



**Factors Influencing Customer-Based Brand Equity
In Selected Insurance Companies In Ethiopia**

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of Master of Arts Degree in Marketing Management**

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Declaration

I, Girma Milkessa , declare that the study entitled “Factors Influencing Customer-Based Brand Equity In Selected Insurance Companies In Ethiopian” is the result of my own effort in the research undertaking. The paper has not been submitted to any diploma or degree in any college or university. This paper is submitted in partial fulfillment of the requirement for the Award of Master of Arts Degree inMarketing Management. I would like also to confirm that all the sources of materials used in this study are duly acknowledged.

Girma Milkessa

Statement of Certification

This is to certify that Girma Milkessa has carried out his research work entitled “Factors Influencing Customer-Based Brand Equity: In Selected Insurance Companies in Ethiopian” in partial fulfillment of the requirement for the Award of Master of Arts Degree in Marketing Management at Addis Ababa University College of Business and Economics School of Commerce. This paper is an original work and has not been submitted to any diploma or degree in any college or university.

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Abbreviation and Acronyms

AMOS: Analysis of Moment of Structures

CBBE: Customer Based Brand Equity

CII: Chartered Insurance Institute

EIC: Ethiopian Insurance Corporation

NBE: National Bank of Ethiopia

NICE: National Insurance co. of Ethiopia

SEM: Structural Equation Modeling

SPSS: Statistical Package for Social Science

UNIC: United Insurance Co. Sc

WTO: World Trade Organization

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Abstract

Despite the fact that the Ethiopian insurance industry is still dominated by the state owned insurance company, the competition among private insurance companies together with the industry giant has become intense-which lead companies to differentiate their offering from those of their competitors in order for them to maintain their current positions as well as to sustain a significant amount of market share in the ever growing insurance industry. Mean while, the objective of this paper is to investigate brand equity dimensions and creation of brand equity, thereby providing a conceptual framework for deeply understanding consumer based brand equity related to Ethiopian insurance industry. In view of that, this study employed Structural Equation Modeling (SEM) to analyze factors influencing Customer-Based Brand Equity in the Ethiopian Insurance Industry using Aaker's well-known conceptual framework, which comprises four exogenous variables: Brand Awareness, Brand Association, Perceived Quality, and Brand Loyalty and one endogenous variable: Brand Equity. A sample of 400 respondents (customers) are selected using quota sampling method from the five insurance companies, which constitutes around 70% of the market share (EIC, Awash, NIB, Africa, and Nile insurance) proportional to their market share and from the quota, respondents are selected on judgmental basis. The findings provide a strong support for hypothesis 3 and hypothesis 4, which indicated the positive and direct role of perceived quality ($\beta=0.48$, $p<.001$) and brand loyalty ($\beta=0.34$, $p<.001$) in affecting brand equity. Therefore, for competitive industry such as insurance, the key is to create a unique, distinctive and superior quality to provide customers with a reason to buy the brand, then work to keep their loyalty and gain their repeat business. On the other hand, both brand awareness ($\beta=0.01$, $p<.05$) and brand association ($\beta=0.07$, $p<.05$) are found to have very low parameter estimates. Therefore, it can be concluded that they did not have a direct significant influence on brand equity. However, as can be seen from the correlation analysis the intercorrelation between brand awareness to perceived quality and brand loyalty and between brand association to perceived quality and brand loyalty is positive and statistically significant. Accordingly, we can understand that brand awareness and brand association might be antecedents of brand equity by affecting perceived quality and brand loyalty.

Key Words: *Brand, Brand Equity, Customer-Based Brand Equity, Brand Awareness, Brand Association, Perceived Quality, Brand Loyalty and Overall Brand Equity.*

CHAPTER ONE

INTRODUCTION

This section of the research paper is a blue print for the entire chapters that follow through. In the meantime, it tries to explore on the concept of brand equity as well as insurance and also deals with the rationale of the study along with its objective and significance.

1.1. Background of the Study

The American Risk and Insurance Association (1979), has defined insurance as the pooling of fortuitous losses by transfer of such risk to insurers, who agree to indemnify insured's for such losses, to provide other pecuniary benefits on their occurrence, or to render services connected with risk. The 1960 commercial code of Ethiopia defines insurance under article 654 section (1) as a contract whereby a person, called the insurer, undertakes against payment of one or more premiums to pay to a person, called the beneficiary, a sum of money where a specified risk materializes.

Insurance, as a risk transfer mechanism, has developed over several hundred years in both developed as well as developing economies in response to highly complex and sophisticated risk. The purpose of insurance is to compensate or indemnify the victim for the financial losses suffered as a result of these risks, but it does not set out to eliminate the loss and cannot stop the disaster or misfortune from happening. Insurance is basically a service business that exists in order to ensure the success and survival of other businesses (Berhanu W/Mariam 2009; pp. 1).

The development of insurance is associated with the early days of human civilization. For example, marine insurance was practiced around 1,000BC; some 2000 years ago, in Romans times a form of life assurance was practiced by burial societies (CII, Life Assurance, p1/1). However, there is no unanimous evidence as to when and how the modern insurance began. Nonetheless, the 19th and 20th centuries have been marked with the hastening of insurance services all over the world.

The emergence of modern insurance in Ethiopia is traced back to the Bank of Abyssinia which was established in 1905 as the first Ethiopian Bank (Hailu Zeleke 2007; pp. 41). According to

Schafer (1992:364, 368) the bank, which was established under a fifty years concession granted by Emperor Menilek II (1889-1913) to the national bank of Egypt in March 1905, was inaugurated in February 1906. The bank had been acting as an agent for a foreign insurance company to underwrite fire and marine policies (Haile Micheal Kumsa 1992; Society of Insurance Professionals 2004;and Belay Gidey 1987). The first domestic insurance company, namely, Imperial Insurance Company of Ethiopia Ltd was established in 1951. Thereafter, until 1960 one domestic and numerous foreign insurance companies represented by agents were operating insurance business in Ethiopia, (Hailu Zeleke 2007; pp. 42).

Four years after the enactment of the proclamation, the military government that came to power in 1974 put an end to all private entrepreneurship. Then all insurance companies operating were nationalized and from January 1, 1975 onwards the government took over the ownership and control of these companies & merged them into a single unit called Ethiopian Insurance Corporation. In the years following nationalization, Ethiopian Insurance Corporation became the sole operator,(www.nbe.gov.et).

Following the change in the political environment in 1991, the proclamation for the licensing and supervision of insurance business heralded the beginning of a new era (www.nbe.gov.et). Currently there are around Seventeen Insurance Companies (including one state owned insurance company) operating in the industry under the supervision of National Bank of Ethiopia (NBE), which is the regulatory body.

Table 1.1: Market Share of Ethiopian Insurance Industry for the Period 2012/13 to 2013/14

No	Insurance Companies	2012/13		2013/14		Variance	
		Premium '000	Market Share	Premium '000	Market Share	Premium '000	Market Share
1	Abay	92.30	2.04	113.60	2.41	21.30	0.37
2	Africa	310.10	6.85	314.00	6.67	3.90	(0.18)
3	Awash	346.50	7.65	355.00	7.54	8.50	(0.11)
4	Birhan	53.40	1.18	53.40	1.13	-	(0.05)
5	Bunna	-	-	16.00	0.34	16.00	0.34
6	EIC	2,042.40	45.11	1,882.00	40.00	(160.40)	(5.12)
7	Ethio- Life	8.50	0.19	26.80	0.57	18.30	0.38
8	Global	53.90	1.19	62.00	1.32	8.10	0.13
9	Lion	152.10	3.36	178.00	3.78	25.90	0.42
10	Lucy	20.00	0.44	43.00	0.91	23.00	0.47
11	NIB	316.90	7.00	336.00	7.14	19.10	0.14
12	Nice	143.40	3.17	150.00	3.19	6.60	0.02
13	Nile	256.90	5.67	300.50	6.38	43.60	0.71
14	Nyala	243.40	5.38	265.00	5.63	21.60	0.25
15	Oromiya	193.40	4.27	255.00	5.42	61.60	1.15
16	Tsehay	45.00	0.99	81.30	1.73	36.30	0.74
17	UNIC	248.90	5.50	275.00	5.84	26.10	0.34
	Total	4,527.10		4,706.60		179.50	

Source: National Bank of Ethiopia

Despite the fact that the Ethiopian insurance industry is still dominated by the state owned insurance company, the competition among private insurance companies together with the industry giant has become intense-which leads companies to differentiate their offering from those of their competitors in order for them to maintain their current position as well as to sustain a significant amount of market share with the ever growing insurance industry.

A brand can be defined as "a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors" (Kotler 1991; p. 442).

Brand equity is one of the most important concepts in marketing science, and it has well-recognized as one of the most valuable intangible assets by most firms (Erenkol and Duygun, 2010; Hao et al., 2007, Wang et al., 2008). Brand equity is the incremental utility and value endowed to a product or service by its brand name (Keller, 2003; Park and Srinivasan 1994; Yoo et al., 2000; Marinova et al., 2011). High brand equity can lead customers into a positive or strong brand association; gain or increase their cash flow to the business, as well as make

products differentiation in order to lead to competitive advantages (Yoo et al., 2000; Aaker, 1991; Keller, 1993; Marinova et al., 2011).

The customers-based brand equity is a study of brand equity from the customers' perspective (Xu and Chan, 2010), and it can be described as different brand knowledge such as customers association, familiarity, which affect customer' reaction to the marketing of a brand (Keller, 1993; Tong and Hawley, 2009). Customer-based brand equity occurs when customers are familiar with a brand and hold some brand associations in their memory such as favorable, strong and unique (Wang *et al.*, 2008).

Brand equity is a multidimensional concept and a complex phenomenon. Keller (2002) separated it into two components: awareness and association. Aaker (1991, 1996) grouped it into five categories: perceived quality, brand loyalty, brand awareness, brand association, and other proprietary brand assets such as patents, trademarks, and channel relationships. Among these five brand equity dimensions, the first four represent customers' evaluations and reactions to the brand that can be readily understood by consumers (Barwise, 1993; Yoo and Donthu, 2001), so they have been widely adapted to measure customer-based brand equity in previous studies.

Among several brand equity models in the literature, this study uses the one constructed by Aaker (1991), which is the most commonly cited and it has been empirically tested in a number of previous studies (Atilgan et al., 2005; Kim and Kim, 2004; Yoo et al., 2000; Xiao Tong and Jana M. Hawley, 2009).

1.2. Statement of the Problem

Brand equity is one of the significant concepts in brand management, as well as in business practice and academic research, for marketers can gain competitive advantage through successful brands. Developing and properly managing brand equity has been emphasized as an important issue for most firms. Based on the value of brand equity, Aaker (1991) defines it as a set of assets (and liabilities) linked to a brand's name and symbol that add to (or subtract from) the value provided by a product or service to a firm and/or that firm's customers.

Following proclamation No. 86/1994, which allowed private investment in the insurance sector, the insurance market has once again witnessed competition among the public and the private insurance companies (Hailu Zeleke 2007; pp. 189). The transition of the insurance industry from the public monopoly to a competitive environment now presents very interesting challenges, both to the new players and to the customers (Nalini and Prabir 2006; pp. 35). Also Nalini and Prabir (2006:17) indicate that in the new economic reality of globalization, insurance companies face a dynamic global business environment. Radical changes are taking place owing to the internationalization of activities, the appearance of new risks, new types of covers to match with new risk situation, and unconventional and innovative ideas on customer service. According to Hailu Zeleke (2007:205), Ethiopia is in the process of accession to the WTO. When a decision is made to open up the local financial market and potentially new foreign entrants join the insurance sector, existing insurers are likely to face intense competition.

Coping with the increasingly competitive environment has called on insurance firms to rethink their marketing strategies. The days when firms could simply wait for clients to beat a path to their door are long gone. As Kotler (2000), states Organizations must realize that their services and products, regardless of how good they are, simply do not sell themselves. To achieve success in the marketing of the insurance products, the entire business environment is required to be considered. The strategies are to be adopted based on the dynamics of the market trends, Nalini and Prabir (2006:36). Mintzberg (1994) stated that Liberalization and globalization brought a variety of products in the market. Consumers have thus become exposed to many products of all qualities, makes and origin. They therefore seek the best available products to satisfy their specific needs. With many substitutes, firms must differentiate their products in the eyes of the consumers. This state of events has lead many organizations to rethink about the concept of branding. Thus, Marketers today need to work harder to make their brands successful in the market place, Aaker (1996).

As proposed by Pappu et al (2005), Branding is a powerful means of differentiation. Differentiation is one of the key competitive positioning strategies suggested by Porter (1990). The strategic impact of branding is duly recognized in the marketing literature (see Aaker, 1991, 1992; de Chernatony and McDonald, 1998; Kapferer, 1994; Keller, 1999). Brands might

develop sustainable competitive advantage for firms (Aaker, 1989). That is, if consumers perceive a particular brand favorably, then the firm may have a competitive advantage.

In order to beat the increasingly competitive industry, insurance companies are putting their marketing capability to the test. Over the years, insurance companies have designed different types of products; they have tried to distribute their services to different towns in Ethiopia. Branding is also practiced by the insurance companies. A brand is important because it signals to a customer the source of a product and protects both the customer and the producer from competitors who would attempt to provide goods that appear to be identical Aaker (1991). Similarly, Brand building can also bring advantages such as defending against competitors and building market share, Adams (1995). What has remained unknown is: **“How customer based brand equity and which CBBE dimension most helps insurance companies to stand out in the ever increasing competitive environment?”**

In the process of conducting an empirical survey, the student researcher has come across a number of research works conducted on customer based brand equity.

Beidenariam Amare (2014) carried out his research on “Measuring Customer Based Brand Equity in the Ethiopian Beer Industry” and come up with the conclusion that even though all the CBBE determinants have a positive influence on the overall brand equity of consumers, perceived quality has the strongest influence in the Ethiopian Beer industry. Thus, recommended breweries to exert their effort on increasing the perceived quality of their consumers in order to increase their overall brand equity accordingly.

However, Million Tekeste (2013) concluded that based on his research, brand loyalty is the major determinants of brand equity in the Ethiopian beer industry. He also asserts that there is a high correlation among brand association, perceived quality, and brand loyalty.

Bezawit Mengesha (2014) has also conducted a research on measuring customer based brand equity of Ethiopian airlines and her finding implies that the respondents have a positive perception about Ethiopian Airline. Moreover, she concluded that based on the correlation analysis, all dimensions of brand equity are positively related to each other as well as with the overall brand equity of Ethiopian Airline, however, the regression analysis shows that brand

loyalty has the greatest influence on the overall brand equity. Therefore, suggesting the airline to concentrate its effort primarily on building brand loyalty.

Based on Keller's well known conceptual framework of CBBE, Mulugeta Kefeyalew (2014) carried out his research on Awash International Bank and based on his research concluded that brand salience and brand imagery are influential dimensions of brand equity.

Kassegne Damtew and Venkat Pagidimarri (2013) conducted their study on the role of "trust" in building customer loyalty in insurance sector. The study was designed to examine the influence of customer trust on employees and customer trust on insurance company towards customer loyalty in insurance sector of Ethiopia. Accordingly, their finding shows that customer trust is an important antecedent of customer loyalty. Thus, insurers need to focus on the construct of trust which contains belief in the company employees and insurance company as a whole, which provide to customers an assurance of positive outcomes not only for the present but also for the future.

There are also other research works conducted on customer based brand equity across the world (Wenbo Cui, 2011; Tong and Hawley, 2009; Kevin Lane Keller, 1993; Steven A. Taylor, Gary L. Hunter and Deborah L. Lindberg, 2005).

Although the researcher identifies several research works on brand equity from other industries, existing research on brand equity in the insurance industry is still sparse. Despite the growing importance of insurance in Ethiopia, the topic of how an insurance firm builds brand equity there appears to be under-researched. A knowledge gap therefore exists and it is this gap that the researcher seeks to fill through this study.

In addition, if the insurance companies could better understand the importance of brand equity, then they would better gain competitive advantage, and loyal their customers. Therefore, this paper is also investigate brand equity dimensions and creation of brand equity, thereby providing a conceptual framework for deeply understanding consumer based brand equity related to Ethiopian insurance industry.

1.3. Research Questions

This study attempted to analyze factors influencing customer-based brand equity in the Ethiopian insurance industry by giving special emphasis on the following basic research questions:-

1. To what extent and magnitude do brand equity dimensions affect customer-based brand equity in Ethiopian insurance industry?
2. Which customer based brand equity dimension is the most influence imposer in the Ethiopian insurance industry?
3. Is there a structural relationship among brand equity dimensions?

1.4. Objectives of the Study

1.4.1. General Objective

The main objective of this study is to analyze factors influencing customer based brand equity in the Ethiopian insurance industry. To address the above concern, the study has the following specific objectives:-

1.4.2. Specific Objectives

- ❖ To identify whether Brand awareness have a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.
- ❖ To identify whether Brand association have a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.
- ❖ To identify whether perceived quality have a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.
- ❖ To identify whether Brand loyalty have a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.
- ❖ To examine the significance of brand equity dimensions on building consumer based brand equity in the Ethiopian insurance industry.
- ❖ To assess and identify the major influence imposer among the four brand equity dimensions.
- ❖ To assess the relationship among the brand equity dimensions.

- ❖ To assess the practicality and applications of Aaker's customer-based brand equity model in the Ethiopian insurance industry.

1.5. Definition of Terms

Insurance: - it is a mechanism that ensures an individual to thrive on adverse consequences by compensating the individual, his/her loss financially, Ganguly (2004).

Brand: - A brand is a distinguishing name or symbol such as logos, trademarks or package design intended to identify the goods or services of either seller or group of sellers and differentiate those goods or services from those of competitors, Aaker (1991).

Brand Equity: - it is a set of assets (and liabilities) linked to a brand's name and symbol that add to (or subtract from) the value provided by a product or service to a firm and/or that firm's customers Aaker (1996).

CBBE: - The customers-based brand equity is a study of brand equity from the customers' perspective (Xu and Chan, 2010).

1.6. Significance of the Study

The major significance of this study is to provide concrete information, based on Aaker's model of customer based brand equity about Ethiopian insurance industry for those who are interested. Moreover, it will give a clue for insurance companies to nurture and develop their marketing strategy with regards to brand equity.

In addition to that, to the best knowledge of the student researcher, no study has been done on the subject of how customer based brand equity is applicable in Ethiopia insurance companies to stand out in the ever increasing competitive environment. This is therefore, has created an opportunity for the student researcher to contribute to the body of knowledge with regards to Ethiopian insurance industry. In the mean time, it can serve as an input for those who would like to carry out an in depth investigation in the area.

Furthermore, the study also created a very good opportunity for the student researcher to learn the practical research process and techniques since the student researcher is novice.

1.7. Delimitation of the Study

In fact, this study has tried to analyze factors influencing customer-based brand equity in the Ethiopian insurance industry, which calls for addressing all the 17 insurance companies in Ethiopia. However, due to time, financial and other constraints this study is delimited to five insurance companies namely; EIC, Awash, NIB, Africa, and Nile insurance, which constitute around 70% of the market share. In the mean time, the customers of these insurance companies are scattered throughout the country; due to the insurers' huge appetite for expanding branches throughout the country. In spite of that, this study has delimited to sample units located in Addis Ababa, for the reason that, a considerable number of insured are found in Addis Ababa and addressing all the customers across the country would be difficult and involves a great deal of time, money and energy.

Moreover, this study sets out to analyze factors influencing customer-based brand equity with respect to Ethiopian insurance industry based on Aaker's (1991) brand equity model, which comprises of five dimensions: perceived quality, brand loyalty, brand awareness, brand association, and other proprietary brand assets such as patents, trademarks, and channel relationships. Among these five brand equity dimensions, the first four represent customers' evaluations and reactions to the brand that can be readily understood by consumers (Barwise, 1993; Yoo and Donthu, 2001). So they have been widely adapted to measure customer-based brand equity in previous studies, Tong and Hawley (2009). Therefore, this study is delimited to the first four dimensions for the reason that these four variables believed to be strong in determining or impacting brand equity.

Yoo and Donthu (2001) proposed that, consumer-based means measurement of cognitive and behavioral brand equity at the individual consumer level through a consumer survey. Hence, this study seeks to understand customer based brand equity of the Ethiopian insurance industry from the individual customer's perspective. In addition to that the choices of corporate clients are much of government imposed and reflected by higher price sensitivity-thus, this study is delimited to individual customers.

1.8. Organization of the Study

This study is incorporated in five chapters. the first chapter is consists of introduction, statement of the problem, objective of the study, hypothesis, significance of the study, delimitation of the study, definition of terms, limitation of the study and organization of the study. The second chapter has dealt with the review of related literature. The third chapter dealt with research design and methodology. The forth chapter has dealt with the presentation, analysis and interpretation of the finding. The last chapter hasincluded summary, conclusion and recommendation. Finally, lists of bibliography and questionnaire are attached to the research paper.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This section of the research paper reviews relevant literatures, written by different authors. In the mean time, it has two main parts: the first part has emphasized on the theoretical foundation of branding and related concepts. And the second part has stressed on empirical evidences from other related research works in order to conduct a detail analysis on the concepts and definitions.

2.1. Theoretical Foundation

2.1.1. Brand

Branding has been around for centuries as a means of distinguishing the goods of one producer from those of another. In fact, the word brand is derived from the old Norse word brandr, which means “to burn,” as brands were and still are the means by which owners of livestock mark their animals to identify them, (Keller, 2003). Similarly, Aaker (1991) proposes that a brand is a distinguishing name or symbol such as logos, trademarks or package design intended to identify the goods or services of either seller or group of sellers and differentiate those goods or services from those of competitors. A brand thus signals to a customer the source of a product and protects both the customer and the producer from competitors who would attempt to provide goods that appear to be identical.

According to Kapferer (1998), A brand is a product, but one that adds other dimensions to differentiate it in some way from other products designed to satisfy the same needs, it means much more than just giving a brand name and signaling to the outside world that such a product or service has been stamped with the mark and imprint of an organization. The permanent factors of this creative process are what give a brand its meaning and purpose, its content and attributes. The American Marketers Association also defines a brand as a name, term, sign, symbol or design or a combination of them intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors, American Marketers Association (1985). Similarly, Kotler (2000) defines that a brand is essentially a seller’s promise to deliver a specific set of features, benefits and services consistently to the

buyers. The best brands convey a warranty of quality. Branding has moved firms from production and selling concepts to marketing concept which necessitate that companies be better than competitors in creating, delivering and communicating customer value to its chosen target markets. Marketers of today need to work harder to make their brands dominant in consumer's minds. With many brands on the market, consumers no longer buy because of price, but because of the bundle of attributes and satisfactions the brand promises. This makes it imperative for most firms to build their brands so that their consumers can relate to them, (Aaker, 1991; Kapferer, 1998).

Moreover, a brand is something that resides in the minds of consumers. It is a perpetual entity, rooted in reality, but also reflecting the perceptions and perhaps even the idiosyncrasies of consumers. To brand a product, it is important to teach consumers "*who*" the product is by giving it a name and using other brand elements to help to identify it as "*what*" the product does and "*why*" consumers should care. Branding involves creating mental structures and helping consumers to organize their knowledge about products in a way that clarifies their decision-making and in the process provide value to the firm. The key to branding is that consumers perceive differences among brands in a product category, (Keller, 2003).

According to Kumar and Meenakshi (2006) branding is the process by which companies distinguish their product offerings from competition. A brand is created by developing a distinctive name, packaging and design, and arousing customers' expectations about the offering.

2.1.2. Branding in the services Industry

While brand equity associated with tangible goods has received a great deal of attention in the literature, a basic understanding of the nature of brand equity for services has yet to emerge. Most of what is known about brand equity for services is based on theoretical or anecdotal evidence (Krishnan and Hartline, 2001).

According to Keller (2003), one of the challenges in marketing services is that relative to products, they are more intangible and more likely to vary in quality depending on the particular

person or people involved in providing the service. Consequently, branding can be particularly important to service firms to address potential intangibility and variability problems.

Similarly Simoes and Dibb (2001), argue that branding plays a special role in service companies because strong brands increase customers' trust of the invisible, enabling them to better visualize and understand the intangible and reduce customers' perceived financial, social or safety risk. Blankson and Kalafatis (1999) suggest that service brands are particularly different in that service characteristics are different from those of physical goods and that they rely on employees' actions and attitudes. This difference is seen to focus around the belief that services are conceptually different from products in that services are seen to have a number of unique characteristics including intangibility, inseparability of production and consumption, heterogeneity of quality and perishability (de Chernatoy and Segal-Horn, 2001). Insurance industry shares the same characteristics applicable to the services.

2.1.3. Brand Equity

Brand equity is one of the significant concepts in brand management, as well as in business practice and academic research (Kim *et al.*, 2006). Developing and properly managing brand equity has been emphasized as an important issue for most firms (Hao *et al.*, 2007). Because, it can help firms to gain or increase their cash flow to the business, and make product differentiation in order to lead to competitive advantages (Yoo *et al.*, 2000; Aaker, 1991). Thus, brand equity has been appreciated as one of the most valuable intangible assets by most firms (Hao *et al.*, 2007).

Brand equity is incremental utility and value endowed to a product or service by its brand name (Keller, 2003; Park and Srinivasan 1994; Yoo *et al.*, 2000; Marinova *et al.*, 2011), and it is considered as a source of competitive advantage by many firms (Chen and Tseng, 2010). This added value may be revealed in how customers consider, feel and act with the respect to a brand, as well as the prices, market share and profitability that the brand commands for the company (Kotler and Keller, 2006).

Aaker (1991) proposes that, brand equity is “the set of assets (and liabilities) linked to a brand's name and symbol that adds the value provided by a product or service to a firm and /or that firm's customers.” From the firm's perspectives: we can argue that a positive brand equity

affects a firm's future profit and long term cash flow, the willingness of consumers to pay premium prices, any merger and acquisition decision, marketing communication effectiveness, stock prices, long-term sustainable competitive advantage and the marketing success of a firm (Aaker, 1991; Yoo and Donthu, 2001; Chen and Tseng, 2010). However, from customers' point of view: a strong brand can enhance customers' trust in purchasing a product as well as enable customers to better imagine and comprehend intangible products (Chen and Tseng, 2010). In summary, brand equity not only creates value for the firm, but also creates value for the customers, (Aaker, 1991).

2.1.4. Measuring Brand Equity

Marketers and researchers apply different approaches to investigate brand equity (Kotler and Keller, 2006). These various approaches can be classified into three main perspectives i.e., customers-based perspective, financial perspective and combined perspective (Keller, 1993).

The customers-based brand equity is a study of brand equity from the customers' perspective (Xu and Chan, 2010), and it can be described as different brand knowledge such as customers association, familiarity, which are affected by customers' reaction to the marketing of a brand (Keller, 1993; Tong and Hawley, 2009). Customer-based brand equity occurs when customers are familiar with a brand and hold some brand associations in their memory such as favorable, strong and unique (Wang *et al.*, 2008).

However, the financial brand equity has a "focus on the financial value of brand equity from a company's point of view" (Yoo, 1996). Chen and Tseng (2010) further explain that the financial perspective is based on "the incremental discounted future cash flows that result from a branded product's revenue over the revenue of an unbranded product". This perspective aims to analyse sales income, market share and premium, as well as firm's value, hence, is also can be considered as the perspective of an enterprise (Li *et al.*, 2011).

Moreover, the combined brand equity integrates both customer-based and financial brand equity. Customers-based brand equity plays an important role for the successful brand management of a firm. Positive customers-based brand equity can "lead to greater revenue,

lower cost and higher profit” (Keller, 1993; Tong and Hawley, 2009). Therefore, in this research, customers-based brand equity is explored and applied for investigation.

2.1.5. Customer Based-Brand Equity

According to Keller (2003) Customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand. He further explains that, a brand is said to have positive (negative) customer-based brand equity if consumers react more (less) favorably to the product, price, promotion, or distribution of the brand than they do to the same marketing mix element when it is attributed to a fictitiously named or unnamed version of the product or service.

The customers-based brand equity is a study of brand equity from the customers’ perspective (Xu and Chan, 2010), and it can be described as different brand knowledge such as customers association, familiarity, which are affect customers’ reaction to the marketing of a brand (Keller, 1993; Tong and Hawley, 2009). Customer-based brand equity occurs when customers are familiar with a brand and hold some brand associations in their memory such as favorable, strong and unique (Wang *et al.*, 2008).

Customers-based brand equity plays an important role for the successful brand management of a firm. Positive customers-based brand equity can “lead to greater revenue, lower cost and higher profit” (Keller, 1993; Tong and Hawley, 2009). Similarly, Keller (1993) explains, positive customer-based brand equity “can lead to greater revenue, lower cost, and higher profit; it has direct implications for the firm’s ability to command higher prices, a customer’s willingness to seek out new distribution channels, the effectiveness of marketing communications, and the success of brand extensions and licensing opportunities.”

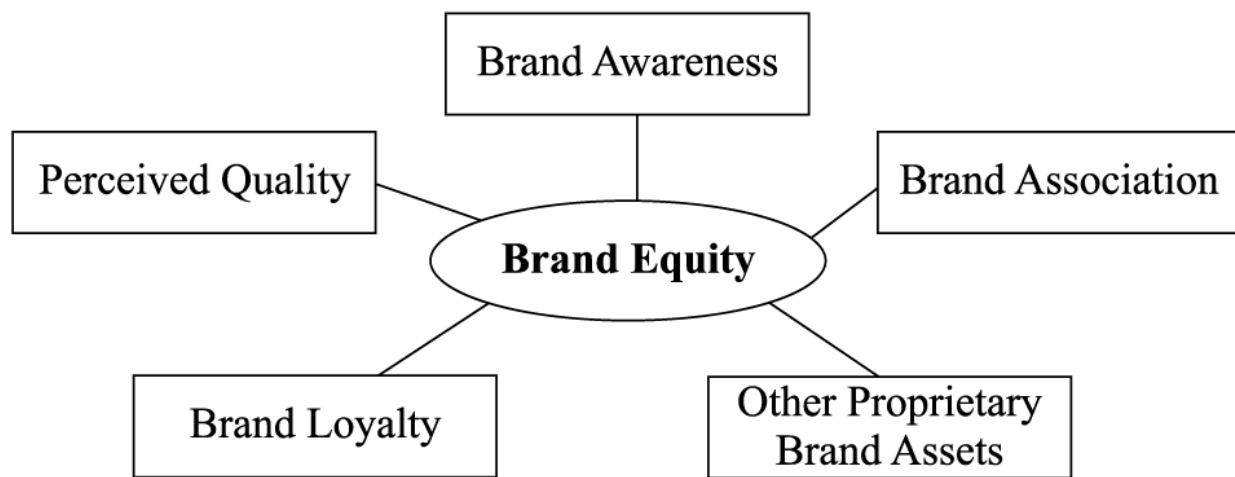
2.1.6. Conceptual Framework

Brand equity is considered as multidimensional concept and a complex phenomenon (Tong and Hawley, 2009). Aaker (1991) proposes that brand equity consists of five dimensions: brand loyalty, brand awareness, brand association, perceived quality and other brand propriety assets such as patents, trademark and channel relationship. Among these five brand equity dimensions, the first four represent customers’ evaluations and reactions to the brand that can be readily understood by consumers (Barwise, 1993; Yoo and Donthu, 2001), so they have been widely

adapted to measure customer-based brand equity in previous studies. Alternatively, Keller (2003) argues that, it composes of two components: brand awareness and brand image. His conceptualization is same as two of Aaker's brand equity dimensions, which are dependent on brand knowledge.

Among several brand equity models in the literature, this study uses the one constructed by Aaker (1991), which is the most commonly cited. It has been empirically tested in a number of previous studies (Atilgan et al., 2005; Kim and Kim, 2004; Yoo and Donthu, 2001; Xiao Tong and Jana M. Hawley, 2009).

Figure 2.1: A conceptual framework for brand equity



Source: Aaker (1991)

2.1.7. Brand Equity Dimensions

Brand equity is considered as multidimensional concept and a complex phenomenon (Tong and Hawley, 2009). Aaker (1991) proposes that brand equity consists of five dimensions: brand loyalty, brand awareness, brand association, perceived quality and other brand propriety assets such as patents, trademark and channel relationship. Alternatively, Keller (2003) argues that, it composes of two components: brand awareness and brand image. His conceptualization is same as two of Aaker's brand equity dimensions, which are dependent on brand knowledge.

2.1.7.1. Brand Awareness

Brand awareness is the first and fundamental attribute of customer based brand equity; and sometimes it is underestimated component of brand equity (Aaker, 1991; Aaker, 1986; Tong and Hawley, 2009). Brand awareness is defined as “the ability of a buyer to recognize or re call that brand is a member of certain product category” (Aaker, 1991). Keller (1993) found that it composes of both brand recall and recognition. He further (Keller 1993, p3) explains that, brand recognition “relates to consumers’ ability to confirm the prior exposure to the brand when given the brand as a cue”. However, brand recall is “related to consumers’ ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other type of probe as a cue”. (Keller, 1993) For a new or niche brand, the important issue is recognition; on the other hand, for a well-known brand, recall and top-of–mind is more sensitive and significant (Aaker, 1986).

Beside, brand awareness affects customers to make their decision, particularly for low-involvement packaged goods and strengthens brand performance in the market (Huang and Sarigöllü, 2011). Hence, marketers should concentrate on brand management and appropriate tactics to build and maintain customers’ brand awareness by enhancing connection between a product and its customers, so as to influence customer brand selection (Wang *et al.*, 2008; Xu and Chen, 2010).

In summary, “brand awareness precedes building brand equity” in the consumer mind set (Huang and Sarigollu, 2011); it affects customers’ perception and attitudes, as well as it influences customer’s brand choice and brand loyalty (Aaker, 1986). Thus, the following hypothesis is formulated:

H1: Brand awareness has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.

2.1.7.2. Brand Association

Brand association is another important component of brand equity. It is described as “anything linked in memory to a brand” and brand image is as seen as “a set of associations, usually related in some meaningful way” (Aaker, 1991). Keller (1993) defined brand associations as

“impressions based on other information that is related to impressions created by the brand in the minds of consumers and that include the brand’s meaning for the consumers”. Based on prior research, Xu and Chen (2010) found that the related association (impression) link could be a product, country of origin, firm, competitor, seller, or users with particular demographic or lifestyle characteristic. However, the association to a brand might be stronger when it is based on numerous experiences or exposure to communications, rather than few (Aaker, 1991; Marinova *et al.*, 2011).

Erenkol and Duygun (2010) propose that brand associations help communicators to easier deliver an idea of a product or service to consumers or communicate thoughts related to the brand, but also provide brand differentiation and positioning. Furthermore, brand association creates value for the firm as well as for its customers by assisting to process information, distinguishes the brand, creates positive attitudes and feeling, provides a reason to purchase a brand and forms the basis for brand extensions (Aaker, 1991; Tong and Hawley, 2009).

Brand association, which is the outcome of high brand awareness, is positively relate to brand equity, since it is viewed as “a sign of quality and commitment”, leading customers to familiarizes purchasers with a brand, as well as “helping them consider it at the point of purchase” (Aaker, 1991; Tong and Hawley, 2009; Marinova *et al.*, 2011; Yoo *et al.*, 2000). Building positive brand associations may lead to the formation of a positive brand image, which is a conceptual antecedent to enhanced brand equity (Aaker, 1991; Faircloth *et al.*, 2001).Chen (2001) categorized two types of brand associations - product associations and organizational associations.

Product Associations

Product associations include functional attribute associations and non-functional associations (Chen 2001). Functional attributes are the tangible features of a product (Keller 1993, Hankinson and Cowking 1993, de Chernatony and McWilliam, 1989). While evaluating a brand, consumers link the performance of the functional attributes to the brand (Pitta and Katsanis 1995, Lassar et al. 1995). If a brand does not perform the functions for which it is designed, the brand will has low level of brand equity. Performance is defined as a consumer’s

judgment about a brand's fault-free and long-lasting physical operation and flawlessness in the product's physical construction (Lassar et al. 1995).

Non-functional attributes include symbolic attributes (Aaker 1991, Keller 1993, Farquhar & Herr 1993, Chen 1996, Park et al. 1986) which are the intangible features that meet consumers' needs for social approval, personal expression or self-esteem (Keller 1993, Hankinson and Cowking 1993, de Chernatony and McWilliam 1989, Pitta & Katsanis 1995). Consumers linked social image of a brand, trustworthiness, perceived value, differentiation and country of origin to a brand.

Social Image

Lassar et al. (1995) limit the reference of the image dimension to the social dimension, calling it social image as social image contributes more to brand equity. Social image is defined as the consumer's perception of the esteem in which the consumer's social group holds the brand. It includes the attributions a consumer makes and a consumer thinks that others make to the typical user of the brand.

Perceived Value

Value appeared in several brand equity models (Feldwick 1996, Martin and Brown 1991, Lassar et al. 1995). Lassar et al. (1995) define perceived value as the perceived brand utility relative to its costs, assessed by the consumer and based on simultaneous considerations of what is received and what is given up to receive it. Consumer choice of a brand depends on a perceived balance between the price of a product and all its utilities (Lassar et al. 1995). A consumer is willing to pay premium prices due to the higher brand equity.

Trustworthiness

Brand equity models (Martin and Brown 1991, Lassar et al. 1995) regard trustworthiness of a product as an important attribute in assessing the strengths of a brand. Lassar et al. (1995) define trustworthiness as the confidence a consumer places in the firm and the firm's

communications and as to whether the firm's actions would be in the consumer's interest. Consumers place high value in the brands that they trust.

Differentiation/Distinctiveness

The Marketing Science Institute (Leuthesser 1988) states that the underlying determinants of consumer-based brand equity are that brands provide benefits to consumers by differentiating products, as they facilitate the processing and retrieval of information (Hoyer and Brown 1990). Other marketing literatures (Ries and Trout 1985; Kapferer 1991) also stress the importance of the distinctive character of brand positioning in contributing to the success of a brand. Distinctiveness is defined as the degree to which the consumer perceives that a brand is distinct from its competitors (Kapferer 1991). A brand can have a price premium if it is perceived as being different from its competitors.

Country of origin

Thakor and Kohli (1996) argue that brand country of origin must also be considered. He defines brand origin as "the place, region or country to which the brand is perceived to belong by its customers" (p. 27). Country of origin is known to lead to associations in the minds of consumers (Aaker, 1991, Keller, 1993). The country of origin of a product is an extrinsic cue (Thorelli et al. 1989), which, similar to brand name, is known to influence consumers' perceptions.

Country of origin refers to the country of origin of a firm or a product (Johansson et al. 1985, Ozsomer and Cavusgil 1991), or the country where the product is manufactured or assembled (Bilkey and Nes 1982, Han and Terpstra 1988). Thakor and Kohli (2003) state that less concern should be given to the place where brands manufacture their products, and more to the place where people perceive the brand's country of origin to be. Therefore, country of origin in the proposed framework referred to the brand's country of origin.

Organizational Associations

Organizational associations include corporate ability associations, which are those associations related to the company's expertise in producing and delivering its outputs and corporate social responsibility associations, which include organization's activities with respect to its perceived societal obligations (Chen 2001). According to Aaker (1996), consumers consider the organization that is the people, values, and programs that lies behind the brand. Brand-as-organization can be particularly helpful when brands are similar with respect to attributes, when the organization is visible (as in a durable goods or service business), or when a corporate brand is involved.

Corporate social responsibility (CSR) must be mentioned as another concept that is influencing the development of brands nowadays, especially corporate brands as the public wants to know what, where, and how much brands are giving back to society. Both branding and CSR have become crucially important now that the organizations have recognized how these strategies can add or detract from their value (Blumenthal and Bergstrom 2003). CSR can be defined in terms of legitimate ethics or from an instrumentalist perspective where corporate image is the prime concern (McAdam and Leonard 2003).Based on this, then, the following hypothesis is constructed:

H2: Brand association has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.

2.1.7.3. Perceived quality

Perceived quality is one of the main dimensions of brand equity; it is "the core construct" in the study to measuring brand equity (Aaker, 1996). Perceived quality is defined as "the consumer's subjective judgment about a product's overall excellence or superiority" (Zeithaml, 1988). That is, perceived quality is not the real quality of product, but the consumer's subjective assessment of that product (Zeithaml, 1988; Erenkol and Duygun, 2010). "Personal product experience, unique needs, and consumption situation" can be affecting the consumer's subjective evaluation of quality (Yoo *et al.*, 2000).

In summary, perceived quality is a component of brand value, which leading consumers to select a particular brand rather than another competing brand (Yoo *et al.*, 2000). Hence, we believe that high perceived quality will increase brand equity. Based on this, thus, the following hypothesis is proposed:

H3: Perceived quality has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.

2.1.7.4. Brand loyalty

Aaker (1991) states that, brand loyalty is “a measure of the attachment that a customer has to a brand” (p. 91). Subsequently, Oliver (1979) explains brand equity as “a deeply held commitment to rebury or re-patronize a preferred product or service consistently in the future, deposit situation influences and marketing efforts having the potential to cause switching behavior” (p. 392) Thus, brand loyalty is believed to be the most important brand equity dimension, which results in above three given brand equity dimensions-i.e. brand awareness, brand association and perceived quality (Tong and Hawley, 2009).

In contrary, brand loyalty is different from other brand equity dimensions, because it is associated with usage experience, (Aaker, 1991). Moreover, brand loyalty reduces uncertainty as well as saves costs of seeking new relational exchanges with other brand, (Erenkol and Duygun, 2010). Brand loyalty makes consumers buy a brand routinely and resist switching to other competing brand (Yoo *et al.*, 2000).

As a result, (brand) loyalty is a concept that firms emphasize, since it may create or sustain a customers' patronage over the long-term (Marshall, 2010), thereby increase brand equity. Thus, the following hypothesis is posited:

H4: Brand loyalty has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.

2.2. Empirical Evidences

In the process of carrying out the research under consideration, the student researcher has noted various research works conducted on customer based brand equity. Meanwhile, the below listed research works are carried out using different models of brand equity, however much concentration is given to those research works carried out based on Aaker's well known conceptual framework-in order to conduct a detail analysis on the concepts and findings.

Tong and Hawley (2009), conducted their research on Measuring Customer Based Brand Equity in the Chinese sportswear market. Based on Aaker's conceptual framework of brand equity, they employed structural equation modeling to investigate the causal relationship among the four dimensions of brand equity and overall brand equity in the sportswear market. The study used a sample of 304 actual customers from China's two largest cities, Beijing and Shanghai. They concluded that based on their finding, brand association and brand loyalty have a significant influence on brand equity. However, weak support is found for the perceived quality and brand awareness. In addition, the correlations among the four dimensions found to be positive and significant. Hence suggesting managers to channel their efforts primarily on brand loyalty and brand image and consider the correlations among the four dimensions of brand equity.

On the other hand, Wenbo (2011) carried out a slightly similar study using Aaker's CBBE model and employed descriptive analysis, factor analysis, and multiple regression analysis to understand the effects of promotional activities and dimensions of brand equity on consumer based brand equity creation in Chinese sportswear market. A total of 84 Chinese respondents between 21 to 36 years old evaluated five brands of sports shoes. The results show that, four dimensions of brand equity (brand awareness, brand association, perceived quality and brand loyalty) have significant effects on brand equity; store image have positive influence on brand equity dimensions, whereas celebrity endorsement have not influence on brand equity dimensions.

Beidenariam Amare (2014) carried out his research on "Measuring Customer Based Brand Equity in the Ethiopian Beer Industry" based on Aaker's conceptual framework, he employed Structural Equation Modeling and come up with the conclusion that even though all the CBBE

determinants have a positive influence on the overall brand equity of consumers, perceived quality has the strongest influence in the Ethiopian Beer industry. Thus, recommended breweries to exert their effort on increasing the perceived quality of their consumers in order to increase their overall brand equity accordingly.

However, Million Tekeste (2013) using similar framework and methodology, concluded that based on his research, brand loyalty is the major determinants of brand equity in the Ethiopian beer industry. He also asserts that there is a high correlation among brand association, perceived quality, and brand loyalty.

Bezawit Mengesha (2014) has also conducted a research on measuring customer based brand equity of Ethiopian airlines and her finding shows that the respondents have a positive perception about Ethiopian Airline. Moreover, she concluded that based on the correlation analysis, all dimensions of brand equity are positively related to each other as well as with the overall brand equity of Ethiopian Airline, however, the regression analysis shows that brand loyalty has the greatest influence on the overall brand equity. Therefore, suggesting the airline to concentrate its effort primarily on building brand loyalty.

Based on Keller's well known conceptual framework of CBBE, Mulugeta Kefeyalew (2014) carried out his research on Awash International Bank and his finding asserts that brand salience and brand imagery are influential dimensions of brand equity.

Kassegne Damtew and Venkat Pagidimarri (2013) conducted their study on the role of "trust" in building customer loyalty in insurance sector. The study was designed to examine the influence of customer trust on employees and customer trust on insurance company towards customer loyalty in insurance sector of Ethiopia. Accordingly, their finding shows that customer trust is an important antecedent of customer loyalty. Thus, insurers need to focus on the construct of trust which contains belief in the company employees and insurance company as a whole, which provide to customers an assurance of positive outcomes not only for the present but also for the future.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

Based on the research problem and objective of the study formulated in chapter one, this section of the research paper postulates a framework or blue print for conducting the research under consideration effectively and efficiently.

3.1. Research Design

A research design is a framework for conducting a marketing research project. It specifies the details of the procedures necessary to obtain the information needed to structure or solve marketing research problems. A good research design not only lays the foundation for conducting project, but also will ensure the marketing research project is conducted effectively and efficiently (Malhotra and Birks, 2006).

Similarly, Kothari (2004) asserts that a research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. As such the design includes an outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data.

As it has been stated earlier, the objective of this study is to analyze factors influencing customer based brand equity in the Ethiopian insurance industry. Hence, based on Aaker's conceptual framework of brand equity, this study has employed conclusive research method; specifically causal research method in order to analyze customer based brand equity dimensions' effect on the overall brand equity. The objective of conclusive research is to describe specific phenomena, to test specific hypotheses and to examine specific relationships. This requires that the information needed is clearly specified and Conclusive research is typically more formal and structured than exploratory research (Malhotra and Birks, 2006). On the other hand, Causal research is concerned with the study of how one or more variables affect changes in another variable. It is thus a study of functional relationships existing between two or

more variables (Kothari, 2004). Subsequently, the finding of the study is analyzed using Statistical Package for Social Science (SPSS) program 21 and AMOS 21.

3.2. Population and Sampling Technique

This study seeks to deeply understand the marketing phenomena of the Ethiopian insurance industry in terms of the relationship between brand equity and its dimension as well as among the brand equity dimensions. As a result, the sampling frame of the study constitutes all customers of insurance who at least buys one captioned insurance policy for the last three years from those selected insurance companies. Donald and Hawkins (2005:537), defines population as “all purchasing agents in companies and government agencies that have bought any of our products in the last three years”.

According to Malhotra and Birks (2006), probability sampling requires not only a precise definition of the target population but also a general specification of the sampling frame. In view of that, however, it is difficult to access information with regards to the number of clients from the insurers as well as the national bank Ethiopia for it is considered to be classified; hence, difficult for the student researcher to exactly determine the number of customers in the insurance industry. For this reason, this study used the non-probability sampling technique, specifically quota sampling technique. Besides, the reason for selecting Quota sampling technique is to obtain customers proportionally from each selected insurance companies based on their market share in order to make a valid inference about the population or the industry. Furthermore, to accomplish this study the student researcher has selected 400 respondents using judgmental sampling technique. According to David and Rubin (2005:281), the decision on sample size of a non probability sampling is usually made based on subjective manner. The researcher would select the sample size that he or she felt would give a reasonable depiction of the population.

Malhotra and Birks (2006), underscores that sample sizes used in similar studies can be an important qualitative factor to be considered in determining the sample size. Meanwhile, In the process of conducting this study the researcher has come across a number of research works conducted on customer based brand equity; evidently they employed the sample size between the range of 304 to 400 (Atilgan et al., 2005; Kim and Kim, 2004; Yoo et al., 2000; Xiao Tong

and Jana M. Hawley, 2009). In view of the fact that this study has selected 400 respondents using judgmental sampling technique, as it has been asserted earlier.

3.3. Types of Data to Be Collected

To make this study complete, both primary and secondary data are used. According to Dillion (1993), primary data is collected to meet the specific research need, customized and required specialized data collection procedure. Primary data is data originated by a researcher for the specific purpose of addressing the problem at hand (Malhotra and Birks 2006). Hence, the primary data is collected through self-administered questionnaire. The questionnaire consists of two main parts: the first part has contained questions related to demographics characteristics of the respondents. The second part has contained a five point Likert scale in order to indicate the respondents' degree of agreement or disagreement with regards to the dimensions of brand equity, and overall brand equity. In the mean time, The scales of brand equity dimensions are developed (with some adoption) from the work of Tong and Hawley (2009)-which they borrowed from different empirically tested research works (Aaker, 1991; Aaker, 1996; Pappu et al., 2005; Yoo et al., 2000; and Keller, 1993).

On the other hand, secondary data is collected from the insurance companies' records, NBE reports & archives, various publications and other materials pertaining to the research under consideration. According to Malhotra and Birks (2006) Secondary data are data that have already been collected for purposes other than the problem at hand. Secondary data analysis is an analysis of data that has already been collected and tabulated by other sources (Saunders, 2012).

Table 3.1 below, illustrates the number of distributed questionnaires to respondents with their respective response rate from the five selected insurance companies.

Table 3.1: Distributed Questionnaires

Insurance Companies	Distributed Questionnaire	Valid Response	Percentage (%)
Africa	39	37	9
Awash	45	43	11
EIC	236	225	56
NIB	42	38	10
Nile	38	33	8
Total	400	376	94

Source: survey result (2015)

3.5. Data Analysis Techniques

Quantitative data analysis technique is used in this study. Furthermore, in order to test the hypothesis formulated, a multivariate analysis technique, specifically Structural equation modeling (SEM) also called latent structure equation is used so as to assert whether brand equity dimensions have a significant effect on brand equity and also to measure the relationship among each dimensions. Kothari (2004) defines multivariate analysis as all statistical methods which simultaneously analyze more than two variables on a sample of observations. Structural Equation Modeling is a statistical approach to testing hypotheses about the relationships among observed and latent variables (Hoyle, 1995). Malhotra and Birks (2006:604) further explain that, Structural equation modeling (SEM) is a Collection of statistical techniques including factor analysis and multiple regression. It allows the researcher to examine relationships between several continuous or discrete independent variables and several continuous or discrete dependent variables. The independent and dependent variables can be latent or measured variables. Thereafter, descriptive data analysis technique (percentage and frequency distribution) is used in order to summarize the demographic characteristics of respondents.

3.6. Reliability Test

According to Malhotra and Birks (2006:159) reliability is the extent to which a measurement reproduces consistent results if the process of measurement were to be repeated. To assess the internal consistency of this study Cronbach's alpha is used. Coefficient alpha or Cronbach's alpha is a measure of internal consistency reliability, that is, the average of all possible split-half coefficients resulting from different splitting of the scale items. This coefficient varies from 0 to 1, and a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability

Malhotra and Birks (2006:358). In view of the above criteria, for the study under consideration a Cronbach's alpha score of higher than 0.6 is adequate and hence acceptable to determine the reliability. Accordingly, Cronbach's alpha score for this study is calculated and the result shows that all the five constructs: brand awareness, brand association, perceived quality, brand loyalty and overall brand equity have met the recommended cut-off value; i.e., >0.6. As a result, all of the constructs are acceptable and a total of nineteen items are retained for the five constructs in the study. The following table summarizes the Cronbach's alpha coefficient of the four exogenous variables and one endogenous variable.

Table 3.2: Cronbach's Alpha Scores of the Constructs

Variable	Cronbach's Alpha coefficient	No of Items
Brand Awareness	.876	4
Brand association	.852	4
Perceived Quality	.912	3
Brand Loyalty	.846	5
Brand Equity	.778	3

Source: SPSS Result (2015)

3.7. Validity Test

According to Kothari (2004:73) Validity refers to the extent to which a test measures what we actually wish to measure. Similarly, Malhotra and Birks (2006:159) define validity as the extent to which a measurement represents characteristics that exist in the phenomenon under investigation.

Since The scales of brand equity dimensions are developed (with some adoption) from the work of Tong and Hawley (2009)-which they borrowed from different empirically tested research works (Aaker, 1991; Aaker, 1996; Pappu et al., 2005; Yoo et al., 2000; and Keller,1993); only face and content validity is conducted. Accordingly, the English version of the scales are checked with the advisor and the Amharic version of the scale are checked with fellow researchers, whether it has a logical link to the intended objective as well as with that of the English Version. Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. Its determination is primarily judgmental and intuitive, Kothari (2004:73).

CHAPTER FOUR

RESULTS AND DISCUSSION

This chapter deals with the presentation, analysis and interpretation of the data gathered from the respondents. Among the customers of those selected insurance companies who are located in Addis Ababa, 400 customers (proportional to their market share) are taken as sample respondents. Thus, a total of 400 questionnaires are distributed, and from the distributed questionnaires 376 valid responses are taken for the analysis which gives a response rate of 94%. After the data is screened from 386 responses, 10 responses have been found to be invalid or incomplete. In the mean time, the data gathered from the questionnaire is analyzed using SPSS 21-AMOS 21.

4.1 Demographic characteristics of The Respondents

The below listed tables shows the general characteristics of respondents which include gender, age, educational level, marital status, family size, monthly income and number of insurance products bought.

Table 4.1: Frequencies of General Information

		Statistics						
		Gender	Age	Educational Level	Marital Status	Family Size	Monthly Income	Class of Business Bought
N	Valid	376	376	376	376	376	376	376
	Missing	0	0	0	0	0	0	0

Source: SPSS Result(2015)

Table 4.2: Frequency of Gender

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	186	49.5	49.5	49.5
	Female	190	50.5	50.5	100
	Total	376	100	100	

Source: SPSS Result (2015)

As can be seen in table 4.4 above 186(49.5%) of the respondents are male and 190(50.5%) of them are females; according to the above figures it is clearly seen that majority of the respondents are male.

Table 4.3: Frequency of Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	88	23.4	23.4	23.4
	26-33	146	38.8	38.8	62.2
	34-41	60	16	16	78.2
	42-49	44	11.7	11.7	89.9
	>50	38	10.1	10.1	100
	Total	376	100	100	

Source: SPSS Result (2015)

In relation to table 4.5, respondents from age 18-25 comprises 88(23.4%), from age 26-33 comprises 146(38.8%), from age 34-441 comprises 60(16.0%), from age 42-49 comprises 44(11.7%) and the rest 38(10.1%) of the respondents are over the age of 50 years. Therefore, the findings from age profile of the respondents indicate that majority of the respondent are between the ages of 18-33.

Table 4.4: Frequency of Educational Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below High School	14	3.7	3.7	3.7
	High School	75	19.9	19.9	23.7
	Diploma	44	11.7	11.7	35.4
	First Degree	173	46	46	81.4
	Second Degree	67	17.8	17.8	99.2
	More than Second Degree	3	0.8	0.8	100
	Total	376	100	100	

Source: SPSS Result (2015)

Regarding educational background of the respondents on table 4.4, 14(3.7%) of them are below High school, 44(11.7%) of them are diploma holders, 173(46.0%) of them are first degree holders and 70(18.6%) of the respondent are more than first degree holders. From this we can understand that majority of the respondents are well educated.

Table 4.5: Frequency of Marital Status

		Marital Status			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	173	46	46	46
	Married	203	54	54	100
	Total	376	100	100	

Source: SPSS result

Table 4.7 above, shows the marital status of the respondents, where 173(46.0%) of them are single and 203(54.0%) are married. From this we can understand that majority of the respondents are married.

Table 4.6: Frequency of Family size

		Family Size			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3	149	39.6	39.6	39.6
	4-6	142	37.8	37.8	77.4
	7-9	60	16	16	93.4
	>9	25	6.6	6.6	100
	Total	376	100	100	

Source: SPSS Result (2015)

Concerning the family size of the respondents as shown in table 4.8, respondents that have a family size of 1-3 constitutes 149(39.6%), 4-7 constitutes 142(37.8%), 7-9 constitutes 60(16.0%) and family size over 9 constitutes 25(6.6%) of the total respondents. It is possible to infer that, out of the total respondents (376) majority of the respondents has a family size of 1-7 i.e. 291(77.7%).

Table 4.7: Frequency of Monthly Income

		Monthly Income			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 10,000	5	1.3	1.3	1.3
	10,001-15,000	40	10.6	10.6	12
	15,001-20,000	101	26.9	26.9	38.8
	>20,000	230	61.2	61.2	100
	Total	376	100	100	

Source: SPSS Result (2015)

As can be seen from table 4.9, 5(1.3%) of the respondents have a monthly income of below 10,000, 40(10.6%) have a monthly income of 10,001 to 15,000, 101(26.9%) have a monthly income between 15,001 to 20,000 and 230(61.2%) of the respondents have a monthly income of over 20,000. Here, we can understand that most of the respondents have a monthly income over 20,000.

Table 4.8: Frequency of Number of Insurance Products Bought

		Class of Business Bought			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2	287	76.3	76.3	76.3
	3-4	61	16.2	16.2	92.6
	5-6	26	6.9	6.9	99.5
	>6	2	0.5	0.5	100
	Total	376	100	100	

Source: SPSS Result (2015)

In relation to the type of Insurance products bought, table 4.10 shows that 287(76.3%) of the respondents have bought 1-2 class of business, 51(16.2%) have bought 3-4 class of business, 25(6.9%) have bought 4-6 and the rest 2(0.5%) have are insured in more than 6 insurance products. From this we can infer that majority of the respondents have an insurance cover in 1 or 2 class of business or insurance products.

4.2 Descriptive Analysis Pertinent to the Study

This study seeks to deeply understand the marketing phenomena of the Ethiopian insurance industry in terms of the relationship between brand equity and its dimension as well as among the brand equity dimensions. Thus, in this section response from respondents is presented, analyzed and interpreted as follows:

4.2.1 Brand Awareness

Brand awareness is defined as “the ability of a buyer to recognize or recall that a certain brand is a member of certain product category” (Aaker, 1991).

Table 4.9: Frequency and Percentage of the Brand Awareness Scales

Brand Awareness		BA1	BA2	BA3	BA4	Total Frequency	Valid Percent	Cumulative Percent
		Frequency	Frequency	Frequency	Frequency			
Valid	Strongly Disagree	-	5	2	5	12	0.8	0.8
	Disagree	17	13	18	10	58	3.9	4.7
	Neutral	27	38	38	56	159	10.6	15.2
	Agree	234	215	197	162	808	53.7	68.9
	Strongly Agree	98	105	121	143	467	31.1	100
	Total	376	376	376	376	1504	100	
Mean		4.1	4.07	4.11	4.14	4.11		
Std. Deviation		0.711	0.797	0.808	0.859	0.794		

Source: SPSS Result (2015)

As can be seen from table 4.11 above, 12(0.8%) of the respondents have responded strongly disagree to the proposition, 58(3.9%) responded disagree, 159(10.6%) responded neutral, 808(53.7%) responded agree and the remaining 467(31.1%) replied strongly agree. This shows that 84.8% of the responses are either agree or strongly agree and 4.7% of the response are either disagree or strongly disagree and in addition to that the mean value depicts that most of the responses are towards strongly agree of the measurement scale 4.11. Thus, from this we can understand that customers have a strong knowledge about their insurance company as well as its services.

4.2.2 Brand Association

Brand association is anything “linked” in memory to a brand (Aaker, 1991).

Table 4.10: Frequency and Percentage of the Brand Association Scales

Brand Association		BAS1	BAS2	BAS3	BAS4	Total Frequency	Valid Percent	Cumulative Percent
		Frequency	Frequency	Frequency	Frequency			
Valid	Strongly Disagree	4	11	3	7	25	1.7	1.7
	Disagree	34	19	21	20	94	6.3	7.9
	Neutral	85	35	81	30	231	15.4	23.3
	Agree	202	238	193	207	840	55.9	79.1
	Strongly Agree	51	73	78	112	314	20.9	100
	Total	376	376	376	376	1504	100	
Mean		3.7	3.91	3.86	4.06	3.88		
Std. Deviation		0.854	0.864	0.836	0.87	0.856		

Source: SPSS Result (2015)

Table 4.12 above, shows respondents' attitude towards brand association, where 25(1.7%) of the respondents have responded strongly disagree, 94(6.3%) responded disagree, 231(15.4%) responded neutral, 840(55.9%) responded agree and the remaining 314(20.9%) replied strongly agree. This shows that 76.7% of the responses are either agree or strongly agree and 23.3% of the response are strongly disagree, disagree or neutral and in addition to that the mean value depicts that most of the responses are towards agree of the measurement scale 3.88. Thus, from this we can infer that customers have created a strong association/link to their insurance company.

4.1.2.3 Perceived Quality

Perceived quality is defined as "the consumer's subjective judgment about a product's overall excellence or superiority" (Zeithaml, 1988).

Table 4.11: Frequency and Percentage of the Perceived Quality Scales

Perceived Quality		PQ1	PQ2	PQ3	Total Frequency	Valid Percent	Cumulative Percent
		Frequency	Frequency	Frequency			
Valid	Strongly Disagree	4	2	2	8	0.7	0.7
	Disagree	41	21	42	104	9.2	9.9
	Neutral	38	34	60	132	11.7	21.6
	Agree	219	218	173	610	54.1	75.7
	Strongly Agree	74	101	99	274	24.3	100
	Total	376	376	376	1128	100	
Mean		3.85	4.05	3.86	3.92		
Std. Deviation		0.899	0.793	0.95	0.881		

Source: SPSS Result (2015)

Table 4.13 above, shows respondents' attitude towards perceived quality, where 8(0.7%) of the respondents have responded strongly disagree, 104(9.2%) responded disagree, 132(11.7%) responded neutral, 610(54.1%) responded agree and the remaining 274(24.3%) replied strongly agree. This shows that 78.4% of the responses are either agree or strongly agree and 21.6% of the response are strongly disagree, disagree or neutral and in addition to that the mean value portrayed that most of the responses are towards agree of the measurement scale 3.92. This implies that customers have positive subjective judgment about the quality of services provided by their respective insurance company.

4.1.2.4 Brand Loyalty

Brand loyalty is a measure of the attachment that a customer has to a brand, Aaker (1991).

Table 4.12: Frequency and Percentage of the Brand Loyalty Scales

Brand Loyalty		BL1	BL2	BL3	BL4	BL5	Total Frequency	Valid Percent	Cumulative Percent
		Frequency	Frequency	Frequency	Frequency	Frequency			
Valid	Strongly Disagree	16	8	7	59	13	103	5.5	5.5
	Disagree	25	19	12	72	32	160	8.5	14
	Neutral	42	24	30	44	30	170	9	23
	Agree	188	166	159	163	243	919	48.9	71.9
	Strongly Agree	105	159	168	38	58	528	28.1	100
	Total	376	376	376	376	376	1880	100	
Mean		3.91	4.19	4.25	3.13	3.8	3.86		
Std. Deviation		1.017	0.919	0.873	1.282	0.921	1.00		

Source: SPSS Result (2015)

Table 4.14 above, illustrates respondents' attitude towards brand loyalty, where 103(5.5%) of the respondents have responded strongly disagree, 160(8.5%) responded disagree, 170(9.0%) responded neutral, 919(48.9%) responded agree and the remaining 528(28.1%) replied strongly agree. This shows that 77.0% of the responses are either agree or strongly agree and 23.0% of the response are strongly disagree, disagree or neutral and in addition to that the mean value portrayed that most of the responses are towards agree of the measurement scale 3.86. This implies that customers have strong attachment with their respective insurance company.

4.1.2.5 Overall Brand Equity-(Dependent Variable)

Brand equity is the incremental utility and value endowed to a product or service by its brand name (Keller, 2003; Park and Srinivasan 1994; Yoo et al., 2000; Marinova et al., 2011).

Table 4.13: Frequency and Percentage of the Overall Brand Equity Scales

Overall Brand Equity		OBE1	OBE2	OBE3	Total Frequency	Valid Percent	Cumulative Percent
		Frequency	Frequency	Frequency			
Valid	Strongly Disagree	19	24	98	141	12.5	12.5
	Disagree	36	54	38	128	11.3	23.8
	Neutral	31	26	85	142	12.6	36.4
	Agree	188	154	99	441	39.1	75.5
	Strongly Agree	102	118	56	276	24.5	100
	Total	376	376	376	1128	100	
Mean		3.85	3.77	2.94	3.52		
Std. Deviation		1.082	1.217	1.416	1.238		

Source: SPSS Result (2015)

Based on the data presented on Table 4.15 above, among the total respondents 141(12.5%) of them have responded strongly disagree, 128(11.3%) responded disagree, 142(12.6%) responded neutral, 441(39.1%) responded agree and the remaining 276(24.5%) replied strongly agree. This shows that 63.6% of the responses are either agree or strongly agree and 36.4% of the response are strongly disagree, disagree or neutral and in addition to that the mean value portrayed that most of the responses are towards agree of the measurement scale 3.52. From this we can understand that customers have a positive tendency to consider, feel and act with the respect to a brand, as well as the price that the insurance companies commands.

4.2.1 Structural Equation Modeling Analysis

Structural equation model is a flexible, comprehensive model that specifies the pattern of relationships among independent and dependent variables, either observed or latent. It incorporates the strengths of multiple regression analysis, factor analysis, and multivariate ANOVA (MANOVA) in a single model that can be evaluated statistically. Moreover, it permits directional predictions among a set of independent or a set of dependent variables, and it permits modeling of indirect effects, (Ho, 2006).

Structural equation modeling is employed for confirmatory factor analysis and path analyses. A two-step approach is followed as recommended by Anderson and Gerbing (1988). In the first stage, the measurement model was analyzed to ensure sufficient reliability and validity of

the constructs. In the second stage, the hypotheses of the relationships between constructs were tested.

4.2.2 The Confirmatory Factor Analysis Measurement Model

It is a technique applicable when there is a systematic interdependence among a set of observed or manifest variables and the researcher is interested in finding out something more fundamental or latent which creates this commonality, (Kothari, 2004).

Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy and Bartlett's test of sphericity can be used to test whether the factor analysis is appropriate or not (Marinova *et al.*, 2011). A high value of KMO measure implies a factor analysis as a useful data in research which the value close 1.0, whereas low value (less than 0.5) of KMO indicates the result of factor analysis is not adequate, (Marinova *et al.*, 2011).

Taking into account the criterion of the measurement model, the student researcher have conducted the analysis of the model fit and principal component has been employed in order to construct the AMOS result. As a result, one brand awareness statement, two brand association statement, one brand loyalty statement and one overall brand equity statement are excluded from the final scale due to cross loading as well as a low item-total correlation. Accordingly, as presented in table 4.14 below, the CFA have achieved the minimum threshold value or maintained validity and reliability criteria. Simply put, the model is fitted successfully.

Table 4.14: KMO and Bartlett's Test

KMO and Bartlett's Test	Minimum Requirement	Survey Coefficient	Remark
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	>0.5	.894	Acceptable
Chi-Square	***	202.278	***
Degree of Freedom	***	42	***
Significance Level	<.5	.000	Significant

Source: SPSS AMOS Result (2015)

4.2.2.1 Model Fit Criteria

Goodness-of-fit measures the extent to which the actual or observed covariance input matrix corresponds with (or departs from) that predicted from the proposed model. Goodness-of-fit measures can be classified into three types: (1) absolute fit measures, (2) incremental fit measures, and (3) parsimonious fit measures (Ho, 2006). Hence, the finding of the study is presented here under based on the aforementioned goodness of fit criteria.

4.2.2.1.1 Absolute Fit Measure

These measures determine the degree to which the proposed model predicts (fits) the observed covariance matrix. Some commonly used measures of absolute fit include the **chi-square statistic**, the **goodness-of-fit statistic**, and the **root mean square error of approximation**.

Table 4.15: Absolute Fit Measure of the Finding

Absolute Measure	Minimum Requirement	Survey Coefficient	Remark
Chi-Square	***	202.278	Significant
Goodness of Fit Index(GFI)	>.90	0.918	Perfect fit
Normed Chi-Square (χ^2/df)	<5	4.82	Reasonable
Root Mean Square Error Of Approximation (RMSEA)	<.5	0.068	Good fit

Source: SPSS AMOS Result (2015)

Chi-square statistic is the most fundamental measure of overall fit, which is the likelihood ratio chi-square (χ^2) statistic, the only statistically based measure of goodness-of-fit available in SEM (Jöreskog & Sörbom, 1993). Goodness-of-Fit Index (GFI) measures how much *better* the model fits compared with no model at all (Jöreskog & Sörbom, 1989). It is a non-parametric measure ranging from 0 (poor fit) to 1 (perfect fit). Hence, based on the data illustrated on table 4.17 above, GFI of the study is in perfect fit (.959). Root Mean Square Error of Approximation (RMSEA) takes into account the error of approximation in the population. It is a measure of *discrepancy per degree of freedom* (Browne & Cudeck, 1993). Values ranging from 0.05 to 0.08 are deemed acceptable; values ranging from 0.08 to 0.10 indicate mediocre fit, and those greater than 0.10 indicate poor fit (Browne & Cudeck, 1993; MacCallum, Browne, & Sugawara, 1996). Based on the data we can infer that RMSEA of the study indicated by good fit (.068).

4.2.2.1.2 Incremental Fit Measure

These measures compare the proposed model to some baseline model, most often referred to as the *null* or *independence* model. A number of incremental fit measures have been proposed, such as **Tucker-Lewis Index (TLI)**, **Normed Fit Index (NFI)**, **Relative Fit Index (RFI)**, **Incremental Fit Index (IFI)**, and **Comparative Fit Index (CFI)**. Specifically, they show the improvement achieved by a proposed model over the null model (i.e., a model assuming independence among the variables); they range from 0 (a fit that is no better than the null model) to 1 (a perfect fit), (Ho, 2006).

**Table 4.16: Incremental Fit Measure of the Finding
Baseline Comparisons**

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.949	.920	.959	.936	.959
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Source: SPSS AMOS Result (2015)

4.2.2.1.3 Parsimonious Fit Measure

Parsimony is defined as achieving higher degrees of fit per degree of freedom used (one degree of freedom per estimated coefficient). In scientific research, theories should be as simple, or parsimonious, as possible. As Bentler and Moorjaart (1989) put it, “models with fewer unknown parameters may be considered as standing a better chance of being scientifically replicable and explainable”. Following this line of thought, parsimonious fit measures relate the goodness-of-fit of the proposed model to the number of estimated coefficients required to achieve this level of fit. Their basic objective is to diagnose whether model fit has been achieved by “overfitting” the data with too many coefficients. Their use is primarily to compare models on the basis of some criteria that take parsimony (in the sense of number of parameters to be estimated) as well as fit into account. Parsimonious Normed Fit Index (PNFI) takes into account the number of degrees of freedom used to achieve a level of fit. Higher values of PNFI are better, and its principal use is for the comparison of models with differing degrees of freedom. When comparing between models, differences of 0.06 to 0.09 are proposed to be indicative of substantial model differences, (Williams & Holahan, 1994).

Table 4.17: Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	0.636	0.604	0.61
Saturated model	0	0	0
Independence model	1	0	0

Source: SPSS AMOS Result (2015)

4.2.3 Path Analysis

The technique of path analysis is based on a series of multiple regression analyses with the added assumption of causal relationship between independent and dependent variables, (Kothari, 2004). In addition, it investigates the direct and indirect structural relationships between the exogenous and endogenous variables posited from that theory, (Ho, 2006).

4.2.3.1 Regression Weights Analysis

Table 4.18: Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
OBE	<---	BA	0.015	0.111	0.139	0.890	
OBE	<---	BL	0.385	0.090	4.265	***	
OBE	<---	BAS	0.106	0.084	1.262	0.207	
OBE	<---	PQ	0.714	0.123	5.815	***	

Source: SPSS AMOS Result (2015)

The **standard error** of the coefficients represents the expected variation of the estimated coefficients, and is an index of the “efficiency” of the predictor variables in predicting the endogenous variable; the smaller the S.E. the more efficient the predictor variable is. The **critical ratio** is a test of the significance of the path coefficients. Each C.R. value is obtained by dividing that parameter estimate by its respective standard error, and it is distributed approximately as z . As such, a critical ratio that is more extreme than ± 1.96 indicates a significant path ($p < .05$), (Ho, 2006).

Based on this criterion, it can be seen that the variables BL and PQ are directly related and highly significant predictors of OBE (C.R. = 4.265, $p < .001$; C.R. = 5.815, $p < .01$, respectively). On the other hand, though BA and BAS are directly related but they are insignificant predictors of OBE (C.R. = 0.139, $p < .001$; C.R. = 1.262, $p < .01$, respectively) for they are below the minimum threshold value.

4.2.4 Standardized Regression Weights Analysis

Standardized regression weights (β), are standardized coefficient estimates, and are independent of the units in which all variables are measured. These standardized coefficients allow the researcher to compare directly the relative relationship between each independent variable and the dependent variable, (Ho, 2006).

Table 4.19: Standardized Regression Weights: (Group number 1 - Default model)

Variables			Estimate
OBE	<---	BA	0.008
OBE	<---	BL	0.341
OBE	<---	BAS	0.069
OBE	<---	PQ	0.476

Source: SPSS AMOS Result (2015)

From Table 4.21 above, it can be seen that how a change in brand equity dimensions changes brand equity based on standard deviation. Accordingly, when BA goes up by 1 standard deviation, OBE goes up by 0.008 standard deviations; when BL goes up by 1 standard deviation, OBE goes up by 0.341 standard deviations; when BAS goes up by 1 standard deviation, OBE goes up by 0.069 standard deviations; and when PQ goes up by 1 standard deviation, OBE goes up by 0.476 standard deviations.

4.2.5 Correlation Analysis

Correlation is primarily concerned with finding out whether a relationship exists and with determining its magnitude and direction. The values of the correlation coefficients vary between +1.00 (Positive correlation) and -1.00 (negative correlation). Both of these extremes represent perfect relationships between the variables, and 0.00 represents the absence of a relationship, (Ho, 2006).

Table 4.20: Correlations: (Group number 1 - Default model)

Variables			Estimate	Remark
BA	<-->	BL	0.753	Large Correlation
BA	<-->	BAS	0.578	Moderate Correlation
BA	<-->	PQ	0.684	Moderate Correlation
BL	<-->	BAS	0.617	Moderate Correlation
BL	<-->	PQ	0.818	Large Correlation
BAS	<-->	PQ	0.635	Moderate Correlation

Source: SPSS AMOS Result (2015)

Table 4.22 above, exhibits the relationship between brand equity dimensions. Accordingly, the correlation among brand equity dimensions is positive and statistically significant ranging from ($r = 0.578, p < .001$) between brand awareness and brand association to ($r = 0.818, p < .001$) between brand loyalty and perceived quality.

4.2.6 Covariance Analysis

Covariance (unstandardized correlation coefficients) is a measure of how much two random variables changes together. If the greater value of one variable mainly corresponds with greater values of the other variable, and the same holds for smaller value, i.e., the variables tend to show similar behavior, the covariance is positive. In the opposite case, when the greater value of one variable mainly corresponds to the smaller values of the other, i.e., the variables tend to show opposite behavior, the covariance is negative, (Ho, 2006).

Table 4.21: Covariance: (Group number 1 - Default Model)

Variables			Estimate	S.E.	C.R.	P	Label
BA	<-->	BL	0.384	0.039	9.826	***	
BA	<-->	BAS	0.216	0.029	7.517	***	
BA	<-->	PQ	0.263	0.029	9.009	***	
BL	<-->	BAS	0.376	0.046	8.24	***	
BL	<-->	PQ	0.512	0.048	10.703	***	
BAS	<-->	PQ	0.292	0.036	8.125	***	

Source: SPSS AMOS Result (2015)

Based on this criterion, the CR of the study, as it is depicted in table 4.23 above, the covariance among brand equity dimensions is positive and statistically significant ranging from (CR=7.517, $p < .001$) between brand awareness and brand association to (CR = 10.703, $p < .001$) between brand loyalty and perceived quality.

4.2.7 Squared Multiple Correlations Analysis

A Squared Multiple Correlations is an index of the amount of variance in the observed indicator variable accounted for by its latent construct. As such, a SMC is a measure of the strength of

linear relationship. A small SMC indicates a weak relationship and suggests that the model is not good, (Ho, 2006).

Table 4.22: Squared Multiple Correlations: (Group number 1 - Default model)

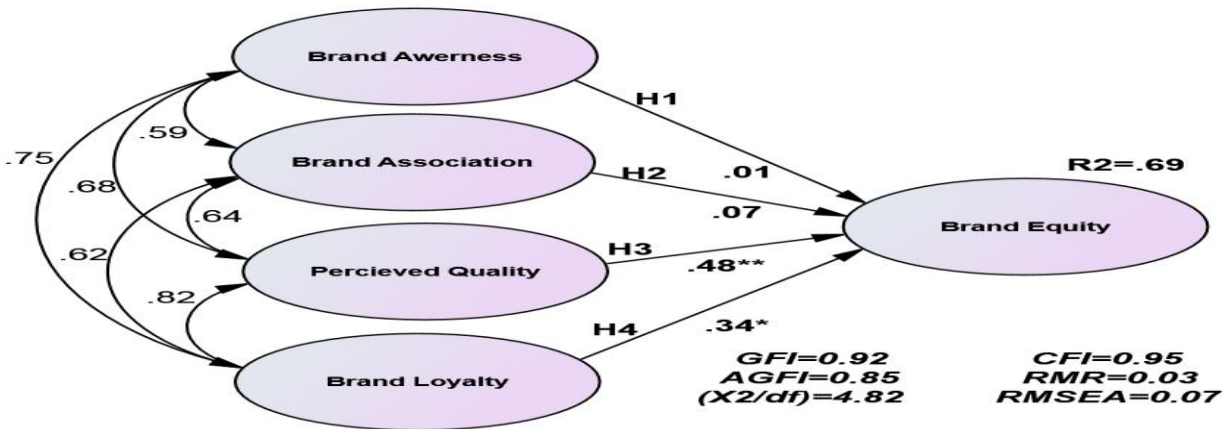
Dependent Variable	Estimate
OBE	0.694

Source: SPSS AMOS Result (2015)

From Table 4.24 above, we can see that it is estimated that the predictors of **OBE** explain 0.69 or 69.4 percent of its variance. In other words, the error variance of **OBE** is approximately 0.306 or 30.6 percent of the variance of **OBE** itself.

Structural Equation Modeling: CBBE Model of Ethiopian Insurance Industry

Figure 4.1: SEM: AMOS Graphics: Relationships between Four Dimensions of Brand Equity and Overall Brand Equity



Source: SPSS AMOS Result (2015)

Figure 4.1 above, illustrates the relative influence that brand equity dimensions have on brand equity.

Table 4.23: Relationships between four dimensions of brand equity and overall brand equity

Variables			Standard Coefficients (n=376)
OBE	<---	BA	$\beta = 0.01$
OBE	<---	BL	$\beta = 0.34^*$
OBE	<---	BAS	$\beta = 0.07$
OBE	<---	PQ	$\beta = 0.48^{**}$
Significant at *P<0.05, P<0.001			
R²=0.69			

Source: SPSS AMOS Result (2015)

According to the hypotheses, a structural equation modeling is developed to assess the statistical significance of the proposed relationships between overall brand equity and its dimensions (see Figure 4.1). Perceived quality, brand awareness, brand association, and brand loyalty are all taken as the exogenous variables, and brand equity is the endogenous variable. Accordingly, the relationship established among the four exogenous variables and overall brand equity is analyzed here under.

H1: Brand awareness has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.

The finding ($\beta=0.01$, $p<.05$) shows that the path between brand awareness and brand equity is insignificant. In other words, brand awareness has low positive effect on brand equity. Hence, the hypothesis is not supported.

H2: Brand association has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.

The result ($\beta=0.07$, $p<.05$) shows that the path between brand association and brand equity is insignificant. Simply put, brand association has low positive effect on brand equity. Hence, the hypothesis is not supported.

H3: Perceived quality has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.

The finding ($\beta=0.48$, $p<.001$) shows that the path between perceived quality and brand equity is significant. Simply put, perceived quality has a significant positive effect on brand equity. Hence, the hypothesis is supported. From this we can understand that perceived quality has a significant effect on the brand equity of Ethiopian insurance industry.

H4: Brand loyalty has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.

The finding ($\beta=0.34$, $p<.001$) shows that the path between brand loyalty and brand equity is significant. In other words, brand loyalty has a significant positive effect on brand equity. Hence,

the hypothesis is supported. This implies that brand loyalty in the Ethiopian insurance industry happens to be the second brand equity dimension that has a significant positive effect on brand equity.

4.3 Discussion of the Finding

The objective of this study is to analyze factors influencing customer-based brand equity with respect to Ethiopian insurance industry based on Aaker's (1991) brand equity model, which comprises of four exogenous variables: perceived quality, brand loyalty, brand awareness, brand association, and one endogenous variable: brand equity. Accordingly, the result provided a strong support for H3 and H4, which indicated the positive and direct role of perceived quality ($\beta=0.48$, $p<.001$) and brand loyalty ($\beta=0.34$, $p<.001$) in affecting brand equity. However, both brand awareness ($\beta=0.01$, $p<.05$) and brand association ($\beta=0.07$, $p<.05$) are found to have very low parameter estimates. Therefore, it can be concluded that they did not have a direct significant influence on brand equity.

Brand awareness is the first and fundamental attribute of customer brand equity; and sometimes it is underestimated component of brand equity (Aaker, 1991; Aaker, 1986; Tong and Hawley, 2009). Brand awareness is defined as "the ability of a buyer to recognize or recall that brand is a member of certain product category" (Aaker, 1991). However, the result of the finding shows that the relationship between brand awareness and brand equity is very low; hence, insignificant. In other words, brand awareness has no significant positive effect on brand equity in the Ethiopian insurance industry; hence, H1 is not supported.

Brand association, which is the outcome of high brand awareness, is positively related to brand equity, since it is viewed as "a sign of quality and commitment", leading customers to familiarize purchasers with a brand, as well as "helping them consider it at the point of purchase" (Aaker, 1991; Tong and Hawley, 2009; Marinova *et al.*, 2011; Yoo *et al.*, 2000). Contrary to that, the finding shows that the relationship between brand association and brand equity is very low; hence, insignificant. In other words, brand association has no significant positive effect on brand equity in the Ethiopian insurance industry; hence, H2 is not supported.

Perceived quality is a component of brand value, which leading consumers to select a particular brand rather than another competing brand (Yoo *et al.*, 2000). Hence, we believe that high perceived quality will increase brand equity. Similarly, the finding shows that the relationship between perceived quality and brand equity is strong; hence, significant. In other word, perceived quality has significant positive effect on brand equity in the Ethiopian insurance industry; hence, H3 is supported. Furthermore, perceived quality has established the strongest positive impact (among the four dimensions of brand equity) on brand equity and this holds true with research work conducted by Beidenariam Amare, (2014).

As Oliver (1979) put in plain words, brand equity as “a deeply held commitment to rebury or re-patronize a preferred product or service consistently in the future, deposit situation influences and marketing efforts having the potential to cause switching behavior”. Thus, brand loyalty is believed to be the most important brand equity dimension, which results in above three given brand equity dimensions-i.e. brand awareness, brand association and perceived quality (Tong and Hawley, 2009). By the same token, the finding illustrates that brand loyalty happens to be the second significant influence imposer on brand equity in the Ethiopian insurance industry. This is consistent with other research works, (Million, 2013; Bezawit, 2014 and Tong and Hawley, 2009).

The following table summarizes the findings of the study-in way that it precisely illustrates which brand equity dimension is the most influence imposer on brand equity in the Ethiopian insurance industry.

Table 4.24: Summary of the Hypotheses Result

Proposed Hypotheses	Result
<i>H1: Brand awareness has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.</i>	Not Supported
<i>H2: Brand association has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.</i>	Not Supported
<i>H3: Perceived quality has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.</i>	Supported
<i>H4: Brand loyalty has a significant positive effect on consumer-based brand equity in Ethiopian insurance industry.</i>	Supported

Source: Survey Result (2015)

CHAPTER FIVE

SUMMARY, CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS OF THE STUDY

From the analysis and interpretations made in the previous chapter, the following summary, conclusions, recommendations and limitations of the study are presented.

5.1 Summary of the Major Findings

With regards to regression weight analysis, it can be seen that the variables BL and PQ are directly related and highly significant predictors of OBE (C.R. = 4.265, $p < .001$; C.R. = 5.815, $p < .01$, respectively). On the other hand, though BA and BAS are directly related but they are insignificant predictor of OBE (C.R. = 0.139, $p < .001$; C.R. = 1.262, $p < .01$, respectively) for they are below the minimum threshold value. (See table 4.20)

From Standardized Regression Weights analysis, it can be seen that how a change in brand equity dimensions changes brand equity based on standard deviation. Accordingly, when BA goes up by 1 standard deviation, OBE goes up by 0.008 standard deviations; when BL goes up by 1 standard deviation, OBE goes up by 0.341 standard deviations; when BAS goes up by 1 standard deviation, OBE goes up by 0.069 standard deviations; and when PQ goes up by 1 standard deviation, OBE goes up by 0.476 standard deviations. (See table 4.21)

The Correlations analysis exhibits the relationship between brand equity dimensions. Accordingly, the correlation among brand equity dimensions is positive and statistically significant ranging from ($r = 0.578$, $p < .001$) between brand awareness and brand association to ($r = 0.818$, $p < .001$) between brand loyalty and perceived quality. (See Table 4.22)

With reference to Covariance analysis, as it is depicted in table 4.23, the covariance among brand equity dimensions is positive and statistically significant ranging from (CR=7.517, $p < .001$) between brand awareness and brand association to (CR = 10.703, $p < .001$) between brand loyalty and perceived quality.

From Squared Multiple Correlations analysis, we can see that it is estimated that the predictors of Overall Brand Equity explain 0.69 or 69.4 percent of its variance. In other words, the error variance of Overall Brand Equity is approximately 0.306 or 30.6 percent of the variance of Overall Brand Equity itself.(See Table 4.24)

The finding of hypothesis 1 shows that the path between brand awareness and brand equity is insignificant, that is, ($\beta=0.01$ $p<.05$). In other word, brand awareness has low positive effect on brand equity. Hence, the hypothesis is not supported.

With regards to hypothesis 2, the result shows that the path between brand association and brand equity is insignificant, that is, ($\beta=0.07$, $p<.05$). Simply put, brand association has low positive effect on brand equity. Hence, the hypothesis is not supported.

According to the finding of hypothesis 3, the path between perceived quality and brand equity is significant, that is, ($\beta=0.48$, $p<.001$). Put in plain words, perceived quality has a significant positive effect on brand equity. Hence, the hypothesis is supported. From this we can understand that perceived quality has a significant effect on the brand equity of Ethiopian insurance industry.

The finding of hypothesis 4 shows that the path between brand loyalty and brand equity is significant, that is, ($\beta=0.34$, $p<.001$). In other word, brand loyalty has a significant positive effect on brand equity. Hence, the hypothesis is supported. This implies that brand loyalty in the Ethiopian insurance industry happens to be the second brand equity dimension that has a significant positive effect on brand equity.

5.2 Conclusions

Based on the data collected and presented above in line with the basic research questions raised and the hypotheses posited in chapter one, the following conclusion are drawn.

The objective of this study is to analyze factors influencing customer-based brand equity with respect to Ethiopian insurance industry based on Aaker's (1991) brand equity model, which comprises of four exogenous variables: perceived quality, brand loyalty, brand awareness, brand association, and one endogenous variable: brand equity. Accordingly, out of those four

exogenous variables and one endogenous variable 19 measurement scales are developed; even though, one brand awareness statement, two brand association statement, one brand loyalty statement and one overall brand equity statement are excluded from the final scale due to cross loading as well as a low item-total correlation.

The finding of the study shows that perceived quality is the major influence imposer in the Ethiopian insurance industry. In other words, the result provided a strong support for the third hypothesis, which indicated the positive and direct role of perceived quality in building strong brand equity in the industry. Thus, perceived quality is believed to be the most important brand equity dimension, which results in above three given brand equity dimensions-i.e. brand awareness, brand association and brand loyalty. Similarly, brand loyalty happens to be the second major influence imposer in building strong brand equity in the Ethiopian insurance industry; which indicated the positive and direct role of brand loyalty in affecting brand equity in the industry. Contrary to that, both brand awareness and brand association are found to have very low parameter estimates. Therefore, it can be concluded that they did not have a direct significant influence on brand equity in the Ethiopian industry. However, the correlation analysis result shows that the four brand equity dimensions have positive and statistically significant relationship. Accordingly, we can understand that brand awareness and brand association might be antecedents of brand equity by affecting perceived quality and brand loyalty. Many previous studies also suggested apotential causal order might exist among the brand equity dimensions (Million, 2013; Beidenariam, 2014; Tong and Hawley, 2009; Oliver, 1997; Yoo et al., 2000).

5.3 Recommendations

According to the major findings that have been discussed so far and conclusions drawn above the following points are recommended by the student researcher.

The first is that insurance companies should concentrate their efforts primarily on perceived quality and brand loyalty which have high importance in the construct of brand equity. In spite of the fact that the Ethiopian insurance industry is still dominated by the state owned insurance company, the competition among private insurance companies and with the industry giant has become intense-which leads companies to differentiate their offering from that of their

competitors in order for them to maintain their current position as well as sustain a significant amount of market share with the ever growing insurance industry. According to Yoo *et al.*, 2000, perceived quality is a component of brand value, which leading consumers to select a particular brand rather than another competing brand. Thus, for a competitive industry such as insurance, the key is to create a unique, distinctive and superior quality to provide customers with a reason to buy the brand, then work to keep their loyalty and gain their repeat business (Aaker, 1991; Tepeci, 1999). Therefore, insurance companies should have to channel their effort primarily on advertising across different media, and non-price promotion are potentially effective marketing strategies to create an excellent and superior perceived quality and in effect brand loyalty.

It is not out of the ordinary that service is characterized by its intangible nature where it cannot be readily displayed or communicated. Yet, insurance companies as a service provider should have to make use of testimonials in order to communicate their distinctive and superior quality and in effect loyal their customers. In other words, perceived quality is something intangible that resides in the minds of customers and it is difficult to display or communicate, provided that it is customers' subjective judgment about the service delivery. Hence, testimonial would be useful to alleviate the difficulty of communicating perceived quality to customers as well as potential customers. Besides, knowing that social Medias are the new phenomenon as well as central to marketing communication, insurers should have to increase their presence in the platform so as to increase their brand equity by way of interacting with their customers about the service delivery, that is, the quick delivery of compensation payment, assurance of peace of mind and the like.

On the other hand, companies should not underestimate the value of brand awareness and brand association. According to Aaker (1991), Brand awareness can be a sign of quality and commitment, letting consumers become familiar with a brand and helping them consider it at the point of purchase. As Tong and Hawley (2009), put in plain words, CBBE occurs when consumers have a high level of awareness and hold some strong, favorable, and unique brand associations in their memories. As can be seen from the correlation analysis the intercorrelation between brand awareness to perceived quality and brand loyalty and between brand association to perceived quality and brand loyalty is positive and statistically significant. Accordingly, we

can understand that brand awareness and brand association might be antecedents of brand equity by affecting perceived quality and brand loyalty. Hence, the student researcher suggest that when concentrating on creating perceived quality and brand loyalty, companies should not undervalue the effects of brand awareness and brand association. For the reason that, brand awareness serves as a foundation for perceived quality and brand loyalty, high quality enables consumers to recognize a brand's distinctiveness and superiority and leads to consumer satisfaction and loyalty(Aaker, 1991; Oliver, 1997). Similarly, brand awareness precedes building brand equity in the consumer mind set (Huang and Sarigollu, 2011); it affects customers' perception and attitudes, as well as it influences customer's brand choice and brand loyalty (Aaker, 1986). On the other hand, brand association creates value for the firm as well as for its customers by assisting to process information, distinguishes the brand, creates positive attitudes and feeling, provides a reason to purchase a brand and forms the basis for brand extensions (Aaker, 1991; Tong and Hawley, 2009).

5.4 Limitation of the Study

As it is affirmed in the previous sections, the objective of this study is to analyze factors influencing customer based brand equity in the Ethiopian insurance industry. In doing so the student researcher believes that this study has three major constraints. First, knowing that there are 17 insurance companies in the industry, the study is conducted on five insurance companies though they account for 70 percent of the market share. second, this study is delimited to sample units located in Addis Ababa, for the reason that, addressing all the customers in the country would be difficult and involves a great deal of time, money and energy. Having said that, had it been the study was incorporated all the 17 insurance companies and addresses all customers across the country the result might be different. Hence, future research needs to be done if the results are to be expanded into the 17 insurance companies as well as other regional states in light of significant regional gaps in consumer attitudes and behaviors.

Finally, as it has been asserted in the previous section, among the brand equity measurement approaches, that is, customers-based perspective, financial perspective and combined perspective; that has been widely used in marketing research, only customers-based brand equity is explored and applied for investigation in this study due to time and financial

constraint. Hence, further investigation needs to be done especially on financial perspective; to explore more about the significance of brand equity in the insurance industry.

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Appendix A
Addis Ababa University
College of Business and Economics
School of Commerce
Marketing Management Program Unit

Objective of the Questionnaire

Dear Respondents,

My name is Girma Milkessa. I am a prospective graduate of the year 2015 in the field of Marketing Management at Addis Ababa University College of Business and Economics [School of Commerce]. The questionnaire is designed to analyze factors influencing customer-based brand equity in the Ethiopian insurance industry in partial fulfillment of the requirement for the Award of Master of Arts Degree in Marketing Management.

Your response will represent the opinions of thousands of people much like yourself. Therefore, the student researcher would like to ask you with due respect to give the right response, since; the validity of your response has high contribution for the success of the research outcome and to the existing body of literature. Your survey responses will be strictly confidential and data from this questionnaire will be reported only in aggregate.

For any further enquiry you can reach me through girmamil2011@gmail.com and/or +251-912-18-3874.

Thank you in advance for your time and support!

Remark

- Writing your name on the questionnaire is not necessary
- The questions have alternative answers, so put a mark on the chosen box.

Section I: General Characteristics of the Respondent

The below listed questions are related to General Characteristics of the Respondent, therefore, you are kindly requested to put/make mark on the chosen box which represents you.

1. Gender:

A. Male

B. Female

2. Age:

A. 18-25

D. 42-49

B. 26-33

E. > 50

C. 34-41

3. Educational Level

A. Below High School

D. First Degree

B. High School

E. Masters Degree

C. Diploma

F. Above Masters Degree

4. Marital Status

A. Single

B. Married

5. Family Size

A. 1-3

C. 7-9

B. 4-7

D. > 9

6. Monthly Income

A. Below ETB 10,000

C. ETB 15,001-20,000

B. ETB 10,001-15,000

D. > ETB 20,000

7. How many classes of business you have bought currently?

A. 1-2

C. 4-6

B. 3-4

D. > 6

Section II: Customer-Based Brand Equity Dimension Scales

Here under are questions related to Customer Based Brand Equity Dimensions and Overall Brand Equity Performance, therefore, you are kindly requested to put/make mark on the chosen box which represents your degree of agreement.

N.B: the symbol “X” is referring to your preferred insurance company

Brand Awareness (BA)		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I am aware of insurance “X”.					
2	I can recognize insurance “X” quickly among other competing brands.					
3	I am familiar with insurance “X”.					
4	Insurance “X” is well-known.					
Brand Association (BAS)		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Insurance “X” has a unique brand image.					
2	I like and trust insurance “X”.					
3	I like insurance “X”’s brand image.					
4	Insurance “X” makes me feel safe.					
Perceived Quality (PQ)		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The services provided by insurance “X” has very good quality.					
2	I trust the quality of services provided by Insurance “X”.					
3	The services provided by insurance “X” has excellent features.					
Brand Loyalty (BL)		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I consider myself to be loyal to insurance “X”.					
2	When I think of buying insurance, “X” would be my best choice.					
3	I will keep on buying insurance from “X” as long as it provides me premium services					
4	I am still willing to buy insurance from “X” even if its price is a little higher than that of its competitors					
5	I would love to recommend “X” to my friends					
Overall Brand Equity (OBE)		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Even if another insurance company offers the same service as “X”, I would prefer to buy insurance from “X”.					
2	If another insurance company is not different from “X” in any way, it seems smarter to purchase					
3	“X” is more than an insurance company to me.					

Thank you for your time!!!

Appendix B

አዲስ አበባ ዩኒቨርሲቲ

ቢዝነስ እና ኢኮኖሚክስ ኮሌጅ

ንግድ ስራ ትምህርት ቤት

የገበያ አስተዳደር ትምህርት ክፍል

የመጠይቁ አላማ

ውድ መላሾች፣

ግርማ ምልክት እባላለሁ በአዲስ አበባ ዩኒቨርሲቲ ቢዝነስ እና ኢኮኖሚክስ ኮሌጅ የንግድ ስራ ትምህርት ቤት በገበያ አስተዳደር ትምህርት ክፍል የሁለተኛ ዲግሪ ተማሪ ስሆን ይህ መጠይቅ የተዘጋጀው ለመመረቂያ ጽሁፍ ማሟያ የሚሆን መረጃ ለመስጠት ነው። የጥናቱ አላማ ደንብኛ ተኮር የብራንድ ሃብት ምዘናን በኢትዮጵያ የመድን

ኢንደስትሪ ላይ ጠለቅ ያለ ግንዛቤ ለመውሰድ ነው። በመሆኑም በኢንሹራንስ ድረጅቶቹ የብራንድ ሃብት ምዘና ዙሪያ የደንበኞችን አስተያየት ለማጥናት በደንበኞች እንዲሞላ የተዘጋጀ መጠይቅ ነው።

የእርስዎ ምላሽ እንደርስዎ ያሉ የብዙ ሺ ደንበኞችን ምላሽ ስለሚወክል እንዲሁም በመመረቂያ ጽሁፉ ላይ ከፍተኛ አስተዋጽኦ ስለሚኖረው ጥያቄዎቹን በጥንቃቄ እንዲሞሉ በትህትና እጠይቃለሁ።

ማንኛውም አይነት ጥያቄ ካለዎት ወይም ማብራሪያ ካስፈለገዎት በስልክ ቁጥር +251-912-18-3874 ወይንም በኢሜል አድራሻዬ girmamil2011@gmail.com ሊያገኙኝ ይችላሉ።

ስለሚያደርጉልኝ ቀና ትብብር በቅድሚያ ከልብ ላመስግን እወዳለሁ!!!

ማሳሰቢያ፡

- ❖ በመጠይቁ ላይ ስም መጻፍ አያስፈልግም
- ❖ ጥያቄዎቹ አማራጭ መልሶች ስላላቸው ትክክለኛ የሚሉት መልስ ላይ ይህንን ምልክት ያድርጉበት።

ክፍል አንድ፡ የመላሾች አጠቃላይ መረጃ

ቀጥለው የተዘረዘሩት ጥያቄዎች የመላሾችን አጠቃላይ መረጃ የሚመለከት ሲሆን ምላሻችሁን ይህንን ምልክት በማድረግ እንዲመልሱ በትህትና እጠይቃለሁ።

1. ጾታ፡

ሀ. ወንድ

ለ. ሴት

2. ዕድሜ፡

ሀ. 18-25

መ. 42-49

ለ. 26-33

ሠ. > 50

ሐ. 34-41

3. የትምህርት ደረጃ

ሀ. ከሁለተኛ ደረጃ በታች

መ. የመጀመሪያ ዲግሪ

ለ. ሁለተኛ ደረጃ

ሠ. ሁለተኛ ዲግሪ

ሐ. ዲፕሎማ

ረ. ከሁለተኛ ዲግሪ በላይ

4. የጋብቻ ሁኔታ

ሀ. ያላገባ

ለ. ያገባ

5. የቤተሰብ ባዛት

ሀ. 1-3

ሐ. 7-9

ለ. 4-7

መ. > 9

6. ወርሃዊ ገቢ

ሀ. ከብር 10,000 በታች

ሐ. ከብር 15,001-20,000

ለ. ከብር 10,001-15,000

መ. ከብር 20,000 በላይ

7. ምን ያህል የመድን ሽፋኖች በአሁን ሰዓት ገዝተዋል?

ሀ. ከ1-2

ሐ. ከ4-6

ለ. ከ3-4

መ. ከ6 በላይ

ክፍል ሁለት፡ የደንበኛ ተኮር የብራንድ ሃብት መለኪያ

ከዚህ ቀጥለው የተዘረዘሩት ጥያቄዎች የብራንድ ሃብት መለኪያዎችን እንዲሁም አጠቃላይ የብራንድ ሃብትን የተመለከቱ ሲሆኑ የእርስዎን አስተያየት በሚያንጸባርቁ ምላሾች ላይ ይህንን ምልክት በማድረግ እንዲመልሱ በትህትና እጠይቃለሁ። በተጨማሪም ይህ ምልክት “X” የእርስዎን ተመራጭ የኢንሹራንስ አገልግሎት ሰጪ ድርጅትን ይወክላል።

የብራንድ ግንዛቤ		በፍጹም አልስማማም	አልስማማም	አላውቅም	እስማማለሁ	በጣም እስማማለሁ
1	ስለ ኢንሹራንስ “X” ግንዛቤው አለኝ።					
2	ገበያ ውስጥ ካሉት ተወዳዳሪ የኢንሹራንስ ድርጅቶች “X”ን በደንብ እለየዋለሁ።					
3	ኢንሹራንስ “X”ን በደምብ አውቃለሁ።					
4	ኢንሹራንስ “X” በደምብ ታዋቂ ነው።					
የብራንድ ተዛማጅነት		በፍጹም አልስማማም	አልስማማም	አላውቅም	እስማማለሁ	በጣም እስማማለሁ
1	ኢንሹራንስ “X” ለየት ያለ የብራንድ ገጽታ አለው።					
2	ኢንሹራንስ “X”ን እወደዋለሁ አደንቀዋለው					
3	የኢንሹራንስ “X”ን የብራንድ ገጽታ እወዳለሁ።					
4	ኢንሹራንስ “X” የደህንነት ስሜት እንዲሰማኝ ያደርጋል።					
አማለካክታዊ የአገልግሎት ጥራት		በፍጹም አልስማማም	አልስማማም	አላውቅም	እስማማለሁ	በጣም እስማማለሁ
1	ኢንሹራንስ “X” የሚሰጠቸው አገልግሎቶች ከፍተኛ ጥራት አላቸው።					
2	ኢንሹራንስ “X” አስተማማኝ የሆኑ አገልግሎቶች ይሰጣል።					
3	ኢንሹራንስ “X” የሚሰጠቸው አገልግሎቶች ልዩ ገጽታ ያላቸውና አስተማማኝ ናቸው።					
የብራንድ ታማኝነት		በፍጹም አልስማማም	አልስማማም	አላውቅም	እስማማለሁ	በጣም እስማማለሁ
1	እራሴን ለኢንሹራንስ “X” ታማኝ አድርጌ እቆጥራለሁ።					
2	ኢንሹራንስ ለመግዛት ሳስብ “X” ቀዳሚ ምርጫዬ ነው።					
3	ኢንሹራንስ “X” ቀጣይነትና ከፍተኛ ጥራት ያላቸው አገልግሎቶች እሰከሰጠኝ ድረስ ከአረሱ መግዛት እቀጥላለሁ።					
4	ኢንሹራንስ “X” የሚያስከፍለው ክፍያ ከሌሎች ተወዳዳሪዎች አንጻር ከፍተኛ ቢሆን እንዲያስከፈሉ ለመግዛት ፈቃደኛ ነኝ።					
5	ወዳጅ ዘመዶቼ የመድን ሽፋን ከኢንሹራንስ “X” እንዲገዙ አጥብቄ እመክራለሁ።					

አጠቃላይ የብራንድ ሃብት		በፍጹም አልስማማም	አልስማማም	አላውቅም	አስማማለሁ	በጣም አስማማለሁ
1	ሌሎች የኢንሹራንስ ድርጅቶች ከ“X” ተመሳሳይ አገልግሎት ቢሰጡ እንኳን ኢንሹራንስ “X” ቀዳሚ ምርጫዬ ነው።					
2	ሌሎች የኢንሹራንስ ድርጅቶች ልክ እንደ “X” ከፍተኛ ጥራት ያለው እና አስተማማኝ አገልግሎት ቢሰጡ እንኳን ኢንሹራንስ “X” ቀዳሚ ምርጫዬ ነው።					
3	ለኔ “X” ከኢንሹራንስ ድርጅትም በላይ ነው።					

ውድ ግዜዎን ስለሰጡኝ ከልብ አመሰግናለሁ!!!

Appendix C
Findings of SPSS 21 and AMOS 21

Brand Awareness

Reliability Statistics

Cronbach's Alpha	N of Items
.876	4

Brand Association

Reliability Statistics

Cronbach's Alpha	N of Items
.852	4

Perceived Quality

Reliability Statistics

Cronbach's Alpha	N of Items
.912	3

Brand Loyalty

Reliability Statistics

Cronbach's Alpha	N of Items
.846	5

Overall Brand Equity

Reliability Statistics

Cronbach's Alpha	N of Items
.778	3

Pattern Matrix

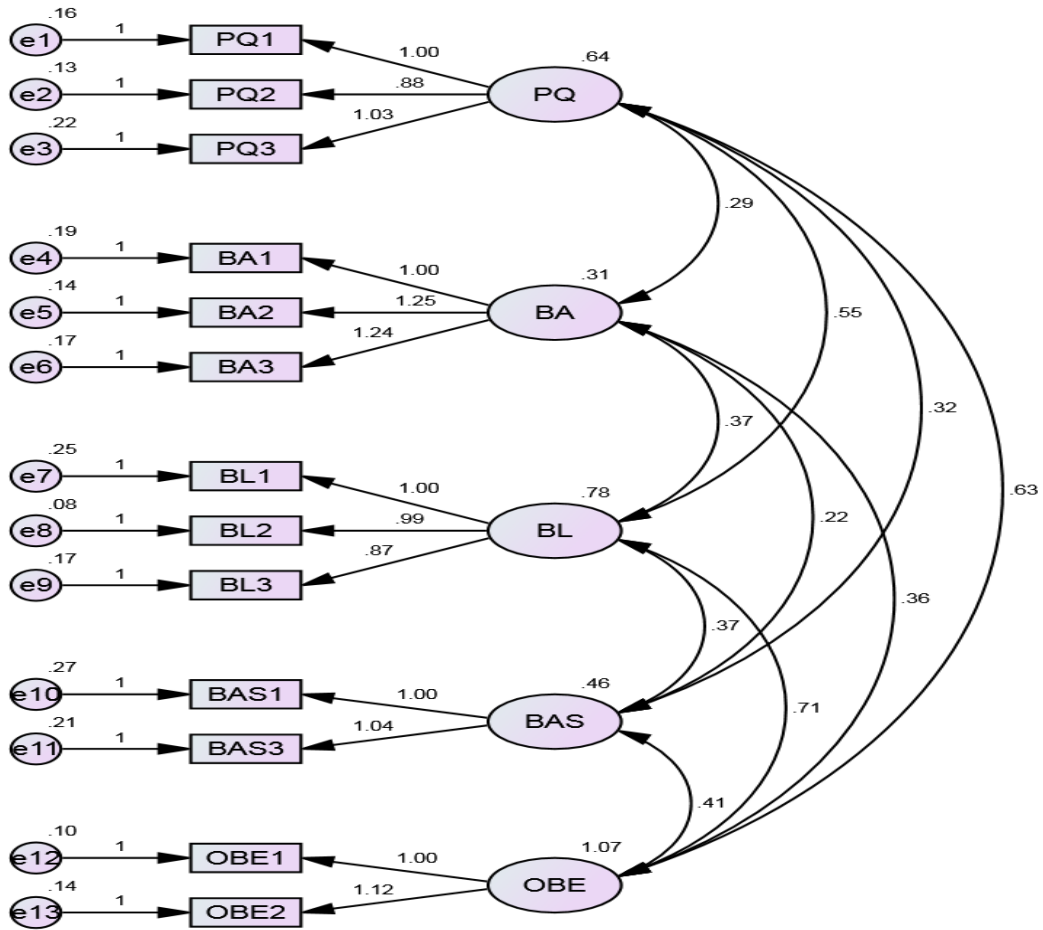
	Component				
	1	2	3	4	5
BA1		.980			
BA2		.838			
BA3		.794			
BAS1				.929	
BAS3				.906	
PQ1	1.027				
PQ2	.824				
PQ3	.805				
BL1			.695		
BL2			.912		
BL3			.986		
OBE1					.941
OBE2					.967

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.^a

a. Rotation converged in 6 iterations.

Confirmatory Factor Analysis



CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	36	202.278	42	.000	4.816
Saturated model	78	.000	0		
Independence model	12	3985.025	66	.000	60.379

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.026	.918	.848	.494
Saturated model	.000	1.000		
Independence model	.461	.214	.071	.181

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.949	.920	.959	.936	.959
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.636	.604	.610
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.068	.087	.115	.000
Independence model	.398	.387	.408	.000

Regression Weights: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
OBE <--- BA	.015	.111	.139	.890	
OBE <--- BL	.385	.090	4.265	***	
OBE <--- BAS	.106	.084	1.262	.207	
OBE <--- PQ	.714	.123	5.815	***	

Standardized Regression Weights: (Group number 1 - Default model)

	Estimate
OBE <--- BA	.008
OBE <--- BL	.341
OBE <--- BAS	.069
OBE <--- PQ	.476

Covariances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
BA <--> BL	.384	.039	9.826	***	
BA <--> BAS	.216	.029	7.517	***	
BA <--> PQ	.263	.029	9.009	***	
BL <--> BAS	.376	.046	8.240	***	
BL <--> PQ	.512	.048	10.703	***	
BAS <--> PQ	.292	.036	8.125	***	

Correlations: (Group number 1 - Default model)

	Estimate
BA <--> BL	.753
BA <--> BAS	.578
BA <--> PQ	.684
BL <--> BAS	.617
BL <--> PQ	.818
BAS <--> PQ	.635

Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
OBE	.694