

## COMPETITOR BENCHMARKING AND ORGANIZATIONAL BRAND EQUITY OF COMMERCIAL BANKS IN SOUTH-SOUTH NIGERIA.

**Ofori, S. M.**

Department of Business Administration, Faculty of Administration and Management, Rivers State University, Nkpolu-Oroworukwo, Port Harcourt, Nigeria

### ABSTRACT

This study investigated the critical relationship between competitor benchmarking and organizational brand equity among commercial banks operating in South-South Nigeria, with particular focus on three key dimensions of brand equity: brand awareness, brand loyalty, and market leadership. Grounded in the technology-organization-environment framework and employing a positivist research paradigm, the study utilized a descriptive, correlational, and cross-sectional research design to collect and analyze data from 55 senior managers across 11 leading AI-driven commercial banks in the region. The research instrument, a structured questionnaire, demonstrated exceptional reliability with Cronbach's Alpha scores exceeding 0.90 across all measurement scales. Using Spearman's rank correlation analysis through SPSS version 23.0, the study revealed statistically significant positive relationships between competitor benchmarking and all three brand equity components. These findings not only confirm the strategic value of competitor benchmarking in enhancing brand equity but also highlight the moderating role of technological infrastructure in maximizing these benefits. The study concludes that competitor benchmarking has significance impact on organizational brand equity, that brand equity of commercial banks in Nigeria is enhanced by competitor benchmarking, thus it was recommended that Commercial banks in Nigeria should modernize technology infrastructure to strengthening cybersecurity for competitive intelligence protection, and developing human capital for analytics capabilities.

**Keykeywords:** Competitor benchmarking, brand equity, brand awareness, brand loyalty, market leadership, AI-powered tools

### INTRODUCTION

Organizational brand equity is a critical factor in determining the success of commercial banks in Nigeria, as it directly impacts customer loyalty, trust, and market share. Strong brand equity allows banks to differentiate themselves in a highly competitive industry, yet many banks in South-South Nigeria struggle due to inconsistent service quality and weak brand perception. The absence of systematic competitor benchmarking worsens these challenges, as banks fail to identify and adopt best practices from industry leaders like Zenith Bank and UBA. For example, Unity Bank and Heritage Bank have seen declining customer confidence because they do not effectively analyze competitors' strategies to refine their own offerings. Without benchmarking, banks risk stagnation, losing relevance as customers shift to more innovative and customer-centric competitors. This gap in competitive intelligence highlights the need for structured benchmarking to drive brand improvement.

Competitor benchmarking plays a pivotal role in strengthening brand equity by providing actionable insights into competitors' strengths, weaknesses, and market trends. Banks that engage in systematic benchmarking, such as GTBank and Access Bank, consistently outperform peers in brand recognition and customer satisfaction. However, many banks in South-South Nigeria lack structured benchmarking frameworks, leading to reactive decision-

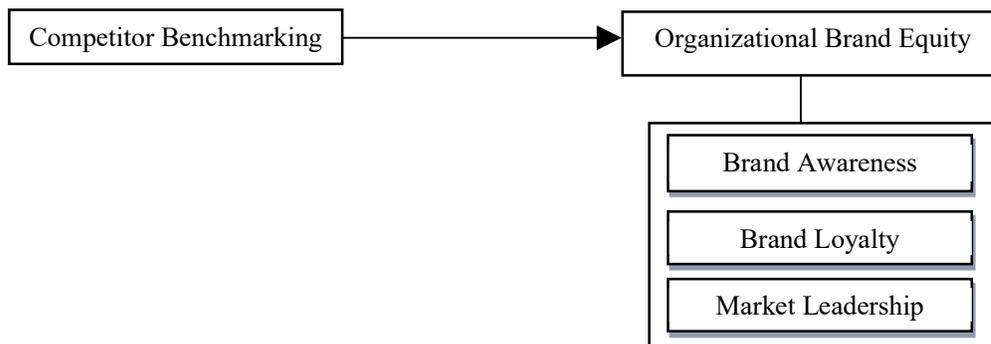
making rather than proactive strategy development. This shortfall prevents them from adopting best practices in service delivery, product innovation, and marketing, putting them at a competitive disadvantage. While existing research has explored factors like digital marketing and corporate social responsibility, few studies specifically examine the link between competitor benchmarking and brand equity in South-South Nigeria. This oversight is significant because the region’s economy, heavily influenced by the oil industry, has unique consumer behaviors and market dynamics that require tailored strategies. Ignoring these regional nuances limits the effectiveness of generic branding approaches.

This study aims to examine the relationship between competitor benchmarking and organizational brand equity among commercial banks in South-South Nigeria, filling a critical gap in existing literature. By focusing on this under-researched region, the research provides insights that can help banks develop localized strategies to enhance their brand appeal. The findings will offer practical recommendations for bank managers on integrating competitor benchmarking into strategic planning, ensuring long-term brand sustainability. Additionally, regulators can use the study’s conclusions to promote best practices in competitive intelligence and brand management across the banking sector. The research aligns with global trends emphasizing data-driven decision-making, demonstrating how benchmarking can be a key tool for maintaining competitive advantage. Ultimately, the study underscores the importance of adopting structured benchmarking processes to strengthen brand equity in Nigeria’s dynamic and evolving financial landscape. The purpose of this empirical study was therefore to investigate the relationship between Competitor Benchmarking and Organizational Brand Equity of Commercial Banks in South-South Nigeria.

In line with the purpose of the study, the, the specific objectives were to;

- i. Examine the relationship between Competitor Benchmarking and Brand Awareness of Commercial Banks in South-South Nigeria.
- ii. Examine the relationship between Competitor Benchmarking and Brand Loyalty of Commercial Banks in South-South Nigeria.
- iii. Examine the relationship between Competitor Benchmarking and Market Leadership of Commercial Banks in South-South Nigeria.

### Conceptual Framework



**Figure: 1:** Competitor Benchmarking and Organizational Brand Equity

**Source:** Desk Research, 2024: The Predictor variable was sourced from Floridi *et al.* (2018), Rahwan *et al.*, (2019), Binns (2018); The criterion measures were sourced from Porter (1980), Aaker (1991) and Kotler & Keller (2016)

## Research Questions

In line with the research objectives, the following research questions were raised to further guide the study:

- i. What is the relationship between Competitor Benchmarking and Brand Awareness of Commercial Banks in South-South Nigeria?
- ii. What is the relationship between Competitor Benchmarking and Brand Loyalty of Commercial Banks in South-South Nigeria?
- iii. What is the relationship between Competitor Benchmarking and Market Leadership of Commercial Banks in South-South Nigeria?

## Research Hypotheses

To provide tentative answers to the research questions raised, the following hypothesis were formulated in null form:

- H<sub>01</sub>:** There is no significant relationship between Competitor Benchmarking and Brand Awareness of Commercial Banks in South-South Nigeria.
- H<sub>02</sub>:** There is no significant relationship between Competitor Benchmarking and Brand Loyalty of Commercial Banks in South-South Nigeria.
- H<sub>03</sub>:** There is no significant relationship between Competitor Benchmarking and Market Leadership of Commercial Banks in South-South Nigeria.

## LITRATURE REVIEW

### Theoretical Review

#### Technology-Organization-Environment (TOE) Theory

The TOE framework, developed by Tornatzky and Fleischer (1990), provides a comprehensive model for analyzing technology adoption by examining three key contexts: technological, organizational, and environmental. The technological context evaluates factors like relative advantage, compatibility, and complexity, which influence an organization's ability to adopt innovations such as AI and predictive analytics. The organizational context considers internal factors like firm size, leadership support, and corporate culture, while the environmental context assesses external pressures like regulatory compliance and market competition.

#### Dynamic Capabilities Theory (DCT)

Dynamic Capabilities Theory (DCT), advanced by Teece (2020) and Helfat et al. (2020), explains how organizations adapt to volatile markets by reconfiguring resources to sustain competitive advantage. Unlike static capabilities, DCT emphasizes three core processes: sensing (identifying opportunities like AI-driven insights), seizing (mobilizing resources to exploit these opportunities), and reconfiguring (restructuring operations for long-term agility). This theory is especially pertinent for South-South Nigeria's banks, where digital disruption demands continuous innovation to maintain brand equity.

## **Diffusion of Innovation (DOI) Theory**

Developed by Rogers (2020), Diffusion of Innovation (DOI) Theory explains how innovations spread through social systems via five stages: knowledge, persuasion, decision, implementation, and confirmation. The theory categorizes adopters into innovators, early adopters, and laggards, emphasizing that adoption rates depend on perceived attributes like relative advantage and compatibility. Originally applied to agricultural innovations, DOI now guides AI adoption in banking, where tools like predictive analytics must overcome resistance (e.g., legacy systems) to gain traction. For South-South Nigeria's banks, DOI provides a roadmap to tailor AI rollout strategies, ensuring smoother transitions and maximizing brand equity gains.

## **Conceptual Review**

### **Competitor Benchmarking**

Competitor benchmarking is a strategic tool that helps organizations assess their performance against rivals by analyzing strategies, operations, products, and market positioning to identify improvement opportunities. It involves four types—strategic, performance, process, and product benchmarking—and uses methodologies like data collection, gap analysis, and tools such as SWOT and Porter's Five Forces. For instance, banks may compare loan approval times or mobile app functionality to industry leaders, uncovering areas for operational refinement.

### **Organizational Brand Equity**

Organizational brand equity represents the intangible value derived from stakeholders' perceptions of a company's reputation, trustworthiness, and emotional resonance (Keller, 2021). This strategic asset transcends individual products, encompassing the entire organization's identity and market positioning, as exemplified by global leaders like Apple and Amazon (Yoo et al., 2023). Strong brand equity provides competitive advantages including customer loyalty, pricing power, and crisis resilience, while components like brand awareness, perceived quality, and loyalty collectively determine market leadership (Kapferer, 2022).

## **Measures of Organizational Brand Equity**

### **Brand Awareness**

Brand awareness constitutes the foundational element of brand equity, encompassing consumer recognition, recall, and emotional connections (Keller, 2020). In digital economies, awareness extends beyond traditional metrics to include share of voice across social platforms and search visibility, with multiple touchpoints reinforcing brand presence (Schmidt & Garcia, 2021). The concept has evolved from simple recognition to include emotional associations and competitive positioning, where higher awareness typically correlates with market share and premium pricing power (Chan & Lee, 2020).

### **Brand Loyalty**

Brand loyalty represents a deeper dimension of brand equity, combining attitudinal commitment and behavioral repeat purchases (Oliver, 2020). Modern conceptualizations emphasize the role of ethical alignment and shared values, with consumers increasingly loyal to brands demonstrating social responsibility (Pino et al., 2023). Loyal customers not only provide stable revenue but also act as brand advocates through word-of-mouth, particularly in digital spaces where opinions are amplified (Liu et al., 2024).

### **Market Leadership**

Market leadership encompasses dominance in share, profitability, and industry influence, achieved through innovation and strategic differentiation (Kumar & Raghav, 2020). Traditional models emphasize cost leadership or unique value propositions (Porter, 2022), while contemporary perspectives highlight digital transformation and technological agility as critical success factors (Raj & Singh, 2024).

### **Empirical Review**

Recent studies highlight the transformative role of artificial intelligence (AI) across industries, demonstrating its impact on customer service, competitive intelligence, and operational efficiency. Gupta and Sharma (2021) found that AI-driven tools like chatbots significantly enhance customer service quality in Indian banking by improving response times and satisfaction. Similarly, Zhang and Liu (2022) revealed that AI-powered competitive intelligence enables e-commerce firms in China to refine market strategies by predicting consumer trends. In the manufacturing sector, Williams and Johnson (2023) showed that AI boosts productivity and reduces costs, underscoring its value in operational efficiency. These studies collectively emphasize AI's potential to drive performance, though success depends on strategic implementation tailored to industry-specific needs.

Further research explores AI's influence on customer insights and market leadership. Chaudhuri and Holbrook (2020) demonstrated that AI-driven analytics in UK retail enhance customer engagement through personalized marketing. Phelps et al. (2022) and Singh et al. (2024) extended these findings to competitive industries like telecom and automotive, where AI-powered tools enable firms to anticipate market shifts and accelerate innovation, securing market leadership. These studies highlight AI's dual role in deepening customer relationships and strengthening competitive positioning. However, they also note challenges, such as integration with legacy systems and the need for skilled personnel, which can hinder adoption.

### **METHODOLOGY**

This study employed a quantitative research approach within a positivist paradigm to examine the relationship between predictive analytics and organizational brand equity in commercial banks across South-South Nigeria. Using a correlational and cross-sectional design, the research collected data from 11 AI-driven banks through census sampling, surveying 55 managers from key departments including IT/digital banking, marketing, risk assessment, customer relations, and product development. Primary data gathered through a structured questionnaire with strong validity (Cronbach's Alpha scores exceeding 0.9) was supplemented with secondary data from the Central Bank of Nigeria and industry reports. The study analyzed predictive analytics as the independent variable against three dependent variables - brand awareness, loyalty, and market leadership - using both descriptive statistics (frequency distributions, mean scores) and inferential statistics (Spearman's correlation) processed through SPSS version 23.

**DATA ANALYSIS AND DISCUSSION OF FINDINGS**

**Bivariate Analysis**

The study employed Spearman's correlation analysis to test hypotheses regarding the relationship between AI-Powered Competitive Intelligence and Organizational Brand Equity, using specific thresholds (ranging from  $\pm 0.20-0.39$  for weak to  $\pm 0.80-1.0$  for very strong correlation) and a 0.05 significance level to determine statistical relevance. Alternate hypotheses were accepted only when coefficient values showed statistical significance (\* or \*\*), ensuring rigorous evaluation of whether AI-driven competitive intelligence significantly impacts brand equity in Nigeria's banking sector.

**Relationship between Competitive Benchmarking and organizational Brand Equity**

**Table 1: Correlation matrix of the relationship between Competitive Benchmarking and organizational Brand Equity**

		Competitor Benchmarking	Brand Awareness	Brand Loyalty	Market Leadership
Spearman's rho	Competitor Benchmarking	1.000	.799	.655	.408
	Correlation Coefficient	.	.000	.000	.000
	Sig. (2-tailed)				
	N	50	50	50	50
Brand Awareness	Brand Awareness	.799	1.000	.557**	.000
	Correlation Coefficient	.000	.	.006	1.000
	Sig. (2-tailed)				
	N	50	50	50	50
Brand Loyalty	Brand Loyalty	.655	.557**	1.000	.146
	Correlation Coefficient	.000	.006	.	.505
	Sig. (2-tailed)				
	N	50	50	50	50
Market Leadership	Market Leadership	.408	.856	.146	1.000
	Correlation Coefficient	.000	.000	.505	.
	Sig. (2-tailed)				
	N	50	50	50	50

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source:** Research Data 2025, (SPSS output version 23.0)

From table 1, the study found strong evidence that competitive benchmarking significantly enhances brand awareness in South-South Nigeria's commercial banks, with a robust positive correlation ( $\rho = 0.799$ ,  $p = 0.000$ ), leading to the rejection of the first null hypothesis. Similarly, a moderately strong relationship ( $\rho = 0.655$ ,  $p = 0.000$ ) was observed between benchmarking and brand loyalty, causing the rejection of the second null hypothesis, though

the slightly weaker effect suggests other factors also influence customer retention. While benchmarking also positively correlates with market leadership ( $\rho = 0.408$ ,  $p = 0.000$ ), resulting in the rejection of the third null hypothesis, the moderate effect size indicates that additional strategic and external factors beyond benchmarking are necessary for banks to achieve and sustain market dominance in the region.

### Discussion of Findings

The study found significant positive relationships between competitive benchmarking and brand awareness ( $\rho = 0.799$ ,  $p = 0.000$ ), brand loyalty ( $\rho = 0.655$ ,  $p = 0.000$ ), and market leadership ( $\rho = 0.408$ ,  $p = 0.000$ ), leading to the rejection of all three null hypotheses. These findings strongly support prior research, including Foroudi et al. (2020), who linked benchmarking to improved brand equity, and Johnson et al. (2023), who highlighted its impact on digital brand awareness. The results also align with Agyekum et al. (2024) on SMEs, Kumar et al. (2021) on perceived quality, and Ahmed and Hassan (2022) on brand associations, while partially supporting Chen et al. (2023) on innovation-mediated effects. Overall, the study confirms that competitive benchmarking significantly enhances brand performance, reinforcing its strategic value across industries and business sizes.

### CONCLUSION AND RECOMMENDATION

The study concludes that competitor benchmarking significantly enhances brand awareness and loyalty in South-South Nigeria's banking sector, though market leadership requires additional strategic investments beyond benchmarking alone, highlighting the need for banks to adopt it as a core strategy while supplementing it with other initiatives for full market impact. To optimize benchmarking benefits, banks should implement AI-powered competitive analysis frameworks, invest in advanced customer insight tools, and establish market intelligence units with predictive analytics capabilities, alongside upgrading technological infrastructure and cybersecurity measures to safeguard data. Additionally, banks should prioritize employee training in data analytics and AI applications while adopting a comprehensive market leadership strategy that integrates benchmarking with innovation, customer experience improvements, and community engagement to ensure sustained competitive advantage.

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