

**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF COMMERCE**  
**DEPARTMENT OF MARKETING MANAGEMENT**



**THE IMPACT OF SERVICE DIFFERENTIATION ON BRAND IMAGE :**  
**THE CASE OF COMMERCIAL BANK OF ETHIOPIA**

**By: Tigist Mekuria**

**A Thesis Submitted To Addis Ababa University College Of Business And Economics Department Of Marketing Management School Of Graduate Studies in Partial Fulfillment Of the Requirements For The Degree Of Master Of Arts In Marketing Management**

**Advisor: Tewodros Mesfin (PHD)**

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**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF COMMERCE**  
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**GRADUATE PROGRAM UNIT**



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This is to certify that the thesis prepared by Tigist Mekuria, with the title “The Impact of Service Differentiation on Brand Image: the case of Commercial Bank of Ethiopia” under Addis Ababa District Branches which is submitted in partial fulfillment for the degree of master of Marketing Management with respect to the standards and regulations of the university in the originality and quality of the thesis.

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DECLARATION

I, Tigist Mekuria Tesfaye, hereby declare that the thesis work entitled “The Impact of Service Differentiation on Brand Image: the case of Commercial Bank of Ethiopia in Addis Ababa city” submitted in partial fulfillment of the requirements for Master of Arts (MA) in Marketing Management to Addis Ababa University School of Commerce, is the outcome of my own effort and that all sources of materials used for the study have been duly acknowledged. This study has not been submitted for any degree in this University or any other Universities.

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STATEMENT OF CERTIFICATION

This is to certify that Tigist Mekuria Tesfaye carried out her project on the topic entitled “The Impact of Service Differentiation on Brand Image: the case of Commercial Bank of Ethiopia in Addis Ababa city” under my supervision. This work is original in nature and is suitable for submission for the award of Degree of Master in the Department of Marketing Management.

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Advisor: Tewodros Mesfin (PhD)

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Finally, special thanks to all my beloved families and to all who were around me for this success.

Tigist

**Abstract**

*The Banking industry is the significant stimulator of the economic development of a country through increasing operating revenues, deposit mobilization, credit facilities, financial investment portfolio, and expand the national reserve. Following the increasing number of private banks in Ethiopia, the intense competition claims the importance of bank service differentiation in order to survive and profitable. This research has considered critical literature reviews of studies which were done in relation to brand image with the objective of examining selected service marketing mix variables as premium price, employee's behavior, physical evidence and distribution channel and their impact on brand image. And this study used a quantitative research approach with purposive sampling technique to select only a few customers from 763 branches of the population of Addis Ababa area for the study purposes. Primary data source (questionnaire) was used with a total sample size of 384 respondents. For this study the dependent variable is brand image whereas the independent variables are; premium price, employees' behavior, physical evidence and distribution channel. And the questionnaire data which was collected by using likert five scale was analyzed using explanatory and inferential statistics with the help of Statistical Package for Social Science (SPSS) version 20. The data collected from the questionnaire were analyzed using Statistical tools such as (Descriptive statistics, Reliability analysis, correlation and multiple linear regression models). The results of this study indicate that, all the selected service marketing mix elements (Price, Employee's behavior, physical evidence and distribution channel) have positive relationship with brand image. The finding of this study also indicates that price, physical evidence and distribution channel have a strong positive relation and significant effect on brand image. And Employees' behavior has a positive and significant effect on brand image with a lessor level than the other variables*

Key Words: Premium price, Employees' behavior, Physical evidence, Distribution channel, Brand image

List of Acronyms and Abbreviations:

CBE: Commercial bank of Ethiopia

POS: Point of Sale

EFTPOS: Electronic Funds Transfer at Point of Sale

ATM: Automatic teller machines

ANOVA: Analysis of Variance

**TABLE OF CONTENTS:**

ABSTRACT.....	IV
CHAPTER ONE.....	1
INTRODUCTION.....	1
1.1 BACK GROUND OF THE STUDY .....	1
1.2. STATEMENT OF THE PROBLEM.....	3
1.3. RESEARCH QUESTIONS .....	5
1.4. OBJECTIVE OF THE STUDY .....	5
1.5. THE RESEARCH HYPOTHESIS.....	6
1.6. SIGNIFICANCE OF THE STUDY .....	6
1.7. SCOPE OF THE STUDY .....	7
1.8 ORGANIZATION OF THE STUDY .....	7
CHAPTER TWO.....	8
2. LITERATURE REVIEW .....	8
2.1. INTRODUCTION:.....	8
2.2. PRICE DIFFERENTIATION IN SERVICES .....	8
2.3. EMPLOYEE’ S BEHAVIOR AND BRAND IMAGE.....	10
2.4. PHYSICAL EVIDENCE AND BRAND IMAGE.....	13
2.5. DISTRIBUTION CHANNEL OF A SERVICE .....	15
2.6. BRANDING .....	18
2.7. BRAND IMAGE.....	21
2.8. BRAND EQUITY .....	22
2.9. BRAND POSITIONING .....	24
2.10. THE IMPORTANCE OF SERVICE DIFFERENTIATION .....	26
2.11. SERVICE MARKETING .....	26
2.12. CHARACTERISTICS OF A SERVICE .....	26
2.13. CHALLENGES FACING BRANDING SERVICES.....	27
2.14. DIFFERENTIATION.....	28
2.15. EMPIRICAL LITERATURE REVIEW .....	29
2.16. CONCLUSION .....	30
2.17. CONCEPTUAL FRAMEWORK.....	31
CHAPTER THREE.....	32
3. RESEARCH DESIGN AND METHODOLOGY .....	32
3.1. INTRODUCTION .....	32

3.2. RESEARCH APPROACH.....	32
3.3 RESEARCH DESIGN.....	33
3.5. SOURCE OF DATA.....	35
3.6. DATA COLLECTION INSTRUMENT.....	36
3.7. METHOD OF DATA ANALYSIS.....	36
3.8. VALIDITY AND RELIABILITY.....	36
3.9. ETHICAL CONSIDERATION.....	37
CHAPTER FOUR.....	38
4. DATA ANALYSIS, INTERPRATION AND PRESENTATION.....	38
4.1. INTRODUCTION.....	38
4.2. RESPONDENTS’ PROFILE.....	38
4.3. RELIABILITY ANALYSIS OF THE QUESTIONNAIRE.....	39
4.4. DATA ANALYSIS FOR THE VARIABLES OF THE STUDY.....	40
4.5. ASSUMPTION TESTING FOR REGRESSION ANALYSIS.....	44
4.6. CORRELATION BETWEEN EXPLANATORY VARIABLES AND BRAND IMAGE.....	48
4.7. HYPOTHESIS TESTING.....	51
4.8. DISCUSSION OF RESEARCH RESULTS.....	53
CHAPTER FIVE.....	54
5.1. INTRODUCTION.....	54
5.2. SUMMARY OF FINDINGS.....	54
5.3 CONCLUSIONS.....	55

**List of Tables**

TABLE 3.1. DETERMINATION OF SAMPLE SIZE SOURCE.....	35
Table 4.1. Profile Of Respondents.....	39
Table 4.2. Cronbach’s Alpha Item Total Statistics.....	40
TABLE 4.4. MEAN SCORE AND STANDARD DEVIATION FOR EMPLOYEE’S .....	41
Table 4.5. Mean score and standard deviation for Physical Evience.....	42
Table 4.6. Mean score and standard deviation for Distribution Channel.....	43
Table 4.7. Mean score and standard deviation for brand image .....	43
Table 4.8. Mean score and standard deviation .....	44
Table 4.9. Multicollinearity test.....	45
Table 4.10. Correlation table .....	48
Table 4.11. Regression analysis between dependent and independent variables .....	49
Table 4.12. ANOVA .....	50
Table 4.13. Regression Coefficients .....	50
Table 4.14. Summary of hypotheses testing .....	52
Table 4.15. Comparison between findings .....	52

**List of Figures**

FIGURE 2.1. A CONCEPTUAL MODEL OF CUSTOMER-BASED BRAND EQUITY: .....	10
Figure 2.2. Proposed conceptual model adopted and modified from Yoo, 2000 .....	31
Figure 4.1. Normal P-P Plot of Regression Standardize Residual .....	46
Figure 4.2. Normality of the Error Term Distribution.....	47

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Back Ground of the Study

Among the many service industries, the Banking industry is the significant stimulator of the economic development of a country through increasing operating revenues, deposit mobilization, credit facilities, financial investment portfolio, and expand the national reserve. Following the increasing number of private banks in Ethiopia, the intense competition claims the importance of bank service differentiation in order to survive and profitable. “In order for a company to survive and thrive, it must invest in a comprehensive differentiation strategy.” (Dan Scalco, 2017) “Differentiation is the process companies use to make a product or service stand out from its competitors in ways that provide unique value to the customer”. (Dennis Schaal, Skift, 2013). Through service differentiation strategy that has an impact on customer’s perception of a product or a service., banks can create a competitive position in their respective market. to have valuable brand equity “Competitive position can be improved in two basic ways. A firm might enjoy cost advantages that its rivals will find difficult to imitate. Or a firm might create a differentiated product that its rival might find difficult to imitate”.(John McGee, 2014)

Service is “deeds, efforts, or performances” (John E.G , 4th edition) and “the action of doing something for someone or something. It is largely intangible (i.e. not material)”.(Dr.S.K.Baral and Dr. S.C. Bihari, 2009). “The unique characteristics of a services as intangibility, heterogeneity, inseparability and perishability pose a challenge for marketers to differentiate them from the service offered by rival firms. Though characteristics of a service creates a challenge for differentiation, there is a clue that indicates a service can be differentiated. “The tangible aspects of an intangible dominant product is sources of differentiation. (Dr.S.K.Baral and Dr. S.C. Bihari, 2009).

“In banking services price fairness and transparency, distributing banking services in convenient way, behavior of employees, customers education, tangibility and process through technology play important role in differentiating services from competitors”.

(Dr.S.K.Baral and Dr. S.C. Bihari, 2009) “ Without a successful service delivery process the service firm will meet its final demise as customers become frustrated over the level of poor servicen delivered”(John E.G , 4th edition)

## *The Impact of Service Differentiation on Brand Image: The Case of Commercial Bank of Ethiopia*

This study focuses on what extent Price, Distribution, Employee's Behavior, Physical Evidence are applicable in the banking sector as a service differentiators and through which creating brand image in the minds of customers. Keller (1998) expresses that a brand is a set of mental associations, held by the consumer, which add to the perceived value of a product or service. Kotler, Adam, Brown, and Armstrong (2003) defined brand as a "name, term, sign, symbol or design, or a combination of these, intended to identify the goods or services of one seller or group of sellers to differentiate them from those of competitors" These associations should be unique (exclusivity), strong (saliency), and positive (desirable).

**Banking Distribution of** services differentiate it from competitors and creates a good brand image "In the case of a bank, the distribution channel is the way the banking product or service takes from the bank to the customer. Most banks have multiple channels to serve their customers. Today, they can choose between branches, contact centers, ATMs and online channels, portals and web banks. The question is how efficiently reach the customer, with the right product or service, at the right time". (Bulgarea Catalin Nicolae, 2010)

**Price** "From the seller's point of view is the amount of money charged for any product or getting any sorts of service but from the buyer's viewpoint it is the cost of customer that must be affordable". (Md. Mostafizur Rahman, 2015) "In the context of a competitive banking environment and the expansion of the range of banking services, it becomes necessary to find the most effective mechanisms for making price offers. Two approaches to pricing: one that is based on the labor value theory –a cost approach, and a second that is based on the subjective value theory –a value approach. These concepts, as a rule, oppose each other, because in the cost approach, the price is determined on the basis of costs for production and sales, and in the value approach –on the basis of consumer properties of the goods that can satisfy customer requests. These pricing approaches complement each other and contribute to a more complete consideration of factors that affect the level of prices and strengthen the bank's marketing positions. Therefore, one can talk about the interrelationship between these approaches to pricing of banking products with regard to their quality. (European Research Studies Journal Volume XXI, Issue 2 ,2018)

**Employee's Behavior** also affects the brands of the bank. Gotsi and Wilson |(2001) emphasized that employees, as one factor to enhance a firm's corporate reputation, can contribute to differentiate an organization from its rivals, since consumers evaluate the corporate reputation behind the brand and products presented to them. "Employees who align

their personal values to that of the corporate identity and core values demonstrate enhanced brand commitment

leading towards organizational brand loyalty”. Ozcelik and Findikli (2014) Burmann and Zeplin (2005) argue that employee commitment is an emotional attachment to the corporate brand, which also supports the idea of employees' psychological ownership. “All front-line employees are responsible for "behaving the brand." (Business Journal July 5, 2012)

**Physical Evidence** as a service differentiator variable for a company's brand from its competitors and creates its unique brand image in the minds of customer by attaching a service with physical attachment. “Two kinds of physical evidence: a) Peripheral evidence is actually possessed as part of the purchase of a service. It has however little or no independent value. Thus a bank cheque book is of no value unless backed by the funds transfer and storage service it represents. Peripheral evidence ‘adds to’ the value of essential evidence only as far as the customer values these symbols of service. (b) Essential Evidence: The ‘feel’ of a bank branch; is an example of physical evidence.(Dr.B.Balaji, 2017)

Empirical studies show “Employees' commitment influences their brand adoption and brand-supporting behavior during service encounters”( Elaine Wallace, Leslie de Chernatony, Isabel Buil, 2013). “It is shown that premium price is positively associated with innovation and company type”.( Piyush Sharma, 2015). On the contrary a“frequent price promotions, such as price deals, are related to low brand equity., and high distribution intensity are related to high brand equity. (Boonghee Yoo, 2000) Study on physical evidence shows that there is a strong positive and significant correlation between physical evidence and customer patronage. (Kenneth C. Adiele, Miebaka D. Grend and Ezirim Aloy Chinedu, 2015)

## **1.2. Statement of the Problem**

Due to the nature of bank services, (i.e. for lack of physical attributes, people cannot see what they are purchasing), service companies are very dependable on their brands to help them increase the number of customers. (Al Ries and Jack Trout, 2015)

In the banking service, differentiation problem arises from “The selection of the constituent elements of the marketing mix which is a non-professional, inefficient and random one, including the selection of quality of service, nature of competition, sales forecasting, customer satisfaction level, determining the suitable price and the commission for the services, all of which is due mainly to following the past practices”. (Fathian S, Slambolchi

## *The Impact of Service Differentiation on Brand Image: The Case of Commercial Bank of Ethiopia*

A, Hamidi K, 2015) Despite the fact that brand equity attracts attention of both marketing scientists and marketing practitioners, the way in which, and how intensively, individual marketing mix elements affect the creation of brand equity has remained unstudied, with the exception of a paper by Yoo et al. (2000) most of the variables have at least minimal relationship with bank marketing performance.

It is important that a service provider, need to consider the knowledge and skills of its staff well trained to provide their service to customers, their motivation and investment in supporting the service brand and have good customer contact, good customer interaction and their attitude towards customer is very friendly. (Md. Mostafizur Rahman, 2015) Since in service pricing, it cannot be measured the cost of the services offered easily, “Banks charge the cost plus pricing for loan products because they charge the higher interest rate for loans and they charge the lower interest rate for deposit products on the basis of situation of the financial position of the bank. (Md. Mostafizur Rahman, 2015 “Tangibilising the intangible commodity is a major challenge to the bank marketers. The instrument of physical evidence focuses a banker’s attention on this crucial aspect. Under this strategy included factors are environment, decorations, lighting, atmosphere, visual corporate, facilitating goods”. (Md. Mostafizur Rahman, 2015) Distribution channels are the most important challenge of a bank in how to efficiently reach the customer, with the right product or service, at the right time. The bank should define exactly how they are going to use each channels, which service and products in which channels, how to mix and integrate the channels and how to support the channels. (Bulgarea Catalin Nicolae, 2010)

The study made based on physical evidence emphasized that in service marketing, physical evidence, has a positive and significant effect on customer (Maulik K Rathod, 2016) Other analysis confirms that there is “a difference in service as being provided and the layout of physical evidence between earlier established banks (EEB) and newly established banks (NEB) in creating customer satisfaction”. (Samithamby Senthilnathan, 2011). Study on the employees’ behavior in relation to customers perception to brand image suggest that “Because committed consumers are motivated to confirm their positive impressions about the brand (Ahluwalia et al. 2000), they may subtype an employee whose behavior is inconsistent with the brand personality, even when they do not possess any pseudo relevant information. Conversely, they may ignore such information and generalize their experience when the employee's behavior is consistent”. (Daniel Wentzel, 2009) Studies on the price of services has a positive and significant impact on brand equity from the

customers' point of view (Fathian et al., J Bus Manag Review ,2015) and price was found to have more positive relationship and effects on bank marketing performance. (Md. Mostafizur Rahman, 2015); a higher brand price communicates a better brand image, and through a more positive brand image indirectly leads to an increase in brand equity. (Edo Rajh, 2005) in the long run a frequent use of this marketing

mix element may cause a reduction in brand equity because of the negative influence of price deals on brand image, and thus may eliminate the short-term benefits that may arise from the use of this method.

It is therefore this study will examine the performances of individual selected variables in line with that of service marketing mix as Employee behavior, Price, Physical Evidence and Distribution channel of a service in relation to creating brand image in the Commercial Bank of Ethiopia at Addis Ababa area.

### **1.3. Research Questions**

#### **1.3.1. Main Research Question**

How service differentiation based on selected elements of service marketing mix have impact on brand image in the banking sector?

#### **1.3.2. Specific Research Question**

The following research questions are extracted from the problem in order to guide the research process. The relationships to be investigated in this study will illustrate as follows:

- How differentiation of bank services through Price performance have impact on brand image
- How differentiation of bank services through Employee's Behavior have impact on brand image
- How differentiation of bank services through Physical Evidence have impact on brand image
- How differentiation of bank services through Distribution have impact on brand image

### **1.4. Objective of the Study**

#### **1.4.1. General Objective**

The objective of this study is to assess the impact of selected marketing mix elements on Brand Image of Commercial Bank of Ethiopia in Addis Ababa area zone.

#### **1.4.2. Specific Objective**

- To examine the impact of service differentiation based on Pricing on Brand Image of Bank services
- To evaluate the impact of service differentiation based on Physical Evidence on Brand Image of Bank services
- To analyze the impact of service differentiation based on Employees' Behavior on Brand Image of Bank services
- To assess the impact of service differentiation based on Distribution on Brand Image
- To suggest relevant recommendation based on the finding for the study area

#### **1.5. The Research Hypothesis**

The variables used for testing the hypothesis based on the identified research questions and objectives, are summarized and formulated in the following manner:

H1: Premium Price has a positive association with Brand Image.

H2: Employees Behaviour has a positive association with Brand Image.

H3: Physical Environment has a positive association with Brand Image.

H4: Distribution channel has a positive association with Brand Image.

#### **1.6. Significance of the Study**

This study is significant for all who have interest on the issue and for those whom it may concern.

##### **1.6.1. The Practical Significance**

- This research will help product development organ of banking organizations.by demonstrating the un observed parts of product and service differentiation and its effect on brand image.
- This research will also be helpful for management and other decision making bodies of in the banking industry.
- This study will also be helpful for business and promotion departments of banking sectors .
- This study will useful for policy makers and practitioners.
- It will provide certain direction for future researchers.

### **1.7. Scope of the Study**

This research determined on selected variables of service marketing mix and not includes all of the service marketing elements as (Price,, Employee's Behavior, Distribution and Physical Evidence) that affect the effectiveness of service differentiation on brand image in the banking industry and some demography variables as (gender, age and education level) are considered. Due to time, finance and geographical knowledge constraints, the study delimited itself to Commercial Bank of Ethiopia branches that exist in Addis Ababa area; it does not focus on branches out of this area. However, the findings and the study will help all the differentiated services user of Banks all over the country in adopting the best practices and improve on key marketing mix strategies.

### **1.8 Organization of the study**

This study is organized into five chapters. The first chapter is an introduction which includes background of the study, problem statement, objective of the study, research questions, significance of the study and scope and limitation of the study. The second chapter is review of related literatures and important findings from different literatures. The third chapter involves methodologies applied in the study. The fourth chapter is data analysis, interpretation and presentation and the fifth chapter contains summary of findings, conclusions and recommendations.

## CHAPTER TWO

### 2. LITERATURE REVIEW

#### 2.1. Introduction:

Theoretically, all products and services could be demonstrated by functional, symbolic or experimental elements, through which brand image is established. The service marketing mix elements play a vital role in the building or weakening of brand image of a company depends on the degree of functioning marketing mix variables strategy in relation to a service that a company provides. The framework of this study builds on service differentiation in relation to Brand Image which represents one of the various strategic orientations of service provider companies in building their Brand Image.

In the first part of the literature review, the researcher reviewed extant and relevant literature pertinent to the constructs and variables of the study that states about Service Differentiation (predictor variable) and their influence on Brand Image (criterion variable). Furthermore, literature was reviewed on the dimensions of service, service differentiation which include Price, Physical Evidence, Employees Behavior and Distribution. On the other hand, further review of literature was carried out on the issues of Brand Image which includes Brand Personality and Brand Positioning. The empirical literature part discussed past studies that were conducted on the area of the variables of service differentiation that influence brand image. In this part the variables that were included, the methodology that is used to undertake the study and the results of the study under review are discussed. The aim of this study is to assess the impact of service differentiation on brand image with selected service marketing mix elements.

#### 2.2. Price Differentiation in Services

According to Tracey Sandilands, (1990), Pricing is just as important to brand equity as other differentiators, because it is a source of meaning and identity. A solid pricing strategy can have a positive effect on brand equity, while a poor strategy can do the opposite. The various types of pricing strategies include premium pricing, which is the principle of setting a high price point to reflect the product's exclusivity and quality.; discounted or competitive pricing, cost-based pricing, introductory or penetration pricing, everyday low pricing and

bundle or bulk pricing.

On the other hand, Piyush Sharma,( 2015) Price differentiation is a pricing strategy that charges different segments of customers altered prices for the same products or services. It

is shown that premium price is positively associated with innovation and company type.

Price search behavior and price knowledge awareness is the decisive factor for the effect of price differentiation on consumer behavior. (Zhang and Bell 2010)

With regard to the consumer perspective, the main question is whether consumers are able to recognize differentiated prices and how this knowledge affects purchase and repurchase. What do consumers know about (differentiated) prices, how do consumers perceive actual price differentiation and how do different forms of pre-differentiation affect consumer attitudes and behavior?

### **2.2.1. Price premium as indicator of brand strength**

Contemporary pricing theory is based on rational, classical economic behavior that views price as a signal of quality (Erdem et al. 2010; Ngobo 2011). This economic mechanism suggests that higher prices correspond to higher quality, which implies that a premium price might be achieved only by premium quality and differentiation based on innovation (Schmalensee 1982; Erdem et al. 2010; Kamakura and Russell 1993). The premium price represents consumers' willingness to pay more than the usual or generally expected price. In a marketing context, this definition can be expanded and understood as consumers' willingness to pay extra for the additional value that the brand offers. This mechanism takes place when a consumer is ready to pay for a product because he/she also wants to acquire certain benefits from a brand. Hence, a firm should set the price around the values that the brand offers to consumers. The literature suggests that a firm's brand success is associated with a strong brand in terms of its ability to achieve a premium price (Ambler et al. 2002). The "strong-success" correlation arises due to the customer perception that a recognized brand must equally reduce the risk associated with consumption and consumers' inability to base their choice on experience due to frequent introductions of new models and improvements (Scitovszky 1944; Ambler et al. 2002; Madden et al. 2006); it is also due to the loyalty-switching cost, which appears because of a stronger relationship between a firm and its consumers. In order to gain the lucrative benefits of branding and premium pricing, an organization has to manage its brand portfolio so that a consumer can easily identify the

unique brand values that are differentiated and sustained over a longer period of time.

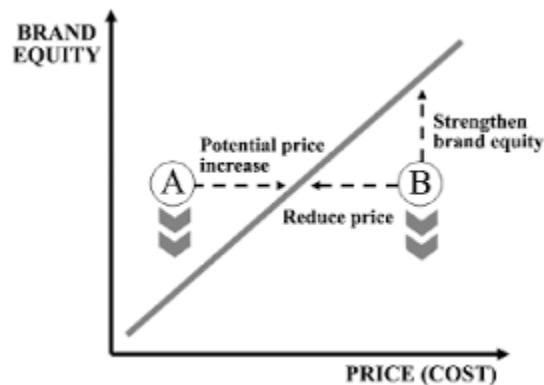


Figure 2.1. A conceptual model of customer-based brand equity: Johan Anselmsson, Ulf Johansson, Nikolas Persson

The differentiated value provided by a firm, such as quality, reliability, service, etc., can create an image of a brand that might earn a 10-20% price premium (Kotler and Keller 2012). If differentiation is successfully applied, brands can reach a higher relative price (e.g., Knox 2000; Chaudhuri and Holbrook 2001; Tirole 1988; Davcik and Rundquist 2012). Successful brands are characterized by a higher brand value differentiation in comparison to less distinctive brands (Knox 2000).

A brand obtains a price premium when the sum that customers are willing to pay for products from the brand is higher than the sum they are willing to pay for similar products from other relevant brands. (Aaker, 1966). A price premium is the most important way in which brands can create shareholder value, because it requires no direct investments to charge a higher price. (Doyel , 2001)

**H1: Price premium has a positive association with Brand Image.**

### 2.3. Employee's Behavior and Brand Image

Many researchers have stressed the importance of building a strong brand personality, which refers "to the set of human characteristics associated with a brand" (Aaker 1997, p. 347). Although a number of studies have investigated how consumers form and update their brand personality impressions (Aaker et al. 2004; Johar et al. 2005), systematic work that has examined how employees affect brand personalities has been limited. Yet, Aaker (1997) suggests that "personality traits come to be associated with a brand in a direct way by the people associated with the brand - such as the company's employees". Similarly, Berry (2000) argues that "service performers are a powerful medium for building brand meaning.

## *The Impact of Service Differentiation on Brand Image: The Case of Commercial Bank of Ethiopia*

Service providers make or break a brand, for the customers' actual experiences with the service always prevail in defining the brand for them". As such, the behavior of a frontline employee may be an important driver of consumers' brand personality impressions. Prior research (Aaker et al. 2004; Johar et al. 2005) that has examined the updating of brand personality impressions has mostly focused on non-social information and has not considered the role of employees; that is, the new information that participants were given in these studies did not reflect an employee's behavior. Judgments of social stimuli, however, may differ from judgments of non-social stimuli in important respects (Yoon et al. 2006). For instance, Kardes (1986) demonstrated that the effect of an initial evaluation of a product on subsequent evaluations is different from the extent of this effect on the evaluation of people. Hence, one may argue that information based on an employee's behavior has a different effect on consumers' updating processes than information based on a new advertisement. And the purpose of the study was to fill the critical gap in marketing research by studying how consumers update their brand impressions after interacting with an employee whose behavior is either consistent or inconsistent with their existing impressions. Because committed consumers are motivated to confirm their

By drawing on studies from stereotyping theory, the writer of this literature proposed that the extent to which consumers update their impressions depends on the amount of information they possess about the employee, the extent to which they depend on the employee, and their motivation to form an accurate impression of the employee. Three studies support these predictions and help further the understanding of how employees affect the brands they represent. And the study concluded that because committed consumers are motivated to confirm their positive impressions about the brand (Ahluwalia et al. 2000), they may subtype an employee whose behavior is inconsistent with the brand personality, even when they do not possess any pseudorelevant information. Conversely, they may ignore such information and generalize their experience when the employee's behavior is consistent. Manipulating brand commitment may therefore lead to a different pattern of results than the one observed in the research.

Many companies recognize the importance of a powerful brand; they often ignore the critical role employees play in shaping relationships with customers. (M.J. Bitner, 1992) A strong association between employee attitudes about their jobs and their conducts with customers in turn influence customer retention and, more persistent yet, customer comments about a product or services to others. (S.D. Robert and J. Speath, 2000), Customers who feel they were poorly treated by employee of the organization will

**The Impact of Service Differentiation on Brand Image: The Case of Commercial Bank of Ethiopia**

tell numerous people, friends, relatives, and neighbors about their experience each of this individual, in turn, will tell others what the dissatisfaction customer told them. Consequently, just one unpleasant contact between a dissatisfied member of a business and one of the customers can be reported to over one hundred prospective customers influencing their feelings about the company and the people in it which at the end cause the company loss of customer loyalty. (S.D. Robert and J. Speath, 2000)

Sound and effective communication is therefore key to successful brand management. (N. Ind, 1998) Agreement between an organization's vision and employee's values must also be met. (M.J. Hatch and M. Schultz, 2001) so that a brand promise and values delivered by employees can facilitate the communication of a reliable brand image and its associations to external customers. (N. Ind, 1998) L.L. Berry, 1995) (M.J. Bitner, 1992)

As brand management needs the total commitment of all staff within an organization, (S. King, 1991) it creates a sense of individuality for an organization that can be used as one of the sources of differentiation for the organization (L. de Chernatony and F. Harris, 2002) and as said by (J.M.T. Balmer, 2001) represents the foundation of a corporate brand. The behavior of employees is seen as having a major influence on how external stakeholders and customers perceive a brand and make sense of its identity and its image. ( J. Anixter, 2003) (M.J. Hatch and M. Schultz, 2001). To achieve customers loyalty employees need to move via three primary stages, from merely being aware of the brand and what it stands for ("Hearing It"), to understanding their role in delivering against the brand promise ("Believing It"), to finally becoming passionate promoters for the brand ("Living It").

Service employees are of such tremendous importance because they are a tangible representation of the experience that a brand promises to deliver to its customers (de Chernatony and Segal-Horn 2001; Berry 2000) An interaction that confirms the brand promise is very likely to strengthen the brand in the minds of the customers and will help in establishing and maintaining customer loyalty. For example, the bank Deutsche Bank uses the slogan "A Passion to Perform" in its marketing communications to emphasize that its employees are passionate about achieving the best results for their customers. When an employee's behavior, however, does not leave the impression of being very passionate, the customer may start to think that Deutsche Bank's slogan is superfluous and even misleading and may eventually withdraw from the brand. (Daniel Wentzel, 2008). Vallaster and de Chernatony (2005) have implied that employees of a service brand are ultimately responsible for delivering the brand promise of the service brand and they are the critically

important constituent of the service brands.

**H2: Employee's Behavior has positive association with Brand Image.**

#### **2.4. Physical Evidence and Brand Image**

Physical environment plays a critical role in differentiating a service firm from its competitors and building its brand image (Chen & Hu, 2010; Ryu et al., 2012). Physical Evidence is the environment in which the service is delivered and any tangible goods that facilitate the performance and communication of the service. Customers look for clues to the likely quality of a service also by inspecting the tangible evidence. (Hani Dmour, Zu'bi M. F. Al-Zu'bi and Dana Kakeesh, 2013) The general elements of physical evidence include all aspects of an organizations physical facility that includes service scape and other forms of tangible communication (Zeithaml & Bitner, 2000, p. 253). Zeithaml and Berry (1993) have also forwarded that physical environment has a distinct impact on the behavioral outcome of consumers and the image that it creates for the service organization.

A study that aimed to search the effect of services marketing mix elements on customer-based brand equity through empirical study and to determine the influence of such elements on customer-based brand equity and to reveal which is the most influential, that employed a questionnaire-based survey and a quantitative methods were employed, revealed that there is a significant effect of services marketing mix elements upon customer-based brand equity. The study suggests that customer-based brand equity is a valuable asset for any services sector, especially for marketing managers to assess the results of their efforts by getting feedback from customers to diagnose any problem that can appear in the provided service. In addition, customer-based brand equity provides a clear approach which can be employed by managers for the design and creation of branding strategy. This should enable managers to minimise problems that could arise from limited resources. (Hani Al-Dmour<sup>1</sup>, Zu'bi M. F. Al-Zu'bi<sup>1</sup> & Dana Kakeesh<sup>1</sup>, 2013)

##### **2.4.1. Consumer perception of Physical Evidence:**

Consumers think of service scape at three different levels, namely, the overall level, the dimension level and the sub-dimension level, and has broken them down as the ambient, social and design factors as per these dimensions. Hightower (2010)

To the customer or potential customer, the physical environment has to feel right and be in line with their expectations. There was a time when all bank branch staff were hidden away behind glass screens, dealing with customers through a small opening. This was inconsistent with the open and approachable stance that the banks were trying to develop. So slowly the

banks started to move some staff outside into the public area so they could better interact with customers. The physical environment then became consistent with other elements of the marketing mix. (Ashwin Hendik Rusdianto, 2016)

#### **2.4.2. Servicescape**

The service-scape is the outward appearance of the organization and thus can be critical in forming initial impressions or setting up customer expectations — it is a visual metaphor for the intangible service. And the physical surroundings enable the organization to build a particular image. (Sanskriti Rao, 2019)

Elements of the servicescape that affect customers include both exterior attributes (such as parking, landscape) and interior attributes (such as design, layout, equipment, and decor). Physical evidence examples for services communicate heavily through physical evidence (e.g. hospitals, resorts, child care), while others provide limited physical evidence (e.g. insurance, express mail).

#### **2.4.3. Roles of Servicescape**

As Sanskriti Rao, (2019) elaborates, Servicescape plays the roles of package, facilitator, socialiser and differentiator. The physical setting of a service plays the role of package. It is a visual element which influences customers.

The servicescape can also facilitate the performances of persons in the environment. Service setting should enhance the efficient flow of activities. A well-designed, functional facility can make the service a pleasure to experience from the customer's point of view and a pleasure to perform from the employee's. On the other hand, poor and inefficient design may frustrate both customers and employees. The servicescape performs the role of socialiser by helping both employees and customers to convey clear messages. The design of the service-scape aids in the socialization of both employees and customers in the sense that it helps to convey expected roles, behaviours, and relationships. For example, a new employee in a professional services firm would come to understand her position in the hierarchy partially through noting her office assignment, the quality of her office furnishings, and her location relative to others in the organization. The design of the facility can also suggest to customers what their role is relative to employees, what parts of the service-scape they are welcome in and which are for employees only, how they should behave while in the environment, and what types of interactions are encouraged. (Sanskriti Rao, 2019)

The design of the physical facility can differentiate a firm from its competitors. Colors, decor, layout, music, Aroma, signage etc., can be used in consonance with the market segment. The design of the physical facility can differentiate a firm from its competitors and signal the market segment the service is intended for. Given its power as a differentiator, changes in the physical environment can be used to reposition a firm and/or to attract new market segments. In shopping malls the colours used in decor and displays and type of music wafting from a store signal the intended market segment. The design of a physical setting can also differentiate one area of a service organization from another. While it is useful from a strategic point of view to think about the multiple roles of the service-scape and how they interact, making actual decisions about service-scape design requires an understanding of why the effects occur and how to manage them. (Sanskriti Rao, 2019)

#### **2.4.4. Physical Evidence Make the Service more Tangible:**

The role of service scape in image creation and perception has also been supported by Levitt (1981). Lin (2004) arguing in favor of service scape talks about the importance of service scape by saying that it helps in communicating and formation of a complete image amongst consumers. More the time people spend in a service premise, more is the likelihood of the influence (Parish et al., 2008; Wall & Berry, 2007).

**H3: Physical Evidence is positively associated with Brand Image.**

### **2.5. Distribution channel of a Service**

A distribution channel is a route to the market for a supplier (Julian Dent, 2008) In the case of a bank, the distribution channel is the way the banking product or service takes from the bank to the customer. Most banks have multiple channels to serve their customers. Today, they can choose between branches, contact centers, ATMs and online channels, portals and web banks.

According to Ozuru et al. (2010) “The importance of electronic payment system in any country can never be over emphasized, due to the dramatic transformation in technological advancements that is being experienced by the global financial industry”. They further argued that this new technological development may result to digital money replacing fiduciary currency in some developed countries, for instance, e–money has become legal tender in Singapore since 2008; while the contrast is the situation in many countries, which are still cash based.

### **2.5.1. Distribution and Branding in theories**

Distribution decisions are subject to the challenge of dealing with a concurrent pressure to promote distribution efficiency and at the same time ensuring that the corporate identity is communicated properly. Wileman and Jary (1997), who propose a creative balance between branding and cost focus as a solution to the dominance of the trading philosophy: “The trading philosophy focuses on the short-term maximization of sales and profits. The brand management philosophy focuses on building long-term customer loyalty and customer preference, and thereby on the long-term maximization of brand and business value. The two philosophies need to be in balance or in a state of constant creative tension.”

### **2.5.2. Types of distribution channels in the Banking Industry**

**Branches** are the face of the bank and the place where the client meets the bank and the human factor plays a dominant role. The distribution is made by the traditional counter. (EFMAG Magazine No. 218 &220, 2009), and **specialized branches** are focused on operations for individuals, for small business or for corporate clients; opened in supermarkets or malls. to provide services of interests for their clients as consumer loans and basic operations for individuals (payments, foreign exchanges etc.). **Corporate branches** or private banking branches are for clients who require more sophisticated products and services and high standards of quality. Therefore the staff employed in these branches should be seniors in terms of products knowledge and the quality of service delivery. (EFMAG Magazine No. 218, 2009)

**Self banking** branches have two areas: one where the customers are served by bank employees (usually 3 or 4 persons) during the normal working hours and one where the customers can use self banking devices. for all day long (24h/24, 7 days/7) and for those customers who have a debit card. to make deposits, payments, cash withdrawals, invoice payments, repayments of loans installments. **Mobile branches** do not have a branch network and the products were delivered by the help of sales agents with the aim to promote and to sell the bank’s products. **Banking cafes** is the result of a partnership between a bank and a cafe. The branch that is located in a cafe can offer a full range of products and services (information point which offer leaflets, brochures with the bank’s products and services to the existing and potential customers along with financial newspapers and magazines). **Direct mail** is a promotional tool delivering the banking products and

## *The Impact of Service Differentiation on Brand Image: The Case of Commercial Bank of Ethiopia*

services by mail informing the clients about a new product and convincing the client to buy a certain product tailored accordingly. **Automatic teller machines (ATMs)** As a cash-dispensing machine to a self-service banking channel with a reason to pursuit of operational efficiency and then, the battle for differentiation in the service being offered. ATMs can increase the marketing potential by providing services to clients in others places than the bank branches, the user-friendly feature of ATMs , which reduces the risk of human mistakes in transactions.

**EFTPOS** (Electronic Funds Transfer at Point of Sale) is a system by which the clients pay the services they acquired just by using a bank card. It is used when shopping, travelling, buying tickets. As more accessible distribution channels, the computers and the mobile phones were the best choice. **Mobile banking** used for account balance, information about exchange rates etc. At present, the range of services provided is very wide: payments, direct debits, information about the nearest ATM/branch etc. **Call centers** - By means of call centers, all the information is received for free and one client can choose from a large range of services (information about accounts balance, payments, exchanges, applying for a credit etc.) Through it, the bank can start marketing researches, can sell products and services. As the **mobile phone** is an almost indispensable accessory, incomparably easier to handle than a computer, the phone banking is becoming a more advantageous alternative to Internet banking.

**Internet banking.** The Internet-driven information revolution is widely seen to be transforming the way both business and consumer operate. This is particularly relevant in banking services, where transactions do not require interpersonal interaction. In such cases the Internet becomes a new distribution channel. (Gilmore Audrey, 2003). The Internet facilitates payments for services (event the state taxes) by the help of virtual cards. a tool for acquiring new clients by online applications for different products. In terms of clients' preference, the internet is more preferable to other distribution channels by simplicity, availability and customization. (EFMAG Magazine No. 218 , 2009). The only constraint is the fact that the Internet is not accessible to all the clients. In many sectors, a rapidly growing number of **franchise systems** works with self-employed entrepreneurs as franchisees, who sell the franchisor's products or services, benefiting from a standardized sales and marketing concept(EFMA/FINALTA Report, 2009)

**H4: Distribution Channel is positively associated with Brand Image.**

## **2.6. Branding**

According to Elizabeth Smithson (2015), “Branding, by definition, is a marketing practice in which a company creates a name, symbol or design that is easily identifiable as belonging to the company. This helps to identify a product and distinguish it from other products and services”. Brand is explained as one of a means of product differentiation “many companies believe that there is often little to differentiate between several types of products in the 21st century, hence branding is among a few remaining forms of product differentiation”. “A brand name and the relationship the consumer keep with the brand as a whole has evolved from the simple product recognition process, a brand name now holds a symbolic and social identification spectrum”. (fournier 1998). “ For example, one can buy Nike because they want to be associated with the kind of people who wear Nike and with the values and attributes of that brand. More than a product it’s a statement that one should seek to purchase by proxy of the brand (Belk 1988).

Brand covers the areas “to include the marketing and communication techniques that help to distinguish a company or products from competitors, aiming to create a lasting impression in the minds of customers”. Theoretically, all products and services could be demonstrated by functional, symbolic or experimental elements, through which brand image is established. Up to now, scholars haven’t come to an agreement on the definition of brand image. As per Park’s observation, researchers define brand image mainly from four perspectives: blanket definitions, meanings and messages, personification, cognitive or psychological elements”.

### **2.6.1. The Importance of Branding**

“Customers identify with specific brands for a variety of reasons. Good products or services at a good price are common reasons, but what drives customers goes beyond that. For example, environmentally conscious consumers might be willing to spend a little bit more to buy from green companies that commit financially and otherwise to reducing carbon footprints.” ( Laura Lake, 2019) “Branding is important because not only is it what makes a memorable impression on consumers but it allows customers and clients to know what to expect from the company. It is a way of distinguishing a company from the competitors and clarifying what it is the company’s offer that makes it the better choice”. (Elizabeth Smithson, 2015)

#### **2.6.1.1. Branding Increases Business Value**

Branding is important when trying to generate future business, and a strongly established brand can increase a business' value by giving the company more leverage in the industry. This makes it a more appealing investment opportunity because of its firmly established place in the marketplace.

#### **2.6.1.2 Branding Generates New Customers**

A good brand will have no trouble drumming up referral business. Strong branding generally means there is a positive impression of the company amongst consumers, and they are likely to do business with you because of the familiarity and assumed dependability of using a name they can trust. Once a brand has been well-established, word of mouth will be the company's best and most effective advertising technique.

#### **2.6.1.3. Improves Employee Pride And Satisfaction**

When an employee works for a strongly branded company and truly stands behind the brand, they will be more satisfied with their job and have a higher degree of pride in the work that they do. Working for a brand that is reputable and held in high regard amongst the public makes working for that company more enjoyable and fulfilling. Having a branded office, which can often help employees feel more satisfied and have a sense of belonging to the company, can be achieved through using promotional merchandise for your desktop.

#### **2.6.1.4. Creates Trust Within The Marketplace**

A professional appearance and well strategized branding will help the company build trust with consumers, potential clients and customers. People are more likely to do business with a company that has a polished and professional portrayal. Being properly branded gives the impression of being industry experts and makes the public feel as though they can trust your company, the products and services it offers and the way it handles its business.

#### **2.6.1.5. Branding Supports Advertising**

Advertising is another component to branding, and advertising strategies will directly reflect the brand and its desired portrayal. Advertising techniques such as the use of promotional products from trusted companies such as Outstanding Branding make it easy to create a cohesive and appealing advertising strategy that plays well into your branding goals.

### **2.6.2. What is a strong Brand mean?**

“Branding doesn’t mean changing the name (again) or designing a new logo (again). It’s about demonstrating value. Each customer is a unique individual or business, and their entire experience with a bank must reflect that. Banks have always invested heavily in marketing, but surprisingly few spend much time contemplating or promoting their brand. Those that do can quickly take and keep the lead in customer acquisition and satisfaction. ( Jeanne Hopkins, 2017)

As per Jeanne Hopkins , (2017), “A Strong Brand as a Sharpener of a company’s Competitive Edge enables to establish an emotional bond with customers the bank’s reputation – the promise. a resonates with people, it is instantly recognizable. When customers can hear the bank, it’s easier for them to choose the bank. and the bank is less vulnerable to the outside forces that aim to steal the bank’s customers. A Strong Brand to Build Trust as to money matters. Customers perceive strong brands as lower risk and higher value. That strengthens that bargaining power with vendors and potential partners. It also fuels employee pride, reducing turnover and helping to attract top talent. A Strong Brand Speaks Directly To the bank’s Most Desired Customers by positioning themselves as helpful resources, not just purveyors of services or products. That builds consumer trust and confidence. A Strong Brand Relieves Financial Pressure in finding new revenue sources for financial services companies. A strong brand mitigates risks with goodwill that boosts customer loyalty and actual company value .A Strong Brand Mitigates Pressures, for banks those need to remain independent can protect themselves from unwanted overtures or takeover and for those that wish to acquire or merge with another entity, a strong brand boosts negotiating power”.

According to Teay Shawyun ,(2009), For a brand to be successful, it should provide a meaning (i.e. what the product or service can do for a one customer and why it is different and special as compared to other similarly branded products) to consumers (Chematomy, 1999; Tilley, 1999). A positive strategic brand meaning needs favorable, strong, and unique associations. Before creating meaning to a brand (Herman, 2000), the product or service value must ensure customer satisfaction through the value consumed. The value can be either functional or emotional value, whereas meaning can be literal, cultural, or emotional one (Barnes, 2003). The stronger the strategic brand meaning the clearer the position it occupies

in their minds, thus bringing about a higher level of value and that can positively induce the choice of a higher level of preference and consumption of the product or service (Big, 2006).

## **2.7. Brand Image**

As per Philip Kotler, Brand Image is “a set of beliefs, ideas, and impressions that a person holds. In other words, brand image is how each person views the identity, purpose, and value of brands that they interact and potentially engage with.” ”Brand image is more than a logo that identifies a business, product or service. Today, it is a mix of the associations consumers make based on every interaction they have with a business.” (Solomon Timothy, 2016) Primarily, brands are created to differentiate goods and services from each other, allowing consumers to decide among similar products. For a long time, brands have been used to differentiate one’s products from the competition (Aaker,1991). “According to Keller (1993, 1998), brand image creates from perceptions of consumers about the brand associations, such as strength, uniqueness, favourability ... of a brand. Therefore, brand image occurs when the consumers hold some positive brand associations in memory and favorable response, in turn, can lead to enhance revenues, lower costs and greater benefits for the company”.(Do Linh, 2017)

In 1991 Aaker stated that equity of brand has many different dimensions and the first four dimensions of brand equity are perceived quality, brand awareness, brand loyalty and brand associations. Keller's (1993) conceptualization concentrates on knowledge of brand and has two aspects which are brand image and brand awareness.

### **2.7.1 . Brand Image Elements**

Brand Image are the perceptions that customers and the public hold about a brand. Where brand identity is how a firm plans to be perceived, brand image is how the brand is actually perceived. (John Spacey, 2015)

According to John Spacey, (2018), brand image elements are: **Recognition** -is a customer's ability to recognize a brand from its name or visual symbols; **Brand awareness**- is a customer's ability to recall basic attributes of a brand; **Visual Symbols**-the ability of customers to recognize symbols such as logos or packaging. This can influence consumer choice as people tend to pick products they recognize, even if they have no information

beyond a vague feeling of familiarity; **Concept**- Branding initiatives tend to be kept simple as it is difficult to get customers to remember complex information about a brand. **Reputation**- Customer opinions and feelings about company's behavior, quality and performance as a firm. This is influenced by the customer journey, word of mouth and media coverage; **Culture** - The culture that emerges around a brand. This includes norms, behaviors and expectations of customers, employees and stakeholders that are largely beyond a company's control. **Quality**- The perceived quality of a company's products. Quality is how well a company's products and services meet customer needs and suit customer preferences. **Experience** -the end-to-end customer experience. For example, a single unusually positive or negative customer service interaction can completely change a customer's perception of a brand; **Status**-The perceived social status of a brand. For example, a brand that is perceived as youthful, stylish, luxurious, intelligent or altruistic; **Legacy**- the history of a brand that remains in the minds of customers. For example, a brand that is associated with antiquated and unpopular technologies; **Meaning**- a mission, vision or epic meaning behind a brand. For example, a brand that has reduced environmental damage with more responsible products and practices than the competition. **Change**-A sense that a brand is at the forefront of change such as a trendy fashion brand or an innovative technology company. Some customers have a strong motive to be involved in the change of the day due to a fear of missing out; **Relationships**- Relationships between a company's employees and customers. For example, a salesperson who represents a company's brand with hundreds of customers; **Trust**- a sense that a brand is authentic and trustworthy versus the perception that its identity is made-up. Marketing tends to go wild in representing a brand in ways that differ from the realities of the firm behind the brand. Customers can often see through this.

## 2.8. Brand Equity

“Brand equity is the total value of the brand as a distinct asset. It can be rendered as the aggregate of assets and liabilities that are associated with the brand name and symbol which brings about the relationship customers tend to create with the brand. Brand equity is reflected in a way as to how consumers see; feel as well as an act towards a particular brand. Additionally, the impact of these intangible assets is quite visible with the books of records in terms of market prices, shares, profitability, and demand” (AA(Ashan Ali)Shaw ,2018)

### 2.8.1. Brand Equity Components

According to Ashan Ali ,(2018) , Brand equity includes fulfilling the business promise towards its customers along with maintaining the business-customer relationship well. with its Components as: **Brand Awareness:** Customers are aware of the brand and able to associate it with a particular category. Building brand awareness can help marketers to increase brand visibility to the target audience through different advertisement campaigns. **Brand Association:** is anything that a customer relates to their preferred brand. Getting in interaction with brands allows such associations. Having a good brand association is important as it leads to repetitive sales and provides the business word of mouth marketing. Such associations are leveraging the brand and give a tough time to new entrants into the market. **Brand Experience:** is the aggregation of customer experience with the overall brand. When customers have the good brand experience they will consider the brand as superior and will start preferring it over others. For example, how a customer feel when eating at McDonald's? How is the overall inner environment, how the staff behaves and what is the quality of the food? To provide the same experience, the company have to maintain uniform standards all over the outlets in the world. **Perceived Quality:** Fulfilling brand promise is the key to strong brand equity. Customer tends to assess brands with other similar brands on the basis of various quantitative and qualitative parameters. Quality perception also impacts the pricing decision of a company. If a company produce quality products, it can avail the luxury of premium pricing. **Brand Loyalty:** is the preference of a brand by the customer over similar products in the market. This results in repetitive sales and is the best way to spread word of mouth. If a company has a higher brand loyalty, it can help to reduce marketing cost. The company can also introduce new products targeting the same customer base. **Brand Preference:** is another component of brand equity and can charge additionally for the same product. However, this requires organizations to assure that customers have good experiences and associations with the brand.

### 2.8.2. Why is Brand Equity Important?

The study of brand equity is increasingly popular as some researchers have concluded that brands are one of the most valuable assets that a company has. High brand equity levels are known to lead to higher consumer preferences and purchase intentions (Cobb-Walgren et al. 1995) as well as higher stock returns (Aaker and Jacobson, 1994).

Besides, high brand equity brings an opportunity for successful extensions, resilience against competitors' promotional pressures, and creation of barriers to competitive entry (Farquhar 1989).

Every organization invests all their efforts to build a strong brand image as it is very helpful in fulfilling the motives and objectives of a business. A strong image of a company's brand can deliver benefits to an organization: it becomes easier to introduce new products within a brand name; additional profits in the form of new customers are attracted towards the product or service.; it tends to develop a better business-customer relationship; and it helps in increasing the trust level of existing customers and is helpful in customer retention. (AA(Ashan Ali)Shaw ,2018)

## **2.9. Brand Positioning**

Brand Positioning is defined by many scholars in different ways: According to Lee Frederiksen, Ph.D, (2020), brand positioning is defined as “the process of setting a business apart from a competitors in a way that builds preference for a company among the target audience. Its goal is to associate a firm with an idea or category in the minds of people who might buy a company's services”. Another definition given by Nadia Ahmed, (2015) as “a product position: is the way a product is defined by consumers on important attributes – the place the product occupies in consumers' minds relative to competing products”. “The brand positioning is a process of creating its own image, distinctive properties, positive associations and values in consumers' mind in order to create a sustainable trademark image and ensure consumers' attachment to this trademark”. is also the definition given to brand positioning by Diana Fayvishenko's, (2018).

### **2.9.1. Effective Brand Positioning**

According to The Branding Journal, effective brand positioning can be described as the extent to which a brand is perceived as favorable, different, and credible in consumers' minds. Years ago, a soda company decided to do something different with its taste and position itself as unique. Now, Coca-Cola is reached for by millions around the world daily as a household staple — and it's positioned in our minds as the gold standard of soda.( Sujan Patel, 2019)

## *The Impact of Service Differentiation on Brand Image: The Case of Commercial Bank of Ethiopia*

According to Sujjan Patel, (2019), Some positioning strategies a sales representative can use to stand out from the competition are: Establish an emotional connection with prospects and customers — Connecting with a company’s prospects on a human level before going in for the hard sell builds trust, and helps a prospect have a more positive experience with the company’s brand. For example, at the beginning of the sales process, taking ample time to learn about the prospects and what problem they are looking to solve by using a product; Reinforce a brand’s differentiating qualities — With a strong brand position, the differentiating properties of a company’s offering should be easy to understand and refer to. Make sure a prospects understand what makes a brand unique throughout the sales process; Create value — As a sales representative, the main goal should be to help a prospect solve a problem or overcome a challenge they are experiencing. Ideally, a company’s offering is part of the solution. Throughout the sales process, a sales representative should always be looking to problem solve on behalf of the prospect; and Embody the company’s brand —As a sales representative work with prospects, ensure they receive an experience that embodies the core values of the company and aligns with the company’s brand. For example, if a company takes a light, fun approach to branding, a sales representative should incorporate this language into sales conversations. Having an overly serious or stiff tone would not be authentic to a company’s brand.

### 2.10. Brand Image and Banking Service

According to international business consultancy “Branding is a relatively new concept for the financial industry. They are slowly realizing that they need to manage their strategic assets, too.” The Design Channel says, “Most banks earmark very little of their annual operating budgets to brand building and management when compared to infrastructure allocations (facilities, equipment, information technology, etc.). ( Jeanne Hopkins, 2017) On the other hand, according to European Research Studies Journal Volume XXII, (2019),Service companies can attract their customers by offering benefits that are not provided by their competitors in many ways, such as using an ATM card not only to take cash but also to shop at all stores without fees or rates. A highly satisfied and delighted customer is considered as an important asset for banks in the present customer-centric business environment. Superior customer service helps in developing long-term relationships with customers and obtaining a favorable brand image. (Ms Ankita Neema, Dr. Geeta Nema, 2001) The first step is to identify target audiences. Target audiences will consist of a mix of external and internal groups, including customers, partners, industry analysts and employees. that will speak directly to their unique needs and concerns; Determine Critical Business Goals. Building a brand image without knowing a short-term and a long-term business goals is ineffective and a

waste of valuable resources; Defined Brand Persona should appeal to customers and articulate the most important differentiators and product benefits. Since brand persona defines an image, it's important to keep it simple and relevant; Developing key messages will be the most important takeaways that audience to walk away with after interacting with a brand. They should incorporate the unique aspects of a business and value added to customers, with a splash of the brand personality. (Ms Ankita Neema, Dr. Geeta Nema, 2001)

### **2.10. The Importance of Service Differentiation**

Since “The markets are noisier and more crowded than ever, and customers are overwhelmed with too many choices, that is why standing out from the competition has become imperative for businesses with a long-term vision. (Aashish Pahwa, 2019) On the other hand, “Differentiation is a basic business and marketing strategy, by which a company focuses on distinct differences in its offering to customers as the basis for establishing a competitive advantage” (Neil Kokemuller, 2020) This means that differentiation is a tool for customers to choose different products, services, and brands. At last, it provides firms with brand equity and strength (Keller KL., 1993; 2001)

### **2.11. Service Marketing**

Service is defined by money scholars as “any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything” (Christian Gronroos, 2000); Other definition explains “activities, benefits and satisfactions, which are offered for sale or are provided in connection with the sale of goods” (American Marketing Association, Committee of Definitions 1960, p. 21); and “Services include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser” (Quinn, Baruch and Paquette, 1987).

### **2.12. Characteristics of a Service**

According to many scholars and the American Marketing Association agreed , the defining characteristics of a service are:

**Intangibility:** Services are intangible and do not have a physical existence. Hence services cannot be touched, held, tasted or smelt. This is most defining feature of a service and that which primarily differentiates it from a product. Also, it poses a unique challenge to those

engaged in marketing a service as they need to attach tangible attributes to an otherwise intangible offering.

**Heterogeneity/Variability:** Given the very nature of services, each service offering is unique and cannot be exactly repeated even by the same service provider. While products can be mass produced and be homogenous the same is not true of services. eg: All burgers of a particular flavor at McDonalds are almost identical. However, the same is not true of the service rendered by the same counter staff consecutively to two customers.

**Perishability:** Services cannot be stored, saved, returned or resold once they have been used. Once rendered to a customer the service is completely consumed and cannot be delivered to another customer. eg: A customer dissatisfied with the services of a barber cannot return the service of the haircut that was rendered to him. At the most he may decide not to visit that particular barber in the future.

**Inseparability/Simultaneity of production and consumption:** This refers to the fact that services are generated and consumed within the same time frame. Eg: a haircut is delivered to and consumed by a customer simultaneously unlike, say, a takeaway burger which the customer may consume even after a few hours of purchase. Moreover, it is very difficult to separate a service from the service provider. Eg: the barber is necessarily a part of the service of a haircut that he is delivering to his customer.

### **2.13. Challenges Facing Branding Services**

“The unique characteristics of a services as intangibility, heterogeneity, inseparability and perishability pose a challenge for marketers to differentiate them from the service offered by rival firms” (Dr.S.K.Baral and Dr. S.C. Bihari, 2009). “The intense competition among service firms such as telecom, banking, energy, insurance, and transportation has made the task of differentiation even more difficult.” To tackle this problem and getting a solution for these difficult differentiation task “...service organization try to gain customer loyalty by differentiating their service on the basis of the offer, delivery and image of the organization”. (Dr.S.K.Baral and Dr. S.C. Bihari, 2009)

As per Neil Kokemuller, (2007), in the case of how a service is associated with branding, it has a positive relationship mentioned above: “Intangibility, commoditization, complexity, inconsistency and real-time consumer interactions are common challenges unique to branding services, according to Taylor Bryant of the Mullen full-service ad agency in his article explains the "Marketing service brands: the toughest branding challenge today". Intangible

solutions are harder to brand because each experience is a unique encounter between employee and customer. Commoditization refers to the difficulty in establishing uniqueness because technology has made it easier for competitors to copy the successes. Services often address complex, multiple need-buying situations. Inconsistency in the service process is inherent because people delivering services are unique. Branding through traditional marketing is either supported or countered by real-time consumer experiences and the word-of-mouth messages they carry.”

#### **2.14. Differentiation**

Based on the theory of monopoly competition, a higher degree of product differentiation softens competition (Zhelobodko et al. 2012). Enterprises can develop pricing power because the differentiation characteristics of commodities can form their market power for pricing a small range of commodities. This difference is not necessarily the difference in terms of physical attributes between goods, but in terms of customers’ perception of the difference in sales location, service quality and other subjective perceptions (Waldman and Jensen 2013). When customers get goods from a few online retailers with no difference, the differentiated traits of different on-line retailers can form varying degrees of attraction, thereby reducing customers’ price sensitivity (Graciola et al. 2018). The differentiation perceived by customers is shaped during the online purchase process (Lin and Sun 2009).

Differentiation means relevant and unique added values which match customers’ needs more closely (Chernatony L, McDonald M. 2003). This means that differentiation is a tool for customers to choose different products, services, and brands. At last, it provides firms with brand equity and strength (Keller KL., 1993; 2001) According to Neil Kokemuller, (2007), “Differentiation is a basic business and marketing strategy, by which a company focuses on distinct differences in its offering to customers as the basis for establishing a competitive advantage”.

##### **2.14.1. The Banking Industry**

“Banking is an industry that handles cash, credit, and other financial transactions. Banks provide a safe place to store extra cash and credit. They offer savings accounts, certificates of deposit, and checking accounts. Banks use these deposits to make loans. These loans include home mortgages, business loans, and car loans”. (Kimberly Amadeo, 2019)

### **2.14.2. Service Differentiation in the Banking industries**

Banking services can be differentiated like other service sectors based on marketing mixes "Service marketing mix plays an important role in the bank service differentiation and marketing. In differentiating services of a particular bank from its competitors, product, place, promotion, price, telemarketing, physical evidence (Tangibility) and process." (Neil Kokemuller,2007) are taken.

### **2.15. Empirical Literature Review**

A study made by Niklas Jonsson, Gustav Hägg, in 2009, on 'What different factors affect the SMEs to choose a specific bank' by using a quantitative method and a deductive approach. The variable under investigation was employees behavior of a bank in relation to the customer through which and the creation of loyalty. The most significant finding in the study was the importance of a personal contact at the bank, the micro company's personal relation with one or more employees on the bank. "Banks are not at all seen as unique in their supply of services, so the personal connection is an important factor which leads to loyalty. The study cited the respondents opinion as "The respondents are satisfied with the performance of their banks, the supply of services covers their need. As uncovered area 'The micro companies do want the best possible solution to their specific situation, however, they do not seek for that optimal solution actively'. The study tried to fill the gap by demonstrating how employees have a core value in identifying their customers' problems and as a source of a solution.

Adel Pourdehghann , (2015) in his work "The impact of marketing mix elements on brand loyalty: A case study of mobile phone industry ".has analyzed the impact of marketing mix elements on brand loyalty. The study was applicable in terms of objective and descriptive survey in terms of data collection. To evaluate the model and hypotheses, data collection was carried out through surveying 384 mobile phone users. For data analysis and verification of the model, structural equation modeling approach (SEM) and confirmatory factor analysis (CFA) were used and based on the results of the path analysis, the relationship between the variables in the model was investigated. Results indicated the positive impact of products elements, distribution channels, and promotional activities on brand loyalty. Also, the findings showed that indexes of

satisfaction and trust which were considered as mediating variables between marketing mix and brand loyalty had positive and significant impact on brand loyalty in the mobile phone industry.

The study made by Dr.sc. Edo Rajh & Dr.sc. Đurdana Ozretić Došen, (2009), in their works of “The Effects of Marketing Mix Elements on Service Brand Equity”, the paper explores the effects of selected marketing mix elements on service brand equity. A survey was conducted in order to collect relevant empirical data. Structural equation modeling was used to test research hypotheses. The findings of the research indicate that some marketing mix elements may have a negative effect on service brand equity. Also, the findings suggest that advertising, employees, interior appearance, price level and service operation have a positive effect on service brand equity. The results indicate the importance of a strategic approach to building service brands, with establishing the equity of service brands being the long-term goal.

#### **2.16. Conclusion**

The purpose of this review was to view how differentiation of selected service marketing mix variables have impact on brand image. It was clear from the research reviewed that employee’s behavior to brand image had the most significant finding in the reviewed study in relation to the importance of a personal contact at the bank as an important factor which leads to loyalty. Concerning the impact of price on brand image, the “strong-success” correlation arises due to the customer perception that a recognized brand must equally reduce the risk associated with consumption and consumers’ inability to base their choice on experience due to frequent introductions of new models and improvements (Scitovszky 1944; Ambler et al. 2002; Madden et al. 2006); it is also due to the loyalty-switching cost, which appears because of a stronger relationship between a firm and its consumers. In order to gain the lucrative benefits of branding and premium pricing, an organization has to manage its brand portfolio so that a consumer can easily identify the unique brand values that are differentiated and sustained over a longer period of time. On the other hand, satisfaction and trust which were considered as mediating variables between marketing mix and brand loyalty had positive and significant impact on brand loyalty.

### 2.17. Conceptual Framework

Based on the overall review of related literatures and theoretical framework, the following conceptual model is developed in which this specific study is governed. The model used in the current study offers a unique effect of the variable used in service differentiation on Brand image that will test in the Commercial Bank of Ethiopia. Yoo et al. (2000) explore how brand equity can be created by certain marketing mix elements. The paper outlines a conceptual framework describing the relationship between various dimensions of service marketing mix and brand image.

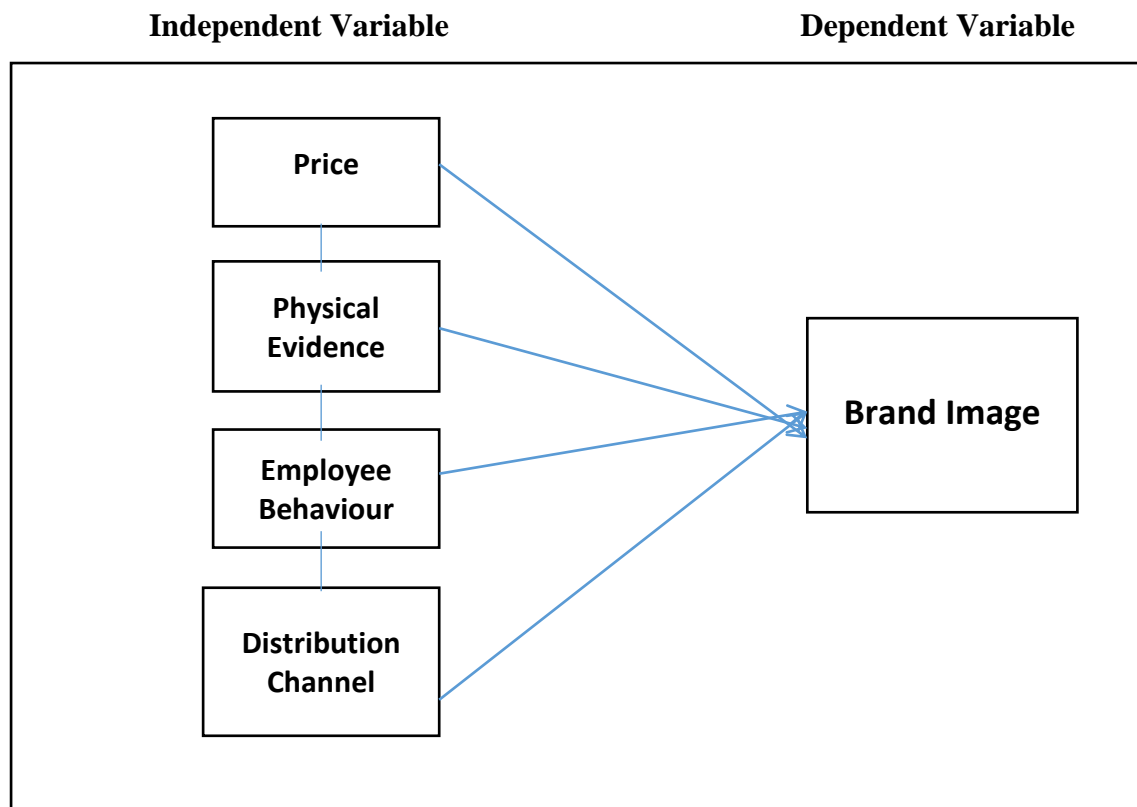


Figure 2.2. Proposed conceptual model adopted and modified from Yoo, 2000

## **CHAPTER THREE**

### **3. RESEARCH DESIGN AND METHODOLOGY**

#### **3.1. INTRODUCTION**

This chapter of the study will answer the research questions based on practical method and the purpose of the research are presented. Also it provides an overview of the research approach, research design, and model specification, a description of the instrument used for data gathering, targeted population, sampling procedure, and unit of analysis, sources of data used, and methods of data analysis, presentation and interpretation.

#### **3.2. Research Approach**

Since “Deductive approach is popularly used as it enables the research to reason from generic to specific. In addition deduction from general perspectives leads the researcher to develop a theoretical framework (hypothesis) and test it thereby concluding a specific conclusion”. : (Trochim 2000), and this study uses a deductive approach. The study will also use Explanatory Research, as” Explanatory Research is conducted for a problem that was not well researched before, demands priorities, generates operational definitions and provides a better-researched model. It is actually a type of research design that focuses on explaining the aspects of the study.” (Muhammad Yousaf, 2012)

Objective and Numerical data collection to apply statistical tools used to establish relationships among the variables considered in this study.is supported by a quantitative research approach. “Quantitative research is an approach for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures”. A quantitative approach is one in which the investigator primarily uses post positive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistics data (Creswell, 2003).

### **3.3 Research Design**

“Research design is defined as a framework of methods and techniques chosen by a researcher to combine various components of research in a reasonably logical manner so that the research problem is efficiently handled. It provides insights about “how” to conduct research using a particular methodology. Every researcher has a list of research questions which need to be assessed – this can be done with research design.” (Adi Bhat , 1) The research design for this study will be the Cross-sectional field survey method because data will be collected at one point on time during a period of two months to assess the relationship between Independent variables and Brand Image (dependent variable) in Commercial Bank of Ethiopia. In cross-sectional field surveys, independent and dependent variables are measured at the same point in time using a single questionnaire (Anol, 2012). In all cases, the researcher will present in order to clarify or respond to questions posed by participants. Completed surveys will hand-coded in an SPSS dataset.

### **3.4. Sampling Design**

#### **3.4.1 Target Population**

“The target population is the group of individuals that the intervention intends to conduct research in and draw conclusions from”. (Louise Barnsbee, ... Son Nghiem, 2018) ”. The target population for the study consisted of 25 million customers of CBE in all its branches found in the country. Quite often, the study will select only a few customers from 763 branches of the population of Addis Ababa area for the study purposes.

#### **3.4.2 Sampling Frame & Sampling Location**

“The sampling frame is the list of sample units from which the sample is drawn. A perfect frame is one in which each element in the population is separately listed once, only once, and no other population irrelevant or extraneous elements are listed. However, not all sampling frames are perfect, and it takes effort and attention to review potential sampling frames to ensure that they are free from error or that the errors in the frames can be addressed”. (R.S. Brown, 2010) Sampling location is a place where a research is conducted or/and a place where information is acquired. In this study, source materials consist of a questionnaire filled by literate customers of CBE using in around 763 branches and sampling location is Addis Ababa area zone of the bank.

The selected customers constitute what is technically called a sample. Sekeran (2001) defines a sample as a portion of the population that has attributes as the entire population. As for this study it will assume that all branches of CBE operate in a similar manner with respect to policies and practices despite the fact that they are located in geographical areas that span the state. The researcher will use a Multi-stage sampling. Sampling Technique which is according to Creswell (2003) refers to a further development of the principle of cluster sampling.

If we have a population dispersed over a wide geographic region, it may be difficult or impossible to take a simple random sample of the units of the study population at random, and because of Logistical difficulties may discourage single-stage random sampling techniques.

However, when a list of clusters of study units is available (e.g., districts, villages or schools) or can be easily compiled, a number of these groupings can be randomly selected (Creswell, 2003). Depending on our sampling needs, we may combine the single-stage techniques to conduct multi-stage sampling (Creswell, 2003). Therefore, for this study the researcher will start with a cluster of bank districts in the Addis Ababa area zone of CBE, and within each four cluster, number of branches will be selected by proportional sampling to the size of a cluster and within each branch, customers will be selected by a convenience sampling method. In this case, we have a three-stage sampling process consisting of cluster, proportional and convenience sampling method.

### **3.4.3. Sampling Size**

The sample size for the study calculated according to the formula recommended by Cochran's formula for calculating sample size when the population is infinite:

Cochran (1977) developed a formula to calculate a representative sample for proportions as:  $n_o = \frac{z^2 pq}{e^2}$

where,  $n_o$  is the sample size,  $z$  is the selected critical value of desired confidence level,  $p$  is the estimated proportion of an attribute that is present in the population,  $q=1-p$  and  $e$  is the desired level of precision.

For example, suppose we want to calculate a sample size of a large population whose degree of variability is not known. Assuming the maximum variability, which is equal to 50% ( $p=0.5$ ) and taking 95% confidence level with  $\pm 5\%$  precision, the calculation for required sample size will be as follows—

$$p = 0.5 \text{ and hence } q=1-0.5 = 0.5; \quad e= 0.05; \quad z=1.96$$

$$\text{So, } n_o = \frac{(1.96)^2(0.5)(0.5)}{(0.05)^2} = 384.16 \approx 384$$

(0.05)<sup>2</sup>

Kumar Singh (2006) suggested that one should include at least 30 subjects in a sample since this number permits the use of large sample statistics. Statistically speaking, a sample  $n = 30$  is considered large, since with this  $n$ , the  $t$ -distribution and the normal curve are practically the same for hypothesis testing purposes. Based on the above assumption the sample size the researcher take from branches is 34.

To determine the sample size from each district (cluster) the researcher use proportionate sampling- Let Sample of size  $n = 384$  to be drawn from a population of infinite size and  $N$  is total number of selected branches, and  $N_i$  number of selected branches  $P_i =$  number of sample from each District, so  $P_i = (n/N) N_i$ .

No	District categories	No of branches	No of selected branches	No of selected Customers
1	Northern District	75	10	113
2	Eastern District	62	8	90
3	Western District	69	9	102
4	Southern District	55	7	79
Total	4	261	34	384

Table 3.1. Determination Of Sample Size Source  
Source: Profile of CBE

### 3.5. Source of Data

The main source of this study is primary data source collected from branches' customers in the banking sector of Ethiopia specifically in Commercial Bank of Ethiopia. As the research is intended to assess the influence of service differentiation on Brand Image, the primary data will be collected from customers via questionnaires distribution and collection. The data that are collected from sample survey through questionnaire that describes numerical figures is the quantitative data types that is used in this study, the main sources of primary data are respondents who are customers of commercial bank of Ethiopia. The secondary data that is relevant to the study will be collected from the bank magazines, annual reports, written document, and the Bank's portal and internet access etc.

### **3.6. Data collection instrument**

To get the information, the researcher has design and will distribute a set of questionnaire. A questionnaire consisting the independent variables and dependent variable have been conducted by extracting sources from few established questionnaire. As the researcher interest to collect original data from a population, the population is very big to be observed or interviewed. Thus, a survey by a questionnaire is considered the most appropriate method for measuring the perceptions of the customers; while minimizing the possibility of researcher's bias and providing a greater degree of subjectivity; and because of the direct response and feedback from the respondents that can be collected in short period of time and in an easier manner. The questionnaires will be distributed to sampling amount customers of those conveniently selected branches of Addis Ababa area zone.

### **3.7. Method of Data Analysis**

An array of explanatory and inferential analyses will be conduct to address the four research questions presented in the first chapter. Once data is collected, it will be necessary to employ statistical techniques to analyze the information. As this study is quantitative in nature. Data will be analyzed using SPSS software. The statistical tools will align with the objectives of the research.

From inferential statistics, multicollinearity regression model will be employed to develop functional relationship among the independent variables and dependent variable. Ordinal regression have been used because it is appropriate method to show the relationship between independent variable and dependent variable that are rated on five point likert scales(Liu,2010). Thus, both the strength of the relationship between variables and the level of statistical significance has been assessing. Spearman's correlation is used to analyze the relationship between the constructs of the study, Descriptive Statistics will be used to perform mean, standard deviation etc, those explain the behavior of the variables in line with the research objectives)

### **3.8. Validity and Reliability**

Validity of the data depends on the credibility of research data obtained (Wahyuni, 2012). Participants were solicited via email by the company's owner, which could hinder the validity and reliability of the results. Participants could have felt pressured to participate and not be

completely open and honest. Through the confidentiality agreement and the consent forms participants had the opportunity to opt out of the study without any penalty (Halcomb et al, 2007). Participants will be encouraged to speak openly and honestly with the knowledge that the researcher, as stated in the confidentiality agreement, will protect their identity in the published results and transcripts will not be shared with management. The researcher will use manual coding to analyze responses through keywords-in context (Onwuegbuzie et al, 2009) to improve the validity of the results versus the use of automated or computerized software that may prohibit the detection of subtle themes. The approach allows the researcher to compare visual observations to written words for deeper insight to the meaning of words and themes identified (Onwuegbuzie et al, 2009).

### **3.9. Ethical Consideration**

Ethical clearance and permission obtained from the institutional review board Faculty of Business and Economics of Addis Ababa University, Ethiopia. Permission is also granted from all the selected branches of CBE through formal letter. Participation in the study is on the voluntary basis and participants are asked for willingness before they are provided the questionnaire. The subjects are also assured that their responses used only for the purpose of the study. An attempt is made first to explain the objectives and significance of the study to the respondents. Name and other identifying information are not used in the study. The researcher safeguarded all information related to the participants. Their privacy, identity and confidentiality are maintained by assigning them code numbers instead of names (anonymity).

## CHAPTER FOUR

### 4. DATA ANALYSIS, INTERPRATION AND PRESENTATION

#### 4.1. INTRODUCTION

This chapter contains data analysis, interpretation and presentation. Data that were collected to examine the impact of service differentiation on brand image were interpreted and analyzed using SPSS (version 20). The data was collected by using the questionnaire that were developed in five point Likert scale ranging from five to one where 1 strongly disagree ,2 disagree ,3 neutral,4 agree and 5 strongly agree. A total of 384 questionnaires were collected from the Commercial Bank of Ethiopia customers.

#### 4.2. Respondents' Profile

The demographic backgrounds of the respondents in four parameters were presented to understand the profiles of the respondents i.e., gender, age, educational level and number of years as a customer.

Profile of Respondents

Parameter		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	266	69.3	69.3	69.3
	Female	118	30.7	30.7	100.0
	Total	384	100.0	100.0	
Age of Customer	18-25	49	12.8	12.8	12.8
	26-35	191	49.7	49.7	62.5
	36-45	133	34.6	34.6	97.1
	>45	11	2.9	2.9	100.0
	Total	384	100.0	100.0	
Educational Level	High School	25	6.5	6.5	6.5
	Cerificate	53	13.8	13.8	20.3
	Diploma	46	12.0	12.0	32.3
	First Degree	189	49.2	49.2	81.5

	Second Degree and above	71	18.5	18.5	100.0
	Total	384	100.0	100.0	
Number of yrs. As a customer	1-10	240	62.5	62.5	62.5
	11-20	121	31.5	31.5	94.0
	21-30	23	6.0	6.0	100.0
	Total	384	100.0	100.0	

Table 4.1. 1Profile Of Respondents

Source: SPSS output, 2020

From the above table about 69.3% customers were male and 30.7% were females. The age of the majority of customers were between 26 and 35 which accounts for 49.7% and between 36 and 45 years old accounts for 34.6%. Customers who were above 45 years old were 2.9 % and from 18 to 25 years old were 12.8%. From the above table 49.2% were First Degree holders which were the majority of the customers. About 18.5% of the customers were Second Degree and above educational level. About 13.8% of respondents were certificate holders, 12% diploma and 6.5% were high school. Concerning number of years as a customer, about 62.5% customers were between 1 to 10 years; 31.5% were 11-20 years and 6% were between 21-30 years as a customer. This is an indication that the present marketing mix elements can maintain more customers than before ten years.

#### **4.3. Reliability analysis of the questionnaire**

To estimate the internal consistency of participant's response for each item and the reliability of the questionnaire, Cronbach's Alpha test method is used. The following result was appeared:

##### Cronbach's Alpha test

Brand Image Factors	Number of Items	Cronbach's Alpha
Price	8	.976
Employee's Behaviour	7	.977
Physical Evidence	8	.962

Distribution Channel	7	.960
Brand Image	8	.947
Total Reliability Test		.964

Table 4.2. Cronbach's Alpha Item Total Statistics

Source : SPSS out put for reliability test, 2020

It was found that Cronbach alpha coefficients for all variables are greater than 0.7 or 70%, with the total reliability coefficient .964 which indicates that there is a strong relationship, internal consistency and good reliability among the items..

#### **4.4. Data analysis for the variables of the study**

##### **4.4.1. Service Marketing Mix Strategies**

Every target service market requires a unique marketing mix to satisfy the needs of the target customers and meet the firm's goals. A strategy must be constructed for each of the service marketing mix elements, and all strategies must be blended with the strategies of the other elements. Thus, the service marketing mix is only as good as its weakest part. For example, an excellent product with a poor distribution system could be doomed to failure. An excellent product with an excellent distribution system but an inappropriate price is also doomed to failure. A successful service marketing mix requires careful tailoring.

This section discusses the questionnaire filled by the respondents regarding the impact of service differentiation on brand image in the case company. For the service marketing mix elements people (employees behavior), price, physical Evidence and distribution channel the mean score and standard deviation have been computed. The table below shows the computed descriptive statistics such as mean score and standard deviation result for both dependent and independent variables.

##### **4.4.1.1. Price Strategy**

This variable contains eight constructs distributed for the respondents related with the variety of price settings, price guarantee, customer's ability to afford, price and customer relationship, the relationship between price and bank image and other issues. The mean score and Std. Deviation obtained from the response of the respondent presented as follow:

Descriptive Statistics

Variable Component	N	Mean	Std. Deviation
The different price charges of the Bank attracts me	384	3.40	1.342
The price charges for different services is reasonable for me	384	3.40	1.335
In my opinion the price premium indicates the strength of the Bank's Image	384	3.40	1.336
The price setting is according to my demand for the service	384	3.38	1.335
I feel the customer's ability to pay is considered in pricing	384	3.40	1.333
I feel the premium prices always offer additional value services	384	3.40	1.336
The price associated with the service give me a guarantee for reducing risk in using the service	384	3.40	1.335
The price charges of the Bank is one of the means for the relationship between me and the Bank.	384	3.40	1.332
Valid N (listwise)	384		

Table 4.3. Mean score and standard deviation for price strategy

Source: SPSS output, 2020

As the table indicates, the mean value of price strategy is 3.40. And from the sub questions asked under price, the highest mean score, 3.40 is obtained on all the constructs except “the price setting is according to customers’ demand for the service” which shows that majority of the respondent agree on the banks premium price. And the lower mean (mean= 3.38), which shows the respondent disagreement that there is customers’ complain about the price setting not according to the customers’ demand for the service.

**4.4.1.2. Employees’ strategy**

Descriptive Statistics

Variable Component	N	Mean	Std. Deviation
In my opinion employees are the reason for shaping my relationship with the Bank	384	3.43	1.297
The staff is able to provide the required services quickly.	384	3.43	1.299
Most of the time the staff is able to answer my inquiries	384	3.43	1.299
The staff is well-trained and know how to deal with customers.	384	3.43	1.295
The staff treats me as a special and valued customer.	384	3.43	1.299
The staff is always willing and ready to deliver the service to me.	384	3.43	1.295
Service employees are understanding their role in delivering against the brand promise	384	3.43	1.295

Table 4.4. Mean score and standard deviation for Employee's

Source: Own survey, 2020

From the above table the mean 3.43 is the same for all the constructs of Employee’s behavior. This implies that majority of the respondents agree with all the constructs under employees’ behavior of service marketing mix.

**4.4.1.3. Physical Evidence strategy**

Variable Component	N	Mean	Std. Deviation
The staff appears in attractive uniforms.	384	3.41	1.313
Public facilities (i.e.: waiting space, queuing arrangements,...etc.) of the bank are comfortable and attractive.	384	3.39	1.314
My bank service provider uses modern and sophisticated equipments.	384	3.38	1.311
The overall atmosphere is comfortable.	384	3.38	1.307
The physical environment of the bank in line with my expectations.	384	3.34	1.307
The design of the facility can also suggest to me what my role is relative to employees.	384	3.39	1.304
The physical surroundings enable me to build a particular image.	384	3.38	1.307
The services cape can also facilitate my performances in the environment.	384	3.38	1.307

Table 4.5. Mean score and standard deviation for Physical Eivence  
Source: SPSS output 2020

From the above table the mean 3.41 for “the staff appearance“ followed by “public facilities” and “a well-designed functional facility” showed the mean 3.39 followed by mean 3.38 that contains the constructs as the “physical surrounding, modern equipments, comfortable atmosphere and particular image” the least mean 3.34 is as “physical environment of the bank in line with expectations”.

**4.4.1.4. Distribution Channel strategy**

**Descriptive Statistics**

Variable Component	N	Mean	Std. Deviation
I feel that the Distribution channels are free from challenges	384	3.58	1.255
My bank service provider has many branches within my region of residence.	384	3.59	1.246
The number of outlets that deal with my bank services provider are more than those of its competing brands.	384	3.58	1.249
My bank service provider’s location is appropriate for me.	384	3.57	1.250
My bank service provider website is well-organized.	384	3.58	1.247

Signs of my bank service provider’s location are available.	384	3.58	1.249
The website essential base for dealing with my bank service provider is satisfactory.	384	3.59	1.246
Valid N (listwise)	384		

Table 4.6. Mean score and standard deviation for Distribution Channel  
Source: SPSS output, 2020

From the above table mean 3.59 is the highest in “the bank has many branches and the web site is satisfactory” “Challenge free distribution channel, number of outlets, well-organized website” have mean score 3.58. The least mean score is 3.57 which is “service provider’s location is appropriate for me”.

#### **4.4.1.5. Brand Image strategy**

##### **Descriptive Statistics**

Variable Component	N	Mean	Std. Deviation
My bank service provider’s slogan could be easily remembered.	384	3.45	1.265
I respect and admire the other customers who deal with my bank service provider.	384	3.45	1.257
My bank service provider has a differentiated image from other companies.	384	3.44	1.259
My bank service provider provides a high value in relation to the price I must pay.	384	3.43	1.258
I like and trust my bank service provider’s offers.	384	3.45	1.257
The brand of CBE has a very unique brand image compared to other competing brands in the market.	384	3.45	1.259
I like the brand image of CBE	384	3.45	1.257
I can recognize the brand of CBE quickly among other competing brands.	384	3.45	1.255
Valid N (listwise)	384		

Table 4.7. Mean score and standard deviation for brand image  
Source: Own survey, 2020

From the above table the highest mean in the brand image strategy is 3.45 that comprises ‘the slogan could be easily remembered, admiring other customers, trusting service provider offer, unique brand, liking the brand image and recognizing the brand image easily. The next mean value is 3.44 which focuses on ‘bank service provider has a differentiated image from other companies’. And the least score is 3.43 that incorporates ‘bank service provider provides a high value in relation to the price payment.’

#### 4.4.1.7. Total Service Marketing Mix strategy

The overall mean and for each independent variable computed and presented as follows:

Descriptive Statistics

	N	Mean	Std. Deviation
Price as Service Differentiator	384	3.3961	1.0970
Employee's Behaviour as service differentiator	384	3.4285	1.0742
Physical Evidence as service differentiator	384	3.3779	1.1219
Distribution Channel as service differentiator	384	3.5822	.9625
Valid N (listwise)	384		

Table 4.8. Mean score and standard deviation for service marketing mix variables

Source: spss output, 2020

From the above table we can conclude that the highest mean score 3.5822 with Std.0.9625 is the most consistent which is a Distribution Channel; followed by a mean score of 3.4285 with Std. 1.0742 is employee's behavior. The next means with Std. are 3.3961 and 1.0970; 3.3779 and 1.1219 for price and physical evidence respectively indicates that the two variables are dispersed from the other two variables. It indicates that the higher scores for mean values with the lower Std indicates that the variable score a better and consistent impact on brand image.

#### 4.5. Assumption Testing for Regression Analysis

Meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represented the population and that researcher has obtained the best results (Hair et al., 1998). Three assumptions for regression analysis used in this study were discussed for the individual variables: multi-collinearity, linearity and normality and Homoscedasticity for the impact of Service differentiation on brand image of Commercial Bank of Ethiopia in Addis Ababa city.

##### 4.5.1 Multicollinearity Test:

As per Ho's (2006) definition of multicollinearity it is "a situation in which the independent/predictor variables are highly correlated". Multiple regressions, is used to analyze relationships between more than two variables, and nonlinear regression, which is used to analyze relationships that do not have a straight-line pattern. In multiple regression analysis, multicollinearity refers to a situation where a number of independent variables are closely correlated to one another. Multicollinearity test is done using variance inflation factor

(VIF). The VIF indicates whether a predictor has a strong linear relationship with other predictor(s). As a rule of thumb, if the VIF of a variable exceeds 10, there will be a serious multicollinearity problem. The tolerance statistics, which is the reciprocal of VIF (1/VIF), also used to test multicollinearity. Tolerance values below 0.2 indicates serious multicollinearity.

Multicollinearity test

Variable	Collinearity Statistics	
	Tolerance	VIF
Price	.472	2.121
Employee's Behavior	.386	2.593
Physical Evidence	.681	1.469
Distribution Channel	.565	1.771

Table 4.9. Multicollinearity test  
Source: SPSS output , 2020

From the above Table we can observe that there is no multicollinearity issue, since the VIF value is less than 10 and the value of tolerance is not below 0.2(field,2005). Hence, the assumption of multicollinearity has not been violated.

**4.5.2. Linearity Test**

The linearity test is the relationship between the dependent and independent variable represented the change in the dependent variable due to the change in the independent variables. To observe whether there is a relation ship between the dependent variable brand image and the predictors variables X1 price, X2 employees behavior, X3 physical evidence ,X4 distribution channel, and Y brand image it is indicated in the following plot.

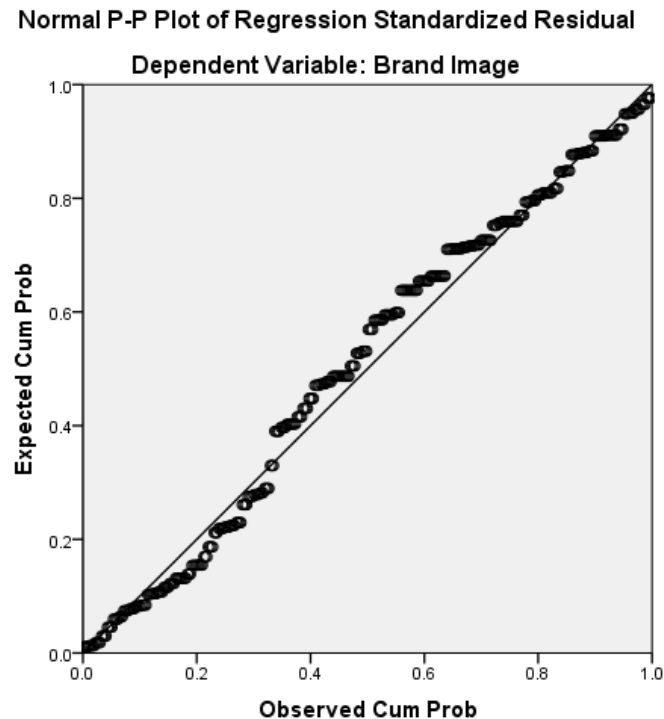


Figure 4.1. Normal P-P Plot of Regression Standardize Residual

As the figure shows there is no significant dispersion in the distribution of residuals rather there is a relative linearity line of spread. There is uniform distribution along with the main line. So this shows that there is a linearity.

#### **4.5.3. Test of normality**

Normality tests are used to determine if a data set is well-modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed

##### **4.5.3.1. Normality of the Error Term Distribution**

A normality test is used to determine whether sample data has been drawn from a normally distributed population within some tolerance. And to compute how likely an underlying random variable is to be normally distributed.

In terms of this assumption, a check for normality of the error term is conducted by a visual examination of the normal probability plots of the residuals (Malhotra et al., 2007). In order to determine normality graphically, we can use the output of a normal Q-Q Plot. If the data are normally distributed, the data points will be close to the diagonal line. If the data points

stray from the line in an obvious non-linear fashion, the data are not normally distributed. As we can see from the normal Q-Q plot below, the data is normally distributed

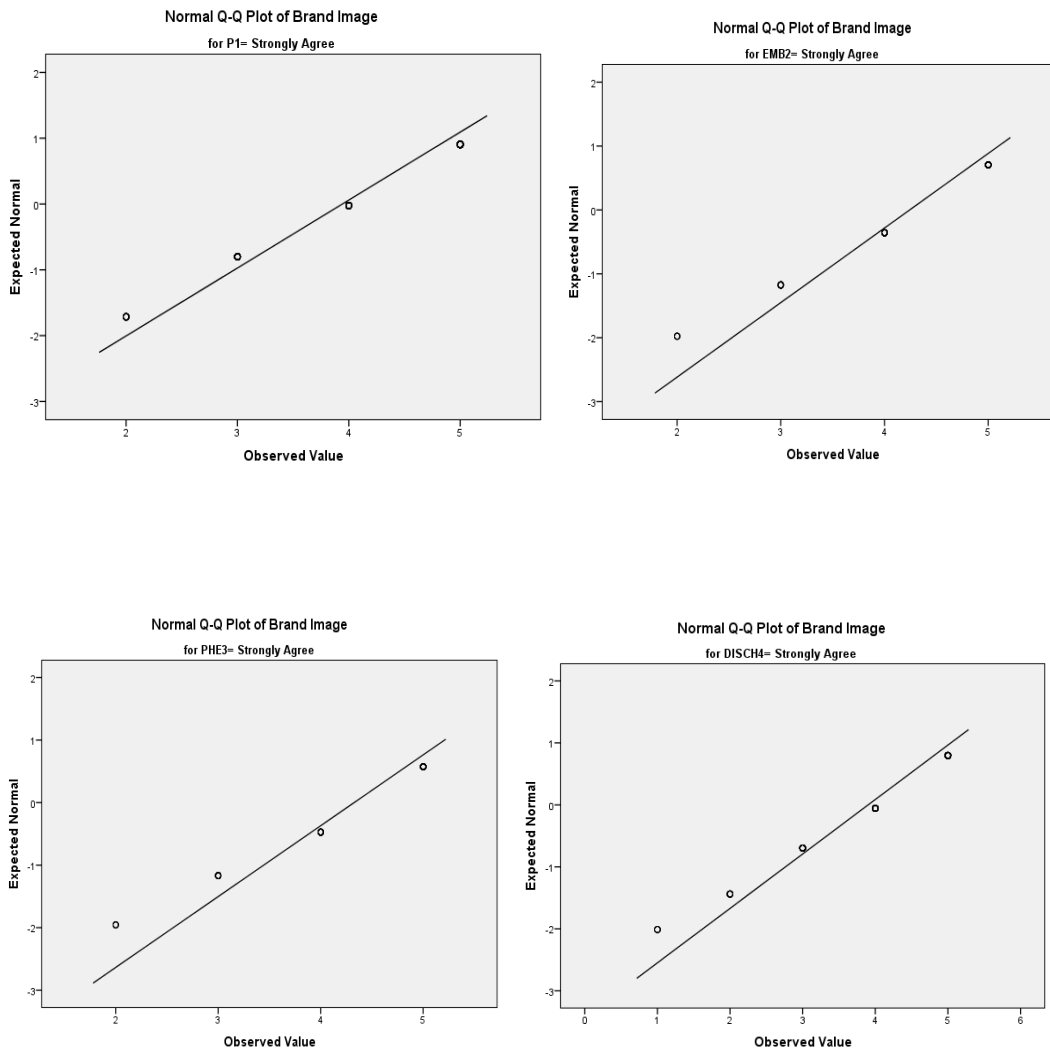


Figure 4.2. Normality of the Error Term Distribution

#### 4.5.3.2. Homoscedasticity (Equal Variance)

Homoscedasticity describes a situation in which the error term (that is, the “noise” or random disturbance in the relationship between the independent variables and the dependent variable) is the same across all values of the independent variables.

This assumption means that the variance around the regression line is the same for all values of the predictor variable (X). The Homoscedasticity test result is indicated on the Appendix part that met this assumption. The residuals (the differences between the values of the

observed and predicted dependent variable) are normally distributed, and that the residuals have constant variance (Field, 2005).

#### 4.6. Correlation between explanatory variables and brand image

##### 4.6.1. Correlation analysis

###### Correlations

		Price as Service Differentiator	Employee's Behaviour as service differentiator	Physical Evidence as service differentiator	Distribution Channel as service differentiator	Brand Image
Price as Service Differentiator	Spearman's rho Correlation	1.000				
	Sig. (2-tailed)					
	N	384				
Employee's Behaviour as service differentiator	Spearman's rho Correlation	.710**	1.000			
	Sig. (2-tailed)	.000				
	N	384	384			
Physical Evidence as service differentiator	Spearman's rho Correlation	.341**	.446**	1.000		
	Sig. (2-tailed)	.000	.000			
	N	384	384	384		
Distribution Channel as service differentiator	Spearman's rho Correlation	.485**	.563**	.483**	1.000	
	Sig. (2-tailed)	.000	.000	.000		
	N	384	384	384	384	
Brand Image	Spearman's rho Correlation	.463**	.512**	.600**	.504**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	384	384	384	384	384

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

Table 4.10. Correlation table

Source: SPSS output, 2020

As per Cohen (1998), interpretation of strength of correlations:

- $r = -.10$  to  $+.29$  small effect (weak)
- $r = .30$  to  $+.49$  medium effect (moderate)
- $r = .50$  to  $1.0$  large effect (strong)

The results of the correlation analysis indicate that all of the selected service marketing mix variables have positive and significant impact on brand image. Price, employees' behavior, physical evidence and distribution channel have  $r=0.463, 0.512, 0.600, 0.504$ ; with  $p<0.01$  respectively.

The result implies that how important the selective service marketing mix strategy has a great impact on the brand image of the case company.

#### **4.6.2. Regression Analysis Between Dependent And Independent Variables**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.714 <sup>a</sup>	.510	.505	.884

Table 4.11. Regression analysis between dependent and independent variables

a. Predictors: (Constant), Price, Physical Evidence, Distribution Channel, Employee's Behaviour

b. Dependent Variable: Brand Image

Source: SPSS survey result, 2020

As shown from the above Table, the regression analysis, there is a positive statistical relationship between service marketing mix strategy (the predictors variable) and brand image (the dependent variable). The coefficient of determination (R-squared) indicates the proportionate amount of variation in the response variable brand image explained by the independent variable (service marketing mix) in the linear regression model. The larger the R-squared is, the more the variability is explained by the linear regression model. Thus, 71.4% ( $R^2 = .714$ ) of the variation on brand image is explained by the selected service marketing mix elements.

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	308.658	4	77.164	98.701	.000 <sup>b</sup>
	Residual	296.301	379	.782		
	Total	604.958	383			

Table 4.12. ANOVA

a. Dependent Variable: Brand Image

b. Predictors: (Constant), Distribution Channel, Physical Evidence, Price, Employee's Behaviour

Source: SPSS out put

In the above table the significance level is 0.00 which is less than 0.05. This indicates that the model was statistically significant at the 5% level of significance. F test and p value indicate the explanatory level of the independent variable towards the dependent variable. The null hypothesis explains there is no level of significant that independent variables explain the dependent one.. Which means the entire coefficient on the independent variables is zero or none of the independent variables help to predict the dependent variable. But, as it is shown in the above ANOVA table p- value for both is 0.000 and which is less than 0.05 and it is statically significant. So we conclude that there is very strong evidence to reject the null and accept the alternative. Since the p-value is statically significant we can say that there is supported relationship between service marketing mix strategy practices and brand image.

**Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.540	.157		3.442	.001
	Price	.160	.049	.171	3.262	.001
	Employee's Behaviour	.121	.056	.125	2.161	.031
	Physical Evidence	.410	.042	.427	9.812	.000
	Distribution Channel	.158	.048	.157	3.291	.001

a. Dependent Variable: Brand Image

b. Predictors: (Constant), Distribution Channel, Physical Evidence, Price, Employee's Behaviour

Table 4.13. :Regression Coefficients

Source: SPSS out put ,2020

The p-value for each independent variable tests the null hypothesis that the variable has no correlation with the dependent variable. The findings revealed that Physical Evidence (P is 0.000 <.05) a positive as well as significant impact on the independent variable, i.e. Brand image. The other three independent variables Price (P is 0.001<.05); Employee’s Behavior (P is 0.031<.05); and Distribution Channel (P is 0.001<.05) have a positive impact on the independent variable, i.e. Brand image. Hence, these findings provide support for all the hypothesis that the selected service marketing mix variables have positive impact on brand image with the exception of physical evidence which has a significant effect on brand image which exceeds the hypothesis.

#### **4.7. Hypothesis Testing**

**Hypothesis Testing** is a statistical test used to determine whether the hypothesis assumed for the sample of data stands true for the entire population or not. Simply, the hypothesis is an assumption which is tested to determine the relationship between two data sets. Hypothesis testing is based on P-value to test whether the hypothesis is rejected or not.

##### **4.7.1. Research Hypotheses Testing In Relation To The Regression Results**

H01: Price has no positive relationship and impact on brand image.

The regression analysis result, price(x1) has a value of .001 which is less than 0.05 at the significant level of 5% and this indicates that there is a significant and positive relationship between price and brand. Therefore, it indicates that there is enough evidence to accept the alternative hypothesis and the researcher reject the null hypothesis.

H02: Employees' behavior has no positive relationship and significant impact on brand image.

As it has been indicated on the regression coefficient table, employees' behavior (x2) has a sig value of 0.031 which is less than 0.05 at the significant. level 5%. This indicates that employee behavior has a positive and moderate impact on brand image. Due to this numeric and tangible evidence, the null hypothesis has been rejected and the alternative hypothesis has been accepted.

H03: Physical evidence has no positive relationship and significant impact on brand image.

Hence physical evidence (x3) has the sig value of 0.00 which is less 0.05 at 5% level of significant. So this indicates that physical evidence has a positive and significant impact on brand image. Therefore, the alternative hypothesis is accepted in favour of rejecting the null hypothesis.

H04: Distribution channel (x4) has no significant impact on brand image.

Distribution channel with the sig value of 0.001 at 0.05 level of significant implies that there is positive and significant impact on brand image. So the null hypothesis is rejected and the

**The Impact of Service Differentiation on Brand Image: The Case of Commercial Bank of Ethiopia**

alternative hypothesis is accepted. Hence the researcher has enough evidence to support the alternative hypothesis by rejecting the null hypothesis.

Variables	t-statistics	p-value (sig value)	Observation	Decision
Price	3.262	.001	p-value<0.05	Reject null
Employee's Behaviour	2.161	.031	p-value<0.05	Reject null
Physical Evidence	9.812	.000	p-value<0.05	Reject null
Distribution Channel	3.291	.001	p-value<0.05	Reject null

Table 4.14. Summary of hypotheses testing

Source: SPSS output, 2020

The finding indicates that all the selected service marketing mix variables have positive and significant impact on brand image.

Comparison between findings in this study and previous empirical evidence related to service marketing mix and their impact on brand image.

Author(s)	Results	Results of this Study
Hani Al-Dmour <sup>1</sup> , Zu'bi M. F. Al-Zu'bil & Dana Kakeesh, (May 16, 2013)	Physical evidence and people have a positive impact on brand image	Both have significant effect on brand image.
Ashwin Hendik Rusdianto, (2016)	The findings showed that service marketing mix elements togetherness have a significant effect on customer based brand equity dimensions i.e. brand awareness, brand image, perceived quality and brand loyalty.	All the selected service marketing mix elements have positive and significant effect on brand image
Dr.sc. Edo Rajh & Dr.sc. Đurdana Ozretić Došen, (2009)	Employees' ,interior appearance, price level have a positive effect on service brand equity.	Employees's ,interior appearance, and price have positive and significant impact on brand image.
Adel Pourdehghan, (2015)	Distribution channel has positive impact on brand image	Distribution channel has significant impact on brand image.

Table 4.15. Comparison between findings in this study and previous empirical evidence

#### **4.8. Discussion Of Research Results**

A summary of the main research results and findings are presented below:

Research findings indicate that there is a positive and significant relationship between selected marketing mix variables and brand image. The result showed that the physical evidence element was the most influential on brand image followed by employee's behavior, price and distribution channel respectively.

## CHAPTER FIVE

### 5. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1. Introduction

This chapter summarizes the findings of the study and the conclusions drawn from the analysis. The study mainly examined the effect of differentiation of service marketing mix strategy on brand image in the case of Commercial Bank of Ethiopia in Addis Ababa city. This chapter presents, major findings, conclusions and recommendations based on the analysis and interpretations made at the pervious chapter.

#### 5.2. Summary of Findings

The demographic background of the respondents revealed that,

- The demographic characteristics of respondents shows that 69.3% customers were male and 30.7% were females.
- The age of the majority of customers were between 26 and 35 which accounts for 49.7% and between 36 and 45 years old accounts for 34.6%. Customers who were above 45 years old were 2.9 % and from 18 to 25 years old were 12.8%.
- In regards to educational level of the respondents 49.2% were First Degree holders which were the majority of the customers. About 18.5% of the customers were Second Degree and above educational level. About 13.8% of respondents were certificate holders, 12% diploma and 6.5% were high school completed.
- Concerning for how long a customer being served in number of years, about 62.5% customers were between 1 to 10 years; 31.5% were 11-20 years and 6% were between 21-30 years as a customer.
- The empirical results from correlation and regression analysis show that, The results of the correlation analysis indicate that all of the selected service marketing mix variables have positive and significant impact on brand image. Price ( $r=0.463$ ,  $p<0.01$ ), employees' behavior ( $r=0.512$ ,  $p<0.01$ ), physical evidence ( $r= 0.600$ ,  $p<0.01$ ) and distribution channel ( $r=0.504$ ,  $p<0.01$ ) have a strong, positive and significant impact on the company's brand image.
- The multiple regression results revealed that all of the selected service marketing mix variables have positive and significant impact on brand image. The predictors variables Price, Employee's Behavior physical evidence and Distribution Channel all

have  $P < .05$  that justifies a positive as well as significant impact on independent variable, i.e. Brand image. Hence, these findings provide support for all the hypothesis that the selected service marketing mix variables have positive impact on brand image with the exception of physical evidence which has a significant effect on brand image.

### **5.3 Conclusions**

The objective of this study was to examine the impact of service differentiation on brand image with selected service marketing mix variables as premium price, employee's behavior, physical evidence and distribution channel by conducting the empirical analysis and by validating the conceptual model that was formulated through conducting statistical analysis. And the regression result showed that premium price, employee's behavior, physical evidence and distribution channel have a positive and significant impact on brand image. To maintain the existing brand image, the above service marketing mix variables have a positive and significant effect but the employees' behavior with a slightly less significant level.

So, Commercial Bank of Ethiopia is expected to make efforts on the employee's behavior in relation to service providing and customer relation aspects to improve its brand image. And this research will provide a number of contributions for managements, employees, customers, financial institutions and future researchers. Since there are a number of variables that were not included in this study that have valuable contribution to brand image, future researchers who are interested in validating the consistency of the result and provide supplementary results for this study should include them.

### **5.4. Recommendations**

Based on the research findings and conclusions, the following issues are recommended for Commercial Bank of Ethiopia:

- Since most of the customers have ten years and above as having customer relationship with the bank and majority of them are males, adults and literates (i.e. they can generate income and engaged in the economic activities), the Commercial Bank of Ethiopia should retain those customers by keeping the present selected marketing mix variables in order to maintain its brand image with an effort to improve employee's behavior.
- Hence the customers' satisfaction in relation to employees behavior is less, the Commercial Banks of Ethiopia should have to assess the problem in relation to its

employees' behavior and have to take improvement measures in order to create a more attractive brand image.

- To increase customer accessibility to the bank's service in the more desired way, Commercial Bank of Ethiopia should try to use all the distribution channels that are mentioned in this study in order to upgrade its customer satisfaction that in turn have a positive significant impact on its brand image.
- Since physical evidence is one of the influential factor on brand image, it is mandatory for the Commercial Bank of Ethiopia to improve the existing service scape, interior and exterior designs and by adding new ones that satisfy the customer' need in order to keep and improve its present brand image that comes with its physical evidence.
- Price also one of the influencer of brand image. Commercial Bank of Ethiopia should continue with its price charges that align to its services.

In general, in order to survive in the stiff competitive banking industry in achieving the goals and objectives, Commercial Bank of Ethiopia have to use good service marketing mix variables in order to keep its brand name. Since a good brand name implies more than a logo, Commercial Bank of Ethiopia should give more emphasis to the major variables which have more impact on its brand image.

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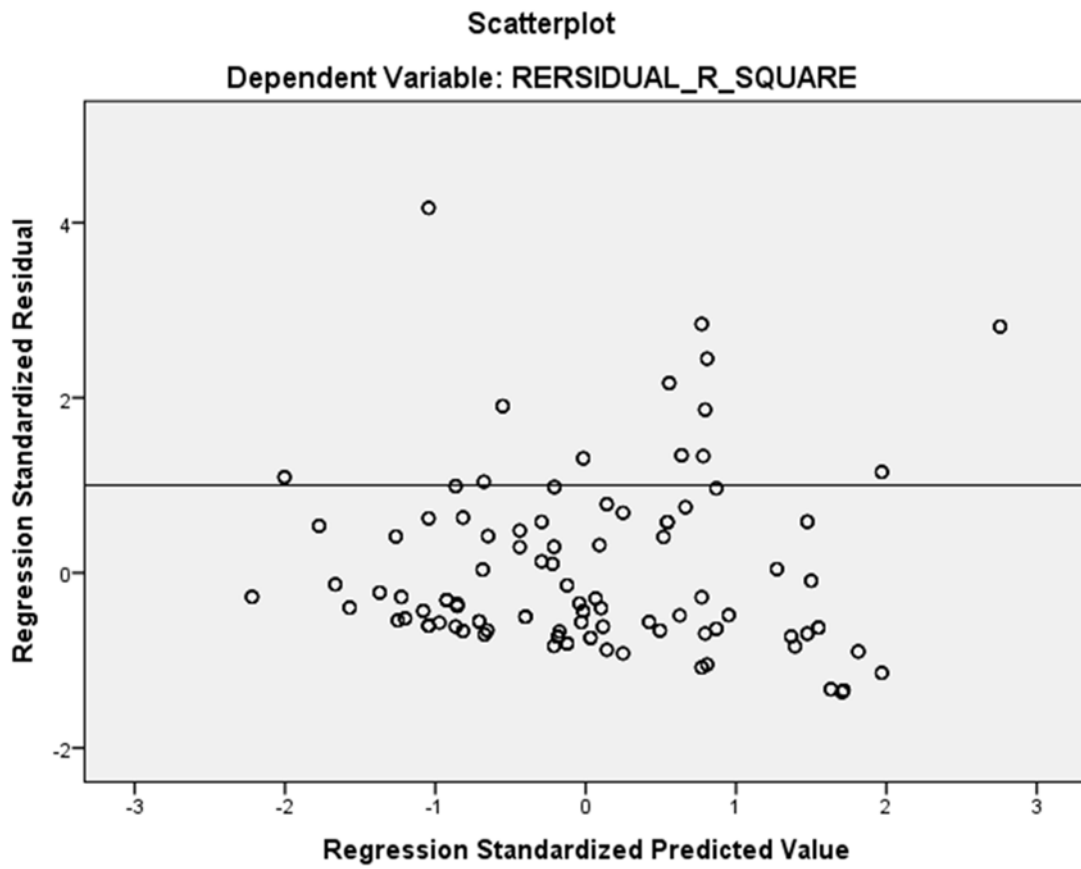
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APPENDIX:



*The Impact of Service Differentiation on Brand Image: The Case of Commercial Bank of Ethiopia*

Addis Ababa University  
College of Business and Economics  
Marketing management

Dear respondents,

This questionnaire is prepared for research purpose entitled “Service Differentiation and its Effect on Brand Image in the case of Commercial Bank of Ethiopia in Addis Ababa Area Zone”. The expected respondents of this questionnaire will be all types of customer of those randomly selected branches from each district in Addis Ababa area zone. As part of my thesis I would like to gather some information from you which will help me in an in-depth study of the project. You are expected to give accurate data to make proper analysis. Your participation is completely voluntary. I would be indebted if you co-operate with me in filling the questionnaire. Since the questionnaire is being used for academic purpose, the information gathered will be strictly confidential.

I would like to thank in advance for your honest cooperation!

Part I:-Demographic Information:

1. Gender                                      Male                                       Female
2. Age:- i) From 18 to 25     ii) From 26 to 35     iii) From 36 to 45     iv) Above 45 yrs old
3. What is your highest level of educational qualification?  
a) High school completed                                      b) College certificate                                      c) diploma  
d) First Degree                                      e) second Degree and above                                      f) Other specify

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4. For how many years have you been a customer at Commercial Bank of Ethiopia?  
i) From 1 to 10     ii) From 11-20     iii) From 21-30     iv) Greater than 30

In the following section please put “X” mark for every statement based on your level of agreement...

**The Impact of Service Differentiation on Brand Image: The Case of Commercial Bank of Ethiopia**

Part II: - The Components of Questions Related to Product and Service Differentiation

(1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree)

No	(Description of items)	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
<b>1. Service Differentiation based on price (Price is different charges of the Bank for its services)</b>						
1	The different price charges of the Bank attracts me					
2	The price charges for different services is reasonable for me					
3	In my opinion the price premium indicates the strength of the Bank's Image					
4	The price setting is according to my demand for the service					
5	I feel the customer's ability to pay is considered in pricing					
6	I feel the premium prices always offer additional value services					
7	The price associated with the service give me a guarantee for reducing risk in using the service					
8	The price charges of the Bank is one of the means for the relationship between me and the Bank.					
<b>2. Service differentiation based on Employee's Behaviour</b>						
9	In my opinion employees are the reason for shaping my relationship with the Bank					
10	The staff is able to provide the required services quickly.					
11	Most of the time the staff is able to answer my inquiries					
12	The staff is well-trained and know how to deal with customers.					
13	The staff treats me as a special and valued customer.					
14	The staff is always willing and ready to deliver the service to me.					
15	In my opinion, service employees are understanding their role in delivering against the brand promise					
<b>3. Service differentiation based on Physical Evidence</b>						
16	The staff appears in attractive uniforms.					
17	Public facilities (i.e.: waiting space, queuing arrangements,...etc.) of the bank are comfortable and attractive.					
18	My bank service provider uses modern and sophisticated equipments.					
19	The overall atmosphere is comfortable.					
20	The physical environment of the bank in line with my expectations.					
21	The design of the facility can also suggest to me what my role is relative to employees.					
22	The physical surroundings enable me to build a particular image.					

**The Impact of Service Differentiation on Brand Image: The Case of Commercial Bank of Ethiopia**

23	The services cape can also facilitate my performances in the environment.					
<b>4. Service Differentiation based on a Distribution Channel</b>						
24	I feel that the Distribution channels are free from challenges					
25	My bank service provider has many branches within my region of residence.					
26	The number of outlets that deal with my bank services provider are more than those of its competing brands.					
27	My bank service provider's location is appropriate for me.					
28	My bank service provider website is well-organized.					
29	Signs of my bank service provider's location are available.					
30	The website essential base for dealing with my bank service provider is satisfactory.					

Part III; Questions Related to Brand Image

(1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree)

No	(Description of items)	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	My bank service provider's slogan could be easily remembered.					
2	I respect and admire the other customers who deal with my bank service provider.					
3	My bank service provider has a differentiated image from other companies.					
4	My bank service provider provides a high value in relation to the price I must pay.					
5	I like and trust my bank service provider's offers.					
6	The brand of CBE has a very unique brand image compared to other competing brands in the market.					
7	I like the brand image of CBE					
8	I can recognize the brand of CBE quickly among other competing brands.					

Thank you very much for your participation! Your efforts are greatly appreciated.

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APPENDIX