Analysis of the Effect of Customer Based Brand Equity on Customer Retention: A study of Public and Private Commercial Banks in Ethiopia

Prepared By: Helina Kebede

A thesis submitted to the school of graduate studies of Addis Ababa University in partial fulfillment of the requirements for the degree of M.A. in **Marketing Management**, **School of Commerce**

Advisor:
Tewodros Mesfin

June, 2016

Addis Ababa, Ethiopia

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APPROVAL SHEET

Addis Ababa University School of Commerce, Graduate Studies Program Department of Marketing Management

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Approved by Board of Examiners

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Internal Examiner	Signature	Date
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External Examiner	Signature	Date

Statement of Certification

This is to certify that Helina Kebede has carried out her research work on the topic entitled **“Analysis of the Effect of Customer Based Brand Equity on Customer Retention: A study of Public and Private Commercial Banks in Ethiopia”** and that this is her original work and is suitable for submission for the award of Masters Degree in Marketing Management.

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Advisor: Tewodros Mesfin

June, 2016

Declaration

I, Helina Kebede, certify that this research paper entitled "***Analysis of the Effect of Customer Based Brand Equity on Customer Retention: A study of Public and Private Commercial Banks in Ethiopia***" has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree.

I also certify that the thesis has been written by me and that any help that I have received in doing my research work and in the preparation of the thesis itself has been duly acknowledged. In addition, I certify that all information sources and literatures used are indicated in the reference part of this thesis.

Declared by:

Name: ___________________
Date: ____________________

Signature: _______________

Confirmed by Advisor:

Name: ___________________
Date: ____________________

Signature: _______________

Approved by Examiner:

Name: ____________________________

Date: _____________________________

Signature: _________________________

Table of Contents

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Acronyms/ Abbreviations

AG	....	Agree
AMOS	....	Analysis of Measurement Structure
ANOVA	....	Analysis of Variance
BA	....	Brand Association
BI	....	Brand Image
BL	....	Brand Loyalty
BSI	....	Bank Saderat Iran
CBE	....	Commercial Bank of Ethiopia
CBBE	....	Customer Based Brand Equity
CR	....	Customer Retention
DA	....	Disagree
FBBE	....	Financial Based Brand Equity
FDRE	....	Federal Democratic Republic of Ethiopia
FMCGs	....	Fast moving Consumer Goods
GDP	....	Gross Domestic Product
GTP	....	Growth and Transformation Plan
MFIs	....	Microfinance Institutions
N	....	Neutral
OA	....	Organizational Association
PHD	....	Doctor of Philosophy
PQ	....	Perceived Quality
R	....	Overall correlation
R^2	....	Correlation Coefficient

ROA	Return on Asset
ROE	Return on Equity
SA	Strongly Agree
SDA	Strongly Disagree
SERVQUAL	Service Quality
Sig.	Significance
SPSS	Statistical Package for Social Science
U.S.	United States
WOM	Word of Mouth
ZPRED	Standardized predicted values
ZRESID	Standardized residuals or errors

List of Tables

List of Figures

Abstract

The purpose of this study is to explain the effects of consumer based brand equity dimensions on customer retention of banks in Ethiopia. A sample of 384 respondents was drawn from both public and private banks in Addis Ababa, Ethiopia where a structured questionnaire was distributed to these samples. However, the response rate from among the intended samples was only 89.58% therefore; around 344 responses were found to be workable by this study. SPSS V 20.0 was used to analyze the data collected and to test the hypotheses put forward. The findings of this study then show that all the dimensions of consumer based brand equity namely, perceived quality, brand loyalty, brand image, brand association and organizational association have a positive and significant relationship with customer retention of banks in Ethiopia which led to, the acceptance of hypotheses one through five. And this was found by running multiple linear regressions on SPSS. The testing of the sixth and final hypothesis, which set out to find any significant difference between the different dimensions of consumer based brand equity of public and private banks show that there is no significant difference in the means of perceived quality, brand loyalty, brand image between public and private banks but the means of organizational association and that of brand association were found to be significantly different between public and private banks in Ethiopia. This led to the partial acceptance of the sixth hypothesis. These findings are beneficial for both public and private banks in Ethiopia to retain their customers. And for interested researchers this study suggested to incorporate a larger sample size than this work utilized and also include cities of Ethiopia other than Addis Ababa, to be able to generalize the findings to the entire financial industry of Ethiopia.

Key Words: *Perceived quality, brand association, brand loyalty, brand image, organizational association, and customer retention.*

Chapter One

Introduction

1.1 Background of the study

The ancient history of using modern money in Ethiopia dates back to more than 2000 years (Pankhurst, 2009). This had flourished in what is called the 'Axumite' civilization, which is believed to range somewhere between 1000 BC and around 975 AD. Be as it may, modern banking in Ethiopia started in 1905 with the founding of Abyssinian Bank, based on a 50 years agreement with the Anglo-Egyptian National Bank. In 1908, a new development bank named Societe Nationale d'Ethiope Pour le Development de l' Agriculture et du Commerce and two other foreign banks Banque de l'Indochine and the Compagnie de l' Afrique Oreintale were also established (Pankhurst, 2009). These and other banks during that time, however, were challenged by the general publics' criticism of being wholly foreign owned. Then, in 1931, the Ethiopian government decided to purchase the Abyssinian Bank, which was the dominant bank, and renamed it the 'Bank of Ethiopia' which made it the first ever nationally owned bank in the entire continent of Africa.

Nevertheless, shortly after the 1974 revolution, followed the nationalization of all privately owned financial institutions including three commercial banks, thirteen insurance companies and two non-bank financial intermediaries. The nationalized banks were reorganized and one commercial bank (Commercial Bank of Ethiopia), a National Bank (recreated in 1976), two specialized banks (the Agricultural and Industrial Bank – renamed recently as the Development Bank of Ethiopia; and a Housing and Saving Bank –also renamed recently as the Construction and Business Bank) as well as one insurance company – Ethiopian Insurance Company, were formed (Pankhurst, 2009).

The ever fragile and inefficient state dominated banking sector that came to exist in Ethiopia during the military government (1974-1991) was stated to be a major impediment to the economic growth of the country. After taking power in 1991, the incumbent government has undergone reforms in hundreds of different sectors together with financial institutions. For instance, in 1994, the government legalized domestic private investment in the banking industry, which saw the flourishing of new private banks and insurance companies as well as micro-financing institutions. This was done so with the aim that an economic growth can be achieved through an equal participation of both the private and public sector. In addition, it restructured the two development banks as commercial banks, and introduced a new banking and monetary proclamation that gave more autonomy and further declared the National Bank of Ethiopia's activities as the regulator and supervisor of the banking sector (Bezabeh & Rafael, 1994). According to (Bezabeh & Rafael, 1994), the key requirements of these reforms in the Ethiopian banking services were mainly tailored to expand customer access, improve efficiency and encourage competition. These aims, however gradual, are being realized as evidenced by the increasing number of private commercial banks in the country and their widely spread branches. This very much encouraged healthy competition among individual institutions, which helped the industry to attain efficiency and simultaneously the country to achieve development.

The stiff competition among banks in the financial sector required of them an outstanding branding strategy. A brand's value is declared to be the positive attitude of its customers. The power of a brand or its equity is believed to dwell in the thoughts, feelings, images, beliefs, attitudes and experiences of customers' mind. Every branding activity vows to instigate more positive attitude of customers compared to other competing brands. Although this process is well known to be difficult, it can be achieved through the popular marketing model in building positive brand, which is called customer-based brand equity model (Farhana & Islam, 2012).

Brand equity refers to the "marketing effects and outcomes that build up to a good or service with its brand name". Recent researchers such as (Christiaan Rizy, Sturat Feil, Brenna Snidrman, 2011) and (Max Meister& Arrigo Cimarosti, 2012) on brand equity, point towards the fact that most of the multinational corporations in the world are focusing on brand equity in their marketing operations. According to (Kumar, 2001), today's business world relies mostly on brand equity and the value aspect of brand equity is believed not to be confined to only tangible goods, but is also of utmost important in the intangible services sector. But, generally, branding is usually considered to be associated with only tangible goods, but it is as relevant in the context of services also. In the case of tangible goods branding, we consider the good itself to act as a primary brand, whereas in the case of intangible services, the service provider is generally considered to act as a primary brand.

(Taylor et al., 2007) suggest that marketers' should broaden their scope of understanding of Customer Based Brand Equity (CBBE) to incorporate financial services marketing sector and this helps marketers benefit from customer retention among other things. However, when we try to see this in the Ethiopian context or framework, we find little work that study the effect CBBE has on customer retention, both for private and public banks. This is despite the fact that the service sector comprises 51.7% of the GDP for the current GTP and within the service sector financial institutions hold sizable contributions (National Bank of Ethiopia, 2014). So this work sets out to fill this major gap and find out any relationship between CBBE and customer retention, both in public and private banks.

1.2 Statement of the Problem

Trying to build a brand oriented tradition is an enduring pledge to a mindset and a way of life that takes time, planning and perseverance that produces intangible outputs, which include among other things, greater customer satisfaction, reduced price sensitivity, fewer customer defections, greater share of customers' wallets, more referrals, and a higher percentage of repeat business. Brand is also built based on a thorough surveillance of the firm's customers, competitors, and business environment. Brand building needs to reveal the business strategy of the firm and the firm's willingness to invest in the courses of actions that may be needed for the brand to live up to its promises to customers (Ghodeswar, 2008).

According to (Keller, 2013), consumer brand knowledge can be defined in the context of the personal significance or worth consumers accumulate in their memory about the specific brand. That is, all descriptive and evaluative "brand" related information customers keep within their respective minds. Different sources and levels of knowledge such as awareness, attributes, benefits, images, thoughts, feelings, attitudes, and experiences get associated with a brand and its understanding by the consumer. The brand thus, in a sense, acts as a credible guarantee for the particular product or service, allowing the consumer to clearly identify and specify products that can genuinely offer added value. To be effective, a brand needs to resonate with customers, needs to differentiate the product or service from that of competitors, and represent what the organization can and will do over time.

One way of measuring brand equity is through consumer based brand equity model, the development of which was driven by three goals. First of all, the model that is fit to measure brand equity needed to be reflective of modern thinking about branding in both academic and industry points of view. Second, the chosen model had to be versatile and valid enough to all possible kinds of brands and industry settings. Third, the model needed to assist marketers set strategic direction and inform their brand related decisions (Keller, 2001).

In this era, where there is tight competition in the service markets, the concept of service branding is of much relevance. After the liberalization of private banks in 1991, the financial industry of Ethiopia witnessed major competition among its participants. The causes of the stiff competition, according to (Mekonnin, 2015) and (Negesu, 2015), were an aggressive branch opening by commercial banks and the fact that all these banks basically provide similar services, which clearly challenged managers of banks in terms of customer retention. But still, it is surprising to know that only a few literatures such as that of (Negesu, 2015) and (Mekonnin, 2015) were found that addressed customer retention and even then, it was never from the point of customer based brand equity.

Retaining customers is so important to many stakeholders. According to (Carbaugh, 2011), for business providers, customer retention equals higher profit; because it is believed that cultivating an existing customer is far less expensive than seeking or recruiting a single new purchase customer. This is the single most obvious advantage of customer retention, because value is added through efficient and effective services that create customer satisfaction. At the same time, repeat businesses benefit customers through reducing their expenditure of time and money, by not having to switch to or look for other vendors. And its repercussion would be a healthily growing financial institution, which is actually the back bone for the growth of a given country's economy.

Although the customer based brand equity model is popular and can be applied to any sector, there are no adequate and conclusive empirical studies carried out in Ethiopia that investigated the link between customer based brand equity and customer retention in the banking industry.

Moreover, it can easily be seen in all commercial banks of Ethiopia that they tend to focus their marketing strategy on attraction of new customers using their popular marketing strategy commonly known as “deposit mobilization” (Adem, 2015).

This is true because the banking industry’s penetration rate in Ethiopia is at the lower end, as evidenced by the long listed requirements to obtain license from National Bank of Ethiopia (Federal Democratic Republic of Ethiopia, 2008).

As a result, banks are immersed in opening up new branches, allocating much of their energy and resources with little attention to customer retention, relationship marketing, and loyalty programs (Adem, 2015).

1.3 Research Question

Using the previous problem statement as a foundation, this study poses the following questions to get a clearer picture and correct answer about the applicability of customer based brand equity to achieve customer retention in the context of the Ethiopian financial industry.

1.3.1 Main Research Question

1. How does customer based brand equity influence banks’ customer retention in Ethiopia?

1.3.2 Sub-Research Questions

1. How does perceived quality affect customer retention of banks in Ethiopia?
2. How does brand association influence customer retention of banks in Ethiopia?
3. What influence does organizational association have on customer retention of banks in Ethiopia?
4. How does brand loyalty affect customer retention of banks in Ethiopia?
5. How does brand image influence customer retention of banks in Ethiopia?
6. Do public and private banks in Ethiopia differ in terms of their customer based brand equity dimensions?

1.4 Objectives of the Study

In line with the research questions provided in the preceding subsection, basically, this study has the following objectives to accomplish.

1.4.1 General Research Objective

The general objective of this study is to examine the effect of customer based brand equity on customer retention of banks in Ethiopia.

1.4.2 Specific Research Objectives

1. To examine the influence of perceived quality on customer retention of banks in Ethiopia.
2. To determine the influence of brand association on customer retention of banks in Ethiopia.
3. To find out the influence of organizational association on customer retention of banks in Ethiopia.
4. To examine the effect of brand loyalty on customer retention of banks in Ethiopia.
5. To analyze the effect of brand image on customer retention of banks in Ethiopia.
6. To test if there are statistically significant differences between public and private banks in Ethiopia, in terms of their customer based brand equity dimensions.

1.5 Significance of the study

As presented in the background of the study part of this paper, the competition in the financial services industry is becoming rigid and bank managements are facing a difficult time by the day, trying to retain their customers. Therefore, this paper draws the attention to study the customer based brand equity in the service sector, especially in the banking sector of Ethiopia. The rationale of this study is to explore any relationship between the different dimensions of CBBE and customer retention. The findings of the study are beneficial for both the practical and academic world. It can show how public and private banks can retain their customers through consumer based brand equity which will result in the desired effect of making the financial institutions much more profitable and thus, help the country's economy. This paper can also be used as an input or base knowledge for other researchers who are interested in the area of customer based brand equity.

1.6 Scope and Delimitation of the study

This research has a target population of all customers in Addis Ababa of Commercial Bank of Ethiopia and all customers of Dashen Bank, United Bank and Awash Bank residing in Addis Ababa, as a representative of private banks. These three private banks were especially chosen for their branch distribution and customer base. Meaning, customers of banks other than specified by this work are not studied. Even customers of the banks chosen for this study, residing out of Addis Ababa, are not included in the survey.

This study is confined to assess only the effect of customer based brand equity dimensions on customer retention of public and private banks in Ethiopia (which were the focus area of the study) and for this purpose Aaker's customer based brand equity model dimensions as adopted by Shoaib Tahir, Dr. Faisal Aftab, Rab Nawaz Lodhi (2014) was utilized. So the study was only limited to discovering any possible difference in the customer based brand equity dimensions in private and public banks and the possible effect customer based brand equity may have on customer retention. Other forms of financial institutions such as, insurance companies and microfinance institutions were not included in this study, therefore, the findings of this study cannot be generalized to the financial service industry as a whole. The secondary data utilized for this study only covers up to the year 2014/2015G.C.

1.7 Organization of the study

This subsection outlines the entire study in a concise manner. The first chapter starts off by conveying the ancient history of banking in Ethiopia and how after the decentralization of financial institutions the competition in the industry became stiff. And in order to deal with this competition brand building became important to retain customers. Then this background study was followed by problem statement, which identified gaps in the current literature and forwarded research questions. Following the research questions the objective of the study was developed and the significance, scope and delimitation of the study were forwarded.

The second chapter gave the definition of a brand and what customer based brand equity meant. Then it continued with the different dimensions of customer based brand equity as a theoretical review. This review was then followed by empirical review, which gave rise to the conceptual framework that gave the basis for the hypotheses proposed by this study.

The third chapter was dedicated for the methodology part of the study, which explained about the research design, sampling techniques and data collections techniques that were employed and the means with which the collected data were analyzed.

The fourth chapter dealt with the data analysis and explained major findings and tested the hypotheses proposed.

The fifth and final chapter summarized, concluded and recommend based on the findings of the data analysis. Also, the limitations of this work and future research areas were indicated in this chapter.

Chapter Two

Literature Review

2.1 Introduction

Every economy, according to (Organization for Economic Co-operation and Development, 2000), incorporates three sectors. There is the primary sector that consists of extraction such as mining, agriculture and fishing, secondary sector which comprises of manufacturing and the tertiary sector which is also known as the service sector. Economies are stated to tend to follow a developmental progression that takes them away from a heavy reliance on primary, toward the development of manufacturing and finally toward a more service based structure. Services, as defined by (Organization for Economic Co-operation and Development, 2000), are a "diverse group of economic activities that include high technology, knowledge-intensive sub-sectors, as well as labor-intensive, low skill areas". In many aspects, service sectors show completely marked differences from manufacturing – although these dissimilarities may be fading over time. And this sector incorporates within it what we call the soft parts of the economy such as that of insurance, tourism, banking, education, and social services… etc.

Coming to the Ethiopian context, (World Bank Group, 2015) states that the Ethiopian economy is continuing its strong ongoing expansion in fiscal year 2014 with real GDP increasing by 10.3% relative to what has been 9.8% in the fiscal year 2013.

Table 2.1: Real GDP Growth Rate
Source: National Bank of Ethiopia

Indicator	**1999/2000**	**2000/2001**	**2001/2002**	**2002/2003**	**2003/2004**	**2004/2005**	**2005/2006**	**2006/2007**	**2007/2008**	**2008/2009**	**2009/2010**	**2010/2011**	**2011/2012**	**2012/2013**	**2013/2014**
Real GDP Growth rate in %	3.4	7.4	1.6	2.1	11.7	12.6	11.5	11.8	11.2	10.0	10.6	11.4	8.7	9.8	10.3

The above mentioned economic growth was achieved mainly by the services sector which accounted for about half (5.3%) of the growth achieved followed by the sector of industry (2.8%) due to an ongoing construction boom. Agriculture in turn contributed 2.3%. The Ethiopian economy (World Bank Group, 2015) further explains, grew along with its need for financial sector to facilitate/finance its economic transactions.

According to (Gezae, 2015), every institution that came to exist has its own rationale for existence. Financial institutions, as one major institution in a given economy, therefore, are no different in this view. And the top three reasons for the existence of the financial sector mentioned by this work were the following.

- The first reason is that financial institutions, particularly banks, are first and foremost the most important suppliers of external funds that can be used to finance businesses;
- The second reason is that companies deal with a variety of highly complex investment projects which explains why it is more advantageous to delegate financial aspects of projects to a financial intermediary than to have it be performed individually by creditors;
- Intermediaries who perform the finance of debtors are very much larger and bigger which allows them to finance a large number of debtors.

In accordance with the above reasons, Ethiopia is witnessing its financial services market escalating where only the banking sector's total assets in Ethiopia increased by 13.3 percent over the one year period up to June 2014. Within this sector Commercial Bank of Ethiopia alone seizes 80 percent of the total outstanding loans and investments used to finance public investments. And typically, banks appear to be well capitalized and profitable. For example, compared with 2013, total capital of the banking industry improved by 13.2 percent and reached Birr 26.4 billion by the end of June 2014. Although banks' operational costs appear to have also increased, the profitability of the banking sector remains high with return on assets (ROA) and return on equity (ROE) at 3.1 and 44.6 percent respectively as of end of March 2014 (Gezae, 2015).

This shows us that both the banking sector and microfinance institutions (MFIs) are intensifying in their structure of assets and liabilities. Commercial banks are now branching out in remote and previously unbanked areas and the number of bank branches which were few in number went from 390 in 2009 to 2,208 in 2014. As a result, the ratio of total bank branches to total population which can show the reachablity of banks to the total population of Ethiopia, improved from 39,834 to 49,675 only over the past year, guaranteeing a considerable amount of annual improvement in financial service outreach. As of June 2014, the banking sector's total net deposits showed a year on year increase of 23.7 percent. All these expansions that the sector witnessed are stated to be directed towards the financing of the country's infrastructure, manufacturing sector (small, medium, large scale) and the external import, export sector (Gezae, 2015).

Table 2.2: No. of Banks, Branches and Population to Bank Branch Ratio

Indicator	**1999/2000**	**2000/2001**	**2001/2002**	**2002/2003**	**2003/2004**	**2004/2005**	**2005/2006**	**2006/2007**	**2007/2008**	**2008/2009**	**2009/2010**	**2010/2011**	**2011/2012**	**2012/2013**	**2013/2014**
No. of Comm. Banks	8	8	8	8	9	9	10	11	11	12	14	17	17	18	18
No. of Bank Branches	267	283	295	339	358	389	421	487	562	636	681	970	1,289	1,724	2,208
Population :Bank Branch	224,719:1	217,668:1	214,237:1	191,150:1	185,754:1	175,778:1	166,271:1	148,665:1	133,274:1	120,755:1	115,712:1	83,196:1	64,158:1	49,675:1	39,834:1

Source: National Bank of Ethiopia

The above mentioned expansions compelled the banking industry to be highly competitive. Banks face competition from any of the constituents of financial institutions. This is mostly because financial institutions provide similar services. And when banks provide basically nearly identical services, they can only distinguish themselves and become successful by exchanging intangible services into tangible services through branding (Negesu, 2015).

2.2 Theoretical Review

It was declared that to become successful, marketers were required to build a strong brand in their respective competitive market place. The brand they strived to build helps customers discriminate between those that are quality products and services and those that are not.

2.2.1 Brand

According to (Keller, 2013), "Brand is a name, term, sign, symbol, or design, or a combination of these, intended to identify the goods and services of one seller or group of sellers from another and to differentiate them from those of competition." Brands, as further explained by (Keller, 2013), have a significant role both to consumers and manufacturers. To consumers for instance, brands can play an important role in the functions of identifying the source or maker of a product and thus, let consumers assign responsibility to a particular manufacturer or distributor. But more than serving any identifying purposes, brands take on special meaning to consumers through past experiences with the product and its marketing program over the years, which in turn help consumers to be able to find out which brands satisfy their particular needs and which of them don't. As a result, brands are stated to provide a shorthand device or means of simplification for customers' product decisions. A brand also provides distinct benefits to consumers. For example, it promises and delivers high level of assurance to consumers. Therefore, it is a mental guarantee that the product will deliver the desired value promised; it is also a mental patent as it promises certain amount of value to its customers. A brand serves as an assurance to the customer about product performance. A brand helps customers identify the product on the shelf and helps in making an informed choice. A brand, as symbols of status and social significance, give psychological satisfaction to consumers. A brand also serves as a medium of social stratification, as it reflects a person's choice and social class due to specific usage and value orientation (Ghodeswar, 2008).

If consumers first recognize a brand and have some knowledge about it, then clearly they do not have to engage in a lot of additional thought or processing of information to make a purchase decision. Thus, from an economic perspective, brands allow consumers to lower the search costs for products both internally in terms of how much they have to think and externally in terms of how much they have to look around. Based on what they already know about the brand (its quality, product characteristics, and so forth) consumers can make assumptions and form reasonable expectations about what they may not know about the brand. The meaning instilled in brands can be quite deep; it allows us to view of the relationship that exists between a brand and the consumer as a type of bond or pact. Consumers place their trust and loyalty with the embedded consideration that the brand will perform its promised duties in certain ways and provide them with the desired utility through consistent product performance, appropriate pricing, promotion, and distribution programs and actions. This is to the extent that consumers become conscious of the advantages and benefits of purchasing the brand, and so long as they derive satisfaction from the brand's consumption, they are likely to continue to buy it (Keller, 2013).

Simultaneously, brands also provide a number of priceless functions to their respective firms. Primarily, brands serve an identification purpose to simplify product management or tracing. Operationally, brands help systematize inventory and accounting records. A brand can also offer the firm legal protection as sort of copy right for unique features or aspects of the product. Thus, a brand can retain intellectual property rights, giving legal identity to the brand owner or the firm. One way the brand name of a firm can be protected is through registered trademarks; manufacturing processes can also be protected through patents; and packaging can be protected through copyrights and designs. These intellectual property rights guarantee that the firm can securely invest in and build the brand and reap the benefits of a valuable intangible asset. As stated earlier investments in a brand can endow a product with unique associations and meanings that differentiate it from other similar products. Brands can also a hint of certain level of quality so that previously satisfied buyers of a product can easily choose to buy the product again. This brand loyalty provides predictability consumers and security of demand for the firm and creates barriers of entry in the industry that make it difficult for other firms to enter the market with similar products. In short, to firms, brands represent a great deal of invaluable pieces of legal property that have the power to persuade consumers' behavior and provide the security of unrelenting future revenues. For these reasons, huge sums, often representing large multiples of a brand's earnings, have been paid for brands in mergers or acquisitions (Keller, 2013).

On the other hand however, there are some writers who try to point out some of the disadvantages of branding. Some of which are discussed below.

Expensive to Design: A brand identity is very expensive and time consuming to design and create. Brands delegate the task of designing an identity either to their marketing teams or outsource the task to consultants who charge expensive amount of money by the hour and take up many hours of manager in the name of consultation before they decide on the brand logotype, color, typography, sound, motion and other key elements of the brand identity design. Trial applications are then run before the identity is presented to management for approval. After the identity is approved it will then be trademarked and translated to the company website, business cards, letterheads, packaging and advertising. Each step of the processes listed above in reality entail heavy funding and expenses (Gilani, 2016).

Difficult to Maintain: It is not always an easy road for companies to maintain brand identity. This is because of the ever changing customer preferences, product or service diversification or company expansion. Marketers must therefore, choose marketing channels carefully so as to not damage the brand identity (Gilani, 2016).

Difficult and Expensive to Change: Changing and modifying brand identity is difficult and entails extensive planning and managerial skills. Managers responsible for the change are required to possess sound public relations, branding, communications, productions, marketing and management expertise. Information about the change must be conveyed to customers and other stakeholders. Change often is met with resistance and a brand may lose valuable customers. Furthermore, changing brand identity is expensive as it directly affects numerous applications and each needs to be subsequently changed, including business cards, stationery, forms, marketing materials, websites, directory listings, name tags, uniforms and signage (Gilani, 2016).

But when we come to marketing of services, one of the challenges faced by management is that they are less tangible than products which make them prone to have a fluctuating quality, depending on the particular person providing them or the circumstance under which the service was provided or the place where the service is provided. For these reasons, branding can be particularly important to service firms as a way to address the problems that arise in the form of intangibility and variability of quality. Brand symbols may also be especially important, because they have the power to make the abstract nature of services more concrete and real. Brands can help identify and provide meaning to the different services provided by a firm. For example, branding has become important more than ever in financial services to help organize and label the countless new offerings in a way consumers can understand. Branding a service can also be an effective way to indicate consumers that the firm has developed a particular service offering that is special and deserving of its name in a convincing way that the service provided lives up to the expectations of customer from that particular brand (Keller, 2013).

One big difference that can be seen in professional services is that individual employees have a lot more of their own equity in the firm and often act as brands in their own right for the services they provide. The challenge here is therefore, to ensure that their words and actions help build the firm's corporate brand and not build just their own brand. Ensuring that the organization retain at least some of the equity that employees (especially senior ones) build is thus crucial in case any of them leave the company in the future (Keller, 2013).

2.2.2 Brand Equity

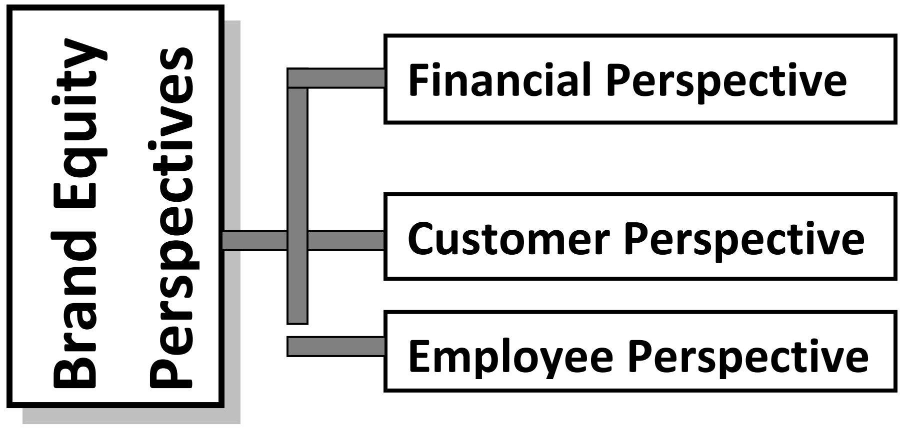
Back in the late 1980s, an explosive idea emerged that said brands are considered assets and therefore have their own equity**.** Brand equity consists of the marketing effects uniquely attributable to a brand. That is why different outcomes result from the marketing of a branded product or service than if the product or service were not branded (Aaker, 2014).

There are two core viewpoints in which brand equity can be studied; one is firm based brand equity which is measured in financial return terms gained by the firm and customer based brand equity which is measured in terms of the value added by a specific brand to the consumers (Wood, 2000).

Accountants also tend to define brand equity differently from marketers, with the concept being defined both in terms of the relationship between customer and brand (consumer oriented definitions), or as something that accrues to the brand owner (company oriented definitions). When marketers use the term ``brand equity" they tend to mean brand description or brand strength. Brand strength and brand description are sometimes referred to as ``consumer brand equity" to distinguish them from the asset valuation meaning given earlier (Wood, 2000).

In addition, (Farjam & Hongyi, 2015) evaluated brand equity from three different perspectives as seen on the figure below.

Figure 2.1: Brand Equity perspectives



Source: (Farjam & Hongyi, 2015)

Financial perspective (Financial based brand equity): This was the concept of brand equity in the 1980s that saw brand equity only from financial perspectives. It was viewed as a method that gave managers guidance in understanding brand enhancement. Simon and Sullivan as mentioned on the works of (Farjam & Hongyi, 2015) defined brand equity as "the incremental cash flows which accrue to branded products over and above the cash flows which would result from the sale of unbranded products". Supporters of the financial perspective (FBBE) define brand equity as the "total value of a brand which is a separable asset - when it is sold or included in a balance sheet".

Customer perspective (Customer-based brand equity): The customer based brand equity (CBBE) approach is the dominant perspective and the one preferred by a majority of academics and practitioners in marketing research till today (which is also true for this particular work). This according to Cobb Walgren et al, 1995 as mentioned on the works of (Farjam & Hongyi, 2015), is because if a brand has no meaning or value to the consumer it is ultimately meaningless to investors, manufacturers, or retailers.

Employee perspective (Employee based brand equity): According to the discussion of Youngbum Kwon (2013) as mentioned by (Farjam & Hongyi, 2015), Employee based brand equity and Customer based brand equity are similar in respect that they are both values that come from the innate nature of the brand. Employee based brand equity is defined from the perspective of employees and is based on the differential effect that brand knowledge has on an employee's response to their respective work environment and culture.

Consumer based brand equity is therefore, stated to provide a unique point of view on what brand equity is and how it should best be built, measured and managed. The CBBE concept approaches brand equity from the perspective of the consumer, whether the consumer is an individual or an organization or an existing or prospective customer.

Formally defined, CBBE is "the differential effect that brand knowledge has on consumer response to the marketing of that brand". A brand is said to have positive customer based brand equity when consumers react more favorably to a product and the way it is marketed (Keller, 2013).

Among several Brand equity models in the literature, this study uses the one constructed by (M Pinar, 2012) who modified Aaker's model to include organizational association by empirically testing its validity in the banking industry of Turkey.

2.2.2.1 Consumer Based Brand Equity Dimensions

2.2.2.1.1 Perceived Quality

Perceived Quality is what customers perceive of the overall quality or superiority of a product or service compared to other alternative brands and with respect to its intended purposes while the product or service was built. Achieving a pleasing level of perceived quality has become close to impossible as continual product and service improvements and modifications over the years have led to heightened consumer expectations of the products or services they purchase. Consumers may hold a host of attitudes toward a specific brand, but the most important ones always relate to its perceived quality, customer value and satisfaction (Keller, 2013).

Perceived quality is also defined as the subjective judgment of consumers towards a product or brand superiority and distinction (Moslehpour, 2014). Consumers often judge the quality of a product or service on the basis of a variety of informational cues that they associate with the product. These cues are known to be either intrinsic to the products or extrinsic to the product. As defined by Zeithaml (1988) and as found on the works of (Yee & San, 2011), cues that are intrinsic to the product are mainly concerned with physical characteristics of the products itself. These characteristics are for example, product's performance, features, reliability, conformance, durability, serviceability and aesthetics.

On the one hand, extrinsic attributes are those cues that are external to the product itself, these attributes are for example, brand image, organizational association, and brand association. This perceived quality has direct impact on the ability of customers to make purchase decisions and brand loyalty, especially during the time customers have less or no information of the products or services that they are going to purchase (Yee & San, 2011).

2.2.2.1.2 Brand Image

Brand Image is one of the essentially important aspects of the brand that is reflected through the associations that consumers make of a given brand. It is valuable for marketers to make a distinction between lower level considerations, related to for example, consumer perceptions of specific performance and imagery attributes and benefits, and higher level considerations related to overall judgments, feelings, and relationships (Keller, 2013).

Brand image also depict the picture that is perceived by target customers that were formed through a number of long time contacts with a particular brand. The external image may arise from the learning processes that are instigated by all brand experiences (Rogers, 2008).

2.2.2.1.3 Brand Associations

Brand associations are those abstract associations (attributes and benefits) that characterize or symbolize the most important features of a given brand. They can serve as the basis of brand positioning in terms of how they create points of parity and points of difference (Keller, 2013).

Brand associations which mark a point of difference are naturally expected to be strong, unique, and favorable in order to create a competitive advantage. On the other hand, points of parity are those brand associations that are not exclusive to the particular brand. For the development of strong brand associations, emotions and modality specific impressions play a pivotal role. Strong brands evoke intense emotions, images and keen sensory experiences (Rogers 2008).

2.2.2.1.4 Organizational Associations

Organizational associations are particularly important in creating perceptions of service quality. Relevant associations are the branded company's credibility and the perceived skill, trustworthiness, and friendliness of the people who make up the organization and provide the service (Keller, 2013).

2.2.2.1.5 Brand Loyalty

Brand Loyalty can be defined in terms of repeat purchases and the amount or share of category volume attributed to the brand, that is, the "share of category requirements." In other words, we ask the question how often do customers purchase a brand and how much of it do they purchase? The strongest affirmation of brand loyalty occurs when customers are engaged, or are willing to invest time, energy, money, or other resources in the brand beyond those expended during purchase or consumption of the brand (Keller, 2013).

Brand loyalty is at the heart of every brand's value because once obtained, loyalty tends to be persistent. Competitors find it very difficult and expensive to break a loyalty bond that exists between customers and current product or service providers. Therefore, one brand building goal is to strengthen the size and intensity of each loyalty by making the basis of customer relationship consistent over time and whenever possible, rich, deep and meaningful (Aaker, 2014).

2.2.3 Customer Retention

Several researchers identified customer retention as the inclination for customers to stay with their current services providers and therefore, viewed it as a behavioral factor (Mascareigne, 2009). The main aim of customer retention strategy is to keep a high percentage of valuable customers by plummeting customer defections or churn.

Customer retention according to (Mascareigne, 2009), "is the maintenance of continuous trading relationships with customers over the long term". Customer retention can be seen as the mirror image or exact opposite of customer defection or churn. High retention is generally equivalent to low defection. It is also equivalent to the number of customers that stayed doing business with a firm at the end of a financial year, expressed as percentage of those who were active customers at the beginning of the year.

On the other hand though, customers may defect for all sorts of reasons, not all of which can be foreseen, prevented or managed by a company. For example, there are eight causes of switching behaviors of customers from one service provider to another in service industries. And these reasons are: price, inconvenience, core service failures, failed employee responses to service failure, ethical problems, involuntary factors, competitive issues and service encounter failures (Mascareigne, 2009).

As there are a number of causes for customer defection, there are a number of alternative strategies that can be used to retain customers. A distinction can be made between positive and negative retention strategies. Negative retention strategies impose high switching costs on customers if they defect. Positive retention strategies reward customers for staying. There are four main forms of positive retention strategy. These are meeting and exceeding customer expectations, finding ways to add value, creating social and structural bonds and building customer engagement. Companies have a number of methods for adding value, including loyalty schemes, customer clubs and sales promotions (Mascareigne, 2009).

Coming to the competition in the banking industry of Ethiopia, we can see that it is becoming tight since the products and services provided by banks can often be easily duplicated. So banks find themselves competing not only with other banks, but also with other forms of non-bank financial institutions. Even from a cost perspective, retaining an existing bank customer costs less than creating a new one. So, banks seek to achieve a zero defection rate of profitable customers (Gan et al., 2006).

2.3 Empirical Review

Previous literature defined CBBE in terms of different dimensions. In studying the significant antecedents of brand equity in the context of Fast Moving Consumer Goods (FMCGs) industry in India (Bijuna C Mohan, 2012) used conceptualization of brand equity by Aaker that consists of four dimensions of brand equity; namely brand awareness, brand associations, perceived quality and brand loyalty. This model is known as Aaker's Customer Based Brand Equity Model and was used by several other literatures such as (Umar et al., 2012) in measuring the application of Malaysian brands. To carry out its purpose this research collected data from 826 FMCG consumers in five major cities in India and used correlation and regression analysis to arrive at inferences. Following this, the findings indicated were that brand association was by far the most important source of brand equity and the brand awareness had the least effect.

Similarly, (Schivinski & Dabrowski, 2014) conceptualized CBBE as a four dimensional model consisting of brand awareness, brand association, perceived quality, and brand loyalty. A sample of 1874 Polish consumers was used to test the proposed dimensions. To measure the construct, the researchers used a combination of exploratory and confirmatory factor analyses employing structural equation modeling in 12 product categories and across 24 brands. Additionally, for the purpose of cross-validation, they tested the framework for the factorial invariance of instrument scores. In the end, the authors found that consumers' response to CBBE framework can be explained by the four factors of brand awareness, brand associations, perceived quality, and brand loyalty and that these four factors are correlated as they were hypothesized to be.

Coming to the conceptualization of Customer Based Brand Equity in financial service sector with respect to its effect on brand perception, (Ghadir & Abad, 2012) took a sample of 384 actual customers of Bank Saderat Iran (BSI), as the largest private bank in Iran, used to test the relations which depicted in the proposed model of the study. And its findings showed that perceived quality, brand loyalty, brand awareness and brand association are influential criteria of brand equity that enhances perception of brand in financial service sector. Among the four mentioned dimensions, brand association appears to have the most influence on brand equity than other dimensions.

Moreover, in studying the Albanian banking sector, (Cerri, 2012) argued that the branding literature had been more focused on goods branding, relatively neglecting the services branding. The author further explained that branding equity in services, as an important concept of services branding, also has not received the deserved attention from academics and services companies' managers. This work supports the fact that it is possible to use the CBBE dimensions for the service market as well as for the goods market. Aiming to measure the brand equity in services sector (since brand equity is very important for monitoring of the health of services brands), the author focused in the banking sector, a well-developed and consolidated sector which employs hundreds of individuals and has a very important role in Albanian economy. Nine banks, which make up more than 98 per cent of the domestic market in banking services (according to the official data of the Bank of Albania), were chosen to be included in the study. 250 bank customers were interviewed, using direct interviews. After an extensive literature review about the branding and services branding, seven measures were chosen and used to measure the services brand equity. The measures used were brand recall, brand familiarity, quality of brand name, likelihood of changing service provider, number of brand associations, origin of brand associations, and uniqueness of the brand. All these seven measures intended to capture brand awareness and brand associations, which both comprise services brand equity. In order to receive robust conclusions, results of consumer-based brand equity were compared with market-share of each brand. This comparison revealed a high correlation of each measure with respective market share of each bank, ensuring a comprehensive measurement of brand equity (consumer-based and financially-based). The banks with higher percentage of market share also had higher results in consumer-based brand equity measures.

(Wangari, 2012) studied the customer retention of Barclays Bank of Kenya Limited and expressed how many organizations are forced to adopt proactive strategies to become more customer driven and to offer higher service quality in order to avoid customer turnover. She further declared that if an international organization is unable to retain customers, it means that they are losing business, which is critical for profitability. Many organizations including multinational banks, the author further explains, overlook the potential of existing customers who develop their businesses.

After forwarding the gaps, (Wangari, 2012) sets out to find out the customer retention trend of Barclays Bank of Kenya. To this end, she used an interview guide that consists of open ended questions as her primary data collection tool. Content analysis of technique of observation and detailed description of objects was then used to analyze the collected and compiled data. The findings of the study then show that Barclays Bank of Kenya has products that are accessible and its channels of delivery are available with a well pricing and enhanced quality, thus providing competitive products that satisfied its customers.

(Sileshi, 2015) investigated the effect of SERVQUAL on brand equity dimensions, compared and evaluated each SERVQUAL dimensions in relation to brand equity dimensions, analyzed the level of performance of Commercial Bank of Ethiopia regarding proper awareness and implementation of SERVQUAL dimensions, and evaluated and reviewed the position of customers associated with Commercial Bank of Ethiopia brand equity. The author then distributed 384 structured questionnaires to randomly selected customers of Commercial Bank of Ethiopia. After the analysis and interpretation of the data was conducted by using descriptive and inferential statistical tools with the help of SPSS, the finding of the research showed that service quality is considered as a significant instrument for a firm's great effort in order to differentiate itself from its competitors and effective implementation of those five dimensions of service quality have a significant effect on customer based brand equity.

(Tahir & Lodhi, 2014) conducted a comparative study on private, governmental and foreign banks in Lahore, Pakistan and concluded that there is a significant difference between the three types of banks in terms of perceived quality, brand image, brand association and brand loyalty but not so much in terms of organizational association.

To overcome the switching behaviors of customers, financial institutions are not only interested to acquire new customers but also take care of the value and benefits that can be achieved by retaining the existing customers. (Tahir & Lodhi, 2014) studied the banking sector of Pakistan to find the relationship of brand equity with customer acquisition and customer retention and concluded that there was a significant relationship between independent variables perceived quality and organizational association and the dependent variable customer retention. If brand managers can uncover the reasons for customer defection, they can easily improve the retention rate of their customers.

In studying customer retention strategies by mobile phone providers in Zimbabwe, (Moyo Talak, 2013) conducted a survey on 120 subscribers from the three mobile network subscribers using structured questionnaires. The questionnaires were analyzed using SPSS. Likert scales and descriptive data were used to determine frequencies. Chi-square was used to establish the relationship between retention variable factors and the customer category to establish the major determinants of retention. The Chi- square was obtained at 95% confidence level and at 68 degree of freedom. Pearson Product Moment Correlation was used to establish the relationship between the independent variable (retention factors) and dependent variable (customer satisfaction). The results confirm that the variable factors observed such as service quality; customer care; pricing; penetration marketing /other services; loyalty programs and communication have a positive impact on customer retention in the Zimbabwean mobile phone industry.

Similarly, in studying factors affecting customer retention in Telecom sector of Pakistan, (Danish et al., 2015) analyzed different that affect customer retention, such as satisfaction, trust, corporate image, commitment level, loyalty and switching behavior of customers. The data was collected through self-administered questionnaires distributed to customers of different service providers. Overall 300 (response rate 68%) useable questionnaires were entered into SPSS and then AMOS was used for analysis purpose. Measurement and structural models were developed in structural equation modeling. The results showed that through Trust, Satisfaction and Loyalty customer retention is increased. Customers repurchase intentions are increased when they are satisfied with company products and services and are getting emotional and functional benefits.

In another context, (Sharmeela-Banu S.A., Gengeswari K., 2012) explored literatures pertaining to the factors that influence customer retention and its measures at great length. Factors such as top management support, switching costs, perceived service quality, customer satisfaction, interaction with customers, pricing, membership and employees are found to significantly influence the customer retention rate while customer retention rate can be measured by evaluating their characteristics in terms of repeat purchases, willingness in spreading positive word of mouth (WOM) about the company to others, insensitiveness towards the changes in pricing of products and attitude of praising (not complaining).

Another research by (Ahmad, Warraich& Usman Ali, 2013)brought out how to gain customer retention to the services and the factors that influence the customer retention. For this research sample size of 164 consumers from different fast food restaurant has been taken randomly on the basis of convenience sampling. Multiple Regressions were used as the statistical tool and the results obtained from the analysis corroborate that there is a significant impact of service quality on the customer retention.

In the same way, (Stahl et al., 2012), examine a unique database from the U.S. automobile market that combines ten years of acquisition rate, retention rate, and customer profitability data with measures of brand equity from Young & Rubicam's Brand Asset Valuator over the same period. They hypothesize and find that brand equity is significantly associated with the components of customer lifetime value in expected and meaningful ways. For example, customer knowledge of a brand has an especially strong positive relationship with customer lifetime value. Differentiation is associated with higher customer profitability; it is also associated with lower acquisition and retention rates. The authors also find that marketing efforts exert indirect impacts on customer lifetime value through brand equity. Simulations show that changes in marketing, or exogenous changes in brand equity, can exert important effects on customer lifetime value. Overall, the findings suggest that the "soft" and "hard" sides of marketing need to be managed in a coordinated way.

Most of the literatures above studied the relationship between retention and service quality which leads to customer satisfaction. But perceived quality is one important but not the only dimension of the Customer Based Brand Equity Model. So this work conveyed the effect or relationship Customer Based Brand Equity may have with customer retention of the banking industry of Ethiopia.

In other words, whereas prior studies found the relationship of customer retention with limited dimensions of consumer based brand equity, this study is intended to find the relationship of customer retention with all dimensions of consumer based brand equity.

2.4 Conceptual Framework

As shown in the figure below, perceived quality, brand image, brand association, organizational association and brand loyalty are the independent variables that are believed to have a relationship or effect on the dependent variable; customer retention.

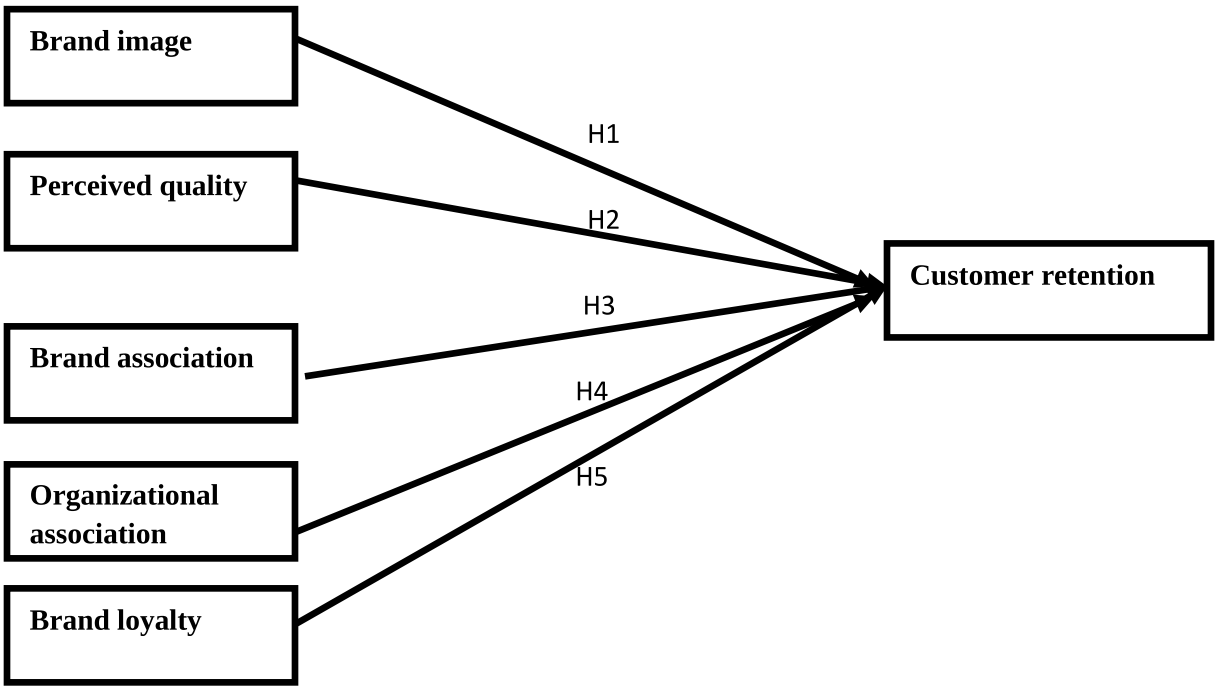


Figure 2.2: Conceptual Framework
Source: Adopted from ShoaibTahir, Dr. Faisal Aftab, Rab Nawaz Lodhi (2014)

In line with the stated research questions and objectives in chapter one, the theoretical and empirical works reviewed in the second chapter and the conceptual framework provided in the above figure, this research proposed the following hypotheses to be tested with the aim of finding out how banks can retain customers by measuring the brand equity customers have for them.

2.5 Research Hypotheses

H1: Perceived quality has a positive and significant influence on customer retention of banks in Ethiopia.

H2: Brand association has a positive and significant influence on customer retention of banks in Ethiopia.

H3: Organizational association has a positive and significant influence on customer retention of banks in Ethiopia.

H4: Brand loyalty has a positive and significant influence on customer retention of banks in Ethiopia.

H5: Brand image has a positive and significant influence on customer retention of banks in Ethiopia.

H6: Public and private banks in Ethiopia have significant differences in terms of their customer based brand equity dimensions.

Chapter Three

Research Methodology

Research Methodology, according to (Rajasekar, Philominathan & P Chinnathambi, 2013), is a systematic way to solve a problem. It is a science of studying how research is to be carried out. Essentially, the procedures by which researchers go about their work of describing, explaining and predicting phenomena are called research methodology. It is also defined as the study of methods by which knowledge is gained. Its aim is to give the work plan of a research.

3.1 Research Paradigm

For this particular research Positivist paradigm was followed. Positivist paradigm, which according to (Bergmann et al., 2008), states that reality consists of atomistic (micro-level) and independent events. Positivist paradigm also believes in the use of the senses to generate knowledge about reality (i.e., scientific method). The paradigm considers that philosophical and logical reasoning could lead us to see non-existing links between events occurring simultaneously only when observations are objective.

Positivism also means that the researcher takes the philosophical standpoint of natural science. The exact conception of positivism is difficult to describe and outline, however, taking a positivistic standpoint means that certain principles are being followed. The principles followed state that only knowledge that is confirmed by the senses can be seen as genuine knowledge, and that knowledge is generated through the collection of facts, which provide the ground for laws and that science has to be conducted objectively and therefore, free from any value. Furthermore, according to the positivistic principles, theory's purpose is to generate hypotheses that are subject to testing and lead to explanations of laws. In addition to that, in positivism, there is a clear distinction between normative and scientific statements, the latter one being the scope of science as normative statements cannot be confirmed by the senses (Adrian & Vanyushyn, 2014).

3.2 Research Approach

(Soiferman, 2010) refers to two broad methods of reasoning as the inductive and deductive approaches. The author defines induction as moving from specific to general, while deduction begins with the general and ends with the specific; arguments based on experience or observation are best expressed inductively, while arguments based on laws, rules, or other widely accepted principles are best expressed deductively. Furthermore, the researcher said that the deductive researcher works from the top down, from a theory to hypotheses to data, to add to or contradict the theory. In contrast, the researcher defined the inductive researcher as someone who works from the bottom up, using the participants' views to build broader themes and generate a theory interconnecting the themes. In research, the two main types of analysis typically used are quantitative (deductive) and qualitative (inductive).

Following the above guide, this research was carried out as a quantitative study with the aim of finding out the effect the different dimensions of customer based brand equity may have on customer retention in the banking industry of Ethiopia. And this was done through testing different hypotheses proposed in the first chapter.

As mentioned before, the use of Positivist paradigm called for the application of quantitative research technique, specifically the survey method of primary data gathering to determine the relationship between the different dimensions of customer based brand equity among the two types of banks (which used descriptive research analysis) and their possible effect on customer retention in the banking industry (used regression research analysis).

To this end, financial services offered by both private and public banks in Ethiopia were investigated to meet the objectives of this study as the unit of analysis. The relatively modern and economically advanced city of Addis Ababa was selected as the sampling area to get a heterogeneous sample comprising various demographic characteristics. Within Addis Ababa, customers from three private banks namely, Dashen Bank, United Bank and Awash Bank, and one public bank namely, Commercial Bank of Ethiopia, were targeted.

3.3 Research Design

A research more often than not can be designed to test existing knowledge to establish how valid it is or to establish entirely new knowledge. It may be concerned with collecting and analyzing quantitative or qualitative data. It could be designed to explore, describe, correlate or explain the phenomena in question (Wyk, 2009).

In terms of differing purposes, research design can be divided into the following. Exploratory research is really self-explanatory. When the situation is very new, has been previously inaccessible for some reason or the research problem is too large and complex to address without some initial, exploratory work, an attempt to generate some initial insights and understanding would be of value. In this sense, a piece of exploratory research designed to surface the key issues and questions may be appropriate as it would help to make the situation clearer and, possibly, set the research agenda. Descriptive research will be designed to establish a factual picture of the issue under investigation, whereas explanatory research will be concerned with explaining the why and how of the situation (Wyk, 2009).

Explanatory research frequently includes descriptive elements but goes beyond this to identify the causes lying behind the effects and the nature of the relationships between the two. An explanatory study would seek to differentiate between, and measure, the relative influence of the factors and explain the cause and effect relationship between them. In this sense, the explanatory study clearly has more applied value than the descriptive one. Correlational research attempts to discover or establish the existence of a relationship or interdependence between two or more aspects of a situation (Wyk 2009).

Based on the above clarifications, this work is an explanatory study, where the results found attempted to clarify if there is a relationship between customer based brand equity dimensions and customer retention.

3.4 Research Strategy

Research strategy provides the overall direction of the research, including the process by which the research is conducted. Case study, experiment, survey, action research, grounded theory and ethnography are some of the common research strategies used in business and management (Wedawatta et al., 2011).

From the above different research strategies listed, this study utilized the survey method of primary data gathering from customers of both private and public financial institutions of selected banks namely, Dashen Bank, United Bank, Awash Bank and Commercial Bank of Ethiopia.

3.5 Sampling Design

This study made use of multi-stage sampling design, which refers to sampling plans where the sampling is carried out in stages using smaller and smaller sampling units at each stage (Garson, 2012). In the first stage, stratums were identified using purposive sampling, where all bank users in Addis Ababa were branded as public bank users and private bank users. Purposive sampling enables an initial understanding of the situation. It produces a sample where the included groups are selected according to specific characteristics that are considered to be important. With such a sample, group differences can be compared and contrasted and a range of experiences can be summarized. For example, it can help us find out whether or not there is a significant difference in customer based brand equity dimensions between public and private banks in Ethiopia.

The second stage stratums then contained:

- Under the stratum public banks, only Commercial Bank of Ethiopia was included because it is the largest and the only public bank serving in the commercial banking sector.
- Under the stratum private banks, Dashen Bank, United bank and Awash Bank were selected as the top three private banks for their branch distribution and customer base.

Then the second stage stratums were further branched out in to: only customers operating saving accounts in the mentioned banks. And the third and final stage was saving account holders that were eighteen and above of age.

For this work, a stratified sampling was used. Stratified random sampling according to, (Fienberg, 2003), is a technique which attempts to restrict the possible samples to those which are less extreme by ensuring that all parts of the population are represented in the sample in order to increase the efficiency (that is, to decrease the error in the estimation). From each stratum a sample, of pre-specified size, is drawn independently in different strata. Then the collection of these samples constitutes a stratified sample. If a random sample selection scheme is used in each stratum then the corresponding sample is called a stratified random sample.

Reasons for stratification:

- To obtain estimates of known precision for certain sub-divisions of the population by treating each sub-division as a stratum. Since sampling is done independently in each stratum, separate stratum estimates and their precision can be obtained by treating each stratum as a “population" in its own right.
- For administrative convenience
- Employing stratification in a careful fashion, we can get improved precision for our estimates of population quantities.

3.6 Target population and Sampling Frame

Target population is the group of customers of banks in Addis Ababa for whom the researcher wants the research results to apply to.

And sampling frame is the list or procedure defining the population or customers from which samples were drawn.

But due to unavailability of data, there was not a complete listing of the target population for this study and no formal sampling frame was recognized.

3.7 Sampling Technique

A non-probability sampling technique, Judgment Sampling, was used. When using this survey, one criterion that needs to be met in defining the qualified respondents is: respondents who have had service encounters with various commercial banks in Addis Ababa. The following two reasons can be put forward in favor of using Judgment Sampling:

1. There is no complete listing of our target population; no formal sampling frame.

2. This gives a better result within a small budget and time constraints. (Farhana & Islam, 2012)

3.8 Sample Size

The ever increasing demand for research has created a need for an efficient method of determining the sample size needed to be representative of a given population. And this is in order to be able to generalize the findings to that population with a certain degree of assurance. To get started with sample size determination, according to (Krejcie & Morgan, 1970), we first need to define some terms.

Confidence Level is the probability that the findings are correct within the tolerances that are specified next. The percent indicates how confident the researcher wants to be with the results. If not sure what level to use, the authors recommend to use 95%, which means that it is possible, with 95% certainty that the results are correct. While everyone would like to be 100% confident in their results, the only way that this can be achieved is if we are able to survey the entire population and have everyone respond. Confidence Interval on the other hand asks how much error the researcher is willing to tolerate (Krejcie & Morgan, 1970).

Population Size is the total number of people that the researcher could send the survey out to. This is the total number of people to which the researcher will be generalizing the results of the findings (Krejcie & Morgan, 1970).

Sample Size is a number that is calculated based on the population size and the levels of error and confidence the researcher sets. This is the number of people that will need to complete the survey in order for the results to be accurate within the tolerances that are set earlier (Krejcie & Morgan, 1970).

Based on the definitions and the table of sample size reference provided by (Krejcie & Morgan, 1970), this work based its sample size on a 95% confidence level and a marginal error of 5% and determine its sample size to be 384. This sample size is the maximum sample size for the stated confidence level and marginal error with a population of 300,000,000.

Although the population of this study is unknown, we know for a fact that it will not exceed three hundred million for the mere fact that the entire population of Ethiopia will not even come close to three hundred million. Therefore, 384 samples were drawn from customers (residing in Addis Ababa) of the four banks selected (Commercial Bank of Ethiopia, Dashen Bank, United Bank and Awash Bank).

$$n = \frac{X^2 * N * P * (1-P)}{(ME^2 * (N-1)) + (X^2 * P * (1-P))}$$

Where:

n = sample size

X^2 = Chi – square for the specified confidence level at 1 degree of freedom

N = Population Size

P = population proportion (.50 in this table)

ME = desired Margin of Error (expressed as a proportion)

Source: Sample Size Determinant Formula Proposed by Krejcie & Morgan, 1970

Table 3.1: Required Sample Size

Required Sample Size†

Population Size	Confidence = 95% Margin of Error				Confidence = 99% Margin of Error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

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Addis Ababa, which is the capital of Ethiopia, is chosen as the sampling area because financial institutions are densely populated in the city and also because a heterogeneous sample that constitute people from various demographic characteristics can be drawn from this city. However, account holders below the age of 18 were excluded from this survey because these children can only open and operate an account under the guidance and influence of their parents or guardian and not by their choice. Moreover, these 384 respondents were only selected among saving account holders because one can get more saving account holders in a given bank than any other types of accounts.

Although stratified random sampling suggests the assignment of samples from each stratum should be proportional to a certain criteria (usually the stratum’s representation in the total population), this work followed a disproportionate stratified sampling, which is a stratified sampling procedure in which the number of elements sampled from each stratum is not proportional to their representation in the total population. Population elements are not given an equal chance to be included in the sample. The same sampling fraction is not applied to each stratum. On the other hand, the strata have different sampling fractions. If this research was to select its sample size proportionately, Commercial Bank of Ethiopia will take up more than half of the samples dedicated for both public and private bank stratums, be it with customer base criteria or distribution of branches criteria.

Disproportionate stratified sampling may be broken into three subtypes based on the purpose of allocation that is implemented. The purpose of the allocation could be to facilitate within-strata analyses, between-strata analyses, or optimum allocation (Daniel, 2012).

Disproportionate allocation for within strata analyses: the purpose of a study may require a researcher to conduct detailed analyses within the strata of the sample. If using proportionate stratification, the sample size of a stratum is very small, it may be difficult to meet the objectives of the study. Proportionate allocation may not yield a sufficient number of cases for such detailed analyses. One option is to oversample the small or rare strata. Such oversampling would create a disproportional distribution of the strata in the sample when compared to the population. Yet, there may be a sufficient number of cases to carry out the within-strata analyses required by the study’s objectives (Daniel, 2012).

Disproportionate allocation for between-strata analyses: the purpose of a study may require a researcher to compare strata to each other. If this is the case, sufficient numbers of elements must be selected for each category. A researcher may desire to maximize the sample size of each stratum. For such a study, equal allocation (also referred to as "balanced allocation" and "factorial sampling") may be appropriate. A researcher may seek to select an equal number of elements from each stratum (Daniel, 2012).

Optimum allocation may focus on the optimization of costs, the optimization of precision, or the optimization of both precision and costs (Daniel, 2012).

From among the above stated disproportionate stratified sampling breakdowns, this study followed the "disproportionate allocation for between strata analyses" and assigned equal number of sample sizes of 192 respondent customers to each bank type. This also helped in identifying whether or not there is a significant difference in the dimensions of CBBE between public and private banks.

Table 3.2: Sample Breakdown

Type of Bank	Sample Banks	Target Sample Sizes	Total No. of Samples
Private Banks	Awash Bank	64	64
	United Bank	64	128
	Dashen Bank	64	192
Public Bank	Commercial Bank of Ethiopia	192	**384**

Source: Own computation, Microsoft Excel (2016)

3.9 Sources and Instruments of Data Collection

Identifying appropriate data sources for a research is very challenging nonetheless, must be done with a careful fashion to ensure that it can address the study question; that it has a sufficient number of respondents; and that key variables are available (Kornegay & Segal, 2012).

Primary data are data collected for the first time for a research. Observational studies, meaning studies with no dictated intervention, require the collection of new data if there are no adequate existing data for testing hypotheses. In contrast, secondary data refer to data that were collected for other purposes and are being used secondarily to answer a research question (Kornegay & Segal, 2012).

To this end, the instrument of survey was used in this study to achieve the objectives and to measure the customer based brand equity. A structured, self-administered questionnaire was used to collect the primary data. The first section of the questionnaire comprised of demographic information of the respondents like their gender, age, type of their bank and source of income. In the second section, dimensions of the customer based brand equity were divided into multiple item scales after exploring the literature. Perceived quality was measured by 6 items, organizational association by 4 items, brand loyalty by 5 items and brand association by 6 items as adopted by (Musa Pinar, Tulay Girard, 2012). Brand image was also measured by four scale items as adopted by (Tan et al., 2012). Customer retention was measured by 6 scale items as found on the works of (Mikkelsen, 2014). All the variables were measured on five point Likert scale ranging from 1 strongly disagree to 5 strongly agree. The resulting questionnaire was originally drafted in English, which then was translated into Amharic, then translated back into English by the professional translators. The questionnaire was handed out to respondents by the researcher and through e-mail and personal connections to minimize costs. Secondary source of data collection was also utilized from magazines, annual reports, publications…etc. related to the financial services sector of the economy.

3.10 Time Frame

Coming to the time frame for this study, we find that there are two types of approaches in studying time frame: longitudinal time frame and cross sectional time frame.

Both the cross-sectional and the longitudinal studies are observational studies. This means that researchers record information about their subjects without manipulating the study environment. The defining feature of a cross-sectional study is that it can compare different population groups at a single point in time. The benefit of a cross-sectional study design is that it allows researchers to compare many different variables at the same time. A longitudinal study, like a cross-sectional one, is observational. So, once again, researchers do not interfere with their subjects. However, in a longitudinal study, researchers conduct several observations of the same subjects over a period of time, sometimes lasting many years. The benefit of a longitudinal study is that researchers are able to detect developments or changes in the characteristics of the target population at both the group and the individual level. The key here is that longitudinal studies extend beyond a single moment in time. As a result, they can establish sequences of events (Institute for Work and Health, 2015). But this paper is a cross sectional study, due to the time constraint and the data was collected at one point in time through a questionnaire.

3.11 Reliability and Validity of the Study

3.11.1 Instrument Validity

The collected questionnaire was proved for its validity through a pilot study. Pilot study is believed to be an important component in the data collection process. And it simply means a small-scale trial run of all the procedures planned for use in the main study. Pilot testing of an instrument, such as a questionnaire administered for research purposes, is the standard in social sciences. There are obvious benefits of carrying out a pilot study researchers can enumerate which are: an opportunity to test hypotheses; allowance for checking statistical and analytical procedures; a chance to reduce problems and mistakes in the study; the reduction of costs incurred by inaccurate instruments. Moreover, researchers can seek information from the participants in the pilot study to determine the degree of clarity of questions and to identify problem areas that need attention (Simon, 2011). According to (Simon, 2011), a sample size of

10-20% of the sample size for the actual study is a reasonable number of participants to consider enrolling in a pilot. Following this conviction, this study tested the validity of the questionnaire by taking 10% of its total sample size. And the questionnaire was also exposed to professional brand managers working in financial institutions of Ethiopia and academicians.

3.11.2 Instrument Reliability

Reliability is the extent to which measurements are repeatable –when different persons perform the measurements, on different occasions, under different conditions, with supposedly alternative instruments which measure the same thing. In sum, reliability is consistency of measurement or stability of measurement over a variety of conditions in which basically the same results should be obtained (Drost, 2007).

Internal consistency: Internal consistency concerns the reliability of the test components. Internal consistency measures consistency within the instrument and questions how well a set of items measures a particular behavior or characteristic within the test. The most popular method of testing for internal consistency in the behavioral sciences is coefficient alpha. Coefficient alpha was popularized by Cronbach (1951), who recognized its general usefulness. As a result, it is often referred to as Cronbach’s alpha. Coefficients of internal consistency increase as the number of items goes up, to a certain point (Drost, 2007). A Cronbach’s alpha analysis is determining how each item individually contributes to the reliability of the questionnaire (Hof, 2012).

A satisfactory level of reliability depends on how a measure is being used. The standard is taken from Nunnally (1978), who suggests that in the early stages of research on predictor tests or hypothesized measures of a construct, reliabilities of 0.70 or higher will be sufficient (Drost, 2007).

Following the above conviction, this study tested the reliability of instruments using coefficient alpha with an acceptance decision rule of 0.70 or higher.

3.12 Data Analysis

Before analyzing, the collected and coded data was checked for any possible errors while entering or coding the data. This process is essential and will save a lot of headache later, according to (Pallant, 2005).

The data screening process involves a number of steps:

Step 1: Checking for errors. First, one needs to check each of the variables for scores that are out of range (i.e. not within the range of possible scores).

Step 2: Finding the error in the data file. Second, one needs to find where in the data file this error occurred (i.e. which case is involved).

Step 3: Correcting the error in the data file. Finally, one needs to correct the error in the data file itself.

The screened data was then presented using frequency distribution tables to systematically arrange data values with a count of how many times each value occurred in a dataset. Then, the data was analyzed using descriptive statistics where summarizing of the data was done through measures of central tendencies (mean, mode, and median), measures of dispersion (variance and standard deviation) and distribution. The results of this analysis were presented by tables.

After descriptive analysis, the regression model was specified defining the explanatory and the explained variables in the study. This then determined the type of regression the study used, which was multiple regression (where its assumptions were checked with collinearity diagnostics). The type of relationship for multiple regressions by default was a random or stochastic where for each value of the independent variable X, there will be some values of the dependent variable Y only with some probability. In other words, the model included a stochastic error term or a stochastic disturbance term ε.

Model Specification

$$\mathbf{Y = a + b_1}x_1 + \mathbf{b_2}x_2 + \mathbf{b_3}x_3 + \mathbf{b_4}x_4 + \mathbf{b_5}x_5 + \varepsilon$$

Where, Y = Customer retention of banks

a = y intercept

b_1 = the regression coefficient or beta weight of brand image
x_1= Brand image
b_2 = the regression coefficient of perceived quality
x_2= Perceived quality
b_3 = the regression coefficient of brand association
x_3= Brand association
b_4 = the regression coefficient of organizational association
x_4= Organizational association
b_5 = the regression coefficient of brand loyalty
x_5= Brand loyalty
ε = error term

The analysis then continued to develop an independent t-test to compare the score values of two groups on the same variable and to measure if there are statistically significant differences between public and private banks in terms of their customer based brand equity dimensions.

3.13 Ethical Considerations

Social science research is widely regarded as providing substantial benefits to societies. Usually, these studies are designed to solve problems a given society faces or to influence policy makers to make any policy amendment in favor of the society (Smith, 1998). And these studies largely use survey data collected from the society to carry out their tasks. And gathering information from respondents should be done on an ethical level. The history of the development of the field of ethics in research, unfortunately, has largely been built on egregious and disastrous breaches of human ethical values. A journey through this history can provide valuable insights into the state of contemporary research ethics institutions and codes that currently guide social science and biomedical research. In recent years, ethical considerations across the research community have come to the forefront. This is partly a consequence of legislative change in human rights and data protection (Social Research Association, 2003).

Ethical considerations must be addressed in experiments involving either human subjects or animals. Ethical standards must be observed in designing, conducting and reporting of the research. (MRIA, 2007) forwarded ethical dimensions or principles a researcher should be guided by.

Professional conduct: this is the strongest of all factors and it has implications for the researcher with respect to the respondents, the reporting process and the sponsors of the research. Professional conduct is the combination of following the ethically correct and the methodologically correct process and underpins all other responsibilities.

Pursuit of truth: is the responsibility of the researcher and is reflected in the reporting process. It is also the responsibility of the respondents in their communications with the researcher. Although the researcher must be aware of the issues of bias, the respondent has a moral responsibility to be truthful.

Informed consent: the pursuit of truth does not release us from exercising "due ethical standards in the design, conduct and reporting of the research". Informed consent is a responsibility of the researcher to inform the subjects of the research. It is also the responsibility of the respondents to be informed before giving consent.

Protection of anonymity: It is an important consideration with bearings upon statements regarding confidentiality and anonymity. Promises of confidentiality should not be readily made if verbatim comments are to be the source of evidence for the research. Anonymity can be more easily achieved by not associating the comments with a named individual but the contextualization may imply the identification of the person. There are legal and professional issues related to the promises of anonymity that cannot be achieved because of the nature of the reporting of research.

Disclosure of public interest: there is a conflict of interest between the two dimensions "public interest" and "pursuit of truth". This is a moral dilemma – is the disclosure of truth more important than the public interest when that disclosure may mean suffering? There is a conflict of interest between the two dimensions "public interest" and "protection of anonymity" - is the protection of the individual more important than the public interest when that disclosure may mean suffering by the individual? If the research did not take place then the information would not be in the "public domain" and therefore, it could be argued, that not disclosing a discovered fact is not putting the public in a less favorable position. The counterargument may be that because no disclosure was made that the "public" is falsely confident that no area of concern exists.

Equivalent to the US Department of justice on human subjects protection issues related to sample surveys, the Federal Democratic Republic of Ethiopia, Ministry of Science and Technology also developed a national research ethics review guideline mainly for health related researches carried out in the country (Federal Democratic Republic of Ethiopia, 2014). But this guide has an overall applicability to social science studies.

Following the rules of ethical considerations provided above and that of (Creswell, 2009), this work has fulfilled all ethical considerations a researcher has to follow by notifying respondents the purpose of the survey, asking the permissions of respondents before they fill in the questionnaire given to them and assuring them the information they provide will be confidential and will be used only for academic purposes. Respondents will also be notified that no part of their response will be given to a third party without their consent. The result of the survey was analyzed collectively without giving out the names of respondents individually.

Chapter Four

Results and Discussion

4.1 Introduction

This chapter has demonstrated the research in the area of ability of Ethiopian banks (both public and private) to retain their respective customers taking the applicability of customer based brand equity dimensions as the substance of the research. Therefore, the following discussions reveal the results found from the data analysis carried out as proposed in the methodology part of this work and also a thorough discussion of the six hypotheses is presented in this chapter.

4.2 Results

4.2.1 Sample and Response Rates

To the sample and response rates end, one public bank namely, Commercial Bank of Ethiopia, and three private banks namely, Dashen Bank, United Bank and Awash Bank, were selected as pool to draw the 384 samples proposed to be contacted in the previous chapter. Therefore, 384 structured questionnaires were duplicated and distributed to customers of the mentioned banks in Ethiopia.

There were two stages to the distribution of these structured questionnaires. In the first stage, a pilot study was carried out to identify potential problem areas and deficiencies in the research instruments prior to the implementation of these instruments to the entire sample size. Hence, the developed self-administered questionnaire was first distributed to 40 selected individuals (among which two were brand managers and another two academicians) to detect the possible flaws of the instrument. This process showed that the instrument had a loophole in certain areas and that it needed further elaboration. For example, the income bracket was found to be too narrow for respondents to comfortably answer the question. Moreover, the question asking respondents to choose between public and private banks needed additional instruction to choose only one bank type that they often use because respondents were assumed to tend to use both public and private banks. Some vague words that may appear technical for respondents were also revised both in the Amharic and English versions of the questionnaire. After this initial stage, which made sure the questionnaire was fit for distribution, the second stage came about, which was circulating the revised questionnaire to targeted respondents via e-mail and personal give out of the questionnaires.

4.2.1.1 Missing Data

Missing values are "part of the more general concept of coarsened data, which includes numbers that have been grouped, aggregated, rounded, censored, or truncated, resulting in partial loss of information" (Schafer & Graham, 2002). Missing data is a problem because nearly all standard statistical methods presume complete information for all the variables included in the analysis. A relatively few absent observations on some variables can dramatically shrink the sample size. As a result, the precision of confidence intervals is harmed, statistical power weakens and the parameter estimates may be biased (Soley-bori, 2013).

From among the 384 questionnaires distributed, 361 questionnaires were returned for analysis but when the data for this study was checked for outliers and missing values, only 344 (89.58%) workable or valid responses were found for analysis out of the 384 distributed and 361 returned questionnaires. The rejected responses which were 17 (4.7%) were cancelled from the study either because the responses were partially completed or because the responses showed impractical response patterns. Thus, these 17 responses were discarded so it won't have negative effect on the outcome of the study.

Therefore, this work has rejected 17 responses from the collected data due to incomplete information given by respondents on both the demographic questions and basic research questions on the distributed questionnaires. Responses were also rejected due to impractical response patterns followed by respondents. The rest 344 responses were then fed in to the SPSS program for further analysis as can be seen on the table below.

4.3 Demographic Information of Respondents

This subsection contains paragraphs that capture and summarize demographic characteristics of respondents of this study. To this end the following paragraphs reveals the gender, age, income bracket, educational level and type of bank used (public or private) of the participants of this research.

The table below shows the frequency of total respondents in accordance with their demographic information and this tells us that all the 344 respondents who were found fit for this study provided this information and that no missing values were found. Gender of respondents and type of bank used by respondents consisted of two categories while age, monthly net income and educational groups were divided into four groups. Thus, minimum and maximum responses given to these demographic questions can easily be seen in table 4.1.

Table 4.1 Frequency Table of total Respondents

Statistics

		Gender of Respondents	Age of Respondents	Monthly Net Income of Respondents	Education level of Respondents	Type of Bank used by Respondents
N	Valid	344	344	344	344	344
	Missing	0	0	0	0	0
Minimum		0	1	1	1	1
Maximum		1	4	4	4	2

Source: Survey Result, SPSS (2016)

Gender

Referring to the figure below (Figure 4.1), we can see that out of the total respondents of the survey which were 344, male respondents were found to be 191 or 55.5% while female respondents were 153 or 44.5%. This shows that male respondents in this research are well above female respondents by 11% or male respondents were 38 times greater in number than their female counters.

Figure 4.1: Gender of Respondents

Source: Survey Result, SPSS (2016)

Age of Respondents

Table 4.2 shows that a large group of respondents were of the age bracket 18-30 which in percent were 50.9%. The second large groups of respondents were within the age bracket 31-40 which were 30.8%. The third age group which was 41-50 consists only of 10.5% respondents. And the last age group which was age 50 and above represented only 7.8% of the total respondents of this research.

Table 4.2: Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30	175	50.9	50.9	50.9
	31-40	106	30.8	30.8	81.7
	41-50	36	10.5	10.5	92.2
	above 50	27	7.8	7.8	100.0
	Total	344	100.0	100.0	

Source: Survey Result, SPSS (2016)

Monthly Net Income of Respondents

Table 4.3 shows that a large number of bank customers (43.3%) were of the monthly net income group of 2,501-7,000 followed by income groups up to 2,500 which were found to be 22.7%. The third bank customers which were 18.6% said they earn a net income above 10,000 every month. The last group of income which was 7,001-10,000 consisted of 15.4% of respondents.

Table 4.3: Monthly Net Income of Respondents

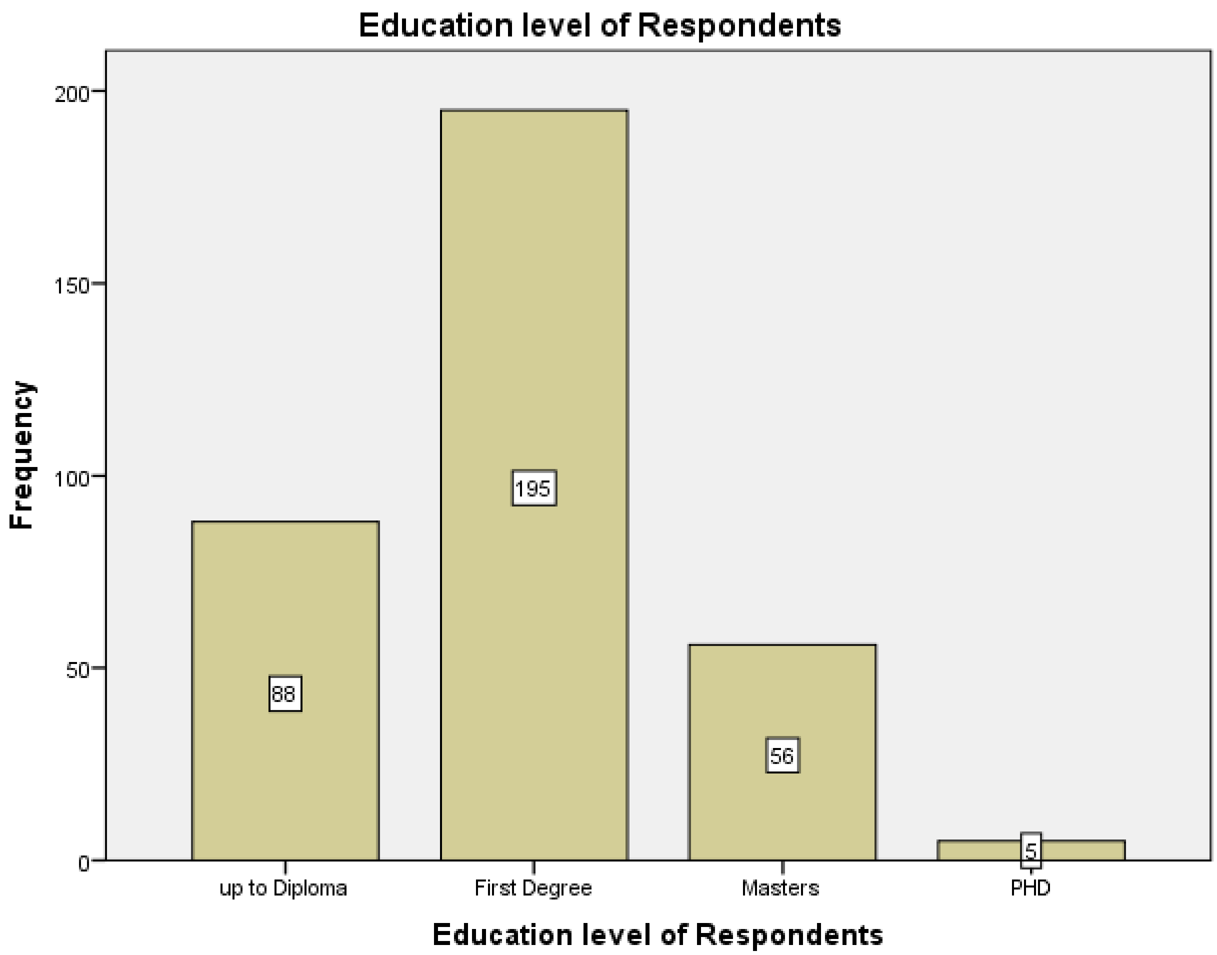
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	up to 2500	78	22.7	22.7	22.7
	2501-7000	149	43.3	43.3	66.0
	7001-10000	53	15.4	15.4	81.4
	above 10001	64	18.6	18.6	100.0
	Total	344	100.0	100.0	

Source: Survey Result, SPSS (2016)

Educational level of Respondents

From among the 344 valid respondents, 195 or 56.7% of them were first degree holders followed by respondents who have diploma or an educational level less than that which were 88 in number and represent 25.6% of the total respondents. Sample respondents who have a Masters degree were found to be 56 in number or 16.3% and those with PHD were only 5 in number and were only 1.5% out of the total respondents.

Figure 4.2: Education level of Respondents



Source: Survey Result, SPSS (2016)

Type of Bank used by Respondents

An equal number of 192 questionnaires were given out for both public and private bank customers. For the public bank, 192 customers of Commercial Bank of Ethiopia were contacted of which only 172 valid responses were obtained. For the private banks, out of the 192 questionnaires distributed, 58 responses were obtained from Dashen Bank, 57 responses from United Bank and Awash Bank, respectively, which makes it a total of 172 valid responses from private bank respondents.

Table 4.4: Type of Bank used by Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Public	172	50.0	50.0	50.0
	Private	172	50.0	50.0	100.0
	Total	344	100.0	100.0	

Source: Survey Result, SPSS (2016)

4.4 Descriptive Analysis

The first section of the questionnaire asked demographic information of respondents and the second section asked basic research questions that intended to acquire information regarding the perception, knowledge, feelings and attitudes of respondents towards the perceived quality, brand image, brand loyalty, brand association, organizational association and customer retention of both public and private banks in Ethiopia.

4.4.1 Descriptive Analysis of Customer Based Brand Equity Dimensions

The mean scores of each dimensions of customer based brand equity were calculated as well as the mean scores of each item under these dimensions. The respondents were then asked to rate their perception, knowledge, feelings and attitudes of these dimensions on a five point Likert scale ranging from one (strongly disagree) to five (strongly agree).

Table 4.5: Descriptive Statistics of Customer Based Brand Equity Dimensions

Statistics

		Perceived Quality	Organizational Association	Brand Loyalty	Brand Association	Brand Image
N	Valid	344	344	344	344	344
	Missing	0	0	0	0	0
Mean		3.6177	4.1192	3.7419	3.7200	3.5770
Std. Deviation		.72639	.71145	.81294	.73014	.65149

Source: Survey Result, SPSS (2016)

The mean score values of customer based brand equity dimensions for both public and private banks in Ethiopia ranges between 3.57 (mean score value of Brand Image) with standard deviation of 0.65 and 4.11 (mean score value of Organizational Association) with standard deviation of 0.71. These scores are also the minimum and maximum mean score values of customer based brand equity dimensions respectively. The overall customer based brand equity for both public and private banks, as measured by customers, is well above average.

Descriptive Analysis for Perceived Quality

As shown in the table below, Perceived Quality is measured by six items for which, the mean score values were calculated and were found to range between 3.30 for respondents who said the personnel of the bank (either private or public) is knowledgeable about all areas of bank services and a mean score value of 3.78 for respondents who said the bank has courteous staffs. By and large the mean score value of perceived quality dimension was found to be 3.61, which is well above average. Generally, almost all items have a high standard deviation but the highest calculated was 1.063, where there was a high variation in response among sample respondents for the item that states "its staff takes care of banking services in promised time".

Table 4.6: Descriptive Statistics of Perceived Quality

	N	Mean	Std. Deviation
Its staff takes care of banking services in promised time	344	3.64	1.063
Has courteous personnel	344	3.78	.979
Its personnel quickly corrects mistakes	344	3.60	.975
Has experienced personnel	344	3.69	.918
Its personnel is knowledgeable about all areas of bank services	344	3.30	.998
Its personnel takes care of tasks accurately	344	3.69	.937
Valid N (listwise)	344		

Source: Survey Result, SPSS (2016)

Descriptive Analysis for Organizational Association

As shown in the table below, Organizational Association was measured by four items, the mean score of which ranged between respondents who said the bank they often use is the most reliable bank and its brand a reliable one (4.09) and respondents who believed the bank they often use has the longest history in banking with a mean score of 4.17, respectively. The overall mean score of organizational association was calculated to be 4.12.

Table 4.7: Descriptive Statistics of Organizational Association

	N	Mean	Std. Deviation
I would feel safe to keep all my money in Bank X	344	4.13	.839
Bank X has the longest history in banking	344	4.17	.854
Bank X is known to be “the most reliable bank” in all areas of services	344	4.09	.891
Bank X is a reliable brand	344	4.09	.882
Valid N (listwise)	344		

Source: Survey Result, SPSS (2916)

Descriptive Statistics of Brand Loyalty

As shown in the table below, Brand Loyalty was measured by five items for which the mean score values fall between 3.58 for respondents who agreed when asked if they would recommend the bank they use and 3.88 for respondents who consider themselves to be loyal to the bank of their choice. The mean score value for all of these five items was computed to be 3.74. Also here, there were three high standard deviations among responses of sample respondents of which the highest variation in response was found in the item that asked respondents if they are willing to recommend the bank they use to others (std. deviation of 1.030).

Table 4.8: Descriptive Statistics of Brand Loyalty

	N	Mean	Std. Deviation
Bank X is my first choice	344	3.81	1.023
I regularly use Bank X for all my banking needs	344	3.78	.929
I recommend Bank X to others	344	3.58	1.030
I consider myself loyal to Bank X	344	3.88	.994
I am proud to do all my banking with Bank X	344	3.67	1.025
Valid N (listwise)	344		

Source: Survey Result, SPSS (2016)

Descriptive Analysis for Brand Association

Table 4.9 shows that six items were used to measure the dimension brand association for which the calculated mean value fall between 3.52 for sample respondents' response regarding the question if the respondents think the personnel of the bank they chose are very friendly and 4.08 for sample respondents' response regarding the provision of greatest assortment of banking services by the bank respondents choose and. And the overall mean value for the dimension 3.72. There were three items with a high standard deviation two of which asked respondents if they think it is appropriate to call the bank they use as contemporary bank which uses high technology and if they think it is appropriate to describe the banks personnel as customer friendly. But the highest standard deviation was recorded among responses for the question asking respondents if they consider their bank provides a fast service to its customers the standard deviation of which, as can be seen from the table below, was found to be 1.059. This shows the disparity of responses of samples for this item is great.

Table 4.9: Descriptive Statistics for Brand Association

	N	Mean	Std. Deviation
Bank X is known for providing the best quality service	344	3.80	.953
Bank X offers the greatest assortment of banking services	344	4.08	.834
Bank X provides the fastest service	344	3.63	1.059
It is appropriate to describe the services offered by Bank X as “best quality”	344	3.64	.964
It is appropriate to describe Bank X as “contemporary” that uses high technology	344	3.65	1.007
It is appropriate to describe Bank X’s personnel as “very customer-friendly”	344	3.52	1.019
Valid N (listwise)	344		

Source: Survey Result, SPSS (2016)

Descriptive Analysis for Brand Image

The last descriptive statistics table 4.10 shows that Brand Image was measured by four items whose mean value was found to be between 3.28 (the item which asked if their bank is crowded) and 3.94 (for the item that asked customers if they can recall the symbol and logo of their bank) . And the total mean score value was calculated to be 3.58. The item with the highest standard deviation of 1.258 was “X bank is crowded”. It shows that respondents’ opinion greatly vary for this particular item.

Table 4.10 Descriptive Statistics of Brand Image

	N	Mean	Std. Deviation
X Bank has cheerful and enchanting atmosphere	344	3.36	1.063
X Bank is crowded	344	3.28	1.258
I feel comfortable visiting X Bank alone	344	3.73	.983
I can quickly recall the symbol or logo of X Bank	344	3.94	1.037
Valid N (listwise)	344		

Source: Survey Result, SPSS (2016)

4.5 Measurement of Model Validity

4.5.1Normal Distribution

A normal distribution is one of the importantly assumed statistical procedures. Normal distributions take the form of a symmetric bell shaped curve. The standard normal distribution is one with a mean of 0 and a standard deviation of 1 (Garson, 2012). Severe asymmetry then is stated to be the result of strong outliers. A common test for normality is to run descriptive statistics to get skewness and kurtosis. Skewness should be within +2 and -2 range, if the data is normally distributed. Kurtosis is the peakedness or flatness of a distribution and this distribution shall also commonly fall between +2 and -2, although a few other authors according to (Garson, 2012), are more lenient and allow kurtosis to fall within +3 and -3.

Following the above justification, the normality test was done for six variables on SPSS, which resulted in all the variables’ skewness to fall within +2 and -2 range and all the variables’ kurtosis to fall within +3 and -3 range. Consequently, the data utilized for this research are normally distributed.

Table 4.11 Test of Normal distribution

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Perceived Quality	344	-.966	.131	1.549	.262
Organizational Association	344	-1.151	.131	2.533	.262
Brand Association	344	-.751	.131	1.044	.262
Brand Image	344	-.540	.131	1.296	.262
Brand Loyalty	344	-.676	.131	.485	.262
Customer Retention	344	.434	.131	1.001	.262
Valid N (list wise)	344				

Source: Survey Result, SPSS (2016)

4.5.2 Reliability test

In statistical terms, reliability is based on the idea that individual items (or sets of items) should produce results consistent with the overall questionnaire. There are two ways of assessing internal consistency reliability; using coefficient alpha and split half reliability. Cronbach alpha measures the extent to which item responses obtained at the same time correlate highly with each other and the widely accepted social science cut off is that alpha should be 0.70 or higher for a set of items to be considered a scale (Field, 2006).

The coefficient alpha formula for items that have more than dichotomous right or wrong answers such as Likert scales is as follows:

Alpha = [n/ (n - 1)] x [(Vart - ΣVari)/Vart]

Alpha= estimated reliability of the full-length test

n = number of items

Vart = variance of the whole test (standard deviation squared)

ΣVari = sum the variance for all n items

Similarly, the split half reliability method splits the data set in to two. If a scale is very reliable a person's score on one half of the scale should be the same to the score on the other half. Across several participants, scores from the two halves of the questionnaire should correlate perfectly.

The correlation between the two is that the two halves are statistically computed in the split half method, where large correlations are a sign of reliability (Field, 2006). But the problem with this method is that there are several ways in which a set of data can be split into two and so the results could be a product of the way in which the data were split. And that is why Cronbach alpha over came this problem by coming up with a measure that is loosely equivalent to splitting data in two in every possible way and computing the correlation coefficient for each split (Field, 2009).

As can be seen on Table 4.12, Cronbach alpha can also be calculated using SPSS, which is also the case for this study. The calculated coefficient alpha for this study was found to be 0.85 for all variables, which is well above the required threshold of 0.70 confirming the variables to be internally consistent.

Table 4.12: Reliability Statistics

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.857	.856	5

Source: Survey Result, SPSS (2016)

The table below shows the inter item correlation which gives us the correlation coefficients for items in the study's scale. This matrix is especially relevant because this study has not carried out a factor analysis which may cause a problem because the overall alpha may be affected by the number of items being analyzed. Therefore, we need to use the inter item correlation table to check and see if the items interrelate well where the inter item correlation must be above 0.3 (Field, 2009). As can be seen from this study, the correlation between items is well above 0.3 which is encouraging.

Table 4.13: Inter Item Correlation

Inter-Item Correlation Matrix

	Perceived Quality	Organizational Association	Brand Loyalty	Brand Association	Brand Image
Perceived Quality	1.000	.460	.548	.614	.429
Organizational Association	.460	1.000	.634	.523	.548
Brand Loyalty	.548	.634	1.000	.707	.461
Brand Association	.614	.523	.707	1.000	.510
Brand Image	.429	.548	.461	.510	1.000

Source: Survey Result, SPSS (2016)

4.6 Inferential Analysis of Variables

The next paragraphs will deal with testing the hypotheses proposed in the first chapter of this study. To this end, hypotheses one through five were tested using multiple regression as expressed in chapter three after making sure the model fulfills all the assumptions related with multiple regression and the last hypothesis was tested using t-test table.

4.6.1 Regression Analysis

Regression analysis is a way of predicting an outcome variable from one predictor variable (simple regression) or several predictor variables (multiple regressions) (Field, 2009). But before carrying out a regression analysis, there are a few assumptions of linear regression analysis that must be maintained.

4.6.1.1 Assumptions of linear regression analysis

4.6.1.1.1 Multicollinearity

After the normality of the data in the regression model are met, the next step, which is to determine whether there is similarity between the independent variables in a model, is necessary to do a multicollinearity test (Field, 2009).

Multicollinearity exists when there is a strong correlation between two or more predictors in a regression model. Multicollinearity poses a problem only for multiple regressions (which is also the case for this study) because simple regression requires only one predictor.

Multicollinearity may cause an untrustworthy b coefficient which may lead b values to vary across samples and hence, the resulting predictor equations will be unstable across samples. Moreover, Multicollinearity between predictors also makes it difficult to assess the individual importance of a predictor. If the predictors are highly correlated, and each accounts for similar variance in the outcome, then we can never know which of the two variables is important (Field, 2009).

A good regression model must not have a strong correlation among its independent variables or must not have a multicollinearity problem and that the value of variance inflation factor (VIF) must have a value between 1 and 10 and the tolerance level should be more than 0.2 (SPSS Inc, 2007).

Table 4.14: Multicollinearity Test: Dependent Variable: Customer Retention

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Perceived Quality	.601	1.663
	Organizational Association	.511	1.958
	Brand Association	.408	2.452
	Brand Image	.629	1.590
	Brand Loyalty	.397	2.517

Source: Survey Result, SPSS (2016)

As shown on the table above, based on the coefficients output (collinearity statistics), the obtained variance inflation factor (VIF) for all independent variables was found to be between 1 and 10, which means that there is no Multicollinearity problem.

We can also use the descriptive statistics to check the correlation matrix for multicollinearity; that is, predictors that correlate too highly with each other (should be less than or equal to 0.80). The independent variables should also show a significant relationship with the dependent variable (greater than 0.3 (Field, 2009). As shown in Appendix one table 4.19 of correlation matrix, the above assumptions hold true for all variables (both independent and dependent).

4.6.1.1.2 Homoscedasticity

This assumption tells us that for each value of the predictors the variance of the error term should be constant. Said in another way, Homoscedasticity is an assumption in regression analysis that the residuals at each level of the predictor variables have similar variances. That is, at each point along any predictor variable, the spread of residuals should be fairly constant. For a basic analysis, we first plot *ZRESID (*Y*-axis) against *ZPRED (X-axis) on SPSS because this plot is useful to determine whether the assumptions of random errors and homoscedasticity have been met (Field, 2009). The graph of *ZRESID and *ZPRED should look like a random array of dots evenly dispersed around zero. If this graph funnels out, then the chances are that there is heteroscedasticity in the data. If there is any sort of curve in this graph, then, the chances are that the data have broken the assumption of linearity (Field, 2009).

As can be seen in the scattered plot below, the residuals at each level of explanatory variables look like they are evenly dispersed around zero and that the graph is not something like cone shaped. Therefore, it is safe to say that this study has no homoscedasticity problem.

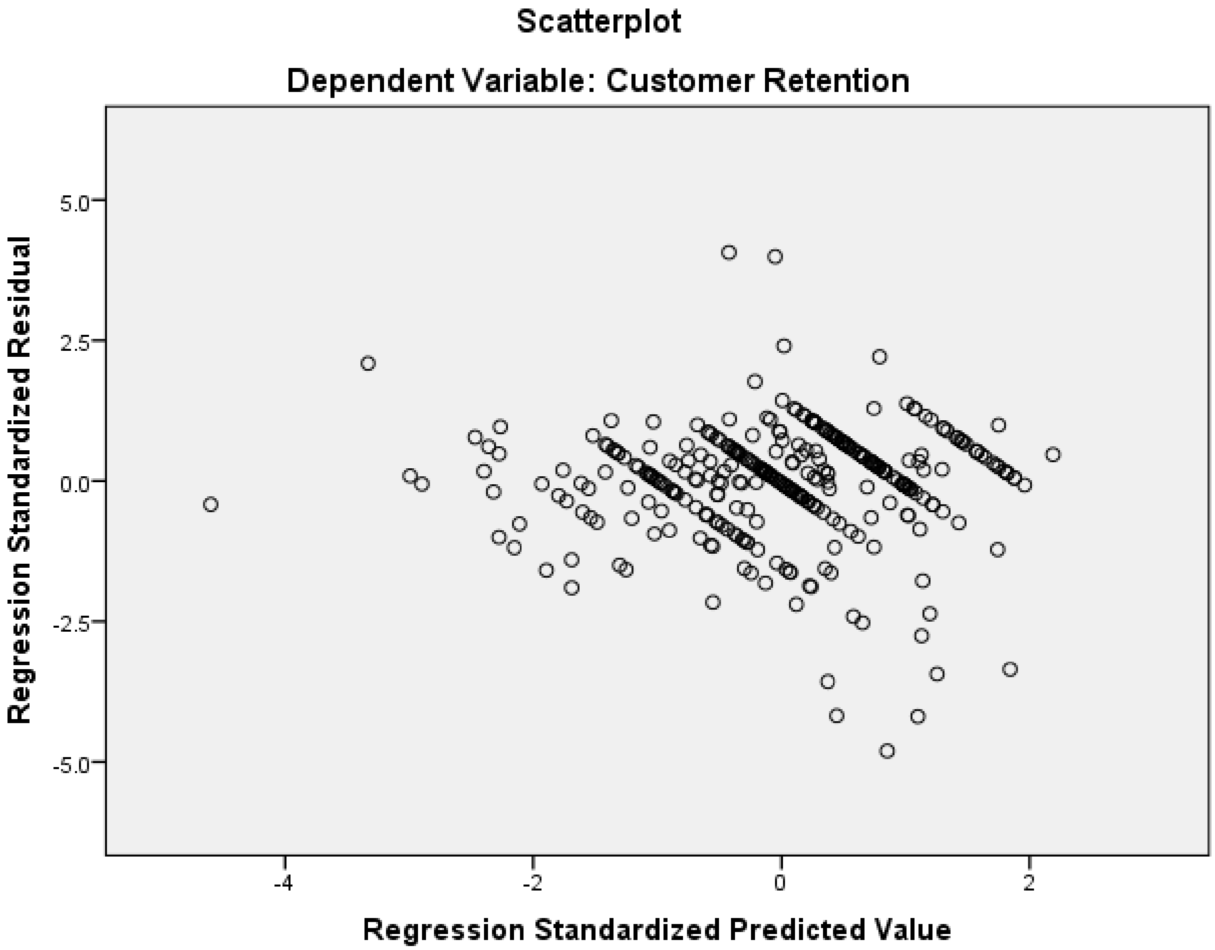


Figure 4.3: Scattered Plot
Source: Survey Result, SPSS (2016)

4.6.1.1.3 Normally Distributed Errors

This assumption states that the residuals in the model are random, normally distributed variables with a mean of 0. This assumption simply means that the differences between the model and the observed data are most frequently zero or very close to zero and that differences much greater than zero happen only occasionally. In general, the normal distribution makes a straight diagonal line, and the plotted residuals are compared with the diagonal. If a distribution is normal, the residual line will closely follow the diagonal (Field, 2009).

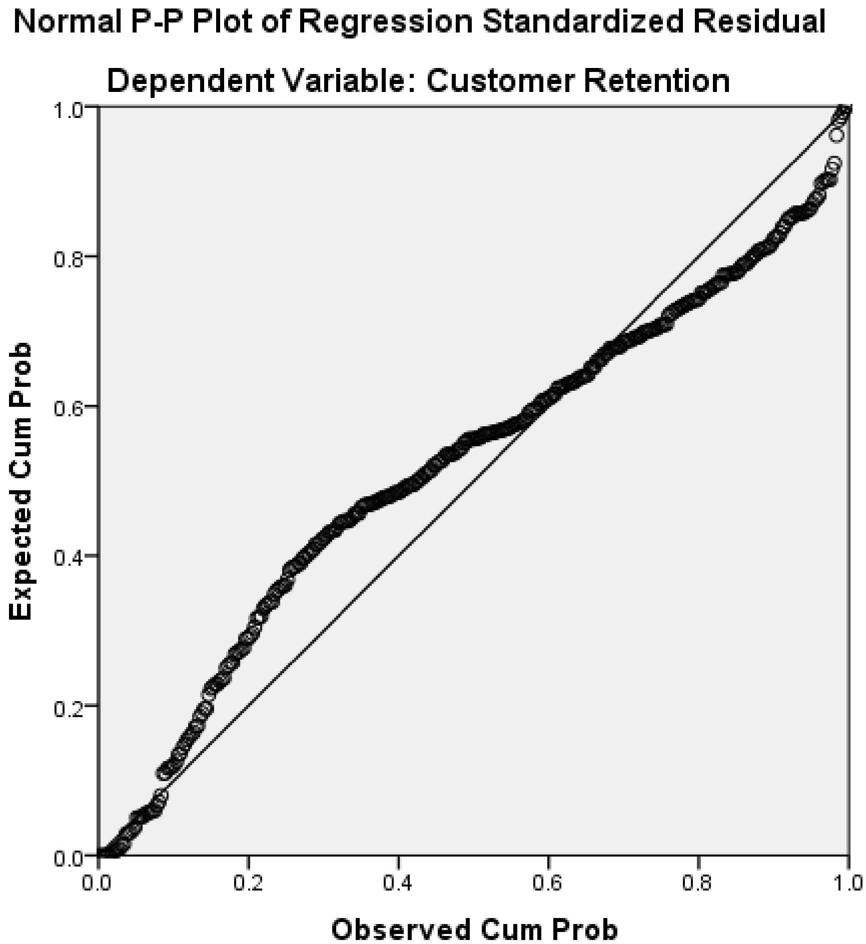


Figure 4.4: Normally distributed Errors
Source: Survey Result, SPSS (2016)

The above figure shows that the residuals have a sound normal distribution because the plotted residuals were around the diagonal straight line instead of making any other shape or curve.

Correlation R and R^2

Multiple R is the correlation between the observed values of Y and the values of Y predicted by the multiple regression model. Therefore, large values of the multiple R represent a large correlation between the predicted and observed values of the outcome. A multiple R of 1 represents a situation in which the model perfectly predicts the observed data. Coefficient of determination: the proportion of variance in one variable explained by a second variable. It is the Pearson correlation coefficient squared (R^2). Adjusted R^2 is a measure of the loss of predictive power or shrinkage in regression. The adjusted R^2 tells us how much variance in the outcome would be accounted for if the model had been derived from the population from which the sample was taken (Field, 2009).

Table 4.15: Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839[a]	.704	.700	.33707

a. Predictors: (Constant), Brand Image, Perceived Quality, Organizational Association, Brand Association, Brand Loyalty

b. Dependent Variable: Customer Retention

Source: Survey Result, SPSS (2016)

The above table is the first table provided by SPSS, which gives summary of the model. This summary gives the R and R^2 of the model that has been derived. R has the value of 83.9% which represents the overall correlation between customer retention of banks and the customer based brand equity dimensions.

The R^2, which is the coefficient of determination, was found to be close to 70% which means that customer based brand equity dimensions can account for 70% of the variation in customer retention of banks. i.e., there may be many factors that can explain the variation in customer retention of banks in Ethiopia, but the model used in this study, which includes the five customer based brand equity dimensions, can explain close to 70% of it. In other words, 30% of the variation in customer retention of banks in Ethiopia cannot be explained by these five dimensions and that there must be other variables that have an influence on the outcome.

Table 4.16: ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	91.314	5	18.263	160.744	.000[b]
	Residual	38.401	338	.114		
	Total	129.715	343			

a. Dependent Variable: Customer Retention b. Predictors: (Constant), Brand Image, Perceived Quality, Organizational Association, Brand Association, Brand Loyalty

Source: Survey Result, SPSS (2016)

The next part of the SPSS output reports an analysis of variance (ANOVA). The summary table shows the various sums of squares described in the Figure above and the degrees of freedom associated with each. From these two values, the average sums of squares (the mean squares) can be calculated by dividing the sums of squares by the associated degrees of freedom. The most important part of the table is the F-ratio, which is a test of the null hypothesis that the regression coefficients are all equal to zero. Put in another way, this F statistic tests whether the R^2 proportion of variance in the dependent variable accounted for by the predictors is zero and the table also shows the associated significance value of that F-ratio (Field, 2009). For this data, F is 160.744, which is significant at p <0.001 (because the value in the column labeled *Sig.* is less than 0.001). This result tells us that there is less than a 0.1% chance that an F-ratio this large would happen, if the null hypothesis proposed about F-ratio were true. Therefore, we can conclude that our regression model results in significantly better prediction of customer retention of banks in Ethiopia and that the regression model overall predicts customer retention significantly well.

Table 4.17: Coefficients of variables

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.176	.126		1.403	.162
	Perceived Quality	.168	.034	.195	5.011	.000
	Organizational Association	.105	.036	.122	2.947	.003
	Brand Loyalty	.199	.036	.263	5.602	.000
	Brand Association	.164	.039	.194	4.178	.000
	Brand Image	.262	.035	.277	7.393	.000

a. Dependent Variable: Customer Retention

Source: Survey Result, SPSS (2016)

The third output on SPSS provides details of the model parameters (the beta values) and the significance of these values. As shown on the previous chapter 'a' was the *Y* intercept and this value is the value *B* (in the SPSS output) for the constant. So, from the table, we can say that *a* is 0.176, and this can be interpreted as meaning that if all the customer based brand equity dimensions were to be zero, the model predicts that banks can only retain 17.6% of their customers. We can also read off the value of $b1$ from the table and this value represents the gradient of the regression line. It is 0.168 and although this value is the slope of the regression line, it is more useful to think of this value as representing the change in the outcome associated with a unit change in the predictor. Therefore, if our predictor variable is increased by one unit (if respondents perceived quality for banks is increased by 1), then our model predicts that 16.8% extra customers will be retained by banks in Ethiopia. The same are true for Organizational Association, Brand Loyalty, Brand Association and Brand image for which an increase in one unit of these respective variables can result in an increase in customer retention of banks by the percentages shown on the table.

In general, values of the regression coefficient *b* represent the change in the outcome, resulting from a unit change in the predictor and if a predictor is having a significant impact on our ability to predict the outcome, then, this *b* should be different from 0 (and big, relative to its standard error). And also the *t*-test tells us whether the *b*-value is different from 0. SPSS provides the exact probability that the observed value of *t* would occur if the value of *b* in the population were 0. If this observed significance is less than 0.05, then scientists agree that the result reflects a genuine effect (Field, 2009). For all the independent variables of this study, the probabilities are less than 0.05 and so we can say that the probability of these *t*-values or larger occurring, if the values of *b* in the population were 0, is less than 0.05. Therefore, the *b*s are different from 0 and we can conclude that the customer based brand equity dimensions make a significant contribution ($p < 0.05$) in predicting customer retention of banks in Ethiopia.

The regression model of this study can now be properly written in an equation form as the following.

Y (CR) = (0.176) constant + (0.168) PQ + (0.105) OA + (0.199) BL + (0.164) BA + (0.262) BI + ε (Error Term)

4.7 Validating the proposed Hypotheses

Hypothesis One: Perceived quality has a positive and significant influence on customer retention of banks in Ethiopia.

To test this hypothesis, a multiple regression was run on SPSS which gave the overall fitness of the model which was presented in the previous paragraphs and the significances of each independent variable in affecting the dependent variable.

Based on the tables and justifications provided in the preceding paragraphs, perceived quality has a positive and significant relationship with the dependent variable customer retention, where the t- statistic value was calculated to be 5.01 at p value < 0.05. The value of the coefficient of perceived quality was also found to be 0.168 which means that, if banks can increase their customers' perceived quality they will be able to retain 16.8% of their customers other factors remaining constant. Therefore, H1 is accepted.

Hypothesis Two: Brand association has a positive and significant influence on customer retention of banks in Ethiopia.

The second hypothesis testing provided that the coefficient of brand association was calculated to be 0.164, which indicates that keeping other factors constant, a unit change in brand association causes a 16.4% increase in customer retention of banks. And the relationship of the independent factor brand association (whose t-statistic value was found to be 4.178 at p-value of 0.000) with that of the dependent variable customer retention is found to be positive and statistically significant, which leads to the acceptance of H2.

Hypothesis Three: Organizational association has a positive and significant influence on customer retention of banks in Ethiopia.

As shown in the table above, the coefficient of organizational association was computed to be 0.105, which means that a unit change in organizational association has the influence to increase customer retention by 10.5% assuming all other variables constant. The calculated t-statistic value of this independent variable is 2.947 at p-value of 0.003, which proves a positive and significant relationship with the dependent variable, customer retention. Therefore, H3 is accepted.

Hypothesis Four: Brand loyalty has a positive and significant influence on customer retention of banks in Ethiopia.

The coefficient of brand loyalty was 0.199, which can tell us that a unit change in this variable increases customer retention by 19.9%, keeping other variables constant. The t-statistic value of brand loyalty was 5.602 at p-value of 0.000, which makes the relationship between this variable and customer retention positive and statistically significant accepting H4.

Hypothesis Five: Brand image has a positive and significant influence on customer retention of banks in Ethiopia.

This hypothesis was also accepted because the t-statistic value of brand image was 7.393 at p-value of 0.000. The coefficient was also computed to be 0.262, which represents the fact that a one unit increase in brand image can increase customer retention by 26.2%, other factors remaining constant. Therefore, brand image has a positive and significant relationship with customer retention.

Hypothesis Six: Public and private banks in Ethiopia have significant differences in terms of their customer based brand equity dimensions.

For this hypothesis, t-test was used to determine whether or not two group means are different. There are two different *t*-tests and their use depends on whether the independent variable was manipulated using the same or different participants.

Independent-means *t*-test: This test is used when there are two experimental conditions and different participants were assigned to each condition (this is sometimes called the *independent-measures* or *independent-samples t*-test) (Field, 2009).

Dependent-means t-test: This test is used when there are two experimental conditions and the same participants take part in both conditions of the experiment (this test is sometimes referred to as the matched-pairs or paired-samples t-test) (Field, 2009).

Both the **independent t-test** and the **dependent t-test** are parametric tests based on the normal distribution. Therefore, they assume:

- The sampling distribution is normally distributed

The independent *t*-test, because it is used to test different groups of people, further assumes:

- Variances in these populations are roughly equal (homogeneity of variance).

For the purpose of this research, the independent t-test was chosen to test if the means of the entire consumer based brand equity dimensions are significantly different for the two bank categories namely, public and private.

Normal distribution of samples was tested in the previous section of this chapter and homogeneity of variance is discussed in the paragraphs below.

Homogeneity of Variance

This assumption means that as one goes through levels of one variable, the variance of the other should not change. If groups of data are collected, then, this means that the variance of the outcome variable or variables should be the same in each of these groups. If continuous data are collected (such as in correlational designs), this assumption means that the variance of one variable should be stable at all levels of the other variable. A test called Levene's test is usually used to test homogeneity of variance for a group of data (Field, 2009).

Levene's test tests the null hypothesis that the variances in different groups are equal (i.e. the difference between the variances is zero). If Levene's test is significant at $p \leq 0.05$, then, we can conclude that the null hypothesis is incorrect and that the variances are significantly different – therefore, the assumption of homogeneity of variances has been violated. If, however, Levene's test is non-significant (i.e. $p > 0.05$) then the variances are roughly equal and the assumption is tenable (Field, 2009).

The SPSS output table in Appendix 4.20 shows that Levene's test is non-significant for the entire dimensions of consumer based brand equity (values in the Sig. column are all more than 0.05), indicating that the variances are not significantly different (i.e. they are similar and the homogeneity of variance assumption is tenable).

Therefore, for the percentage on the perceived quality, the variances were equal for public and private bank customers $F(1, 342) = 3.779$, $p>0.01$, where 'F' is Levene's test. The percentage on organizational association, the variances were again equal for both public and private bank customers $F(1, 342) = 2.018$, $p>0.01$. The percentage on brand loyalty, the variances were again equal for both public and private bank customers $F(1, 342) = 1.933$, $p>0.01$. The percentage on brand association, the variances were also equal for both public and private bank customers $F(1, 342) = 0.214$, $p>0.01$. The percentage on brand image, the variances were again equal for both public and private bank customers $F(1, 342) = 0.165$, $p>0.01$.

Now that the assumptions were satisfied, the next step in testing the sixth hypothesis is to carry out an independent t-test, the output of which SPSS provides us with two tables. The first table shows that both public and private banks have 172 participants who responded to the five consumer based brand equity dimensions, with their respective mean, standard deviation and standard error mean.

Table 4.18: Descriptive Group Statistics

Group Statistics

	Type of Bank used by Respondents	N	Mean	Std. Deviation	Std. Error Mean
Perceived Quality	Public	172	3.5843	.76035	.05798
	Private	172	3.6686	.66128	.05042
Organizational Association	Public	172	4.2311	.72498	.05528
	Private	172	4.0073	.68154	.05197
Brand Loyalty	Public	172	3.7058	.85387	.06511
	Private	172	3.7779	.77065	.05876
Brand Association	Public	172	3.6386	.73902	.05635
	Private	172	3.8023	.71283	.05435
Brand Image	Public	172	3.6483	.64081	.04886
	Private	172	3.5131	.65128	.04966

Source: Survey Result, SPSS (2016)

In the Appendix table 4.21, we can see that there are two rows containing values for the test statistics: one row is labeled Equal variances assumed, while the other is labeled Equal variances not assumed. In the assumptions for independent t-test, we saw that Levene's test was insignificant at p-value greater than 0.05. Hence, we should read the test statistics in the row labeled Equal variances assumed. Had Levene's test been significant, then we would have read the test statistics from the row labeled Equal variances not assumed.

SPSS produces the exact significance value of t, and we are interested in whether this value is less than or greater than 0.05. In this case the two-tailed value of p for perceived quality, brand loyalty and brand image were 0.273, 0.412 and 0.053, respectively, which are greater than 0.05, and so we would have to conclude that there was no significant difference between the means of the above variables (perceived quality, brand loyalty and brand image) for public and private banks in Ethiopia.

The two tailed p-value for organizational association and brand association were calculated to be 0.003 and 0.037, respectively, which are less than 0.05. Therefore, there was a significant difference between the means of organizational association and brand association for public and private banks in Ethiopia. Therefore, this led to the partial acceptance of the sixth hypothesis.

These two variables (brand association and organizational association) can be point of difference and source of differentiation for their respective banks.

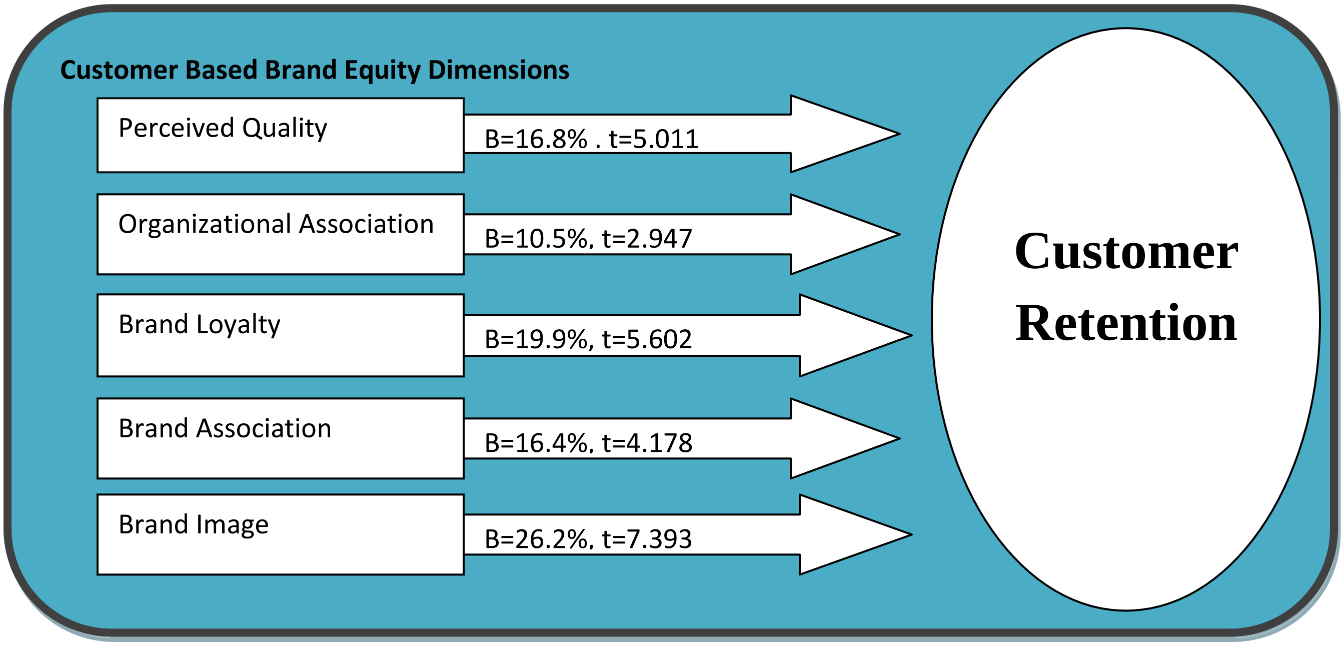


Figure 4.5: The influence of CBBE on Customer Retention
Source: Survey Result (2016)

The above figure shows us the relationship of each CBBE dimensions with customer retention of banks in Ethiopia which reveals that brand image has and brand loyalty alone contribute (46.1) more to customer retention than the other three variables (perceived quality, organizational association and brand association) combined. This means that if banks only concentrate on building or increasing their brand image and brand loyalty by just a unit, they will be able to retain close to 50% of their customers.

Chapter Five

Conclusion and Recommendation of the Study

5.1 Introduction

The fifth and last chapter of this study revolves around the major findings of the study and what we can conclude from the findings and give recommendation based on these findings. This chapter, moreover, highlighted the limitations of this work and indicated future research areas for anyone interested in the applicability of consumer based brand equity in retaining customers.

5.2 Conclusions drawn from the study

At the heart of this study was the objective proposed to be achieved in chapter one of this work, which generally was to find out the effect consumer based brand equity dimensions may have on customer retention of banks in Ethiopia. The results found from this study were the following.

Consumer based brand equity dimensions consist of perceived quality, organizational association, brand association, brand image and brand loyalty. These dimensions were used as explanatory variables for the purpose of this study and the effect of these variables on customer retention was the main concern of this work. Following this, 384 questionnaires were distributed to customers of both public and private banks in Ethiopia, after testing the validity of the instrument through pilot study.

Among the distributed questionnaires, only 344 workable data was added on the SPSS program where the descriptive analysis of the data assigned respondents to the different categories of gender, age, monthly net income, educational level and the type of bank (public or private) the respondents use.

Coefficient alpha was then used to measure the reliability of the respective variables stated to explain the dependent variable; customer retention, which was found to be well above the threshold level at 0.85. Then, regression analysis and an independent t-test were run to test the acceptance or rejection of the hypotheses that were put forward by this work.

Fitness of the model or the power of the independent variables in explaining customer retention of banks in Ethiopia has found that the dependent variable was positively explained (70%) by the five dimensions of consumer based brand equity which are known, for all uses and purposes of this study, as independent variables.

The findings of hypotheses one through five were verified by running a multiple regression analysis, which then showed that all the dimensions of consumer based brand equity have a positive and significant effect on customer retention of banks in Ethiopia. This leads to the conclusion that a one unit increase in all of the dimensions, results in a positive increase in customer retention of banks in Ethiopia. Therefore, all the five hypotheses proposed were accepted. The last hypothesis, which was tested using independent t-test, proposed that private and public banks in Ethiopia have a significant difference in terms of their respective consumer based brand equity dimensions. This hypothesis, however, was partially accepted. After running an independent t-test, the means of perceived quality, brand loyalty and brand image of public and private banks in Ethiopia were not found significantly different. But, the means of organizational association and brand association were calculated to be significantly different for public and private banks in Ethiopia and thus, the partial acceptance of the hypothesis.

This study was aimed at finding out if there is a possibility to use consumer based brand equity to retain customers of banks in Ethiopia. Much of previous literature concentrated on relating consumer based brand equities with goods industry, not the service sector. So, this study confirmed to us that the CBBE dimensions can be used to show that companies in the service sector, particularly the financial service sector, can retain their customers in Ethiopia. Although banks in Ethiopia have clearly and fully internalized the importance of a strong branding strategy, it is obvious these local banks will not stand a chance against foreign competitors if the country's regulation allows foreign financial institutions to enter the sector.

5.3 Recommendations of the study

Based on the findings discussed in chapter four, this study proposes the following recommendations.

- ❖ Public and private banks in Ethiopia must first carry out a company assessment to find out where their branding strategy stands in the industry.
- ❖ To this end these banks can choose consumer based brand equity to be able to retain their customers.
- ❖ Both public and private banks in Ethiopia should first focus on those consumer based brand equity dimensions that have a strong significant relationship with customer retention; to be able to find out and improve their strongholds.
- ❖ Based on the findings in chapter four, public and private banks have a stronghold in the dimensions brand image, brand loyalty, perceived quality and brand association. Therefore, banks should give special attention to these dimensions (as they are their strengths) and exploit any opportunity there is to retain their customers. The banks will be advantageous (can retain more customers) even if they concentrate in building their brand image and in increasing loyal customers.
- ❖ To exploit the strength they have of brand image banks can invest in the location and office environment to make their customers comfortable and want to come back for more services. Also banks may consider giving away gift packages with the logo of the banks engraved on these items. This will help customers recall the logo quickly.
- ❖ To make their customers loyal by being their customers' first choice, banks should work hard on delivering quality services.
- ❖ The relatively weaker but still significant relation was witnessed between organizational association and customer retention. This dimension has to do with the banks' brand reliability and the overall banks' credibility. Banks in Ethiopia can best use this dimension to retain customers by engaging in social activities such as sponsoring social events, participating in telethons, standing for a good cause that has to do with empowering women…etc. This very much can show to the society that the banks address their corporate social responsibilities and do not hesitate to give back to the community.

5.4 Limitations and Future Research

This study utilized a very small sample size from only four banks that reside in Addis Ababa, the capital city of Ethiopia, through convenient sampling due to time and budget constraints. This fact alone makes an in depth treatment of the findings of this study to be close to impossible.

This work used cross sectional data, where data was collected at point in time via the instrument of survey. So, future researchers may use a time series data and they may also use more samples and a different sampling method and a different data collection method, such as interview method to increase the generalizability of the findings beyond the population from which the samples were drawn to the entire financial industry.

This work considered only the applicability of consumer based brand equity for customer retention of banks in Ethiopia. But, other researchers can expand this idea to incorporate customer acquisition as well. Moreover, this idea can be used for other types of financial institutions, such as insurance companies and microfinance institutions or any industry other than the financial sector, such as hotels, cross country transportation service providers, cinemas, etc.

In addition, interested researchers may also seek a comparative study to find out which type of bank (public or private) holds the most strong brand equity by using consumer based brand equity dimensions. Future researches may also want to collect their data from different cities of Ethiopia and may incorporate banks other than mentioned in this work.

Last but not least, future researchers may see brand equity from a different angle or perspective and carry out a study that analyzes the relationship between financial based brand equity and customer retention or the relationship between employees based brand equity and customer retention and acquisition.

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Appendix One

Questionnaire in English

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT

A questionnaire developed to measure the effect of Customer Based Brand Equity on Customer Retention on private and public banks of Ethiopia.

Dear Respondents,

First of all, I would like to express my heartfelt gratitude for agreeing to cooperate in filling out this questionnaire. This questionnaire is developed and forwarded to you to measure your perception, knowledge, feelings and attitudes towards the two types of banks in Ethiopia namely: Private and public banks. My name is Helina Kebede, Masters of Art candidate at Addis Ababa University School of commerce in the Department of Marketing Management conducting a research entitled "Analysis of the Effect of Customer Based Brand Equity on Customer Retention: A study of public and Private Commercial Banks in Ethiopia", as a partial fulfillment for my MA Degree. Your assistance in this work will be greatly appreciated and I declare that your responses will be kept confidential and its use will be limited to this research thesis only.

I. General/Demographic Information (Please do not include your name).

Direction: Please mark the box **(√)** of your correct answer.

1. Gender: Male ☐ Female ☐
2. Age: 18-30 ☐ 30-40 ☐ 40-50 ☐ above 50 ☐
3. Monthly Net Income: up to 2,500 ☐ 2,501-7,000 ☐ 7,001-10,000 ☐
   Above 10,001 ☐
4. Educational Level: Up to Diploma ☐ Degree ☐ Master ☐ PHD ☐

Direction: Please choose only on Bank type you for the question number 5!

5. Which type of Bank do you use? Public ☐ Private ☐

II. Basic Research Questions: Based on the Bank type you chose under question number 5 please put a check mark among the five alternatives for each of the sentences stated in the box below.

Key 1: Please note that "X" represents the type of bank you have already chosen under question number five.

Key 2: SA=Strongly Disagree, DA=Disagree, N=Neutral, AG= Agree, SA=Strongly Agree

Items	**A)Perceived Quality**	**SDA (1)**	**DA (2)**	**N (3)**	**AG (4)**	**SA (5)**
1	Its staff takes care of banking services in promised time					
2	Has courteous personnel					
3	Its personnel quickly corrects mistakes					
4	Has experienced personnel					
5	Its personnel is knowledgeable about all areas of bank services					
6	Its personnel takes care of tasks accurately					
Items	**B) Organizational Association**	**SDA (1)**	**DA (2)**	**N (3)**	**AG (4)**	**SA (5)**
1	I would feel safe to keep all my money in Bank X					
2	Bank X has the longest history in banking					
3	Bank X is known to be "the most reliable bank" in all areas of services					

4	Bank X is a reliable brand					
Item	**C) Brand Loyalty**	**SDA (1)**	**DA (2)**	**N (3)**	**AG (4)**	**SA (5)**
1	Bank X is my first choice					
2	I regularly use Bank X for all my banking needs					
3	I recommend Bank X to others					
4	I consider myself loyal to Bank X					
5	I am proud to do all my banking with Bank X					
Item	**D) Brand Association**	**SDA (1)**	**DA (2)**	**N (3)**	**AG (4)**	**SA (5)**
1	Bank X is known for providing the best quality service					
2	Bank X offers the greatest assortment of banking services					
3	Bank X provides the fastest service					
4	It is appropriate to describe the services offered by Bank X as “best quality”					
5	It is appropriate to describe Bank X as “contemporary” that uses high technology					
6	It is appropriate to describe Bank X’s personnel as “very customer-friendly”					
Item	**E) Brand Image**	**SDA (1)**	**DA (2)**	**N (3)**	**AG (4)**	**SA (5)**
1	X Bank has cheerful and enchanting atmosphere					

2	X Bank is crowded					
3	I feel comfortable visiting X Bank alone					
4	I can quickly recall the symbol or logo of X Bank					
Item	**F) Customer Retention**	**SDA (1)**	**DA (2)**	**N (3)**	**AG (4)**	**SA (5)**
1	I believe rival banks offer better services					
2	I will welcome recommendation of another provider from family/friends					
3	X Bank gives special reward for customers staying with it					
4	I will stay with X Bank for many years					
5	X Bank charges high price for its services					
6	There is a very high switching cost associated with leaving Bank X					

የአማርኛ መጠይቅ

በአዲስ አበባ ዩኒቨርሲቲ የንግድ ሥራ ትምህርት ቤት
የገበያ ጥናት አመራር ትምህርት ክፍል

በኢትዮጵያ የሚገኙ መንግስታዊ ና የግል ባንኮች ድርጅታዊ ወይም "brand" ሀብት ለማጥናት የተዘጋጀ መጠይቅ፡፡

ዉድ የጥናቴ ተሳታፊዎች!

በቅድሚያ ይህንን መጠይቅ ለመሙላት ፍቃደኛ በመሆናችሁ ልባዊ ምስጋናዬን እገልጣለሁ፡፡ ይህ መጠይቅ ተጠናቅሮ ለናንተ የቀረበበት ምክንያት፡ በኢትዮጵያ ስለሚገኙ የግልና የመንግስት ባንኮች ላይያልዎትን እዉቀት፣ ግንዛቤ፣ አመለካከት እንዲሁም አረዳድ ለማጥናት ነዉ፡፡ እኔ ህሊና ከበደ በአዲስ አበባ ዩኒቨርሲቲ የንግድ ሥራ ትምህርት ቤት የገበያ ጥናት አመራር ትምህርት ክፍል ዉስጥ የሁለተኛ ዲግሪ ተማሪ ስሆን ለዚህ ዲግሪ ማሟያ የሚሆን ጥናት "የድርጅታዊ ማንነት ሀብት በግል ና በመንግስት ባንኮች ደንበኞችን ይዞ ማቆየት ላይ ያለዉ ተፅእኖ (Analysis of the Effect of Customer Based Brand Equity on Customer Retention: A study of Public and Private Commercial Banks in Ethiopia)" በሚል ርዕስ ስር ጥናት በማካሄድ ላይ እገኛለሁ፡፡ እርስዎም የሚሠጡት ምላሽ ለዚህ ጥናት ፍጆታ ብቻ የሚዉል ሲሆን የሚሠጡት ምላሽ ካለእርስዎ ፈቃድ በፍፁም ለሶስተኛ ወገን ይፋ እንደማይደረግ ቃል እገባለሁ፡፡

ሀ) ጠቅላላ መረጃ (እባክዎ፡ ስምዎን አይግለፁ)

እባክዎ! በመረጡት ሳጥን ዉስጥ የጭረት ምልክት ያስቀምጡ

1. ጾታ፡ ወንድ ☐ ሴት ☐
2. እድሜ፡ 18-30 ☐ 30-40 ☐ 40-50 ☐ ከ 50 በላይ ☐
3. የተጣራ የወርገቢ መጠን፡ እስከ 2,500 ☐ 2,501-7,000 ☐ 7,001-10,000 ☐ ከ10,001 በላይ ☐

4. የትምህርት ደረጃ፡ እስከ ዲፕሎማ ያጠናቀቀ ☐ የመጀመሪያ ዲግሪ ☐ ሁለተኛ ዲግሪ ☐

ዶክትሬት ዲግሪ ☐

እባክዎ! ለሚቀጥለዉ ጥያቄ አንድ የባንክ አይነት ይምረጡ

5. የሚጠቀሙበት የባንክ አይነት፡ የግል ☐ የመንግስት ☐

ለ) መሰረታዊ የጥናቱ ጥያቄዎች፡፡ ከላይ በተራ ቁጥር አምስት ስር በመረጡት የባንክ አይነት ላይ ተንተርሠዉ ከዚህበታች ባለዉ ሠንጠረዥ ላይ ሃሰብዎን በትክክል የሚገልፀዉ ሳጥን ዉስጥ የጭረት ምልክት ያኑሩ፡፡

ማስታወሻ፡ "የመረጡት ባንክ" ተብሎ ከታች የተመለከተዉ በተራ ቁጥር አምስት ሥር የመረጡትን ባንክ ለማመላከት ነዉ፡፡

Items	A)Perceived Quality	በጥብቅ አልስማማም	አልስማማም	ተዓቅብ	እስማማለሁ	አጥብቄ እስማማለሁ
1	የመረጡት ባንክ ሰራተኞች ቃል በገቡት መሰረት በተቀላጠፈ ፍጥነት አገልግሎት ይሰጣሉ					
2	የመረጡት ባንክ ትህትና የተላበሱ ሰራተኞች አሉት					
3	የ መረጡት ባንክ ሰራተኞች ስህተቶችን በፍጥነት ያርማሉ					
4	የመረጡት ባንክ ልምድ ያላቸዉ ሰራተኞች አሉት					
5	የመረጡት ባንክ በሁሉም የባንክ ስራዎች አዋቂ የሆኑ ሰራተኞች አሉት					
6	የመረጡት ባንክ የባንክ አገልግሎቱን በትክክል የሚወጡ ሰራተኞች አሉት					
Items	**B) Organizational Association**	**በጥብቅ አልስማማም**	**አልስማማም**	**ተዓቅብ**	**እስማማለሁ**	**አጥብቄ እስማማለሁ**

1	ገንዘቤን በ "መረጡት" ባንክ በማስቀመጤ ደህንነት የሰማኛል					
2	የመረጡት ባንክ በባንክ ስራ ላይ የብዙ አመት ልምድ አለዉ					
3	የመረጡት ባንክ በአገልግሎቱ እምነቴን ልጥልበት የምችልበት ባንክ ነዉ					
4	የመረጡት ባንክ አስተማማኝ ብራንድ ነዉ					
Items	**C) Brand Loyalty**	**በጥብቅ አልስማማም**	**አልስማማም**	**ተዓቅቦ**	**እስማማለሁ**	**አጥብቄ እስማማለሁ**
1	የመረጥኩት ባንክ ተቀዳሚ ምርጫዬ ነዉ					
2	በየግዜዉ ለተለያዩ የባንክአገልግሎቶች በተራ ቁጥር 5 የመረጡትን ባንክን አገልግሎቶች እጠቀማለሁ					
3	የመረጥኩት ባንክን ሌሎችም እንዲገለገሉበት ስለአገልግሎቱ ብቁነት እመሰክራለሁ/እመክራለሁ					
4	ለመረጥኩት ባንክ ታማኝ ደንበኛ ነኝ ብዬ አምናለሁ					
5	የባንክ ግልጋሎቶቼን በሙሉ ከ መረጥኩት ባንክ ጋር በማድረጌ እኮራለሁ					
Items	**D) Brand Association**	**በጥብቅ አልስማማም**	**አልስማማም**	**ተዓቅቦ**	**እስማማለሁ**	**አጥብቄ እስማማለሁ**
1	የመረጥኩት ባንክ ጥራት ያለዉ አገልግሎት በመስጠት ይታወቃል					
2	የመረጥኩት ባንክ የተለያዩ አይነት የባንክ ግልጋሎቾን የሰጣል					
3	የመረጥኩት ባንክ ፈጣንና ቀልጣፋ አገልግሎት የሰጣል					
4	የመረጥኩት ባንክ የሚሰጠዉን አገልግሎት ጥራቱን የጠበቀነዉ ማለት ይቻላል					
5	የመረጥኩት ባንክ ከፍተኛ የሆነዘመናዊ ቲክኖሎጂ ይጠቀማል ማለት ይቻላል					

6	የመረጥኩት ባንክ ሰራተኞች ደንበኛ ወዳድ ናቸዉ ማለት ይቻላል					

Items	E) Brand Image	በጥብቅ አልስማማም	አልስማማም	ተዓቅቦ	እስማማለሁ	አጥብቄ እስማማለሁ
1	የመረጥኩት ባንክ አስደሳች ና ማራኪ አካባቢያዊ ሁኔታ አለዉ					
2	የመረጥኩት ባንክ በጣም በሰዎች የተጨናነቀ ነዉ					
3	የመረጥኩት ባንክ ለብቻዬ ሄጄ ብጠቀምም ምቹነዉ					
4	የመረጥኩት ባንክን አርማ ና ምሳሌ በቀላሉ ማስታዎስ እችላለሁ					

Items	F) Customer Retention	በጥብቅአልስ ማማም	አልስማማም	ተዓቅቦ	እስማማለሁ	አጥብቄእስ ማማለሁ
1	ከመረጥኩት ባንክ ይልቅ ተፎካካሪ ባንኮች የተሻለ አገልግሎት ይሰጣሉ					
2	ከጉአደኞቼም ሆነ ከቤተሰብ የሚመጣን የሌላ ባንክ አገልግሎት ተጠቃሚ የመሆን ምክር እቀበላለሁ					
3	የመረጥኩት ባንክ አብረዉት ለሚዘልቁ ታማኝ ደንበኞች ሽልማት የሰጣል					
4	ለብዙ አመታት የመረጥኩት ባንክ ተጠቃሚ እሆናለሁ					
5	የመረጥኩት ባንክ ለሚሰጠዉ አገልግሎት ብዙ ዋጋ ይጠይቃል					
6	የመረጥኩትን ባንክ ትቶ ወደሌላ መሄድ ብዙ ዋጋ ያስከፍላል					

		Perceived Quality	Organizational Association	Brand Loyalty	Brand Association	Brand Image	Customer Retention
Perceived Quality	Pearson Correlation	1	.460**	.548**	.614**	.429**	.633**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	344	344	344	344	344	344
Organizational Association	Pearson Correlation	.460**	1	.634**	.523**	.548**	.632**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	344	344	344	344	344	344
Brand Loyalty	Pearson Correlation	.548**	.634**	1	.707**	.461**	.712**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	344	344	344	344	344	344
Brand Association	Pearson Correlation	.614**	.523**	.707**	1	.510**	.705**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	344	344	344	344	344	344
Brand Image	Pearson Correlation	.429**	.548**	.461**	.510**	1	.648**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	344	344	344	344	344	344
Customer Retention	Pearson Correlation	.633**	.632**	.712**	.705**	.648**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	344	344	344	344	344	344

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

Source: Survey Result, SPSS (2016)

Table 4.19: Correlation Matrix

Table 4.20: Homogeneity of Variance

		Levene Statistic	df1	df2	Sig.
Perceived Quality	Based on Mean	3.779	1	342	.053
	Based on Median	2.371	1	342	.125
	Based on Median and with adjusted df	2.371	1	335.929	.125
	Based on trimmed mean	2.975	1	342	.085
Organizational Association	Based on Mean	2.018	1	342	.156
	Based on Median	2.050	1	342	.153
	Based on Median and with adjusted df	2.050	1	341.626	.153
	Based on trimmed mean	1.622	1	342	.204
Brand Loyalty	Based on Mean	1.933	1	342	.165
	Based on Median	1.973	1	342	.161
	Based on Median and with adjusted df	1.973	1	341.918	.161
	Based on trimmed mean	1.906	1	342	.168
Brand Association	Based on Mean	.214	1	342	.644
	Based on Median	.161	1	342	.689
	Based on Median and with adjusted df	.161	1	341.814	.689
	Based on trimmed mean	.228	1	342	.633
Brand Image	Based on Mean	.165	1	342	.685
	Based on Median	.165	1	342	.685
	Based on Median and with adjusted df	.165	1	340.842	.685
	Based on trimmed mean	.115	1	342	.734

Source: Survey Result, SPSS (2016)

Table 4.21: Independent Samples test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Perceived Quality	Equal variances assumed	3.779	.053	-1.097	342	.273	-.08430	.07684	-.23543	.06683
	Equal variances not assumed			-1.097	335.545	.273	-.08430	.07684	-.23544	.06684
Organizational Association	Equal variances assumed	2.018	.156	2.950	342	.003	.22384	.07587	.07461	.37307
	Equal variances not assumed			2.950	340.703	.003	.22384	.07587	.07460	.37307
Brand Loyalty	Equal variances assumed	1.933	.165	-.822	342	.412	-.07209	.08770	-.24460	.10041
	Equal variances not assumed			-.822	338.466	.412	-.07209	.08770	-.24460	.10042
Brand Association	Equal variances assumed	.214	.644	-2.092	342	.037	-.16376	.07829	-.31775	-.00977
	Equal variances not assumed			-2.092	341.556	.037	-.16376	.07829	-.31775	-.00977
Brand Image	Equal variances assumed	.165	.685	1.940	342	.053	.13517	.06967	-.00186	.27220
	Equal variances not assumed			1.940	341.910	.053	.13517	.06967	-.00186	.27221

Source: Survey Result, SPSS (2016)