Impact of Advertising Appeals on Brand Loyalty:  
Special reference to the Commercial banking Industry in Sri Lanka

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Abstract

Branding is a powerful tool and an intangible asset in marketing. It differentiates a product or a service from the competitors’ offerings in market place. The relationship between a consumer and a brand is a bond. Consumers offer their trust and loyalty expecting utility through consistent product performance. The competition among commercial banks in Sri Lanka is fierce. Various advertising appeals are made to encourage customers to switch their service provider. At the same time existing customers are frequently exposed to offers and counter offers from competing brands. Researchers viewed this issue investigating the impact of advertising appeals like rational, emotional, moral, and celebrative endorsements to determine the brand loyalty of customers in commercial banks in Sri Lanka. The research carried out at a field survey among 200 respondents, who are loyal customers of five commercial banks, representing both public and private sectors. Respondents were located in Colombo and suburbs. Descriptive and inferential statistical methods were used to analyze the data and to test the hypothesis. Pearson correlation and multiple regressions were employed for the model building and to validate the research findings. Researchers found that stimulating rational appeals has a significant effect on brand loyalty than other appeals. Mean value of rational appeals was 3.92 and it belonged to a highly significant category. Central tendency measurements of other three advertising appeals were in low impact score category. Multiple regressions coefficient (R) of the four independent variables and the customer loyalty towards commercial banks was 0.708 and the R² was 0.501. Correlation coefficient between Brand loyalty and rational appeals was 0.684. High correlation among the advertising appeals implied that customers consider all the appeals of advertising message to make rational justification about their loyal brands. Researchers have recommended some branding strategies to develop the advertising message to make a strategic sense for sustainable growth of commercial banks.

Keywords: Advertising, Rational Appeals, Emotional Appeals, Moral Appeals, Brand Loyalty.