

STATUS SYMBOL BRANDING AND CUSTOMER PATRONAGE OF COMMERCIAL BANKS IN PORT HARCOURT

Igani, D. C. Ph.D & Zoryii Ledum

Email: Igani22@Gmail.Com

**Marketing Department, Ignatius Ajuru University of Education,
Port Harcourt, Rivers State, Nigeria**

ABSTRACT

This study empirically examined the relationship between status symbol branding and customer patronage of commercial bank in Port Harcourt. This study was to examine the relationship between status symbol branding and customer patronage of commercial bank in Port Harcourt, the population of the study comprised of all the commercial banks in Port Harcourt, while the 80 respondents (customers) are selected for the study population. Pearson product moment correlational statistics was used to analysis the hypotheses and aided by the use of SPSS version 2.0. The result of the study amongst occurs were that, there was a strong, positive significant relationship between luxury branding and customer retention growth, there is strong position relationship between luxury branding and customer retention growth. The findings were that there is a positive strong relationship between station symbol branding and customer patronage. Based on the findings, we concluded that status symbol branding has a strong, significant positive relationship with customer patronage of commercial banks. We therefore recommended that commercial banks should try as much as possible to recognize and understand their customer while planning their marketing strategies.

Keywords: Status Symbol Branding, Luxury Branding, Sophistication, Customer Patronage And Retention Growth.

Background to the Study

In the contemporary business landscape, where competition among commercial banks is fierce, understanding the dynamics of consumer behavior is crucial for sustaining market relevance and achieving competitive advantage. One aspect of consumer behavior that has garnered significant attention in recent years is the influence of status symbol branding on customer patronage. This study aims to investigate the relationship between status symbol branding and customer patronage of commercial banks in Port Harcourt, Nigeria, a city characterized by a diverse socio-economic landscape and a burgeoning banking sector.

Status symbol branding encompasses the deliberate use of brand elements and marketing strategies to convey prestige, exclusivity, and social status associated with a brand. According to Aaker (1996), brands serve as symbols that consumers use to signal their identity and social standing within society. In the context of commercial banks, status symbol branding plays a crucial role in shaping consumer perceptions and influencing patronage decisions.

Customer patronage is a key determinant of a bank's success and long-term sustainability. According to Reichheld and Sasser (1990), loyal customers not only contribute to a bank's revenue through repeated transactions but also serve as advocates who promote the brand to others. Therefore, understanding the factors that drive customer patronage, including the influence of status symbol branding, is essential for banks seeking to maintain a loyal customer base and attract new clientele.

Port Harcourt, as one of Nigeria's major economic centers, is home to a diverse array of commercial banks catering to the financial needs of individuals, businesses, and institutions. The

city's dynamic socio-economic environment, characterized by a mix of affluent neighborhoods and emerging markets, presents both opportunities and challenges for banks competing for market share and consumer attention.

Commercial banks in Port Harcourt employ various branding strategies to differentiate themselves and appeal to target audiences. These strategies may include the use of prestigious brand imagery, luxury service offerings, and strategic partnerships with high-profile entities. For instance, GTBank's partnership with the Fashion Week Nigeria exemplifies the use of status symbol branding to position the bank as a lifestyle brand appealing to affluent consumers (Oladipupo et al, 2021). Consumer perception of a bank's brand image and status symbols plays a significant role in shaping patronage behavior. Research by Keller (1993) suggests that strong brand associations and positive brand imagery contribute to consumer loyalty and preference for a particular brand over competitors. Therefore, understanding how consumers perceive and interpret status symbol branding initiatives implemented by commercial banks is essential for predicting patronage behavior. This study seeks to contribute to the existing body of knowledge on branding and consumer behavior in the banking sector by investigating the relationship between status symbol branding and customer patronage in Port Harcourt.

Statement of the Problem

The study aims to address several key issues regarding the relationship between status symbol branding and customer patronage of commercial banks in Port Harcourt. Firstly, there is a lack of comprehensive research specifically focusing on how status symbol branding influences consumer behavior within the banking sector in this particular region. While existing literature offers insights into branding and consumer behavior in general contexts, the unique socio-economic landscape of Port Harcourt necessitates a focused investigation to understand the specific dynamics at play.

Secondly, despite the growing emphasis on branding strategies in the banking industry, there remains a gap in understanding the effectiveness of status symbol branding initiatives employed by commercial banks in Port Harcourt. While some banks may invest heavily in cultivating a prestigious brand image such as increased customer patronage and loyalty remains unclear.

Conceptual /Operational Framework

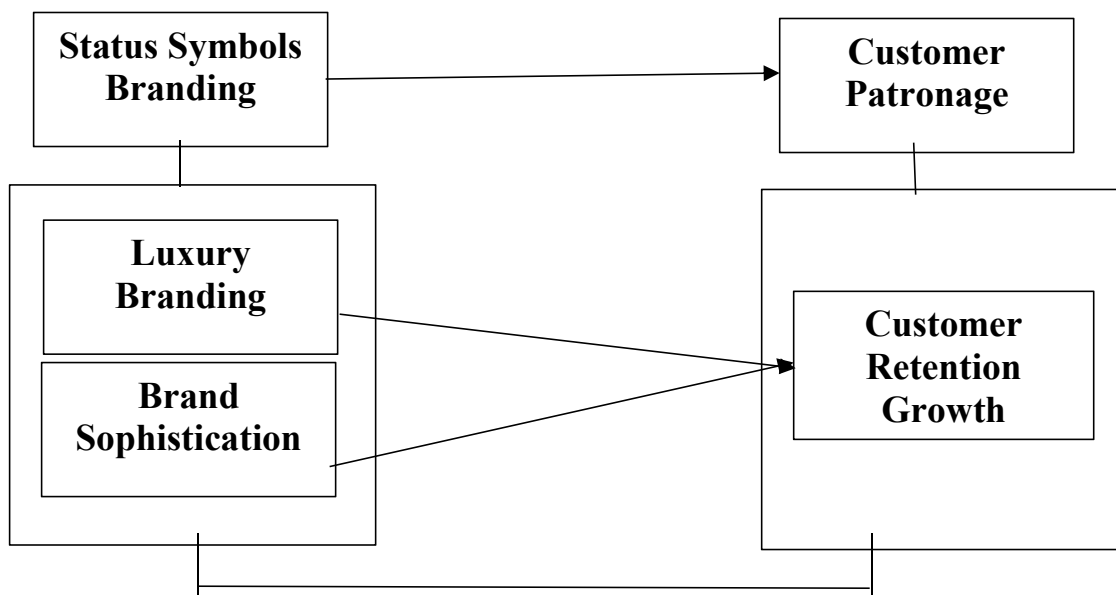


Figure 1.1: the conceptual framework showing the predictor variable (status symbol branding) and its dimensions, criterion variable (customer patronage) and its measure.

Source: Oladipupo et al, (2021)

Research Questions

The following research questions will guide this study:

1. What is the relationship between luxury branding and customer retention growth of commercial banks in Port Harcourt?
2. What is the relationship between brand sophistication and customer retention growth of commercial banks in Port Harcourt?

Research Hypotheses:

The following research hypotheses are formulated to guide the conduct of the study.

1. There is no significant relationship between luxury brand and customer retention growth.
2. There is no significant relationship between brand sophistication and customer retention growth.

REVIEW OF RELATED LITERATURE

This chapter reviews related literature on status symbol branding and customer patronage of commercial banks in Port Harcourt.

Concept of Status Symbol Branding

Status symbol branding refers to the strategic effort by a brand to associate itself with symbols of prestige, wealth, and social standing, thereby appealing to consumers who aspire to these attributes. This concept leverages the inherent desire among individuals to attain a higher status and be perceived favorably within their social circles. According to Veblen's theory of conspicuous consumption, consumers often purchase goods not solely for their functional value but for their ability to signify wealth and social position (Veblen, 1899). Brands such as Rolex, Mercedes-Benz, and Louis Vuitton exemplify status symbol branding by creating products that are not only high-quality but also carry a strong perception of luxury and exclusivity.

The effectiveness of status symbol branding lies in its ability to evoke emotional responses and social recognition. Keller (1993) suggests that strong brands build relationships with consumers through positive brand associations and emotional connections. By positioning themselves as status symbols, brands can create a sense of aspiration and desire among potential customers. This leads to enhanced brand loyalty and customer patronage, as consumers are often willing to pay premium prices for products that they believe will elevate their social standing and provide them with a sense of belonging to an elite group. Furthermore, this branding strategy often incorporates elements such as celebrity endorsements, exclusive events, and high-end product features to reinforce the brand's prestigious image (Atwal & Williams, 2009).

In the context of the banking industry, status symbol branding can play a critical role in attracting and retaining affluent customers. Commercial banks may employ status symbol branding by offering exclusive banking services, premium credit cards, and personalized financial advisory, all marketed through sophisticated branding campaigns that emphasize prestige and exclusivity. For instance, banks might sponsor luxury events or collaborate with high-end brands to enhance their image. According to Hagtvedt and Patrick (2009), such collaborations can elevate a brand's perceived status and influence customer perceptions positively. Consequently, status symbol branding in banking not only helps in differentiating a bank from its competitors but also in building a loyal customer base that values the associated prestige and social recognition.

Dimensions of Status Symbol Branding

Luxury Branding

Luxury branding is a strategic approach focused on positioning a brand as a symbol of high quality,

exclusivity, and prestige. It involves the deliberate crafting of a brand identity that appeals to consumers' desires for status, recognition, and the finer things in life. According to Kapferer and Bastien (2012), luxury brands differentiate themselves from non-luxury brands through a combination of exceptional craftsmanship, limited availability, and premium pricing. These elements create an aura of scarcity and uniqueness, making the products more desirable to affluent consumers who seek to distinguish themselves from the masses. The notion of luxury branding goes beyond the tangible product itself; it encompasses the entire consumer experience, from the aesthetics of the brand to the exclusivity of its customer service.

The strength of luxury branding lies in its ability to evoke strong emotional connections and aspirational desires among consumers. Keller (2009, 2013) highlights that luxury brands often cultivate these connections through storytelling, heritage, and symbolic imagery that resonate deeply with consumers' aspirations and self-concept. By leveraging their rich histories, iconic designs, and association with prestigious lifestyles, luxury brands like Louis Vuitton, Rolex, and Chanel create a compelling narrative that elevates their status. These brands often utilize high-profile endorsements, strategic event sponsorships, and exclusive retail environments to reinforce their luxurious image and attract a discerning clientele. Additionally, luxury brands maintain a high degree of control over their distribution channels to preserve their exclusivity and brand integrity.

In the digital era, luxury branding has evolved to include sophisticated online strategies while maintaining its core principles of exclusivity and premium positioning. Social media platforms, digital marketing, and e-commerce have become integral to reaching a broader audience without diluting the brand's exclusive appeal. Phan, et al (2011) discuss how luxury brands use digital platforms to curate high-quality content, engage with consumers in personalized ways, and build online communities that reflect their brand values. For instance, brands like Gucci and Dior have successfully integrated digital storytelling and immersive online experiences to enhance their brand allure. By balancing accessibility with exclusivity, luxury brands can sustain their prestigious image and continue to attract consumers who value not only the products but the lifestyle and status they represent.

Brand Sophistication

Brand sophistication refers to the perception of a brand as elegant, refined, and high-end, often achieved through superior quality, aesthetic appeal, and exclusive marketing strategies. This concept is integral to the creation of an aspirational brand identity that appeals to discerning consumers. According to Aaker (1997), brand personality dimensions include sophistication, which encompasses traits such as charm and upper-class status. Brands that successfully project sophistication are often associated with luxury, high quality, and exclusivity, thereby attracting customers who seek products and services that convey a certain level of prestige and refinement. The development of a sophisticated brand involves several key elements, including design, communication, and experiential marketing. Visual design plays a crucial role in conveying sophistication, with brands often employing minimalist, elegant aesthetics and high-quality materials. Communication strategies also contribute to brand sophistication by emphasizing the brand's heritage, craftsmanship, and attention to detail. For instance, Apple's branding focuses on sleek design, innovative technology, and a seamless user experience, which collectively enhance its perception as a sophisticated brand (Schmitt, 2012). Additionally, experiential marketing, such as exclusive events and personalized customer interactions, helps to reinforce a sophisticated brand image by creating memorable, high-touch experiences that resonate with consumers' desires for exclusivity and refinement (Atwal & Williams, 2009).

Brand sophistication is further enhanced through strategic partnerships and endorsements. Collaborations with other high-status brands or endorsements by celebrities who embody

sophistication can amplify the brand's prestigious image. For example, luxury fashion brands often partner with renowned designers or celebrities to launch exclusive collections, thereby reinforcing their sophisticated image and appealing to affluent customers (Hagtvedt & Patrick, 2009). Furthermore, sophisticated brands often cultivate a sense of rarity and exclusivity, not only through limited-edition products but also through selective distribution channels that reinforce their elite status. By meticulously managing these elements, brands can successfully cultivate and maintain a sophisticated image that attracts and retains a premium customer base.

Concept of Customer Patronage

Consumer patronage is the approval or support provided by customers with respect to a particular brand. Patronage delivers the foundation for an established and growing market share. Kotler (2007), advocates that consumers have unpredictable degree of patronage to particular services, stores and other entities. In this study consumers can be categorized into four groups which consist of hard core patrons who are consumers of one particular product always; split patrons usually become loyal to either two or three products within a specified period of time; shifting patrons move from one product to another and finally switchers are consumers who are not loyal to any brand at all.

Patronage is defined as the degree to which a customer exhibits repeat purchase behaviour from a service provider, possesses a positive, long-lasting attitude and disposition towards a service provider. Customer patronage is seen as a deeply held commitment to repurchase a firm's products at the expense of a competitor's offering, which describe patronage as the repeat purchase behaviour a particular store for shows that the survival of any business is a function of the rate of patronage, therefore, the effect of establishing a business is to create customers. In the recent past, customer patronage has been associated with several factors.

Measures of Customer Patronage

Customer Retention Growth

Customer retention growth refers to the strategies and processes that businesses implement to retain existing customers and increase their lifetime value. Retaining customers is often more cost-effective than acquiring new ones, as loyal customers tend to purchase more frequently, are less sensitive to price changes, and are more likely to recommend the company to others. According to Reichheld and Sasser (1990), increasing customer retention rates by just 5% can boost profits by 25% to 95%, underscoring the significant financial benefits of focusing on customer re retention. Effective customer retention strategies can include loyalty programs, personalized marketing, excellent customer service, and ongoing engagement efforts to keep customers satisfied and connected to the brand.

Recent research highlights the critical role of personalized experiences and relationship management in driving customer retention growth. A study by Lemon and Verhoef (2.916) emphasizes that in the digital age, customers expect seamless and personalized interactions a cross all touchpoints. Companies that leverage data analytics to understand customer preference and behaviors can create tailored experiences that enhance satisfaction and loyalty. Moreover, effective customer relationship management (CRM) systems play a vital role in facilitating these personalized interactions by storing and analyzing customer data to inform targeted marketing efforts and personalized communication strategies (Verhoef, Kannan, & Inman, 2015) By adopting a customer-centric approach and utilizing technology to foster deeper connection with customers, businesses can significantly improve retention rates.

Additionally, customer retention growth is closely linked to the overall customer experience and the quality of service provided. A study by Homburg, Jozic, and Kuehnl (2017) found that consistent and high-quality service delivery is a major determinant of customer loyalty and

retention. Companies that prioritize excellent customer service, prompt issue resolution, and continuous value delivery are more likely to retain their customers over the long term. Furthermore, engaging customers through loyalty programs, rewards, and regular communication helps reinforce their connection to the brand and encourages repeat business (Kumar & Shah, 2018). As a result, businesses that invest in enhancing the customer experience and maintaining high service standards can achieve sustained customer retention growth, leading to greater profitability and competitive advantage.

Theory of Reasoned Action

The Theory of Reasoned Action (TRA), developed by Icek Ajzen and Martin Fishbein in the 1970s, is a pivotal model in the fields of social psychology and consumer behavior that aims to predict how individuals will behave based on their pre-existing attitudes and behavioral intentions. The core premise of TRA is that the most immediate and significant predictor of an individual's behavior is their intention to perform that behavior. This intention is itself influenced by two key factors: the individual's attitude toward the behavior and the subjective norms surrounding it. In the context of TRA, attitudes represent the individual's positive or negative evaluation of performing the behavior in question. Subjective norms refer to the perceived social pressure to engage or not engage in that behavior, which includes the beliefs about whether important others (e.g., family, friends, peers) think they should perform the behavior and the individual's motivation to comply with these beliefs.

When applied to consumer behavior and the study of how brand attributes impact consumer purchase decisions, TRA provides a robust framework for understanding the decision-making process. For example, a consumer's attitude towards buying a product from a particular brand will largely be influenced by their beliefs about the product's attributes, such as quality, value for money, brand reputation, and so forth. If these attributes align positively with the consumer's needs and expectations, the attitude towards purchasing the product is likely to be favorable.

Empirical Review

Louis and Lombart (2010) studied the influence of brand personality and major relational consequences on customer loyalty of mobile telephone subscribers in Kuala Lumpur, Malaysia using a descriptive and cross-sectional method. The stratified sampling technique was employed and a sample of 321 was used in the study. The population consists of students and staff of faculty of Management, University of Technology, Kuala Lumpur, Malaysia. Data were analyzed using descriptive and inferential statistics (factor analysis, correlation and regression tests). The findings reveal that the influence of brand personality on customer loyalty within mobile telephone companies was both directly and partially moderated by firms' responses and mediated by service quality.

METHODOLOGY:

Research Design: The correlational design was used for the study.

Population of the Study: comprised of the commercial banking in Port Harcourt.

Method of Data Analysis: The study employed the person product moment correlation statistics analysis and aided with the use of SPSS.

Data Analysis: testing of the hypothesis.

Research Question One: what is the relationship between luxury branding and customer retention.

Table I: Computation of the relationship between luxury branding and customer retention growth.

		Correlation	
		Luxury Branding	Customer Retention Growth
Luxury branding	Pearson Correlation	1	.880***
Customer Retention	Sig. (2 tailed)		.000
	N	80	80
	Pearson Correlation	.880	1
	Sig. (2. Tailed)	.000	
	N	80	80

Correlation is significant at the 0.01 level (2. Tailed)

Source: survey Data, 2025

Data in the above table shows the relationship between luxury brand and customer retention growth among customer of commercial banks in the area. The result revealed that as luxury brand increased there is a corresponding increase in the scenes in customers retention growth among customers of commercial bank

Research Question Two: what is the relationship between brand sophistication and customer retention growth?

Table II: computation of the relationship between brand sophistication and customer retention growth.

		Correlation	
		Brand Sophistication	Customer Retention Growth
Brand Sophistication	Pearson correlation	1	.524***
	Sig. (2.tailed)		0.33
Customer Retention Growth	N	80	80
	Pearson correlation	.524	1
	Sig. (2. Tailed)	033	
	N	80	80

Correlation is significant at the 0.05 level (2. Tailed).

Source: survey Data, 2025

Data in the above table show the relationship between brand Sophistication and customer retention growth in the area. The increases, there is a corresponding increase in the scene on customer retention growth of commercial banks in Port Harcourt.

CONCLUSION

Based on the findings of the study we therefore conclude that there is a significant positive relationship between status symbol branding and customer patronage of commercial banks in Port Harcourt.

RECOMMENDATIONS

Based on the findings of the study the researchers recommend that:

1. Status symbol branding of the customer is very string determinates of the customer retention growth among customers of commercial banks. Therefore, it important for the commercial bank (Marketing managers to understand this while planning the marketing strategies.

2. The commercial bank manager should recognize and understand the effective woes of brand Sophistication, which will enhance the effective or easy identification of status symbol brands of their customers.

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