5. Conclusion
The average value obtained by each indicator from each dimension has a medium to high mean value. That is in the range of number 3, which can be concluded that the image of Bank Danamon during the acquisition process with Bank DBS Singapore is in a positive position. The acquisition plan of Bank Danamon and Bank DBS by the government has not yet been approved by the government, which has not made Bank Danamon image negative in front of its customers and during the acquisition process it can be said that Bank Danamon remains focused in providing the best service for its customers, so that the company's image can be maintained in a positive position. The withdrawn dimension is the dimension that has the most influence because the acquisition process is sometimes negative for the public, so the bank is trying to resolve this problem internally.

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