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ANALYZING DETERMINANTS OF CUSTOMER BRAND LOYALTY IN UNITED BANK S.C

By: Abel Mehari Abebe

A Thesis Submitted to the School of Graduate Studies of Addis Ababa University School
of commerce in Partial Fulfillment of the Requirement for the Award of Master of Arts
Degree in Marketing Management

Advisor: Dr. Temesgen Belayneh

June 2016

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Board of Examiners Approval Sheet

Addis Ababa University School of Department of Marketing Management

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Statement of Certification

This is to certify that Abel Mehari Abebe has carried out his research work on the topic entitled ‘ANALYZING DETERMINANTS OF CUSTOMER BRAND LOYALTY IN UNITED BANK S.C’. The work is original in nature and is suitable for submission for the award of Masters Degree in Marketing Management.

Certified by:

Dr. Temesgen Belayneh

.....

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Advisor’sName

Signature

Date

Statement of Declaration

I, Abel Mehari Abebe, hereby declare that this Master thesis titled “Analyzing Determinants of Customer Brand Loyalty in United Bank S.C” is an original work. I have carried out the present study independently with the guidance and support of the research advisor, Dr. Temesgen Belayneh. Any other research or academic sources used here in this study have been duly acknowledged. Moreover, this study has not been submitted for the award of any diploma, degree or any other higher education Program in this or any other institution.

Declared by

Abel Mehari

Signature

Date

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Acronym

EFMA- European financial management association

Logit- Logistic regression

ABSTRACT

According to the reports of National Bank of Ethiopia there is aggressive entrance of new banks and existing banks swift branch expansion and coverage. This research work examined the significant brand loyalty determinants of United Bank S.C customers using selected five brand loyalty dimensions: Customer satisfaction, Switching cost, Brand trust, Perceived value and culture. The researcher hypothesized these five dimensions of brand loyalty have positive and significant effect on brand loyalty of clients. Besides this the work identifies the significant factors, variance explained by them and orders them based on their influence on their loyalty. In order to do so a conceptual model was developed. Simple random sampling method was adopted and 384 questionnaires were distributed to the 17 branches of United Bank S.C find in Addis Ababa and 343 were returned. To the descriptive and inferential analysis the researcher employs Statistical Package for Social Science version 20. Binary logit model was used in the regression analysis for answering the objectives of the research and verifying the hypothesis. The research conclude the brand loyalty of United Bank S.C customers are positively and significantly affected by Brand trust, culture, Perceived value, and Customer satisfaction from higher to lower order. Therefore, it is recommended that United Bank S.C should focus on the identified significant brand loyalty determinant to maintain its customer loyal.

Key word: *Brand loyalty, Logit model, SPSS*

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Marketing can be defined as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler, Wong, Saunders & G. Armstrong, 2005). This process of obtaining needs and wants or consumption decisions involves four stages: problem recognition, information search, decision making, and post-purchase evaluation (Kotler, Wong, Saunders & G. Armstrong, 2005). This process follows a cycle path and in later times the customer start problem recognition at this time if marketer positioned the brand in the consumers mind favorably in his/her previous experience the same offering could be retrieved in later consumption decisions (Hoyer and MacInnis, 2008).

If the brand is strong it benefits from a high degree of loyalty and thus from stability of future sales. The reputation of the brand is a source of demand and lasting attractiveness, the image of superior quality and added value justifies a premium price (Kapferer, 2014). For building this strong brand the first and most important question to ask is "How will my prospective consumers develop their preferences for my brand?" Once this is known, then it can be used in building the kind of preference that will ensure greater patronage and loyalty. Knowing the rationale behind for the preference of our brand by customers help in building the loyalty behavior of our clients and these elements in turn become the source for sustainable and steady sales (Alreck & Settle, 1999).

Managers have also rediscovered the best kind of loyalty is brand loyalty, not price loyalty or bargain loyalty (Kapferer, 2014). Study through 40 years of panel data analysis shows that product penetration is correlated with purchase frequency (Kapferer, 2014). In other words, big brands have both a high penetration rate and a high purchase frequency per buyer. As Bain & Company publication (2013) on Customer loyalty in retail banking with 190,200 consumers in 27 countries shows, banks formed new relationships-customers switch from their former bank plus customers who are new to banking- at an average rate of about 3 percent in developed

markets and 6 percent in developing ones over the past year. This report shows in the developing country like Ethiopia the switching of bank brand and also the potential of new customers is twice as high as from the developed one, focusing on the switching behavior of the customer banks should spotlight on factors that determine the loyalty of their customers.

Besides to Bain & Company global edition (2013) there are a lot of researches made on customer loyalty in banking sector of different Africa countries. From these researches one is made by Salim on (2011) as an assessment of brand loyalty of South Africa banking clients and found customer satisfaction, brand trust and repeat purchase are the first three factors affecting brand loyalty of South Africa banking industry. Coming to Ethiopia (Nebyou, 2014) study factors for customer brand loyalty of Ethiopian Private Banks sector and found out: Involvement, repeat purchase, brand trust, customer satisfaction, and perceived value are the top five factors that influence the brand loyalty of Ethiopian private banks according to their mean value.

As stated in the above paragraphs many works are done on factors affecting customer loyalty in different countries adopting different conceptual models. This research proposes to identify determinants of customer brand loyalty of United Bank S.C. As described in the above paragraph Nebyou (2014) identifies factors that influence brand loyalty of Ethiopian private banks which United Bank S.C is one of them. However, Nebyou (2014) only order the significant brand loyalty determinants according to their mean only this research use inferential method to identify the significant determinants using Logit model and order them according to their significance level. To best of my knowledge the research topic I propose is not previously done by other researchers.

1.1.1 Background of the organization

United Bank was incorporated as a Share Company on 10 September 1998 in accordance with the Commercial Code of Ethiopia of 1960 and the Licensing and Supervision of Banking Business Proclamation No. 84/1994. The Bank obtained a banking services license from the National Bank of Ethiopia and is registered with the Trade, Industry and Tourism Bureau of the Addis Ababa City Administration. Over the years, United Bank built itself into a progressive and modern banking institution, endowed with a strong financial structure and strong management,

as well as a large and ever-increasing customers and correspondent base. United Bank provides a full-fledged commercial banking service in all its branch outlets to customers with its all branches. United Bank's priority in the coming years is to strengthen its capital base, maximizing return on equity and benefit from the latest technology in order to keep abreast with the latest developments in the local and international financial services industry (United Bank S.C, 2015).

The vision of United Bank is to be "The Preferred Bank" in the banking industry of Ethiopia and the mission is to render efficient commercial banking products and services at competitive prices to the best satisfaction of customers by employing state- of- the-art technology along with enhancing the value of its shareholders and wellbeing of its employees (United Bank S.C, 2015).

Total Branch of the bank has reached 131 where out of which 75 are city branch and 56 are outline branch as of January 31st 2016 (United Bank S.C, 2016). United Bank maintains correspondent account relationships with 7 banks, namely, COMMERZBANK AG, CITIBANK, STANDARD CHARTERED BANK, UNICREDITO ITALIANO, CREDIT AGRICOLE, and CITI BANK DUBAI AE. The Bank also has a Bilateral key Exchange arrangements with more than 231 Banks in the United States, Europe, Middle East, Asia and Africa (United Bank S.C, 2015).

1.2 Statement of the problem

Loyal customers not only buy more products over longer periods of time, but also advocate the firm and inspire other people to buy its products (Capgemini & European Financial Management association (Capgemini & EFMA), 2012). United bank also believes customers are the life line of the bank and it clearly states this avowal in its value statement.

One factor for loyalty is perceived value and so as to build a strong perceived value marketers have to work hard to creating added value that could satisfy customers earned loyalty (Taylor *et, al.*, 2004). The other major factor is switching cost. Switching cost has some advantage to firms because it has a direct effect on brand loyalty (Aydin *et, al.* 2005). Moreover, in the work of (Ali *et, al.* 2014) customer trust has a positive and significant impact in the loyalty of customers. The last but not the list that affect brand loyalty is customer satisfaction, satisfied customers become loyal and dissatisfied customers move to another supplier (Kuusik, 2007). All these factors has a

positive role in building and maintain brand loyalty of customers, however, there are many factors that shock the positive role of these variables in customer brand loyalty. These distorting factors are elaborated in the below paragraphs.

Perceived value by the customer can be defined as the difference between the value offered and the total cost (Oliver, 1999; Day & Crask, 2000). Perceived costs include monetary payments and nonmonetary sacrifices (Bolton & Lemon, 1999). Monetary value- price- can be affected by growing number of supplier. As theories supported the more suppliers of goods and service as well as their offerings the more price decline. Number of banks in Ethiopia for the past ten years increased by nine (NBE 2005, NBE 2010 and NBE 2014) this increasing in suppliers create lower price. So this lower cost in the industry allows the customer to experience higher perceived value from competitors and attracted to them. This research testified if perceived value have a significant effect on brand loyalty of United Bank S.C customers.

Switching cost can be defined as the technical, financial or psychological factors which make it difficult or expensive for a customer to change brand (Shergill and Bing, 2006). These costs include opportunity cost of the time taken up in searching new service provider. Now days this time cost for searching convenient banking service by Ethiopian bankable population got decreased because of escalating bank branch expansion. Bank branch to population in the country in the last ten years decrease from 1:185,000.00 in 2005 to 1:39,402 in 2014 (NBE 2005 and NBE 2014). This implies customer now find alternative bank service in their arm length. These challenges are recommended to get eradicated through customer brand loyalty since brand loyalty difficult to get imitated and can be used as a competitive advantage for firms and means of financial return (Keller 2004). For this matter this research assessed the effect of switching cost on customer brand loyalty of United Bank S.C customers.

Brand trust has great role in developing and maintaining brand loyalty with customers (Chaudhuri and Holbrook, 2001). Trust is assurance in an exchange partner's reliability to do stated function (Morgan and Hunt, 2004). Theories and researches' proven positive relationship of customer satisfaction and brand trust. However, the finding of Capgemini & EFMA (2012) suggests high satisfaction level, 67 percent and low trust level, 8 percent of customers in Middle East and Africa: in addition to this their work also discover the highest rates of distrust exist in

the Middle East and Africa (50 percent), despite of high satisfaction level. This research work study the effect of brand trust on brand loyalty of United Bank S.C customers and tastes whether the finding of Customers & EFMA (2012) - high satisfaction but low trust- is seen in case of united banks S.C.

Customer satisfaction is vital trait for loyalty of customers towards their service providers (Jamal and Kamal, 2004). Theories and different litterateurs proven positive and significant effect of customer satisfaction on brand loyalty of customers, however, Capfemini & EFMA report (2012) summarize in most regions of the world the satisfaction of the customers with their bank service is high, however, their loyalty on the bank they use is low and their work also discover only 51 percent of customers globally are confident they will remain with the bank the others 49 percent are not loyal. The researcher testifies whether this result is seen in the banking environment of United Bank S.C.

Considering these five variables as determinant factors for United Bank S.C clients on their brand loyalty as a research area is not conducted before in the bank. Therefore, this study aimed to analyze these determinant factors of brand loyalty in United Bank S.C. The study believed to help filling the relevant gaps in the literature and advance the study of banking industry.

1.3 Research questions

The researcher believes the answer for the below stated research questions enable the research work to answer its objective.

- 1) What are the significant factors that determine loyalty of customers in United Bank S.C?
- 2) What is total brand loyalty variance explained by the brand loyalty determinant factors?
- 3) What is the order of the significant brand loyalty determinants?
- 4) What are the correlations of the brand loyalty determinants?

1.4 Objectives of the study

1.4.1 General objective

The general objective of this paper is to identify and analyze the determinants of customer brand loyalty in United Bank S.C.

1.4.2 Specific objectives

The research has four specific objectives.

1. Identifying significant brand loyalty determinants.
2. Measuring brand loyalty variance explained by major brand loyalty determinant factors.
3. Ordering of the significant brand loyalty determinants.
4. Gage the correlations of brand loyalty determinants.

1.5 Hypothesis

The researcher hypothesized the below stated five points which proved from the data analysis. In the hypothesis construct the researcher clarifies the important point with brief explanation from literatures and makes the hypothesis, moreover the detail about the variables and concepts can be read from the literature part.

Hypothesis₁: Customer satisfaction and brand loyalty

Customer satisfaction is vital trait for the overall loyalty of customers towards their service providers. Bank customers ask themselves the level of the services they receive and decide about repurchase behavior (Jamal and Kamal, 2004). Brand satisfaction is one factor which influences brand loyalty of customers (Ha & John 2010, Bennett *et, al.* 2001). Feick, Lee, and Lee (2001) stated there is strong correlation between high level satisfaction with increase brand loyalty. From this it is hypothesized that customer satisfaction of United Bank S.C clients has a positive and significant effect on their loyalty to the bank's brand.

Hypothesis₂: Switching cost and brand loyalty

Consumers face switching among different brands of products or services. As classified by Klemperer (1987), there are at least three types of switching costs: transaction costs, learning costs, and artificial or contractual costs. Transaction costs are costs that occurred to start a new

relationship and sometimes costs necessary to terminate an existing relationship. Learning costs represent the effort required by customers to reach the same level of comfort or facility with a new product. Artificial switching costs are created by deliberate actions of firms: frequent flyer programs, repeat-purchase discounts, and others. This switching cost makes customers less likely to switch to another brand (Feick *et. al.* 2001). Having in mind these findings the researcher hypothesized a positive and significant effect of switching cost on brand loyalty of United Bank S.C customers.

Hypothesis₃: Brand trust and brand loyalty

Definition of brand trust by Chaudhuri and Holbrook (2001) is customer's willingness to rely on the ability of the brand to execute its stated function. Brand trust is created and developed by direct experiences of consumer to the product or brand. Wining trust is crucial point to banks since banks are financial intermediary agent between those in financial surplus and those in financial deficit, especially in financing area. In the marketing literature, Morgan and Hunt (1994) also suggest that brand trust leads to brand loyalty and commitment of customers. Based on these the researcher hypothesized the brand trust of United Bank S.C customers has a positive and significant effect on their brand loyalty to the bank.

Hypothesis₄: Perceived value and brand loyalty

Perceived value by the customer can be defined as the difference between the value offered and the total cost (Oliver, 1999; Day & Crask, 2000). Perceived value has its origin from equity theory, which compares the ratio of the consumer's outcome/input to service provider's outcome/input (Oliver & DeSarbo, 1988). Customers feel they are equitably treated if they perceive the ratio of their outcome to inputs is comparable to the ratio of outcome to inputs experienced by the company (Oliver & DeSarbo, 1988). So as to build a strong perceived value marketers have to work hard creating added value that could satisfy customers earned loyalty (Taylor *et. al.*, 2004). From these it is expected that customer perceived value of United Bank S.C clients has a positive and significant effect on their loyalty to the bank's brand.

Hypothesis₅: Culture and brand loyalty

Culture can be defined as "the collective programming of the mind, which distinguishes the members of one human group from another" (Hofstede, 1980). Hofstede's framework however, is the most widely used and incorporates four cultural dimensions: 1.

Individualism/collectivism, 2. power distance, 3. masculinity/femininity and 4. Uncertainty avoidance (Hofstede, 1980). McDougall and Chantrey (2004) maintains that family and culture play an integral role in purchasing behavior and brand loyalty he also supports family introduces a psychological dimension to brand loyalty in that it indirectly promises security and trust through generations of use. The researcher hypothesized positive and significant effect of culture on brand loyalty of United Bank S.C customers. The five hypotheses are clearly elaborated in the diagram below.

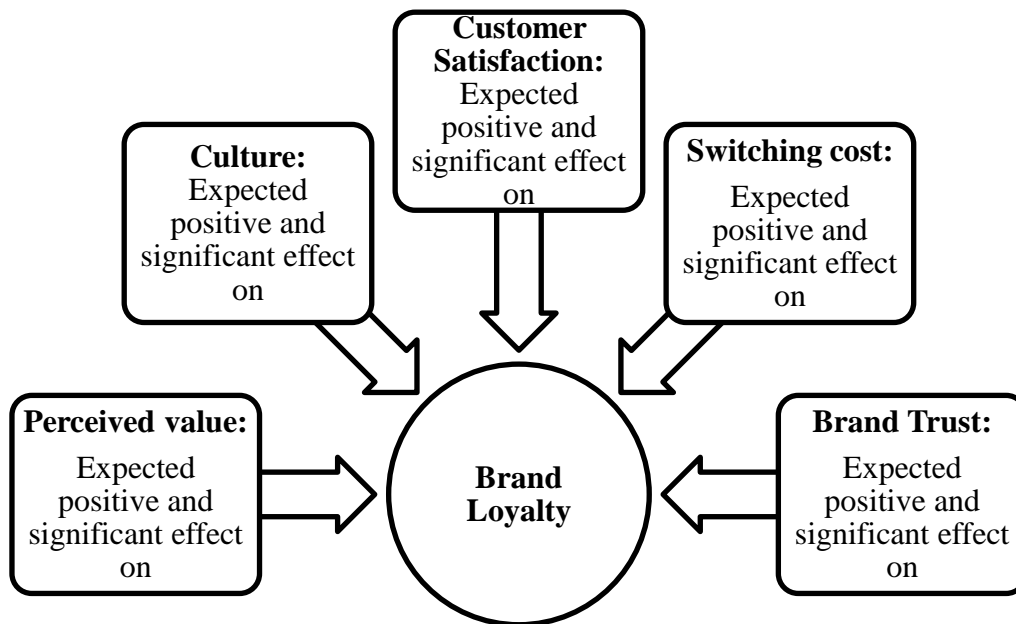


Figure 1.1: Expected sign and significance of the five hypotheses.

Note: \Rightarrow stands for "affect"

1.6 Scope of the study

The study tries to find the main factors that determine loyalty of customers in United Bank S.C. Which type of customer? Customers could be external customers or internal customers: external customers include walking customers and existing external customers while internal customers are personnel's of the Bank itself. Walking customers are customers who demand one time service from the bank and move away like: those who use international money transfers to receive remittance, who use local money transfer for sending or receiving money, those who

request for the issuance of cash payment order, those who demand banking service consultancy to compare one bank's service with other to make their bank choice, customers who buy dollar or other hard currencies when they flight abroad, and the like. Furthermore, those who can be categorized as existing external customers are customers who own a bank account and operate different transactions. These customers can be Current account holders, saving account holders, non interest account holders, special current account holders, those with fixed time deposit, and others. Besides this existing customers could be importers or exporters through the bank and demand international banking service. In addition to these the customer can also be borrower and enjoying credit facility of the bank.

This research focus only on those mentioned as existing customers. As the title refers "Brand loyalty of customers" and loyalty concept is linked with repeated or continuity of relation (Lovelock, 1999) the research work centers on those who develop continuous relation with the bank.

1.7 Significance of the study

As per Lovelock (1999) it may cost a firm five to six times as much to attract a new customer as it does to retain an existing one (Lovelock 1999 form Paul S. Bender 1976). This doesn't mean that companies should only stick on their existing customers only rather retaining existing customers is more worthy than hunt new one. And this research paper mainly focus on what are the determinant factors to retain customers as brand loyal to United Bank S.C. The findings contribute and used as an input for the United Band S.C in its marketing strategy development and also it helps to see the points to hold and keep customers loyal for those in management position.

1.8 Limitation of the study

As with any research study, there is limitation or weakness that should be addressed in further researches. The basic limitation is related with employed methodology; sampling method is used for collecting the data so all drawbacks of sampling techniques are reflected and the research only focused on Addis Ababa branches only so it is advisable to cover all branches in its sample.

1.9 Organization of the research

The study has five chapters. The first chapter covers the introduction part of the paper in this chapter the background of the study, statement of problem, objectives of the study, hypothesis, research design etc. The second chapter covered existing literatures: theoretical literature review, methodological literature review and empirical literature review. The third chapter deals with methodology of the study. Data presentation, analysis and interpretation are well presented in chapter four. The last chapter, chapter five comprise summary of major findings, conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

In this chapter a very brief explanation of the subject area brand specially the concept of brand loyalty is discussed. This chapter has three main areas: Theoretical framework, methodological literature review and empirical literature review.

In the theoretical framework the researcher mainly discusses the definition of different concepts related with brand and brand loyalty. The second part, methodological literature review, has two parts inside it. The first part essentially discusses the evolution of brand loyalty concept measurements and the second part discusses the main determinant factors affecting the brand loyalty of customers. In this part of methodological literature review the researcher develops the brand loyalty determinants conceptual frame work after deep and intensive literature review. The last part, empirical literature review, also has two parts. The first part is the empirical findings from the world experience and the second part covers the empirical findings in Africa and Ethiopia.

2.1 Theoretical framework

In this sub topic concept of branding, customer brand loyalty, factors affecting customer brand loyalty, and brand equity are the main area of topic and subtopics discussed. The researcher articulates these concepts and continues to the metrological review.

2.1.1 Concept of branding

Products are anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organizations and ideas. Services are Activities, benefits or satisfactions that are offered

for sale (Kotler *et, al.* 2005). Product or service can be viewed on three levels: core customer value, actual product and augmented product. The core customer value consists of the core problem solving benefits that consumers seek. The actual product exists around the core and includes the quality level, features, design, brand name, and packaging. The augmented product is the actual product plus the various services and benefits offered with it, such as a warranty, free delivery, installation, and maintenance (Armstrong and Kotler, 2011). As indicated one element of actual product is brand name, then what is brand?

According to the American marketing association brand is “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and service of one seller or group of sellers and to differentiae them from those of competitor” (Keller, 2004). Brands are more than just names and symbols and they are a key element in the company’s relationships with consumers (Keller, 2013). Keller (2013) distinguish brand role for consumers and firms as

Consumers	Manufacturers
➤ Identification of source of product	➤ Means of identification to simplify handling or tracing
➤ Risk reducer	➤ Means of legally protecting unique features
➤ Search cost reducer	➤ Signal of quality level to satisfied customers
➤ Promise, bond, or pact with maker of product	➤ Means of endowing products with unique associations
➤ Symbolic device	➤ Source of competitive advantage
➤ Signal of quality	➤ Source of financial returns

Relating these concepts of branding role for customer and firm one can understand they are different face of same coin. Brand for customer is the source of identifying the needed product and for manufacturers it is the means of discriminating their product from competitor offerings and helps them to escape their offers from being a commodity. Keller (2004) states brands are risk reducer for consumers; this is seen in manufacturers as well being brand as means of legally protecting unique features which protect the firm from the risk of imitation its features by

competitors. Brands as symbolic device for customer and unique association for manufacturer yet again signal of quality for consumers and means of unique association and quality level for manufacturers. These concepts make a brand a powerful tool for firms offering.

A powerful brand has high brand equity (Armstrong and Kotler, 2011). Brand equity is the differential effect that knowing the brand name has on customer response to the product and its marketing. It's a measure of the brand's ability to capture consumer preference and loyalty. Thus, the real value of a strong brand is its power to capture consumer preference and loyalty (Kotler *et, al.* 2005).

Brand loyalty definition given by Jacoby and Kyner, (1973): “the biased-non random- behavioral response (i.e., purchase) expressed over time by some decision making unit with respect with one or more alternative brands out of a set of such brands, and is a function of psychological (decision-making, evaluative) process.” So as this definition indicates brand loyalty is a favorable biased choice of one company offer to other, why this favorable bias is occurred? Looking back to the role of brand for consumers by Keller (2004) in previous paragraph brand use as a risk and search cost reducer and a signal of quality; once the brand give the customer quality promise and enable him/her realize it with minimum effort and risk favorable bias will be there for the band. Consequently managing loyalty is important because it means not only managing behavior but also managing a state of mind Jacoby and Kyner, (1973). Now let us see what consumer brand loyalty means in detail.

2.1.2 Customer brand loyalty

Lovelock (1999) define customer brand loyalty as the willingness of a customer to continue patronizing a firm's goods and services over a long period of time and on a repeated and preferably exclusive basis, and voluntarily recommending the firm's products to friends and associates. Customer loyalty relate to the company's continued existence and to sustainable and steady future growth (Fornell, 1992). It is use a company to maintain a stable profit level. When the market is saturate and competition is strong defensive strategy, which strives to retain existing customers, is more preferable than an aggressive one (Fornell, 1992 and Ahmad and Buttle, 2002).

As figure 2.1 which is adopted from Abbasi, Akhter, Ali. and Hasan, (2011) shows customer could be Loyal, dubious or disloyal. Committed or emotionally loyal customers are active customers who use certain products or services and declare to use them in future and also recommend the same to others moreover, behaviorally loyal customers are the customers who use certain products or services and declare that they will continue to use in future but do not agree to recommend to others. Dubious customers can be distinct as those who use certain products or services but do not know which products they will use in the future and as name indicates disloyal reducer's customers reduced or will reduce the percentage of the product or the service in their usage. Leavers, customers who declare, that they will certainly leave this product or the service (Abbasi *et. al.*, 2011). In Two-dimensional/ Bi-dimensional loyalty model loyal customers are classified in to two attitudinal and behavioral loyal customers (Khan, 2009.)

Saying this it is important for managers to know the marketing tools that can have an impact on attitudinal and behavioral loyalties; otherwise it would be difficult for managers to develop effective strategies for generating customer loyalty (Rasheed, 2015). So managers could adopt loyalty phase discussed by Oliver (1999) in developing their strategy, these phases are; cognitive, affective, conative and action. These concepts are discussed in detail in the methodology topic.

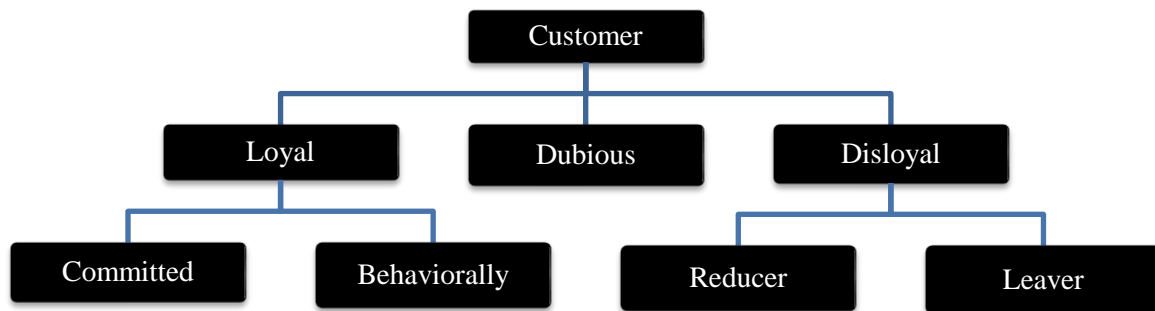


Figure2.1: Loyal, Dubious and Disloyal customers

Source: Abbasi *et. al.* (2011)

According Jacoby and Keyner (1973) behavioral loyalty is the behavioral reaction based on prejudice as the function of psychological processes by the decision maker in the existence of one or more alternative in time. This behavioral loyalty is also explained in terms of repeat

purchase behavior (Kuzgun, 2012). Attitudinal loyalty is attaching psychologically to a selected company or brand (Dahlgren, 2011). As tools to measure attitudinal loyalty Khan (2009) suggests measures such as preference, buying intention, supplier prioritization and willingness to recommend. Similarly, Bennett *et. al.* (2001) propose attitudinal loyalty can be defined as a customer's attitudes towards the brand and measured with intention to engage in positive word of mouth or repurchase.

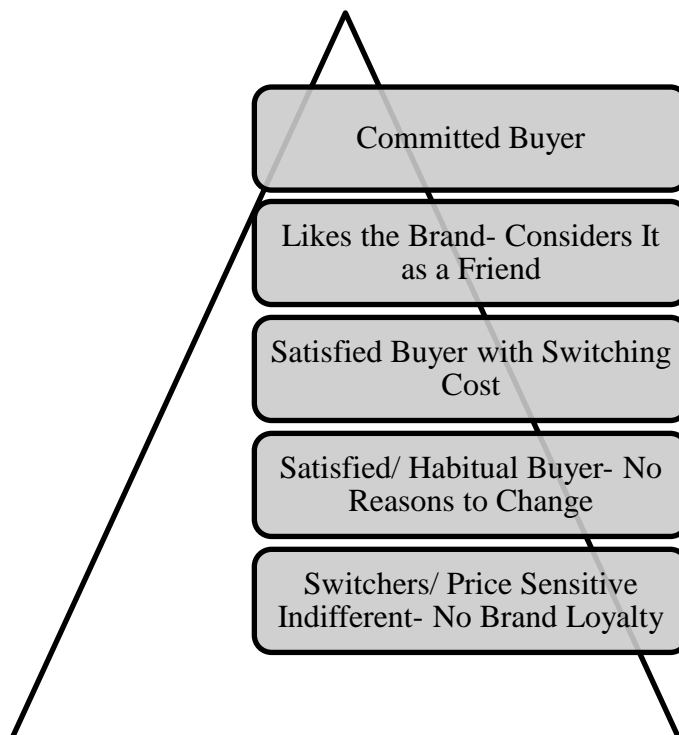


Figure 2.2: The loyalty pyramid

Source: Aaker (1991)

Figure 2.2 present five levels of loyalty. The first level contains the non-loyal buyer who is completely indifferent to the brand. The second level includes buyers who are satisfied with the product or at least not dissatisfied. Basically, there is no dimension of dissatisfaction that is sufficient to stimulate change especially if that change involves effort. The third level consists of those who are also satisfied, and in addition, have switching costs: costs in time, money or performance risk associated with switching. Perhaps there is a risk that another brand may not function as well in a particular use context. The fourth level consists of consumers that truly like

the brand. Their preferences may be based upon an association such as symbol, a set of use experiences or high perceived quality. The top level is the committed customers, who have a pride of discovering and/or being users of a brand. The brand is very important to them either functionally or as an expression of who they are. Their confidence is such that they will recommend the brand to others. The value of the committed customer is not so much the business he/she generates but rather the impact upon others and upon the market itself (Aaker, 1991). So the loyalty pyramid of Aaker (1991) indicates a high level of loyalty in the sharp tip than the base.

2.1.2.1 Factors affecting customer brand loyalty

Customers of a company could be either natural person or artificial person which is also called as legal person. In reality Banks customers are both individual persons and artificial/legal person which can be private limited companies, share companies, non-governmental organizations and so on. So this sub topic discusses factors affecting customer loyalty and the tailored/customized strategy and focus points recommended by scholars for business to business brand marketing.

So what do literatures and previous works articulate about factors affecting customers brand loyalty? Kuusik (2007) identified five major factors which affect brand loyalty these are: Satisfaction, brand image, trust, commitment, importance of relationship and word of mouth (WOM). In services context, many scholars focused on importance and significance of brand loyalty (Bloemer *et, al.*, 1999). The organizations that have pool of brand loyalists have greater market share and higher rates of return on investments (Bloemer *et, al.*, 1999). Such results persuade marketing officials to generate and up-hold brand loyalists. Dick and Basu (1994) argued a loyal and contented customer base helps to increase the organizations bargaining power with suppliers, partners and channels. So, customer loyalty should affect shareholder value in a positive manner by reducing instability and associated risk with expected future cash flows (Bloemer *et, al.*, 1999). Dick and Basu (1994) hold a view that customer loyalty creates positive word of mouth and competitive strategies are resisted by loyal customers. Such findings appeal to strategists and marketers to build and hold strong customer loyalty. Keller and Kotler (2012) said that “based on a 20-80 principle, the top 20 percent of the customers may create 80 percent of profit for a company”. Thus a favorable connection between a company and its customers is

lucrative for the business (Kotler and Keller, 2012). The above six variables suggested by Kuusik (2007) are factors affecting that are more applicable to business to consumer branding. Then what are the tailored and particular branding strategies companies should focus to develop its business to business branding?

Since business-to-business purchase decisions are complex and often high risk, branding plays an important role in business-to-business markets. Keller identifies six specific guidelines for marketers of business-to-business brands these are: (Keller 2013, from: Webster and Keller, 2004; Kotler and Pfoertsch 2006; Keller, 2009; Keller and Kotler 2012.)

- Ensure the entire organization understands and supports branding and brand management.
- Adopt a corporate branding strategy if possible and create a well-defined brand hierarchy.
- Frame value perceptions.
- Link relevant non-product-related brand associations.
- Find relevant emotional associations for the brand.
- Segment customers carefully both within and across companies

So marketers should give emphasis in their brand image building process and adopt the recommended strategies in developing and make it practical to the targeted population, since this affect the brand loyalty of customers which in turn affect the brand equity of the company because brand loyalty is one element of brand loyalty. Now let us look what brand equity means and its relation with brand loyalty.

2.1.3 Brand equity

According to Aaker (1991) brand equity is a set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers. Brand equity-The value of a brand, based on the extent to which it has high brand loyalty, name awareness, perceived quality, strong brand associations, and other assets such as patents, trademarks and channel relationships (Kotler *et, al.* 2005). Aaker (1996) also argues that the intangibles are the most important assets of a company; moreover, they are a set of associations and behaviors which have the capability to increase or

decrease the value of a brand in comparison with the financial value of its tangible assets. In general Loyalty to the firm's brands and offerings represents a strategic asset which has been identified as a major source of the brand equity of a company (Mellens, Dekimpe, Steenkamp 1995).

Customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand (Keller, 1993). Customer-based brand equity occurs when the consumer has a high level of awareness and familiarity with the brand and holds some strong, favorable, and unique brand associations in memory. Keller (2013) identifies two source of brand equity: brand awareness and brand image. In some cases, brand awareness alone is enough to create favorable consumer response; for example, in low-involvement decisions when consumers are willing to base their choices on mere familiarity. In most other cases, however, the strength, favorability, and uniqueness of brand associations play a critical role in determining the differential response that makes up brand equity. Establishing a positive brand image in consumer memory-strong, favorable, and unique brand associations-goes hand-in-hand with creating brand awareness to build customer-based brand equity Keller (2013).

To recap the idea of brand equity with brand loyalty; Aaker (1991) states brand equity is a set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers. Saying this brand loyalty is one factor for brand asset of a company which enhances the company's equity position the more favorable it becomes. According to Keller (2013) brand is a source of financial return for a firm this is achieved through strong customer loyalty base which in its effect enhances the brand equity of a company and trigger the firm in achieving high expected return.

2.2 Methodological literature review

Different methodologies conducted to measure factors affecting brand loyalty of customers in different industries. One factor for loyalty is customer satisfaction, satisfied customers become loyal and dissatisfied customers move to another supplier (Kuusik, 2007). In the work of (Ali *et al.* 2014) the three factors: customer trust, service quality and reputation have positive correlation with brand loyalty of customers and service quality and trust are statistically significant on affecting brand loyalty. This methodological literature review topic discuss: one-

dimensional brand loyalty model, two-dimensional loyalty, three-dimensional loyalty, and four-dimensional loyalty.

2.2.1 One-dimensional/ uni-dimensional loyalty model

Till (1969) Day lunches the bi-dimensional concept (Kuusik, 2007) brand loyalty was explained only in terms of results (repeating the purchase) and not of reasons and it simply signifies a re-patronage behavior. Jacoby and Kyner (1973) continue to expand this new and provocative perspective of Day. They defined loyalty as a repeated non random acquisition of a brand from a set of alternative brands, as a result of rational evaluation process. The main weakness of this view is the lack of interest in the reasons of consumers' acquisitions (Bobâlcâ, 2013).

Even though the many early loyalty researchers considered frequent buying as loyalty, modern research shows that mere repeat purchasing is not a sufficient indicator of loyalty (Jacoby & Kyner, 1973). The buyer could instead be trapped by inertia, indifference or switching costs, due to circumstances or the company (Reichheld, 2003).

This uni-dimensional model leads to the development of two-dimensional loyalty model by Day (1969). This newly developed model tries to answer the rationale behind customers acquisition- the main weakness of uni-dimensional model- using the attitudinal and behavioral loyalty concepts which will be discussed in the below paragraph.

2.2.2 Two-Dimensional/ bi-dimensional loyalty model

As explained above one-dimensional theories of behavioral loyalty were dominating until 1970 considering loyalty as the function of the share of total purchases (Dahlgren, 2011).

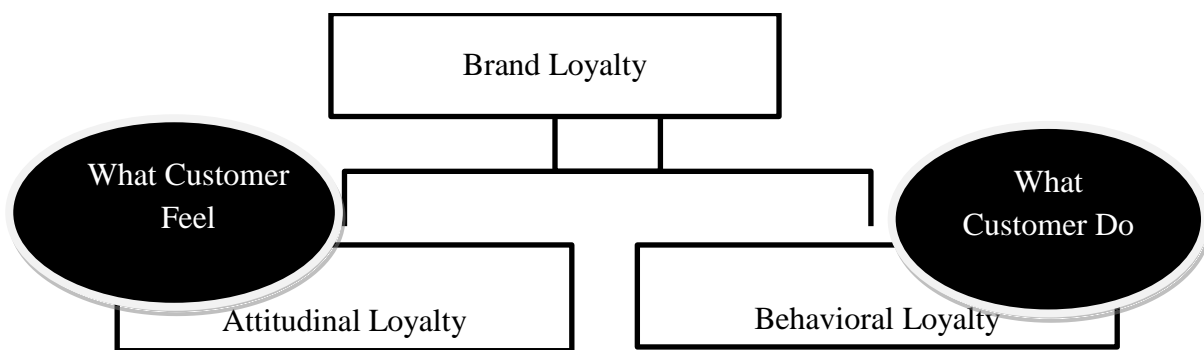


Figure 2.3: Elements of a two-dimensional definition of loyalty (from Khan, 2009)

Attitudinal loyalty is investigated in terms of attitudes, preferences, commitment and intentions (Söderlund, 2006). It is defined as a consumer's desire to continue his/her relationship with the company in spite of the lower prices of the competing companies and to recommend the products or the services to his/her to others (Dick & Basu, 1994 and Chaudhuri & Holbrook, 2001). Essentially, it is concerned with the underlying attitudinal process and evaluation criteria of a given purchase (Mellens *et. al.* 1995). The attitudinal approach takes a deterministic view of purchase behavior and seeks to explain it in terms of attitudes, values and beliefs. Deterministic theory consists of logical relationships between variables (Hunt 1991), thus attitudinal researchers posit an ordering relationship between attitude and behavior.

Behavioral loyalty has been defined by researchers as the tending of a customer to stick with a supplier (not switch) and can be thought of as the degree to which a customer prefers a supplier over the competition (Ringham *et. al.* 1994). The behavioral perspective fits with the concept of retention, under the assumption that no matter what the sources of loyalty are, this means an unspecified number of repeated acquisitions from the same supplier, in a specific period of time (Bobâlcă, 2013). There are two elements incorporated in behavioral brand loyalty; brand preference and brand allegiance (East, 1997). Brand preference is the brand on which the purchaser spends a high proportion of their category expenditure and brand allegiance is the propensity to purchase that same brand over time (East, 1997).

This model answers the rationale behind customer acquisition in its models, specially the attitudinal loyalty explains the basic ground since it mainly focus rationales behind customers action, however, it generate inconsistencies and debate in the marketing literature for instance it is dispute that the model didn't fit business-to-business sector (Worthington *et. al.*, 2009). The three-dimensional loyalty model, which makes its foundation from Oliver's 4-state brand loyalty chain model, tries to fill the gap of two-dimensional loyalty model.

2.2.3 Three-dimensional loyalty model

Two-dimensional views for understanding customer loyalty have been useful to conceptualize and measure brand loyalty, however, they have also generated inconsistencies and debate in the marketing literature for instance it is dispute that the model didn't fit business-to-business sector

(Worthington *et, al.*, 2009).According to Worthington *et, al.*. (2009) work human behavior is a combination of cognitive, emotional and/or behavioral responses. In this tri-dimensional approach, brand loyalty is therefore the combination of a consumer’s thoughts and feelings about a brand that are then expressed as an action (Worthington *et, al.*, 2009). This way Worthington *et, al.*, (2009) part attitudinal loyalty into a two-factor: cognitive loyalty and emotional or affective loyalty. In combination of these two factors with behavioral loyalty, a tri-dimensional view of brand loyalty developed and it can be seen as in Figure 2.4 (Worthington *et, al.*, 2009).

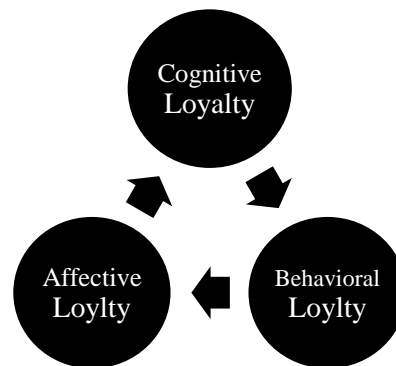


Figure 2.4: A tri-dimensional approach to brand loyalty

Source: Worthington *et, al.* (2009)

Furthermore, Worthington *et, al.*. (2009) states that human behavior is a blend of these three dimensions: “cognitive responses (I think), emotive responses (I feel), and behavioral responses (I do).” The work of Worthington and his colleagues are drawn from Oliver’s (1999) conceptual model, but excluding conative (i.e. behavioral intentions) dimension of loyalty declaring that intentions have little predictive power for behavioral loyalty (Kuzgun, 2012). Oliver (1999) argues that brand loyalty is a chain model composed of four distinctive states including cognitive, affective, conative, and behavioral loyalty, which is explained more in detail in the next section.

2.2.4 Four phases of loyalty/Oliver’s 4-state brand loyalty chain model

Brand loyalty as a sequential process is proposed by Oliver (1997, 1999). The author suggests that repeat purchasing behavior (action) is based on favorable performance (cognition), favorable attitude (affect), and favorable intention (conation) in a cognitive-to-action loyalty sequential framework

(Oliver, 1997). This developing sequence of consumer behavior implies that attitudinal loyalty leads to behavioral loyalty. He claims a person initially becomes loyal in a cognitive way, then in an affective manner, third in a conative sense and last in a behavioral manner (Oliver, 1999).

Loyalty phase:	variables	Characteristics:	Vulnerabilities:
Cognitive ↓	✓ Perceived service quality ✓ Perceived value	Advantageous qualities and features perceived	Superficial, low intensity loyalty
Affective ↓	✓ Customer satisfaction	Attachment and attitude toward brand established	Vulnerable to switching
Conative ↓	✓ Commitment ✓ Trust	Commitment or plan to repurchase	Desire may remain unfulfilled
Action	✓ Customer loyalty	Strong eagerness to act	Deteriorating performance

Table 2.1: Loyalty phases and their vulnerabilities

Source: from (Oliver, 1999)

Cognitive loyalty: It is the first loyalty phase of Oliver’s (1999) frame work, it indicates the brand is selected to other alternative brands based on previous or secondhand knowledge/recent experiences about the brand. If the consumer gets satisfaction from using the brand, it becomes a part of the consumer's experience and begins to take on to the second phase, emotional or affective meanings but if it fails to stimulate satisfaction in this stage it will not carried forward to the second phase (Oliver, 1999). Perceived service quality and perceived value are the factors that contribute for cognitive loyalty.

Affective loyalty: At the second stage of loyalty according to Oliver (1999), an attachment toward the brand will be established since cognitive stage of the brand loyalty phase result in continues and increasing satisfactory experience. Consumer’s commitment is maintained in the consumer's mind as blend of cognition and affect. While cognition can directly be influenced by new information, affect cannot be changed as easily. However, both affective and cognitive loyalty is exposed /vulnerable/ to switching (Oliver, 1999). Customer satisfaction is the factors that contribute for affective loyalty.

Conative loyalty: Successive loyalty phase next to affective loyalty is conative loyalty. This stage is developed by repeated events of positive emotions toward the brand. At this stage

customers plan to repurchase specific brand on continues base. Nevertheless, this intention to repurchase the brand may be unfulfilled. (Oliver, 1999). Commitment and trust are the factors that contribute for cognitive loyalty.

Action loyalty: At this last stage of Oliver’s loyalty phase the desire and intention of repurchase by the consumers in the conative loyalty stage is converted into strong passion to act. Oliver (1999) proposes that in this state the consumer is ready to overcome possible obstacles that might prevent him/her from consuming the product or service. The action of all the above phase is revealed by the loyalty of the customer for the brand.

2.3 Empirical literature review

2.3.1 World perspective

Banks are inspiring fairly low levels of customer loyalty which is a critical element of retail banking. Loyal customers not only buy more products over longer periods of time, but also advocates of a firm and inspire other people to buy its products. Banks with the most loyal customers benefit from having reliable base of individuals to supply both deposits and a demand for loans. Despite the importance of having a loyal customer base, only 51 percent of customers globally are confident they will remain with their primary bank the remaining 49 percent are not loyal (Capgemini & EFMA, 2012). A large group of customers do not have strong feelings about their bank. These are the 40 percent of customers who are unsure if they will stay with their bank another 9 percent of customers are likely to change banks. The customers with most likely to switch banks are found in Austria (34 percent), Germany (33 percent), and Switzerland (22 percent) and the three countries with less likely to change banks are: first Japan 2 percent, followed by Netherland, Finland and Philippines 3 percent and in third rank the study shows Taiwan, Hong Kong and Pakistan 4 percent (Capgemini & EFMA, 2012). Capgemini & EFMA report 2012 they summarize the below points in their study

- Despite low levels of trust, confidence, and loyalty, customer satisfaction with banks remains high in most regions.

- Satisfaction levels have little impact on loyalty. Despite overall high satisfaction, 40 percent of customers are not sure they will stay with their primary bank, and 9 percent are likely to change in the next six months.
- Canada's banks led the world in customer satisfaction at 82 percent, followed closely by those in Switzerland (79 percent), the United States (78 percent), India (78 percent), and the Philippines (78 percent).

In some countries, customer loyalty as measured by Net Promoter Score (Net Promoter Score is leading indicator of growth and also use to measure customer loyalty to a company (Bain & company, 2015) improved in 2013 from the year earlier, as the financial crisis recedes and some banks have devoted more effort to addressing customers' priorities. But what matters most to an individual bank is how it performs relative to its peer group. Within national markets, Net Promoter Score varies widely from bank to bank. In Australia, for instance, top-performer Bendigo has a Net Promoter Score 45 points higher than the worst performer and 32 points above the country average (Bain & Company, 2013). In 2011, Chase- Bank found in united states of America- started a deliberate effort to become more customer-centered rather than product-centered, and that shift has paid off with gains in loyalty, new relationships and share of wallet (Bain & Company, 2013). Beside this world wide advancements in technology continue to transform the lives of banking customers. As a result, direct channels such as mobile and the internet are becoming increasingly important in retail banking.

The evolution in technology around touch mode and mobility has enabled the customer bank on the go in a real sense. Also, the number of customers who prefer to perform daily banking activities on an anytime/anywhere basis is increasing. The 2012 Retail Banking Consumer Survey by Capgemini & EFMA found that more than 60 percent of customers worldwide are expected to use mobile banking in 2015 and more than 90 percent will likely be using online banking. In developed economies, banks operate in highly competitive environments and are increasingly challenged to differentiate through products and pricing. They seek out innovative technologies to help them build a stronger relationship with their customers and increase customer loyalty, while controlling operational costs. This is the key reason that top banks across the globe are investing in mobility (Capgemini & EFMA 2013).

2.3.2 African and Ethiopian perspective

Retail banking in Africa is far from straightforward and has wide variety of trends which is shaping the retail financial services market in the region. Generally speaking three main market areas which are requiring banks' attention in Africa are: First large unbanked population around 80 percent of Africa's total adult population does not use formal or semi-formal financial services. The second area is the region's middle class this fuels demand in the retail banking segment. The micro small and medium-sized enterprise sector is the third market area. By then banks in the continent must grip these opportunities and provide them with the support they need. However, it's no easy feat and a number of challenges in doing this. One of the problem is the nature of the banking environment in Africa is predominately a multi-banking one, and so banks continue to face the challenges of keeping the customer close to them. Gaining the loyalty of customers is therefore crucial in maintaining and increasing market share (Capgemini & EFMA 2013) this finding is also supported by Capgemini & EFMA (2012) report.

Trust in the banking industry has been especially tenuous since the start of the global financial crisis. Twice as many customers around the globe (31 percent) say they have little or no trust in the banking system, compared to the 15.3 percent who say they do. Figure 2.5 shows the satisfaction as well as Trust and confidence of Middle East & Africa. As it is shown in the chart the satisfaction of the respondents with their primary bank is 67 percent, however, their trust and confidence for the bank they use shows the contrary result which is very low 8 percent. Since trust is the very crucial element in loyalty of customers as already discussed in the above topics banks should give emphasis to enhance the trust their customers has on their brand (Customers & EFMA 2012).

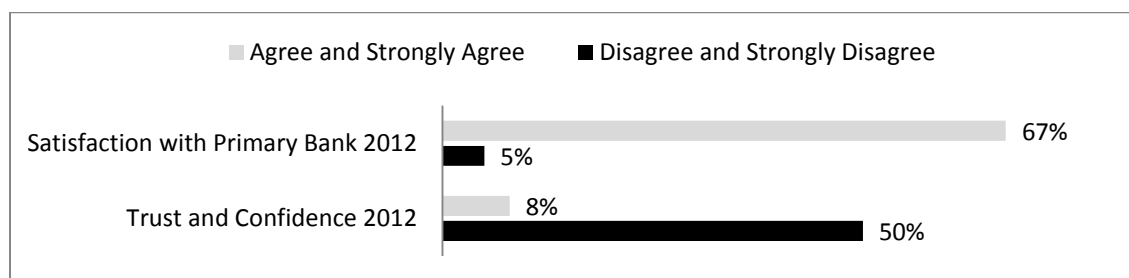


Figure 2.5: Satisfaction, and trust & confidence of Middle East & African Customers 2012
Source: 2012 Retail Banking Voice of the Customer Survey, Capgemini, 2012.

Besides to the above discussed research works there are a lot of researches conducted on customer loyalty in banking sector of different Africa countries. From these researches one is made by Salim on (2011) as an assessment of brand loyalty of South Africa banking clients and found customer satisfaction, brand trust and repeat purchase are the first three factors affecting brand loyalty of South Africa banking industry.

KPMG (2014) also concludes that although the banking sector on the African continent faces various difficult challenges, it nonetheless has the potential to realize significant growth. Indeed the successful expansion of financial services into the retail sector including penetration of the lower income and unbanked section of the population has the ability to be a catalyst for economic growth to ensure more inclusive, far-reaching economic growth. However, to fulfill its full growth potential would require strengthening of regulatory environments, improvements in infrastructure/ including access to the intensely tight supervision this finding is also supported by (Capgemini & EFMA, 2013) and (Capgemini & EFMA, 2012) report.

Coming to Ethiopia (Nebyou, 2014) study factors for customer brand loyalty Ethiopian Private Banks sector and find out: Involvement, repeat purchase, brand trust, customer satisfaction, and perceived value are the top five factors that influence the brand loyalty of Ethiopian private banks according to their mean value.

2.4 Brand loyalty conceptual framework

The above one, two, three and four dimension brand loyalty concepts cover wide range of industry so do their applicability. Based on the market type, brand loyalty can be classified into three categories: loyalty for fast moving consumer goods brands, brand loyalty for durable goods and loyalty for the brands from the service market (Bobâlcâ, 2013). Banks are categorized from the service market group and in the below discussed paragraphs the researcher discusses the determinant factors of customer brand loyalty in United Bank S.C clients.

Kuusik (2007) identified five major factors which affect brand loyalty these are: Satisfaction, brand image, trust, commitment, importance of relationship and word of mouth (WOM). Beside this Moolla (2010) construct twelve variable brand loyalty framework listed as: Customer satisfaction, Switching costs, Brand trust, Repeat purchase, Involvement, Perceived value,

Commitment, Relationship proneness, Brand affect, Culture , Brand performance, and Brand relevance. From all these discussed loyalty determinant factors the researcher only focus on five variables these are: customer satisfaction, switching cost, brand trust, perceived value and culture. Of these value customer satisfaction, trust and perceived value are mentioned and identified in Oliver (1999) four phase customer loyalty.

The main rationale to select these variables is for finding appropriate answer for the research problem raised and meeting the objective of the research. Customer satisfaction is used in many brand loyalty research conducted as a positive contributor variable to loyal this is also supported in the well known service profit chain model. Where customer satisfaction leads to loyalty which can be manifested by repeat purchase, retention or referral to others. The researcher also choose switching cost and perceived value as another brand loyalty determinate since the banking industry is expanding both in number of banks and also in their coverage which in turn make easy the customer to switch from one bank service provider to the other. This concept is well explained in problem statement part evidenced with figures and ratios found from national bank of Ethiopia. The fourth loyalty determinant the researcher picked is brand trust. Banks are financial intermediary agent between those in financial surplus and those in financial deficit by depositing the public money and lend it to the business companies. So banks need to build their trust in their customer mind and it is a very sensitive dimension Kassim and Abdullah (2010). The last dimension the researcher chooses as brand loyalty dimension is culture. Hofstede's (1984) used and incorporates four cultural dimensions: 1. Individualism/collectivism, 2. Uncertainty avoidance, 3. masculinity/femininity and 4. Power distance. All these dimensions are reflected in the Ethiopian society. From observation the researcher believes this have significant role in determining customer loyalty.

The researcher believes other dimension other than these fives could affect brand loyalty of customs, however, due to financial and time constraint only the five dimensions the researcher argues important are selected. This let the questionnaire for respondents short and in turn increase response rate. The researcher would also like to recommend for further researches inclusive other dimensions. All the selected five dimensions are well discussed in the below topics.

2.4.1 Customer satisfaction and brand loyalty

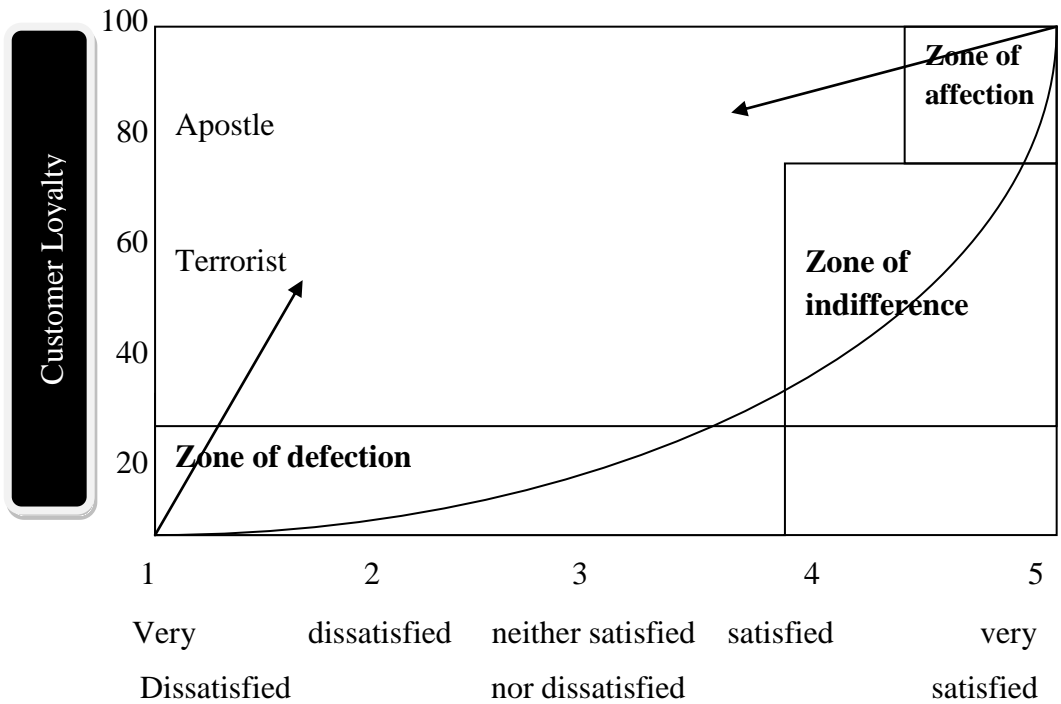
Oliver (1980) explained that customer satisfaction arises when customers weigh their perceptions of actual service performance against their expectations and any discrepancy between the two generates disconfirmation which can be of three types: Positive disconfirmation- high satisfaction, Negative disconfirmation- high dissatisfaction and Zero disconfirmation. Oliver (1997) stated that “satisfaction is the consumer fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under-or over-fulfillment”.

Customer satisfaction is vital trait for the overall loyalty of customers towards their service providers. Bank customers ask themselves the level of the services they receive and decide about repurchase behavior. The level of satisfaction is always high when the customer pays minimum price and obtain maximum usage and profit or in other words when he/she maximizes his/her consumer surplus (Jamal and Kamal, 2004). To the reverse dissatisfaction usually occurs when pricing issues are not fitting the needs of the customers which includes: the interest rates of loans, commission charges of international banking and domestic operation, charges of online services such as credit cards and automatic teller machine (ATM) these costs get in consideration while customer thinks the charges are more than the needs. If a customer is satisfied, the loyalty injects automatically and the customer remains with the current providers for considerable period of time (Fox and Poje, 2002).

Churchill and Surprenant (1982) conceptualized disconfirmation theory of satisfaction as expectation, performance, disconfirmation and satisfaction. Expectation is the customer’s expectation/anticipated performance of the goods or service (Møller and Hansen, 2006). Performance is what the customer feels when about the offerings at the time of consumption and how the product or brand carries out the intended purpose (Churchill and Surprenant, 1982). The difference between the expectation and actual performance experienced is called disconfirmation; Positive disconfirmation means performance exceeds expectation and negative disconfirmation indicate the reverse Churchill and Surprenant (1982). The positive

disconfirmation and negative disconfirmation is explained by Heskett, Sasser, and Schlesinger (1997) as apostles and terrorists.

The below depicted figure shows the "Apostles" and "Terrorists" on the satisfaction loyalty curve. Terrorists are every company's nightmare. Often these customers had a bad experience that was never corrected by the company; as a result, they are dedicated to spreading as much negative word of mouth as possible. Contrary, the apostle is the kind of customer of whom every service provider dreams; they are so satisfied with their service experiences that they want to share their enthusiasm with others. They are extremely loyal, and their obvious delight helps attract other customers (Heskett, *et al.*, 1997).



Source: Heskett, *et al.*, 1997.

Figure 2.6 "Apostles" and "Terrorists" on the Satisfaction-Loyalty Curve

The more the satisfaction level of the customer increases the more brand loyalty of the customers is explained in the figure above. Brand satisfaction is one factor which influences brand loyalty of customers (Ha and John 2010, Bennett *et al.*, 2001). Feick, Lee, and Lee (2001) stated there is strong correlation between high level satisfaction with increase brand loyalty.

Theories and different litterateurs proven positive and significant effect of customer satisfaction on brand loyalty of customers, however, Capfemini & EFMA (2012) summarize in most regions of the world the satisfaction of the customers with their bank service is high, however, their loyalty on the bank they use is low and their work also discover only 51 percent of customers globally are confident they will remain with their primary bank the others 49 percent are not loyal to their bank. For this matter the researcher select customer satisfaction as one dimension of customer brand loyalty of United Bank S.C clients and to saw if it has significant effect on it.

2.4.2 Switching costs and brand loyalty

Switching cost can be defined as the technical, financial or psychological factors which make it difficult or expensive for a customer to change brand (Shergill and Bing, 2006; Selnes, 1993). According to Burnham & Mahajan (2003) this costs can be financial and/or non financial costs including: searching cost, transaction cost, learning cost, customer habit, emotional cost, cognitive effort, coupled with financial, social and physiological risk of part of the buyer.

As classified by Klemperer (1987), there are at least three types of switching costs: transaction costs, learning costs, and artificial or contractual costs. Transaction costs are costs that occurred to start a new relationship with a provider and sometimes also include the costs necessary to terminate an existing relationship. Learning costs represent the effort required by customers to reach the same level of comfort or facility with a new product as they had for an old product. Artificial switching costs are created by deliberate actions of firms: frequent flyer programs, repeat-purchase discounts, and-click through rewards are all examples. Besides these explicit costs, there are also implicit switching costs associated with decision biases (e.g., the Status Quo Bias) and risk aversion, especially when customers are uncertain about the quality of other products or brands (Klemperer,1987).

Switching cost can make it difficult or expensive for customers to switch service providers. When customers are considering switching service providers, they evaluate both the benefits and the costs; when required costs are higher than gained benefits (meaning an excessively high switching cost) an exit barrier is created, thus decreasing the possibility of switching (Shergill and Bing, 2006; Selnes, 1993). Burnham & Mahajan (2003) point out that, when switching costs

increase, sensitivity to satisfaction decreases. Therefore, switching costs play an important role when a customer considers changing service providers. Many studies indicated that perceived switching cost is an important factor when it comes to customer loyalty (Chaudhuri, and Holbrook, 2001).

Banks face a trade-off between setting up products that attract new customers and develop new products with higher costs to retain current clients from switching to other competitors (Salim, 2011). This switching cost has some advantage to firms according to Aydin *et, al.* (2005), because it has a direct effect on brand loyalty. Switching cost makes customers less likely to switch to another brand Feick *et, al.* (2001).

According to Burnham & Mahajan (2003) switching costs can be non financial costs including: searching and effort cost. To combat these challenge banks now a days increase their accessibility to their customer through different mechanisms like opening new branches, opening sub-branches, agent banking, technology solution e.g: mobile banking and internet banking and so many other options, however, all these stated solutions are high costly and easily imitated by competing firms. To this fact, such challenges are recommended to get eradicated through customer brand loyalty since brand loyalty difficult to get imitated and can be used as a competitive advantage for firms and means of financial return (Keller 2004). For this matter the researcher select switching cost as dimension of customer brand loyalty of United Bank S.C customers.

2.4.3 Brand trust and brand loyalty

Trust has great role in developing and maintaining brand loyalty both in consumer-to-business and business-to-business buying situation (Chaudhuri, and Holbrook, 2001). Trust has been defined by Morgan and Hunt (2004) as assurance/assertion in an exchange partner's reliability another definition of brand trust by Chaudhuri and Holbrook (2001) is customer's willingness to rely on the ability of the brand to execute its stated function the other definition of brand trust by the same researcher Chaudhuri and Holbrook (2001) is "the willingness of the average consumer to rely on the ability of the brand to perform its stated function". Brand trust arises after consumers' evaluation of companies' offerings. If companies provide beliefs of safety, honesty

and reliability about their brands to consumers, brand trust will be generated subsequently (Chaudhuri, and Holbrook, 2001). Brand trust is created and developed by direct experiences of consumer to the product or brand. It is conceptualized as a notable factor in the firm success (Morgan & Hunt, 1994).

Trust is also the willingness of the party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trust or, irrespective of the ability to monitor or control that other party. Morgan and Hunt (1994) suggested that trust in honesty denotes faith in partner's openness and truthfulness in business communication. Brand trust has a mediator role on the customer behavior before and after the purchase of offerings; and it causes long term loyalty and fortifies the relation between exchanging parties (Liu *et al.*, 2011).

Trust has positive effect on the loyalty argued by (Morgan and Hunt 1994). Trust is the driver of Commitment in the form of consumer attitudinal loyalty argued by (Morgan and Hunt 1994). Again trust is an important factor in true consumer attitudinal loyalty argued by (Oliver 1999). Bennett *et al.* (2001) also supports that to back the loyalty and success in the industrial markets can be possible by maintaining the relationship with customers and winning their trust. Winning trust is crucial to point to banks. Banks are financial intermediary agent between those in financial surplus and those in financial deficit, especially in financing area Kassim and Abdullah (2010) studied the link between trust and customer loyalty in the banking sector in two cultural contexts i.e., Malaysia and Qatar and found it to be significant. In addition to marketing literature, Morgan and Hunt (1994) also suggest that brand trust leads to brand loyalty and commitment because trust creates exchange relationships that are highly valued.

Theories and researches' proven positive relationship of customer satisfaction and brand trust. However, the finding of Capgemini & EFMA (2012) suggests high satisfaction level, 67 percent and low trust level, 8 percent of customers in Middle East and Africa: in addition to this their work also discover the highest rates of distrust exist in the Middle East and Africa (50 percent), despite of high satisfaction level. The researcher choose the variable brand trust to test whether this finding of Capgemini & EFMA (2012) is true or false in United Bank S.C and measure the importance level of the variable in their brand loyalty dimension.

2.4.4 Perceived value and brand loyalty

Perceived value by the customer can be defined as the difference between the value offered and the total cost (Oliver, 1999; Day & Crask, 2000). Parasuraman *et. al.* (1985) point out that perceived value is subjective and individual, and therefore varies among customers. Research evidence suggests that customers who perceive that they receive value for money are more satisfied and tend to become loyal customers more often than ones who do not (Zeithaml *et. al.* 1996). Customers who remain with a service provider for a longer period of time because they are pleased with the perceived quality and value of the services tend to buy more additional services and spread favorable word-of-mouth messages and have a willingness to recommend the firm to others (Boulding 1993 and Zeithaml *et. al.* 1996). Relating the conclusions of Boulding (1993) and Zeithaml *et. al.* (1996) to the definition of customer brand loyalty given by Lovelock (1999) “willingness of a customer to continue patronizing a firm’s goods and services over a long period of time and on a repeated and preferably exclusive basis, and voluntarily recommending the firm’s products to friends and associates” perceived value has an implication of customer loyalty either via positive word of mouth or recommendation to others.

Perceived value has its origin from equity theory, which compares the ratio of the consumer’s outcome/input to service provider’s outcome/input (Oliver & DeSarbo, 1988). Customers feel they are equitably treated if they perceive the ratio of their outcome to inputs is comparable to the ratio of outcome to inputs experienced by the company (Oliver & DeSarbo, 1988). The equity concept explains and compares customers evaluation of what is fair, right, or deserved for the incurred cost, Perceived costs include monetary payments and nonmonetary sacrifices (Bolton & Lemon, 1999). From Bolton & Lemon (1999) the monetary payment price is a major purchasing determinant and it will also get in consideration in post-purchasing processes. In a qualitative study focusing on switching behavior in services, Parasuraman *et. al.* (1985) reported that more than half of the customers switched because of poor price perception (compared to competitors). Varki and Colgate (2001) arrived at similar results in their study of the banking industry; particularly that price perception directly influences customer satisfaction, the likelihood of switching, and the likelihood of recommendation to others. This signifies the functional value of price in relation to brand loyalty.

At a general level, two major approaches to the conceptualization and dimensionality of perceived value can be identified. The first defines the perceived value as a construct configured by two parts, one of benefits received (economic, social and relational) and another of sacrifices made (price, time, effort, risk, and convenience) by the customer (Gale, 1994; Zeithaml, 1988). The second approach is based on the conception of perceived value as a multidimensional construct (Sweeney & Soutar, 2001; Woodruff, 1997). According to a definition by Zeithaml (1988), value for the consumer results from the personal comparison of the benefits obtained and the sacrifices made. Therefore, it contains a component of benefits and another of sacrifices this is well explained by Zhao (2006) model. So as to build a strong perceived value marketers have to work hard creating added value that could satisfy customers earned loyalty (Taylor *et. al.*, 2004).

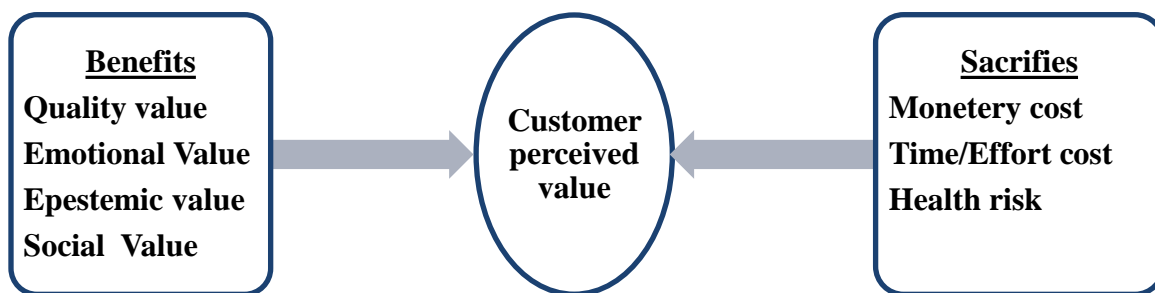


Figure 2.7: Customer Perceived Value Model from Zhao 2006.

One component of scarifies in perceived value is monetary cost/price and as theories supported the more supplier of goods and service as well as their offerings the more price declines. Number of banks in Ethiopia for the past ten years increased by nine (NBE 2005, NBE 2010 and NBE 2014). Distributing this figure equally for ten years on average 0.9 banks are established in the country in one year this growing number of banking service supplier in turn lowers price and enable customers experience better perceived value from competitors. Perceived value is the difference between the value offered and cost incurred so this lower cost in the industry allow the customer to experience higher perceived value from competitors and attracted to them this let the researcher choose the variable, perceived value, as one dimension.

2.4.5 Culture and brand loyalty

Culture can influence consumer thoughts and actions (Herbig, 1998; Trompenaars, 1994), there by affecting decision-making styles and purchase behaviors. Culture is a complex and widely researched subject (Hofstede, 1980; Trompenaars, 1994; Triandis, 1995) that can be defined as “the collective programming of the mind, which distinguishes the members of one human group from another” (Hofstede, 1980).

Kotler and Keller (2012) regard reference groups as the most important consumer buying organization in society beside this they also confirm that the possibility that young individuals remain loyal to family brands is high. McDougall and Chantrey (2004) maintains that family and culture play an integral role in purchasing behavior and brand loyalty he also supports family introduces a psychological dimension to brand loyalty in that it indirectly promises security and trust through generations of use.

Hofstede’s framework however, is the most widely used and incorporates four cultural dimensions: 1. Individualism/collectivism, 2. Uncertainty avoidance, 3. Masculinity/Femininity and 4. Power distance (Hofstede, 1980) of these four cultural dimensions, individualism/collectivism has received the greatest attention. All the four dimensions are discussed in the paragraphs below.

Individualism is the degree to which members within a society integrate into groups (Yoo, 2009). The less the individualism the more the member of the society integrated into groups. Collectivism supports the creation of long-term buyer-seller relationships which in turn supports the creation of loyalty behavior (Yoo, 2009).

Uncertainty Avoidance is the extent, to which a culture programs its members to feel uncomfortable in unstructured, unknown, surprising or unusual situations (Hofstede, 1980). Individuals with high uncertainty avoidance do not readily accept changes. Therefore, consumers who score high in uncertainty avoidance would tend to exhibit higher proneness to brand loyalty (Hofstede, 1980).

Masculinity is a preference for assertiveness, achievement and material success; contrasted with femininity, which emphasizes relationships, modesty and caring for the weak (Hofstede, 1980). Because of this masculinity less influenced by the marketing mix, social and group norms. These

individuals buy what they like and stick to brands they like, therefore showing more proneness to brand loyalty.

Power Distance is the extent to which the members within a society accept and expect the power in organizations, and society, to be distributed unequally (Yoo, 2009). Consumers who score high in power distance accept inequality while those who score low do not. In an environment of low power distance, consumers buy what they desire without worrying about how others feel or think. Whereas in a high power distance setting, peers and superiors have a strong influence on the brands consumers buy. Because of this, consumers in a high power distance cultures constantly balance their purchases to match those in their reference groups. Consequently, these consumers are more prone to switching brands if their reference group does so.

As per the discussion made with different staffs of the bank found in lower and middle management level and from own observation the researcher understands Ethiopian society is expressed with: collectivism, masculinity, high uncertainty avoidance level and high power distance which all has a positive role for brand loyalty. So the researcher picked culture as one dimension of United Bank S.C brand loyalty dimension.

From the previous works reviewed and the arguments made; the researcher develops a brand loyalty determinant framework for United Bank S.C customers and it is depicted below.

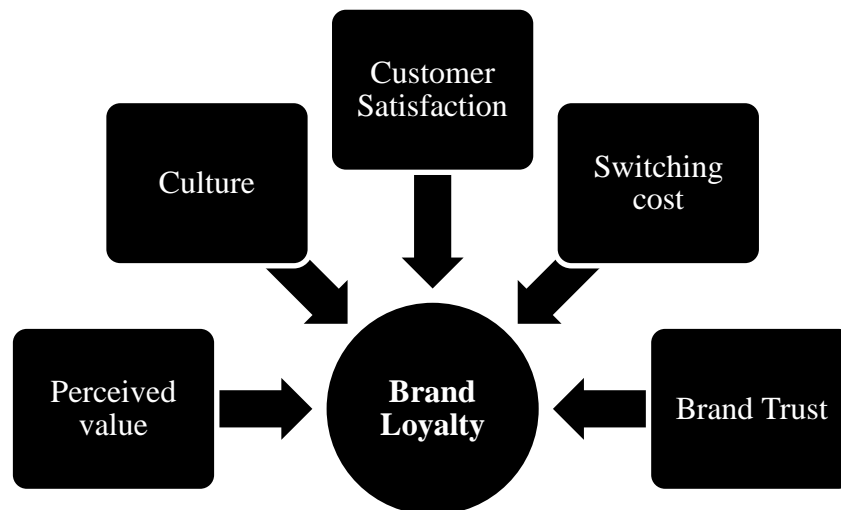


Figure 2.8: Brand loyalty determinants conceptual framework for United Bank S.C customers.

Source: Own work 2016. Note: \Rightarrow stands for “affect”

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter briefly explains the research methodology and some important points in conducting the research. The main areas covered in the chapter are: research type, research approach, time horizon, Population and Sampling, data collection, pilot testing, data analysis, validity, reliability and ethics.

3.2 Type of the research

Depending on the purpose of research scientific research projects can be of three types: exploratory, descriptive, and explanatory. Exploratory research is often conducted in new areas of inquiry, where the goals of the research are: scope out the magnitude or extent of a particular phenomenon, problem, or behavior, generate some initial ideas about that phenomenon, or test the feasibility of undertaking a more extensive study regarding that phenomenon. Descriptive research is directed at making careful observations and detailed documentation of a phenomenon of interest and it answers what, where, and when of a phenomenon. Explanatory research seeks explanations of observed phenomena, problems, or behaviors this research seeks answers to why and how types of questions using hypothesis testing (Bhattacharjee, 2012). This research work is both descriptive and explanatory.

3.3 Research approach

Research designs can be classified into two general categories- positivist and interpretive- depending how their goal in scientific research. Positivist studies are those that are used for theory (hypotheses) testing, while interpretive studies are those that are used for theory building. Popular examples of positivist designs include laboratory and field experiments, survey, secondary data analysis, and case research while examples of interpretive designs include case

research, focus group, grounded theory, action research, and ethnography (case research can be used for both theory building or theory testing, though not at the same time) (Bhattacharjee, 2012) and In this research survey method is adapted. Surveys are non-experimental designs that do not involve controlling for or manipulating independent variables or treatments. Field surveys capture snapshots of practices, beliefs, or situations from a random sample of subjects in field settings through a survey questionnaire or less frequently, through a structured interview. It is a popular and commonly used in business research and it allow the collection of large amount of data from a sizable population in highly economized way (Bhattacharjee, 2012). The survey method is conducted using structured questioner.

3.4 Time horizon

When planning for research there are two possible options in time perspective these are Cross-sectional and Longitudinal. Cross sectional: is a study in which a group(s) of individuals are composed into on a large sample and studied at only a single point of time while longitudinal is a study in which an individual or a group of individuals is observed over a period of time Saunders *et. al.* (2000). In this research cross-sectional study is applied.

3.5 Population and sampling

My population is customer of United Bank S.C. The total population of the bank is counted 439,136.00 and the total branch of the bank is 131 as of February 6, 2016. The branch of the bank is divided in to two based on their location named city branch and outline branch. City branches are branches found in Addis Ababa and outline branches are those found outside of Addis Ababa. From the total population 264,626 are found in city branches this is more than half 60.26 percent moreover, from the total branches of the bank 75 of the branches located at Addis Ababa in percentile it is 57.25 percent, which is more than half. Expressing this regarding the total area of Ethiopian and the capital city Addis Ababa can be elucidate as; Ethiopia as a whole accounts for total area of 1,104,300 KM² and the capital city has a total area of 527 Km² which is 0.00048 (0.048 percent) of the total area of the country. Moreover, the 75 branches (57.25 percent of the total branches) or 264,626 customers (60.26 percent of the total customers) of United Bank S.C found in the area 527 KM² (0.048 percent of the country area) the rest 56 branches (42.75 percent of the total branches) or 174,510 customers (39.74 percent of the total

customer) is found distributing in the area of 1,103,773 KM²(99.952 percent of the country area) this evidenced the high concentration of the customer as well as the branch in the capital city.

Due to the concentration of more than half customers as well as branches in Addis Ababa the researcher took city branches as sample frame of the population. After this the researcher pick branches in simple random method until the total sum of the chosen sample population to the total number of Addis Ababa customer is approximately equals to 60.26 percent this is done in order to approach the weighted proportion of Addis Ababa customer to total customer of United Bank S.C. In the 17th branch selected the proportion equals 60.72 percent and the total questionnaire distributed to these 17 branches proportionally all these sampling procedure step by step is clearly indicated in figure 3.1 and table 3.1. To avoid problem of filling more than one questioner by a single person the researcher allow a customer to fill the questioner in his/her home branch only- branch where the customer opens his/her bank account- and if the customer has more than one account in different branch he/she will be advised not to fill any additional questioner used by the same researcher.

The sample size for this study will be determined by using the formula developed by Krejcie and Morgan (1970). Sample size from the customers is calculated as follows:

$$n = \frac{\chi^2 N p (1 - p)}{d^2 * (N - 1) + \chi^2 p (1 - p)}$$

Where; n = required sample size.

χ^2 = table value of chi - square for one degree of freedom at the desired confidence level (3.841 for 0.95 confidence interval).

N = the given population in this case 439,136.00.

p= population proportion (assumed to be 0.5 since this would provide the maximum sample size.

d= the degree of accuracy set at 0.05. The above sample size equation give result of 383.76 ~ 384

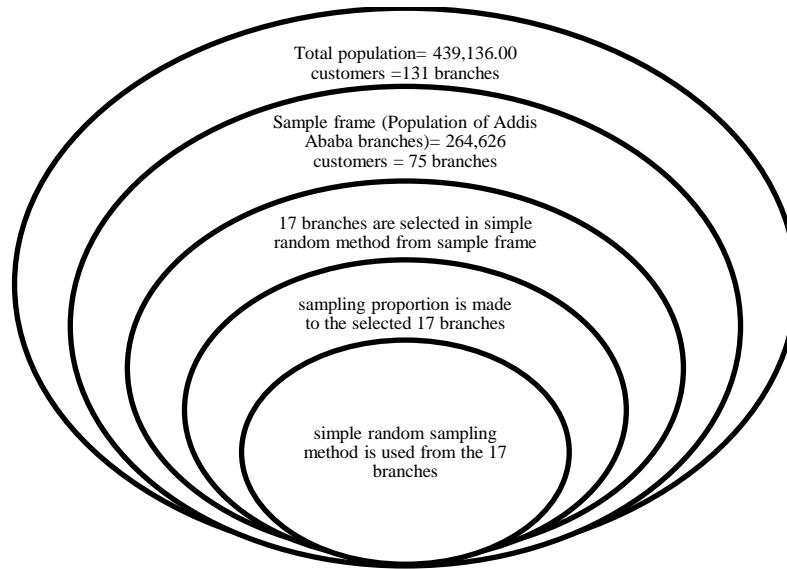


Figure 3.1: Population, Sample frame, Sampling, and proportional sampling

No	Branch	Sample population Size	Sample population Proportion in percentage	Total Sample	Sample Proportional of branches in number (Number of questionnaire)
1	Ayer Tena Branch	15,789	9.83 percent	384	38
2	Beklobet Branch	12,728	7.92 percent	384	30
3	Bisrate Gebriel Branch	5,998	3.73 percent	384	14
4	Bole Branch	8,597	5.35 percent	384	21
5	Bole Medehanialem Branch	8,918	5.55 percent	384	21
6	Gullele Branch	4,246	2.64 percent	384	10
7	Kality Branch	6,500	4.04 percent	384	16
8	Lagahar Branch	6,390	3.98 percent	384	15
9	Lideta Branch	10,259	6.38 percent	384	25
10	Mehal Arada Branch	9,754	6.07 percent	384	23
11	Mesalemia Branch	7,666	4.77 percent	384	18
12	Misrak Branch	19,042	11.85 percent	384	46
13	Shiro Meda Branch	15,709	9.78 percent	384	38
14	Welo Sefer Branch	5,191	3.23 percent	384	12
15	Yerer Ber Branch	9,948	6.19 percent	384	24
16	Kolfe Branch	7,541	4.69 percent	384	18
17	Birramba Branch	6,418	3.99 percent	384	15
Total		160,694	100 percent	-	384

Tabel 3.1: Proportional sampling determination for distributed questionnaire.

3.5 Data collection

Data collected using structured questioner developed by Prof Bisschoff and Salim (2014) “A Model to Measure the Brand Loyalty of Financial Institutions.” First all the questions were converted in to Amharic from English version by professional and licensed interpreters found around stadium named Stadium Translation Service. The translation by professionals’ help the respondents understand the questions with simple and appropriate language and also guide them to stick to the track of the question. Following this the researcher makes the questions to have marketing management touch applying the correct terminology of marketing management discipline. After then pilot test was conducted on them and small amendments are made on the questions.

The structured questioner has two parts: the first part is respondents’ demographic data and the second part is questions with regard to the five dimensions of brand loyalty determinants where each dimensions has different questions within it. The questions relative importance is measured through five scale likert method: 1-Strongly disagree, 2-Disagree, 3-Neither agree nor disagree,4-Agree and, 5-Strongly agree.

3.6 Pilot testing

It is important that all surveys are tested before the actual survey is conducted. This is done to ensure that the questionnaire is clear to respondents. Thus, it should be piloted on the sample to be used. Then they are interviewed on what they thought about the questionnaire, how it could be improved and if anything is missing. The pilot survey tests the following: wording of the questions, Sequence and layout of the questionnaire, and Analysis procedures. Additionally, pilot survey uses to help estimate both response rates and completion times Saunders *et, al.* (2000).

In this research a pilot test conducted by distributing 10 questioners to ensure the above stated points beside this a discussion was made between the researcher and the marketing and corporate planning staffs of the bank on some terminologies in the questions. Based on these amendments were made on the questioner. The validity of the research is also well understood from the pilot testing and the researcher conducted the reliability test in chapter four using Cronbach's alpha

3.7 Data analysis

Data analysis could be Qualitative analysis or quantitative analysis. Qualitative analysis is the analysis of qualitative data such as text data from interview transcripts. Unlike quantitative analysis it is heavily dependent on the researcher's analytic and integrative skills and personal knowledge of the social context where the data is collected. Numeric data collected in a research project can be analyzed quantitatively using statistical tools in two different ways these are descriptive analysis and inferential analysis. Descriptive analysis refers to statistically describing, aggregating, and presenting the constructs of interest or associations between these constructs. Inferential statistics are the statistical procedures that are used to reach conclusions about associations between variables. They differ from descriptive statistics in that they are explicitly designed to test hypotheses (Bhattacharjee, 2012). This research conducted on both descriptive statistics and inferential statistics. For the inferential statistics Logit model is applied.

Binary dependent variable is an example of a limited dependent variable. A limited dependent variable is broadly defined as a dependent variable whose range of values is substantively restricted. A binary variable takes on only two values, zero and one. Discreteness of the dependent does not in itself mean that linear models [simple linear regression and multiple linear regressions] are inappropriate; however, for dependent binary response the linear probability model has certain drawbacks (Gujarati, 2003). Limited dependent variable models can be used for time series and panel data, but they are most often applied to cross-sectional data (Wooldridge, 2002) and this research also took cross-sectional data collected from questioner. There are three approaches in developing a probability model for a binary response variable (Gujarati, 2003):

1. The linear probability model (LPM)
2. The Logit model
3. The Probit model

The linear probability model (LPM)

Linear regression model whose regressand (dependent variable) is binary, or dichotomous, it is called a linear probability model (LPM). As the name indicates the regressand is result of probability of the occurrence of the explanatory variable. Linear probability model is ordinary list square method estimate with dummy dependent variable. Its models can be seen as follows: Assuming $E(u_i) = 0$, to obtain unbiased estimators (Gujarati, 2003).

$$E(Y_i|X_i) = \beta_1 + \beta_2 X_i$$

This model has some limitations these are:

- a) Since $E(Y_i|X_i)$ in the linear probability model measures the conditional probability of the event Y occurring given X , it must necessarily lie between 0 and 1. But this can be violated in linear probability model.
- b) Non normality of u_i .
- c) Heteroscedasticity of u_i .
- d) Unreasonable low R^2

The Logit model

$$P_i = E(Y = 1|X_i) = \frac{1}{1 + e^{-(B_1 + B_2 X_i)}} = \frac{e^z}{1 + e^z}$$

Where $z = (B_1 + B_2 X_i)$

Features of logit model:

- a) As P goes from 0 to 1, the logit goes from $-\infty$ to $+\infty$. The probabilities lie between 0 and 1 (Gujarati, 2003). With simple mathematics as shown in the model ($P_i = \frac{e^z}{1+e^z}$) the numerator lessen the denominator by 1 this results in the P_i to be always less than one moreover, in exponential rule for any value of Z e^z where $e = 2.71828$ results in positive real number which let our Logit model in the comfort zone of non negative values. By then the limitation of linear probability model is solved.
- b) The estimated probability will be non-linear.
- c) Linear probability model assumes that P_i is linearly related to X_i , the Logit model assumes that the log of odds ratio is linearly related to X_i .

Assumptions of logit model:

Unlike linear regression logit model assumptions are simple. Logit model do not assume: Normal distribution is not assumed for the dependent variable, Homoscedasticity, Normally distributed description of error term (u_i) is not assumed. The below stated assumptions must held for logit regression

1. Assumes a linear relationship between the logit of the independent variables and Dependent variable. However, does not assume a linear relationship between the actual dependent and independent variables.
2. No Multicollinearity
3. The dependent variable should be dummy variable (for binary logistic regression).
4. The sample is large- reliability of estimation declines when there are only a few cases. At least 50 cases per predictor is recommended and this research has 343 cases per predictor, which is almost six to seven times.
5. The independent variables need not be interval level. (Wooldridge, 2002)

There are two models of logistic regression to include binomial/binary logistic regression and multinomial logistic regression. Binary logistic regression is typically used when the dependent variable is dichotomous and the independent variables are either continuous or categorical variables. When the dependent variable is not dichotomous and is comprised of more than two cases, a multinomial logistic regression can be employed. In this research binary logistic model is adapted. In the field of marketing Logit model used to test the brand preference and brand loyalty of any product (Vasisht, 2000).

The probit model

The third approaches to developing a probability model for a binary response variable is Probit model which also sometimes known as the Normit model. Probit and Logit models are quite similar, the widely mentioned difference between the two models is their variance: where Logit has relatively high variance relatively than that of Probit. In practice many researchers choose the Logit model because of its comparative mathematical simplicity (Gujarati, 2003).

As stated earlier Logit model with dichotomous/dummy dependent variable is applied in developing the model for brand loyalty determinants of United Bank S.C customers.

3.8 Validity

Validity is concerned with whether the findings are really about what they appear to be about (Saunders *et, al.*, 2000). In this research survey method is adapted and the data collection carried using structured questioner from work of Prof Bisschoff and Salim (2014) “A Model to Measure the Brand Loyalty of Financial Institutions.” The structured questioner is adapted from different scholars and widely used in brand loyalty research topic. Moreover, they also got tested in the work of Bisschoff and Salim (2014) and their validity is well understood.

3.9 Reliability

Reliability estimates the consistency of the measurement or more simply, the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects. Reliability is essentially about consistency. That is, if measuring something many times and the result is always the same, then it can be said that the measurement instrument is reliable. In other words, when the outcome of the measuring process is reproducible, the measuring instrument is reliable. Cronbach's alpha, also referred to as the coefficient alpha, used to determine the reliability of the data. Cronbach's alpha ranges from 0 no consistency to 1 absolute consistency. Scales with a coefficient between 0.80 and 0.95 are considered to have very good reliability, between 0.70 and 0.80 are considered to have good reliability, and value a coefficient between 0.60 and 0.70 indicates fair reliability. When the coefficient is below 0.6, the scale has poor reliability (Saunders *et, al.*, 2000). In this research work Cronbach's alpha is used in testing the reliability of the research instrument and strives for value 0.7 or more.

3.10 Ethics

Bhattacharjee, 2012 list out four ethical principles in scientific research these are:

- Voluntary participation and harmlessness.
- Anonymity and confidentiality.
- Disclosure the purpose of the research.
- Analysis and reporting should be fit with the real finding of the researcher.

In this research all the above ethics as well as other ethical concerns which are related to the conducted research are strictly uphold.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents, analyze, and interpret the data collected from United Bank S.C clients regarding their brand loyalty determinant factors. The chapter begins with samples and response rate figures and proceeds to demographic data presentation, testing reliability, diagnose assumptions for the Logit regression, model specification, hypothesis testing and at last discussion of results.

4.2 Sample and response rates

After distributing 384 questionnaires to customers 369 were returned back and from these 343 questionnaires were filled well and found out suitable for proceed the analysis, which is approximately 89.32 percent. The below descriptive and inferential statistical presentations, analysis and interpretations are from this data.

4.3 Descriptive statistics

4.3.1 Respondents profile

The questionnaire distributed has two parts. In part A the demographic data of the respondents are collected. Questions in section B is designed to capture variables customer satisfaction, switching cost, brand trust, perceived value and culture.

Looking at the age group of respondents many of the respondents fall in the age group 18-30 while the list respondents found in the age group >60. Coming across at the cumulative percentage more than half of the respondents, 67.30 percent, found in the age group 18-40 this can be clearly seen from table 4.1.

From the total respondents male group respondent accounts for 222 out of 343 which is 64.7 percent and female respondents are 35.3 percent. This can reveal that more than half of the respondents are male. Looking at respondents with regard to account type almost more than half, 60.1 percent, of the respondents are saving account holder following this current account holders

accounts for 25.4 percent. Overdraft account holder, interest fee account holders and other type of accounts found out having a percentage share of 12.0 percent, 2.0 percent and 0.6 percent respectively. Coming to the monthly income of the total respondents around 41.1 percent of the respondents earn a monthly salary from birr 3,001.00 to birr 10,000.00. Respondents in the income group birr 0.00- birr 1,000.00 and birr 1,001.00 - birr 3,000.00 has a percentage share of 1.2 percent and 9.9 percent. Moreover, respondents in the income group birr 10,001.00 to birr 20,000.00 and > birr 20,000.00 accounts 19.5 percent and 28.3 percent respectively. The detail

Variables	Frequency	Percentage
Age of respondents		
18-30	128	37.3
31-40	103	30.0
41-60	73	21.3
>60	39	11.4
Gender of respondents		
Male	222	64.7
Female	121	35.3
Account type of respondents		
Saving	206	60.1
Current	87	25.4
Interest free	7	2.0
Overdraft	41	12.0
Others	2	0.6
Monthly Income in birr		
0.00-1,000.00	4	1.2
1,001-3,000.00	34	9.9
3,001-10,000.00	141	41.1
10,001-20,000.00	67	19.5
> 20,000.00	97	28.3

Table 4.1: Respondents profile

Source: Questionnaire survey finding (2016).

From the above table it is concluded that many of the respondents fall in the age group of 18-40 and male group gender. Many of the respondents income category fall under birr 3,001.00 – birr 10,000.00 and more than half of the respondents possess saving account. Now let us proceed to the descriptive analysis of variables.

4.3.2 Descriptive analysis of variables

There are five variable identified as determinants of United Bank’s customer brand loyalty after critical literatures review under chapter two. These variables are customer satisfaction, switching cost, brand trust, perceived value and culture. The preceding paragraphs describe every question with their statistical values.

As shown in the table 4.2 the mean statistics of the four questions under customer satisfaction is greater than three which is the average this is due to the repetitive response for values four and five this can be seen from the mode value of table 4.3. The only exception whose mean value less than three is question number four (I do not repeat purchase if I am dissatisfied about bank’s brand). The total brand loyalty variance explained by customer satisfaction is 49.921 percent (Objective 2).

These mean values show the respondents has a more than average satisfaction in the service of the bank and this is recommended to get enhanced since the variable significantly affect the brand loyalty of the customer.

	N	Minimum	Maximum	Mean	Std. Deviation	Variance explained
I am very satisfied with United Bank Brand.	343	1	5	4.10	.915	49.921 percent
Distinctive product attributes in the bank keeps me brand loyal.	343	1	5	3.76	1.089	
My loyalty towards the bank brand increases when I am satisfied about its brand	343	1	5	4.22	.888	
I do not repeat a purchase if I am dissatisfied about bank’s brand	343	1	5	2.86	1.420	
I attain pleasure from United banks service.	343	1	5	4.04	.981	
Valid N (listwise)	343					

Table 4.2: Descriptive Statistics and variance explained for customer satisfaction Source: Questionnaire survey finding (2016)

	I am very satisfied with United Bank Brand.	Distinctive product attributes in the bank keeps me brand loyal.	My loyalty towards the bank brand increases when I am satisfied about its brand	I do not repeat a purchase if I am dissatisfied about bank's brand	I attain pleasure from United banks service.
N	Valid	343	343	343	343
	Missing	0	0	0	0
Median	4	4	4	3	4
Mode	4	4	5	1	4

Table 4.3 Median and Mode statistics for questions under customer satisfaction

Source: Questionnaire survey finding (2016)

The second variable is switching cost with five representative questions under it. The mean, median and mode value of these questions can be seen from table 43.4 and table 4.5. Four of the five questions have a mean value greater than three and one question has value lower than the average value three. However, the values of the means are not much far from the average. This can be rationalized and seen from table 4.5 where the median for all the questions except question number four is three. The total brand loyalty variance explained by switching cost is 49.618 percent (Objective 2).

	N	Minimum	Maximum	Mean	Std. Deviation	variance explained
I do not switch Bank brand because of the high cost implications.	343	1	5	3.01	1.319	49.618 percent
I do not switch Bank brand because of the effort required to reach a level of comfort.	343	1	5	3.10	1.358	
I avoid switching United Bank's brand due to the risks involved.	343	1	5	2.94	1.309	

I switch Bank brand according to the prevailing economic condition.	343	1	5	3.39	1.263
I prefer not to switch united bank's brand as I stand to lose out on the benefits from loyalty programs.	343	1	5	3.08	1.275
Valid N (listwise)	343				

Table 4.4 Descriptive Statistics and variance explained for switching cost

Source: Questionnaire survey finding (2016)

Switching cost is the lowest variable that explains the variance of brand loyalty this variable has a mean value of 3.8 which most of the respondents believe switching cost is the barrier for their changing bank brand. This result of descriptive statistics later tested using inferential statistics using regression and found out to be that the Banks' clients do not become loyal to United Bank S.C due to the switching cost barriers they face in finding new Bank brand. This result gets highlighted by the lower brand loyalty variance explained by switching cost.

	I do not switch Bank brand because of the high cost implications.	I do not switch Bank brand because of the effort required to reach a level of comfort.	I avoid switching United Bank's brand due to the risks involved.	I switch Bank brand according to the prevailing economic condition.	I prefer not to switch united bank's brand as I stand to lose out on the benefits from loyalty programs.
N	Valid	343	343	343	343
	Missing	0	0	0	0
Median	3	3	3	4	3
Mode	2	4	2	4	3

Table 4.5 Median and Mode statistics for questions under switching cost.

Source: Questionnaire survey finding (2016)

Brand trust has all its four questions under it with mean value greater than 3.5 whose the average response rates are favoring united bank. The first two questions with high mean 4.16 and 4.13 are question number one (I trust United Bank’s brand) and question number two (I have confidence in United bank’s brand) respectively. The median and the mode for all the questions are 4 this pulls the result above average value. The total brand loyalty variance explained by brand trust is 70.316 percent(Objective 2).

	N	Minimum	Maximum	Mean	Std. Deviation	Variance explained
I trust united bank’s brand.	343	1	5	4.16	.855	70.316 percent
I have confidence in united bank’s brand.	343	1	5	4.13	.911	
united bank’s brand service has consistently high quality.	343	1	5	3.92	1.041	
The reputation of united bank’s brand is a key factor in maintaining me brand loyalty.	343	1	5	3.63	1.152	
Valid N (listwise)	343					

Table 4.6 Descriptive Statistics and variance explained for brand trust

Source: Questionnaire survey finding (2016)

As can be seen brand trust has the highest aggregate mean variable as compare to the other four variables and found out to be the first significantly influential variable so the bank should work hard in earning the trust of its customers. The trust of the customers in the bank includes: the reputation of the bank, the confidence of the customer on the delivery of the right service, confidentiality, and relay on the ability of the Bank and its staffs on carrying out their job properly. This will give the customer a relief from choosing the wrong brand with inappropriate capability whose consequences are worse especially with financial discrepancies.

		I trust united bank's brand.	I have confidence in united bank's brand.	united bank's brand service has consistently high quality.	The reputation of united bank's brand is a key factor in maintaining me brand loyalty.
N	Valid	343	343	343	343
	Missing	0	0	0	0
Median		4.00	4.00	4.00	4.00
Mode		4	4	4	4

Table 4.7 Median and Mode statistics for questions under brand trust

Source: Questionnaire survey finding (2016)

Like brand trust perceived value has all mean score more than the average value 3. The highest mean value question is the question which relates brand loyalty with product/service quality & expected performance, 3.90, table 4.8. The least question with low mean value is the question which deals with emotional attachment of customers with united bank's brand, 3.22. The highly frequently answer given for all the four questions customer is agree this can be seen from table 3.9 value of mode. The median for all the questions is four except question number two whose median is two. The total brand loyalty variance explained by perceived value is 53.713 percent (Objective 2).

	N	Minimum	Maximum	Mean	Std. Deviation	Variance explained
My united bank's brand loyalty is based on product quality and expected performance.	343	1	5	3.90	1.084	53.713 percent
I have an emotional attachment with united bank's brand.	343	1	5	3.22	1.326	

Price worthiness is a key influence in my loyalty towards united bank's brand.	343	1	5	3.34	1.243
united bank's brand enhances my social self-concept.	343	1	5	3.40	1.145
Valid N (listwise)	343				

Table 4.8 Descriptive Statistics and variance explained for perceived value

Source: Questionnaire survey finding (2016)

Perceived value has a mean score of 3.46 (Table 4.12) this shows that more than average of the respondents favorably responds to the perceived value they have for the Bank's brand. Enhancing the perceived value of the customer has a great advantage in maintain the loyalty of customers especially in the current banking industry trend of Ethiopia where many competitors are entering in the industry and customers have a wide chance of experiencing a superior perceived value from these Bank service providers.

		My united bank's brand loyalty is based on product quality and expected performance.	I have an emotional attachment with united bank's brand.	Price worthiness is a key influence in my loyalty towards united bank's brand.	united bank's brand enhances my social self-concept.
N	Valid	343	343	343	343
	Missing	0	0	0	0
Median		4.00	3.00	4.00	4.00
Mode		4	4	4	4

Table 4.9 Median and Mode statistics for questions under perceived value.

Source: Questionnaire survey finding (2016)

The fifth variable culture has a highest mean value of 3.08 and lower mean value of 2.36. Agree is the highly frequently chosen answer and the median for all the questions are 3 except question number three which relate brand loyalty with religion of respondents whose median is 2 and its mode is 1. The total brand loyalty variance explained by culture is 68.930 percent (Objective 2).

	N	Minimum	Maximum	Mean	Std. Deviation	Variance explained
My choice of united bank's brand is in keeping with the choice made by other members in my race group.	343	1	5	3.08	1.477	68.930 percent
My loyalty towards united bank's brand is based on the choice of Bank brand used by my family.	343	1	5	2.96	1.427	
Religion plays a role in my choice and loyalty of united bank's brand.	343	1	5	2.36	1.375	
Since united bank's brand is family used Bank brand I indirectly feel secured.	343	1	5	3.06	1.436	
Valid N (listwise)	343					

Table 4.10 Descriptive Statistics and variance explained for culture

Source: Questionnaire survey finding (2016)

Culture is the last variable according to the mean rank of the five variables, however, inferential analysis of the regression shows the variable is the second more influencing factor following brand trust. This culture include the use of the Bank brand in line with the family and race members, religious and other social values the customers has. Many respondents give their voice that religious has a little with their brand loyalty with the Bank. The variance explained by this variable is also the second highest which equals to 68.930 percent.

		My choice of united bank's brand is in keeping with the choice made by other members in my race group.	My loyalty towards united bank's brand is based on the choice of Bank brand used by my family.	Religion plays a role in my choice and loyalty of united bank's brand.	Since united bank's brand is family used Bank brand I indirectly feel secured.
N	Valid	343	343	343	343
	Missing	0	0	0	0
	Median	3.00	3.00	2.00	3.00
	Mode	5	4	1	4

Table 4.11 Median and Mode statistics for the questions under culture

Source: Questionnaire survey finding (2016)

To recap the descriptive of the five variable: customer satisfaction, switching cost, brand trust, perceived value and culture and rank the variables according to their mean value, table 4.13. From high to low mean value the variables can be ranked as: Brand trust first, customer satisfaction second, perceived value third, switching cost fourth and culture fifth.

	N	Mean
Brand Trust	343	3.96
Customer satisfaction	343	3.80
Perceived value	343	3.46
Switching cost	343	3.10
Culture	343	2.87
Valid N (listwise)	343	

Table 4.12 Mean statistics of the five variables from higher value to lower value

From the descriptive analysis it is found that the loyalty of united bank customers gets increased if they are satisfied with the service they obtain. Beside this the respondents also have a high level of trust, confidence and satisfaction on united bank. To the contrary the respondents respond they are not agreeing that their loyalty to united bank is influenced by their religion. The respondents also give response they will continue to seek United Bank S.C for their banking service need even if they are dissatisfied.

The finding of Capgemini & EFMA (2012) suggests high satisfaction level, 67 percent and low trust level, 8 percent of customers in Middle East and Africa: in addition to this their work also discover the highest rates of distrust exist in the Middle East and Africa (50 percent), despite of high satisfaction level. However, this research work reveals this situation is not reflected in United Bank S.C.

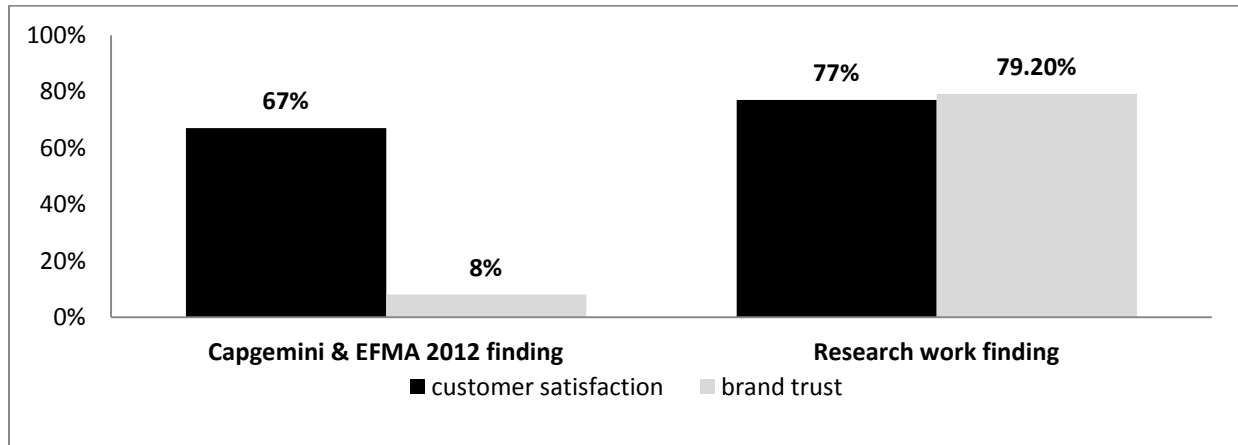


Figure 4.1: Comparing the satisfaction and brand trust finding of Capgemini& EFMA 2012 and this research work.

4.4 Validity and reliability

4.4.1 Validity

In this research survey method is adapted and the data collection carried using structured questioner from work of Prof Bisschoff and Salim (2014) “A Model to Measure the Brand Loyalty of Financial Institutions.” The structured questioner is adapted from different scholars and is widely used in brand loyalty research topic plus they also get tested in the work of Bisschoff and Salim (2014) and their validity is well understood.

4.4.2 Reliability

Cronbach Alpha is used to test the reliability of each of the brand loyalty influences in the model. The reliability is regarded to be satisfactory when the Alpha coefficient is equal to or exceeds 0.70 (Field, 2007). However, a lower Cronbach alpha coefficient was set at 0.58 by Cortina (1993) (in Field, 2007) when interval scales are used to measure human behavior (such as the Likert scale in this model). This study strives to Cronbach’s Alpha 0.70 or more.

Variables	Valid Cases	No. of Items	Cronbach's Alpha
Customer satisfaction	343	5	0.615
Switching cost	343	5	0.707
Brand trust	343	4	0.847
perceived value	343	4	0.706
Culture	343	4	0.849

Table 4.13: Reliability statistics

Source: Questionnaire survey finding (2016)

All the Cronbach's Alpha of the variables as shown in table 4.13 exceeds 0.7 except for the variable customer satisfaction. However, in defense of the lower Cronbach Alpha coefficients, Cortina (1993) (in Field, 2007) states that even a reliability coefficient of 0.28 can be regarded as significant, especially if reverse scores (negative scores) are present within the factor (Field, 2007) in this case the factor customer satisfaction in its question number four (CSTRMR_SAT4) has a reverse score question. Ultimately, the customer satisfaction reliability is accepted basing the lower value set of Cortina (1993); moreover, 0.615 is a way greater than the lower limit 0.28.

4.5 Correlation

Correlations are the most basic and most useful measure of association between two or more variables. Expressed in a single number called a correlation coefficient (r), correlations provide information about the direction of the relationship, either positive or negative. If two variables tend to move in the same direction they would be considered to have a positive or direct relationship. Alternatively, if two variables move in opposite directions they are considered to have a negative or inverse relationship. Correlation coefficients range from -1.0 to $+1.0$. The coefficient value itself indicates the strength of the relationship. In general, correlations of ± 0.01 to ± 0.30 are considered small; correlations of ± 0.30 to ± 0.70 are considered moderate, correlations of ± 0.70 to ± 0.90 are considered large, and correlations of ± 0.90 to ± 1.00 are considered very large (Marczyk G *et.al*, 2005). Table 4.14 indicates the correlation of the five independent variables.

As can be seen from the correlation table all the correlation coefficients are significant at 1 percent level of significant and all the correlation coefficients show a positive sign indicating that the variables tend to move on the same direction. The strengths of the variables correlation fall on the range of small and moderate (Objective 5). This small and moderate correlation of variables indicates some inference about less or no multicollinearity problem in our data this concept and other assumptions which Logistics regression demands discussed in the topic 4.6.

		Brand loyal to United Bank S.C.	Customer satisfaction	Switching cost	Brand trust	Perceived value	Culture
Brand loyal to United Bank S.C.	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	343					
Customer satisfaction	Pearson Correlation	.437**	1				
	Sig. (2-tailed)	.000					
	N	343	343				
Switching cost	Pearson Correlation	.226**	.288**	1			
	Sig. (2-tailed)	.000	.000				
	N	343	343	343			
Brand trust	Pearson Correlation	.623**	.533**	.264**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	343	343	343	343		
Perceived value	Pearson Correlation	.441**	.387**	.388**	.486**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	343	343	343	343	343	
Culture	Pearson Correlation	.318**	.227**	.411**	.217**	.439**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	343	343	343	343	343	343

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

Table 4.14 Correlations of variables.

Source: Questionnaire survey finding (2016)

4.6 Testing assumptions for logit regression

As discussed in chapter three when the dependent variable “Y” is a binary response the model is called a linear probability model (LPM). As the name indicates the regressand is result of probability of the occurrence of the explanatory variable. In this research the dependent variable Loyalty takes binary response of 1=Loyal and 0= Not loyal. With concrete justification the researcher picked logit model for the regression analysis in chapter three. Unlike, simple linear regression model or multiple regression model Logit models assumptions are easy. In Logit model: normal distribution is not necessary for the dependent variable, homoscedasticity is not assumed, normally distributed description of error term (u_i) is not assumed, and independent

variables need not be interval level (Wooldridge, 2002). In this topic multicollinearity of the variables and test for the linearity of the logit model got tested.

Multicollinearity is high correlation among some of the independent variables. Then what are the practical consequences of multicollinearity (Gujarati, 2003)?

1. Large variances and covariances, making precise estimation difficult.
2. Because of consequence 1, the confidence intervals tend to be much wider, leading to the acceptance of the “zero null hypothesis” (i.e., the true population coefficient is zero) more readily.
3. Also because of consequence 1, the t ratio of one or more coefficients tends to be statistically insignificant.
4. Although the t ratio of one or more coefficients is statistically insignificant, R^2 , the overall measure of goodness of fit, can be very high.
5. Estimators and their standard errors can be sensitive to small changes in the data.

As can be seen from table 4.15 all the variables has variance inflation factor (VIF) below 10 this indicates no multicollinearity problem.

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Customer Satisfaction	.681	1.469
	Switching Cost	.759	1.317
	Brand Trust	.623	1.605
	Perceived Value	.617	1.622
	Culture	.738	1.356

a. Dependent Variable: BRAND LOYAL TO UNITED BANK S.C.

Table 4.15: Multicollinearity problem test of VIF

Source: Questionnaire survey finding (2016)

In test for the linearity of the logit model one must compute variable which is natural logarithm (ln) of the independent variables and include them in the log regression as an interaction variable

with the main independent variable. If the included interaction variable is insignificant one can conclude the linearity of the logit model. The below SPSS output result for the interaction variable under column sig. (bold and underline values) confirms the linearity of the logit model at 1 percent level of significance; because all their values are greater than one percent. This can be seen from table 4.16.

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Customer_Satisfaction	1.669	4.893	.116	1	.733	5.308
	Switching_Cost	3.525	4.529	.606	1	.436	33.947
	Brand_Trust	2.532	8.718	.084	1	.771	12.583
	Perceived_Value	-3.788	3.975	.908	1	.341	.023
	Culture	-2.385	2.275	1.099	1	.294	.092
	Customer_Satisfaction By Ln_Customer_Satisfaction	-.493	2.282	.047	1	<u>.829</u>	.611
	Ln_Switching_Cost By Switching_Cost	-1.779	2.255	.622	1	<u>.430</u>	.169
	Brand_Trust By Ln_Brand_Trust	.097	3.980	.001	1	<u>.981</u>	1.102
	Ln_Perceived_Value By Perceived_Value	2.339	2.011	1.353	1	<u>.245</u>	10.372
	Culture By Ln_Culture	1.800	1.254	2.061	1	<u>.151</u>	6.049
	Constant	- 10.887	14.120	.594	1	.441	.000

Table 4.16: Test for linearity of the logit model

Source: Questionnaire survey finding (2016)

4.7 Model specification

In running the binary logit model two blocks appear: Block 0 and Block 1. Before proceeding describing to these blocks let us see case processing summary and dependent variable encoding output window. The case processing summary window explains the included number of cases in running the model. As shown in the table 4.17 343 cases are included and no missing value is experienced. And in the dependent variable encoding table the dependent variable is seen as dummy which is coded as “1” for brand loyal and “0” for not brand loyal.

Unweighted Cases ^a		N	Percent
Selected Cases	Included in Analysis	343	100.0
	Missing Cases	0	.0
	Total	343	100.0
Unselected Cases		0	.0
Total		343	100.0

a. If weight is in effect, see classification table for the total number of cases.

Table 4.17: Case Processing Summary
Source: Questionnaire survey finding (2016)

Original Value	Internal Value
NO	0
YES	1

Table 4.18: Dependent Variable Encoding
Source: Questionnaire survey finding (2016) deeds

4.7.1 The initial model: Logit model with only constant variable (Block 0)

Block 0 presents the results with only the constant included before any coefficients (i.e. those relating to customer satisfaction, switching cost, brand trust, perceived value and culture) are entered into the equation. Logistic regression compares this model with a model including all the predictors (customer satisfaction, switching cost, brand trust, perceived value and culture) to determine whether the latter model is more appropriate. The classification table shows that the model classify the loyalty of customers to United Bank S.C brand excluding the independent variables 84.8%.

	Observed		Predicted		
			Brand Loyal To United Bank S.C.		Percentage Correct
			NO	YES	
Step 0	Brand Loyal To United Bank S.C.	NO	0	52	.0
		YES	0	291	100.0
	Overall Percentage				84.8

a. Constant is included in the model.

b. The cut value is .500

Table 4.19: Classification TableBlock 0.
Source: Questionnaire survey finding (2016)

Variable in the equation table, table 4.20, shows the constant (β_0) has value of 1.722 and significant at 1 percent, 5 percent and 10 percent level of significance. This model is only with constant β_0 ; excluding the selected independent variable. To test the significance of the excluded variables “variables not in the equation table” is displayed and show us the sig value as can be seen from table 4.21.

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	1.722	.151	130.830	1	.000	5.596

Table 4.20: Variables in the Equation Block 0.

Source: Questionnaire survey finding (2016)

The variables not in the equation table, table 4.21, tell us whether each independent variable improves the model. The answer is “yes” because all the five variables will contribute to the model because they are significant at 1 percent level of significance”.

		Score	df	Sig.	
Step 0	Variables	Customer_Satisfaction	65.470	1	.000
		Switching_Cost	17.510	1	.000
		Brand_Trust	133.272	1	.000
		Perceived_Value	66.834	1	.000
		Culture	34.609	1	.000
	Overall Statistics	151.321	5	.000	

Table 4.21: Variables not in the Equation Block 0.

Source: Questionnaire survey finding (2016)

The logit model of block 0, block excluding predictor variables has Log Likelihood 291.880 and can be seen from table 4.22. This figure is expected to get lower in later case and help us testing the overall significance of the estimated model; just like the F-test in linear regression model.

Iteration		-2 Log likelihood	Coefficients					
			Constant	CUSTOMER_SATISFACTION	SWITCHING_COST	BRAND_TRUST	PERCEIVED_VALUE	CULTURE
Step 1	1	195.540	-3.821	.236	-.067	.851	.178	.189
	2	143.358	-7.311	.423	-.081	1.456	.373	.380
	3	125.268	-10.827	.571	-.045	2.029	.574	.596

	4	120.707	-13.621	.671	.029	2.470	.730	.768
	5	120.237	-14.876	.716	.073	2.666	.795	.842
	6	120.230	-15.055	.723	.080	2.694	.803	.853
	7	120.230	-15.058	.723	.081	2.695	.803	.853
	8	120.230	-15.058	.723	.081	2.695	.803	.853

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 291.880

d. Estimation terminated at iteration number 8 because parameter estimates changed by less than .001.

Tabel 4.22: Iteration History

Source: Questionnaire survey finding (2016)

4.7.2 The final model: Logit model including the five dependent variables

4.7.2.1 Classification table

It is often want to look at the proportion of cases one have managed to classify correctly. For this it is need to look at the classification table printed out by SPSS, which tells us how many of the cases where the observed values of the dependent variable were 1 or 0 respectively have been correctly predicted. In the Classification table, the columns are the two predicted values of the dependent, while the rows are the two observed (actual) values of the dependent. In a perfect model, all cases will be on the diagonal and the overall percent correct will be 100 percent. In our case as can be seen from table 4.23 the model correctly classified the cases, loyal and not loyal, 91.8 percent.

Observed		Predicted			
		Brand Loyal To United Bank S.C.		Percentage Correct	
		NO	YES		
Step 1	Brand Loyal To United Bank S.C.	NO	33	19	63.5
		YES	9	282	96.9
	Overall Percentage				

a. The cut value is .500

Table 4.23: Classification TableBlock 1

4.7.2.2 Log likelihood ratio or Model chi-square: Overall significance of the model

The overall significance is tested using the Model Chi square, which is derived from the likelihood of observing the actual data under the assumption that the model that has been fitted is accurate. Large values of the log-likelihood statistic indicate poorly fitting statistical models that is why the model which include the predictor variables are expected to have lower value as compared to the model with only the constant. The difference between $-2\log$ likelihood for the best-fitting model and $-2\log$ likelihood for the null hypothesis model (in which all the b values are set to zero in block 0) is distributed like chi squared, with degrees of freedom equal to the number of predictors; this difference is the Model chi square that SPSS refers to (Field, 2007). The likelihood ratio test is given by the equation 4.1 and helps us decide the overall significance of the model estimated; just like F-test in linier regression. LR_{UR} is log-likelihood of unrestricted model (model with only the constant) and LR_R is log-likelihood of restricted model (model including explanatory variable). In this case [171.65=291.880-120.230] this can be seen from table 4.22, table 4.24 and table 4.25 and the result support the overall significant of the model at 1 percent level of significance [the value is significant at a .01 level and so it indicated that the overall model is predicting whether a customer is loyal or not loyal significantly better than it was with only the constant included.]; look sig value of table 4.24 for decision.

$$\xi = 2LR_{UR} - 2LR_R = 2(LR_{UR} - LR_R)$$

Equation 4.1: Log Likelihood ratio

		Chi-square	df	Sig.
Step 1	Step	171.650	5	.000
	Block	171.650	5	.000
	Model	171.650	5	.000

Table 4.24: Omnibus Tests of Model Coefficients

Source: Questionnaire survey finding (2016)

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	120.230 ^a	.394	.687

Table 4.25: Model Summary

Source: Questionnaire survey finding (2016)

4.7.2.3 Nagelkerke's R²

Nagelkerke's R² is part of SPSS output in the 'Model Summary' table and is the most-reported of the R-squared estimates. In our case it is 0.687. Indicating 68.7 percent of the variation of the dependent variable is explained by the logistic model with five independent variables: Customer satisfaction, Switching cost, Brand trust, Perceived value, and culture.

4.7.2.4 The Logit model for the study.

After checking all the assumption and explaining the detail SPSS result in this topic the researcher discuss the final logit model predicted by the software analyzing all the fed data. Table 4.26 shows the beta coefficients of the predictor variables: customer satisfaction, switching cost, brand trust, perceived value and culture with the intercept β_0 where the dependent variable is brand loyal to United Bank S.C. Value 1 takes for loyal clients and value 0 takes for not loyal clients.

		B	S.E.	Wald	df	Sig.	Exp(B)	95 percent C.I. for EXP(B)	
								Lower	Upper
Step 1 ^a	Customer_ Satisfaction	.723	.371	3.799	1	.051	2.060	.996	4.263
	Switching_ Cost	.081	.361	.050	1	.824	1.084	.534	2.200
	Brand_ Trust	2.695	.467	33.271	1	.000	14.804	5.925	36.989
	Perceived_ Value	.803	.330	5.932	1	.015	2.233	1.170	4.261
	Culture	.853	.268	10.102	1	.001	2.346	1.387	3.970
	Constant	-15.058	2.427	38.498	1	.000	.000		

Tabel 4.26: Logit model for the study.

Source: Questionnaire survey finding (2016)

$$P(BL) = \frac{e^{0.723C.S+2.695B.T+0.803P.V+0.853C-15.058}}{1 + e^{0.723C.S+2.695B.T+0.803P.V+0.853C-15.058}}$$

Equation of the logit model of being brand loyal to united bank

Where:

P(BL): Probability of being brand loyal to United Bank S.C brand

C.S: Customer Satisfaction

B.T: Brand Trust

P.V: Perceived value

C: culture

The Variables in the Equation table has several important elements. The Wald statistic and associated probabilities provide an index of the significance of each predictor in the equation. The Wald statistic has a chi-square distribution. The simplest way to assess Wald is to take the significance values and if the value is less than 0.05 the predictor can be taken as significantly variable affecting loyalty of clients. From table 3.26 brand trust and culture affect the brand loyalty of United Bank S.C customers at 1 percent, 5 percent and 10 percent level of significance positively; moreover, perceived value affect brand loyalty of United Bank S.C clients at 5 percent and 10 percent level of significance positively and customer satisfaction affect brand loyalty of United Bank S.C clients at 10 percent level of significance positively (Objective 1). Switching cost does not significantly affect the loyalty of United Bank S.C customers. Following this let us now proceed to hypothesis testing.

Ordering these significant brand loyalty determinants of United Bank S.C clients in their descending order is the third specific objective of this research. To order the variables: β values, EXP (β) values, significance levels and variance explained are considered. Considering all these brand trust is the first significant determinant followed by culture, perceived value and the last one is customer satisfaction (Objective 3). The three figures are summarized in the table 4.27 below.

Variable	β	EXP (β)	sig level	Variance explained	Rank
Brand Trust	2.695	14.804	.000	70.316 percent	1 st
Culture	.853	2.346	.001	68.930 percent	2 nd
Perceived Value	.803	2.233	.015	53.713 percent	3 rd
Customer satisfaction	.723	2.060	.051	49.921 percent	4 rd

Table 4.27: Ranking/ordering of significant brand loyalty determinates

4.8 Hypothesis testing

The researcher give five hypothesis in chapter one after critical literature review now let us check whether these hypotheses given by the researcher is supported or rejected by this study.

Hypothesis	Independent variable	Dependent variable	Hypothesized sign and significance	Result from the logit model
H1	Customer satisfaction	Brand loyalty	Positive and significance	Accepted*
H2	Switching Cost		Positive and significance	Rejected
H3	Brand trust		Positive and significance	Accepted***
H4	Perceived value		Positive and significance	Accepted**
H5	Culture		Positive and significance	Accepted***

Table 4.28: Hypothesis testing.

“*”Stands for hypothesis accepted at 10 percent level of significance, “**” Stands for hypothesis accepted at 5 percent& 10 percent level of significance and “***” stands for hypothesis accepted at 1 percent, 5 percent and 10 percent level of significance.

Hypothesis 1: Customer satisfaction and brand loyalty

Hypothesis one hypothesized customer satisfaction of united bank clients has a positive and significant effect on their loyalty to the bank’s brand. From the predicted model which can be seen from table 4.28 this hypothesis is supported at 10 percent level of significance.

Hypothesis2: Switching cost and brand loyalty

The researcher hypothesized positive and significant effect of switching cost of united bank customers on their brand loyalty to the bank. The estimated logit model reveals switching cost is insignificant variable on maintaining united bank customers loyal this can be seen from the sig value table 4.28. As stated in the literature searching and effort cost for searching convenient banking service by Ethiopian bankable population got decreased because of escalating bank branch expansion as well as the entrance of new banks in the industry. Their increase accessibility is revealed by bank branch to population in the country in the last ten years decrease from 1:185,000.00 in 2005 to 1:39,402 in 2014 (NBE 2005 and NBE 2014). This implies customer now find alternative bank service in their arm length. Beside these the increasing availability of E-banking system in the country minimizes the role of switching cost in maintain customer brand loyal.

Hypothesis3: Brand trust and brand loyalty

The third hypothesized the researcher developed was a positive and significant effect of brand trust on brand loyalty of united bank clients. This hypothesis is accepted at 1 percent, 5 percent and 10 percent level of significance.

Hypothesis4: Perceived value and brand loyalty

It was expected perceived value of united bank clients has a positive and significant effect on their loyalty to the bank's brand and the findings of the research work reveal significance value 0.016, so that, perceived value has significant effect on brand loyalty of united bank clients.

Hypothesis5: Culture and brand loyalty

The last hypothesis given by the researcher was positive and significant effect of culture on brand loyalty of United Bank S.C customers. This hypothesis is accepted by the estimated model of the research at 1 percent, 5 percent and 10 percent level of significance.

From table 4.28 one can recap that hypothesis three and five are accepted at 1 percent, 5 percent and 10 percent level of significance, hypothesis four is accepted at 5 percent and 10 percent level of significance and hypothesis one is significant at 10 percent level of significance. The remaining, hypothesis two, is not supported. This lead us to infer brand loyalty of united bank customers is significantly affected by their satisfaction from the service of the bank, by their trust on united Bank's brand, their perceived value and their culture.

4.9 Discussions of the results

In this section detail discussions are done based on the binary logit regression results presented in the previous section. The findings are linked with theories in order to provide a wider perspective.

The banking industry is a highly sensitive sector which demands a strong and unshakable trust of the transacting party as it deals with the monetary transaction of the customers and engaged in the balancing of the financing demand and supply through its mechanisms of loan and other portfolio strategies. This concept also supported by Morgan and Hunt (2004) who define trust as assurance/assertion in an exchange partner's reliability. Moreover, trust is an important factor in true consumer brand loyalty argued by (Oliver 1999) this is also true in United Bank S.C customers and trust also leveled as the first significant factor for the brand loyalty of the banks customer compared to the other four factors. This result is also consistent and supported with the finding of Ali *et, al.* (2014) which was done in the banking industry of Pakistan. In addition Kassim and Abdullah (2010) found trust as a significant factor in customer brand loyalty in the banking sector in two cultural contexts, Malaysia and Qatar.

Following brand trust culture is the second most influential and significant factor in influencing the brand loyalty of United Bank S.C clients. This finding can be proven by the theories of Yoo (2009) and Hofstede (1980). Cultures who are described in collectivism and/or high power distance supports the creation of long-term buyer-seller relationships which in turn supports the creation of loyalty behavior (Yoo, 2009) as compared to societies that is characterized by individualism and/or low power distance. Again societies whose culture reflect masculinity and/or high uncertainty avoidance has the trait of being brand loyal as compared to societies with femininity and/or low uncertainty avoidance Hofstede (1980). The Ethiopian society is more of dominated with these traits (collectivism, high power distance, masculinity and high uncertainty avoidance) that enhance loyalty and this makes the variable culture significance and positive in affecting brand loyalty of United Bank customers. As comparing culture with the other three significant brand loyalty determinants (Brand trust, Customer satisfaction and Perceived value) it do not demand the prior direct experience of the customer to become loyal. Taking Brand trust, Customer satisfaction and Perceived value they all must be experienced first by customer in

order to develop loyalty but in addition to experience of the service the dimension culture contributes its role in building loyalty of clients indirectly through families, friends, peer groups and the like. This has the indication of maintaining good relation with existing customers has a trickledown effect in holding other customers loyal.

Perceived value also found out to be the third significant factor in affecting the loyalty of United Bank S.C customers positively this result is supported in the findings of Nebyou (2014). This perceived value of customers should have get an emphasis in developing the loyalty of clients. The other variable the research finds which significantly and positively affects brand loyalty of United Bank clients is customer satisfaction this finding also in line with Megdadi *et, al.* (2013) and Ali *et, al.* (2014). Oliver (1980) explained that customer satisfaction arises when customers weigh their perceptions of actual service performance against their expectations which leads to loyalty of clients. Theories also support positive relation between customer satisfaction and brand trust. Unexpectedly Capfemini & EFMA report (2012) summarize high satisfaction level, and low trust level of customers in Middle East and Africa, however, this finding do not supported in this research work and the researcher concludes the satisfied customers account 77 percent and their trust level is 79.2 percent.

The researcher discovers switching cost is not a factor in maintain customers of United Bank S.C brand loyal to the bank. This finding is supported from Salim (2011) which identified switching cost is not a significant determinant of customer brand loyalty in South Africa banking sector. However, switching cost is significant in maintain the clients of Pakistan Ali *et, al.* (2014).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

In this chapter the main findings, conclusion, recommendation and academic and practical implications of the study are presented. First, the major findings from the descriptive and binary logistic regression are summarized. Then, conclusions are followed. Subsequently, recommendations, limitations and recommendations for future researcher are presented.

5.2 Summary of major findings

- ✓ From the total respondents most of them fall in the age group 18-30, 37.3 percent and the least share is by age group greater than 60 which accounts for only 11.4 percent. Looking the cumulative percentage of age group 18-40 it is 67.3 percent. From respondents in the age group 18-30 82.03 percent of them respond they are brand loyal and 17.97 percent of them they reveal they are not brand loyal to the bank.
- ✓ The mean statistics of the five dimensions: customer satisfaction, switching cost, brand trust, perceived value and culture is 3.80, 3.10, 3.96, 3.46 and 2.87 moreover; the variance explained by the dimensions is 62.40 percent, 61.63 percent, 70.32 percent, 53.14 percent and 68.93 percent respectively. From these figures it is seen that brand trust has the high variance explain power and mean value.
- ✓ From the descriptive analysis the researcher found that the loyalty of united bank customers gets increased if they are satisfied with the service they obtain. Beside this the respondents also have a high level of trust, confidence and satisfaction on united bank. To the contrary the respondents respond they are not agreeing that their loyalty to united bank is influenced by their religion. The respondents also give response they will continue to seek United Bank S.C for their banking service need even if they are dissatisfied. The satisfaction and trust level of respondents are 77 percent and 79.2 percent.

- ✓ As can be seen from the correlation table 4.14 all the correlation coefficients of brand loyalty determinant factors are significant at 1 percent level of significant and all the correlation coefficients show a positive sign indicating that the variables tend to move on the same direction. The strengths of the variables correlation fall on the range of small and moderate.
- ✓ To identify the statistically significant brand loyalty determinants binary logistic regression was carried out. According to the model four dimensions are found to be significantly affecting the brand loyalty behavior of United Bank S.C customers these are: Customer satisfaction, brand trust, perceived value and culture. Brand trust and culture are significant at 1 percent, 5 percent and 10 percent level of significant and perceived value at 5 percent and 10 percent level of significance and customer satisfaction at 10 percent. From the proposed brand loyalty affecting factors the only variable which is found insignificant in affecting brand loyalty of United Bank S.C customers is switching cost.
- ✓ The researcher also rank the significant brand loyalty determinants of United Bank S.C clients in their descending order. To level the variables four things are considered these are: β value, EXP (β) value, significance level and variance explained by each variables. Considering all these brand trust is the first significant determinant followed by culture, perceived value and the last one is customer satisfaction.

5.3 Conclusion

The research conducted brand loyalty determinants of United Bank S.C taking a sample from Addis Ababa customers using questionnaire. 384 questionnaire were distributed and 343 were collected and found suitable for further analysis. Using the results of descriptive and logit model the below discussed conclusions are made.

Those customers who believe they received distinctive product attribute and pleased with this offerings have high chance to be brand loyal to the bank. So United Bank S.C should offer satisfying banking service, if possible outstanding service as compared to the competitors, for its

customers to make them more loyal to its brand since it is concluded that customer satisfaction has a significant role in maintain brand loyalty of clients.

The customers of United Bank do not affected by: the scarification and risk they might face in changing bank rand, the time required to reach level of comfort with new bank brand, high cost implication of searching and finding new bank and the anxiety of losing benefits of loyalty program if they change bank brand. As a result the bank should work on building a banking service environment which retains customers since switching cost has no any significance in holding customers loyal.

If the service provided by the bank is with consistently high quality and has a high level of trust and confidentiality and the customer believe these things are really exist in United Bank system supported with good reputation of the bank in the society the customers will be loyal to the bank. This shows the demand of the customer to build trust in the bank with no any negative service experience in their relation. This infers those who trust the bank has high chance of being loyal to the bank than those who doesn't trust.

Bear in mind the above concepts customers of the bank also demands the fairness and competitive price level as well as excellent product quality which meet their expected performance for their banking service need. It is concluded that if the perceived value of the bank is enhanced so does the loyalty of the customers too. The research work also concludes the dimension culture has a significant and positive effect in making customers of the bank brand loyal.

As an inference the customer of United Bank S.C significantly and positively affected by customer satisfaction, brand trust of the customer on the bank, perceived value the clients perceive and culture.

5.4 Recommendations

Understanding factors that retain consumers as loyal is a vital competitive tool in the banking industry where products and service offerings are near to same and difficult to distinguish. This research identifies the main rationales behind in holding customers as brand loyal to United Bank

S.C. In this part based on the main findings and literatures reviewed the researcher recommend issues to get focus in the brand loyalty of United Bank S.C clients and these are:

- Managers as well as employees in non managerial positions should provide a service that will create and assure satisfaction, and a which build the trust and confidence of the customer.
- From the finding of Diborah Mamo (2014) the five service quality dimensions tangibles, reliability, responsiveness, empathy and assurance significantly affect satisfaction of United Bank S.C customers and the finding of this research work reveals the statistically significant effect of customer satisfaction in brand loyalty of the bank's clients. Therefore, the bank should give a high emphasis for these service quality dimensions so that satisfaction will be created which in turn makes the customers brand loyal to the bank.
- Banks are financial intermediary agent between those in financial surplus and those in financial deficit, especially in financing area Kassim and Abdullah (2010) and trust of clients is a crucial dimension to retain customers loyal in case of United Bank S.C. Therefore, the bank especially the marketing department should work intensively in building brand trust of clients.
- The bank should set commission rate, interest rate, and other related fees in line with the market price, since the perceived value has a significant and positive effect on loyalty of customer.
- The bank should also work on consistent quality service delivery.
- The marketing department should build and win feeling of belongings in the mind of the customers through integrated marketing communication. This help in building the loyalty of clients.
- Switching cost has insignificant effect in holding customers brand loyal to the bank. This is because the customers didn't face service supplier shortage and any switching barrier around. Therefore, the bank should work more on its accessibility to the customer and be in the arm length of clients using different methods like: new branch and sub branch opening, convenient automated teller machine location, user friendly internet banking service, mobile banking service, agent banking and others. These coverage strategies may be easily imitated by competitors and their existence may not significantly enhance brand loyalty of clients, however their absence will switch customers to other bank service provider. One thing to get emphasis in the technology touch strategies of accessing customers nearly is security issue

which may put the trust of customers in question mark, therefore, the information technology department of the bank in alliance with risk and compliance department should handle this issue.

- Since the frequently given answer for the questions “my loyalty towards united bank’s brand is based on the choice of bank brand used by my family” and “since united bank’s brand is family used bank brand I indirectly feel secured” in the dimension of culture is agree the bank should identify businesses that run by family member/group and attract the business lines and sister companies under them to its umbrella.

5.5 Limitation of the research

The researcher employs his effort to the best of his capacity to make this work a fruitful and applicable in the studied area, however, some limitations are there on it. These limitations are due to resource constraint and research methods. One of the limitations of this research is; it only covers branches found in Addis Ababa only. Though the researcher give a rationale why including branches that found in Addis Ababa only it would be better to cover all the branches in country wide. This research also has all the limitations of simple random sampling method.

5.6 Further area of research

Bear in mind all the discussions and explanations above the researcher would like to insight for further area of research. It is advisable to include many other brand loyalty determinant dimensions in addition to those who are adopted in this research work. The researcher also likes to recommend for further research that cover the branches of the bank in the entire country in its study. In third place it is recommended that to see the interaction effect of customer satisfaction and brand trust to each other towards brand loyalty of clients.

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Appendices

Appendices

Appendix 1: Questionnaire (English)

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

Questionnaire for customers of United Bank S.C in English

Dear respondents any information gathered by this questioner will be use to conduct a study for the partial fulfillment of Masters Degree in Marketing Management in Addis Ababa University School of Commerce. This questioner is prepared to identify and analyze determinants of customer brand loyalty in United Bank S.C. I would like to guarantee you any information gathered by this questioner will not be used for any further use except for the preparation of masters thesis and will be kept in confidential manner. I thank you for giving me your precious time.

Note:

- Please fill this questionnaire only on your will.
- Please put "✓" in your answer which you believe it is appropriate
- Please fill this questioner only in the branch where you open your account.
- Please avoid filling more than one questioner.
- For any question please call +251 913 175 726 or contact me on my email address

abelwithu@gmail.com, Abel Mehari.

Thank You.

Section A

Please put "✓" for the answer of the below questions A-D.

A) Age

1. 18-30
2. 31-40
3. 41-60
4. 61+

B) Gender

1. Male
2. Female

C) Your account type /If you have one account please tick the account you use most/

1. Saving account
2. Current account
3. Interest free account
4. Overdraft account
5. Others.

D) Monthly income in birr

1. 0.00-1,000.00
2. 1,001.00-3,000.00
3. 3,001.00 - 10,000.00
4. 10,001.00 – 20,000.00
5. >20,000.00

Section B

Please put "√" for the answer of the below questions from 1-22. The possible answers are

- 1 Strongly disagree (SD),
- 2 Disagree (D),
- 3 Neither agree nor disagree (N),
- 4 Agree (A) or
- 5 Strongly agree (SA)

	Code	Questions	1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
Customer satisfaction							
1	CSTMR_SAT01	I am very satisfied with United Bank Brand.					
2	CSTMR_SAT02	Distinctive product attributes in the bank keeps me brand loyal.					
3	CSTMR_SAT03	My loyalty towards the bank brand increases when I am satisfied about its brand.					
4	CSTMR_SAT04	I do not repeat a purchase if I am dissatisfied about bank's brand.					
5	CSTMR_SAT05	I attain pleasure from United banks service.					
Switching Cost							
6	SWCH_CST01	I do not switch Bank brand because of the high cost implications.					
7	SWCH_CST02	I do not switch Bank brand because of the effort required to reach a level of comfort.					
8	SWCH_CST03	I avoid switching United Bank's brand due to the risks involved.					
9	SWCH_CST04	I switch Bank brand according to the prevailing economic condition.					
10	SWCH_CST05	I prefer not to switch united bank's brand as I stand to lose out on the benefits from loyalty programs.					

Brand Trust						
11	BRND_TRST01	I trust united bank's brand.				
12	BRND_TRST02	I have confidence in united bank's brand.				
13	BRND_TRST03	United bank's brand service has consistently high quality.				
14	BRND_TRST04	The reputation of united bank's brand is a key factor in maintaining me brand loyalty.				
Perceived Value						
15	PCVD_VLU01	My united bank's brand loyalty is based on product quality and expected performance.				
16	PCVD_VLU02	I have an emotional attachment with united bank's brand.				
17	PCVD_VLU03	Price worthiness is a key influence in my loyalty towards united bank's brand.				
18	PCVD_VLU04	United bank's brand enhances my social self-concept.				
Culture						
19	CLTR01	My choice of united bank's brand is in keeping with the choice made by other members in my race group.				
20	CLTR02	My loyalty towards united bank's brand is based on the choice of Bank brand used by my family.				
21	CLTR03	Religion plays a role in my choice and loyalty of united bank's brand.				
22	CLTR04	Since united bank's brand is family used Bank brand I indirectly feel secured.				

23. LOY From the above response do you find yourself brand loyal to United Bank's brand?

Yes No

Appendix 2: Questionnaire (Amharic)

**አዲስ አበባዩኒቨርሲቲ
ንግድ ስራ ትምህርት ኮሌጅ**

ለሕብረት ባንክ አ.ማ ደንበኞች የተዘጋጀ መጠይቅ በአማርኛ

ውድ መልስ ሰጪዎች በዚህ መጠይቅ የሚሰበሰቡ ማንኛውም መረጃ በአዲስ አበባ ዩኒቨርሲቲ-የንግድ ስራ ትምህርት ኮሌጅ ለገበያ አስተዳደር የትምህርት ክፍል ለሁለተኛ ዲግሪ የጥናት ጽሁፍ ማሟያ የሚውል ነው። ይህ መጠይቅ የሕብረት ባንክ ደንበኞችን የብራንድ ታማኝነት ውህደት ለመለየት የሚውል ሲሆን የምትሰጡት ማንኛውም መረጃ ከሁለተኛ ዲግሪ የጥናት ጽሁፍ ማሟያ ሰነድ ውጪ ለሌላ ለማንኛውም አላማ እንደማይውል እና በሚስጥር እንደሚጠበቅ አረጋግጧል። ጊዜ ስለሰጣችሁኝ አመሰግናለሁ።

ማስታወሻ:

- ✓ መጠይቁን በመልካም ፈቃዳችሁ ብቻ ይሙሉ።
- ✓ በምታምኑበት መልስ ላይ የ"✓" ምልክት ያድርጉ።
- ✓ ይህንን መረጃ የምትሞሉት ሒሳብ በከፊታችሁበት ቅርንጫፍ ብቻ ይሁን።
- ✓ ከአንድ በላይ መጠይቅ አትሙሉ።
- ✓ ለማንኛውም ጥያቄ በስልክ ቁጥር +251 913 175 726 ወይም በኢሜል አድራሻ abelwithu@gmail.com አቤል መሐሪ ብለው ሊያገኙኝ ይችላሉ።

አመሰግናለሁ።

ክፍል 1

በምታምኑበት መልስ ላይ የ"✓" ምልክት ያድርጉ።

ሀ) ዕድሜ

- 1. 18-30
- 2. 31-40
- 3. 41-60
- 4. 61+

ለ) ጾታ

- 1. ወንድ
- 2. ሴት

ሐ) የሒሳብዎ አይነት /ከአንድ በላይ ሒሳብ ካሎት በአብዛኛው የሚጠቀሙትን ብቻ ይምረጡ/

- 1. የቁጠባ ሒሳብ
- 2. ተንቀሳቃሽ ሒሳብ
- 3. ከወለድ ነፃ ሒሳብ
- 4. አቨርድራፍት ሒሳብ
- 5. ሌሎች

መ) የወር ገቢ በብር

- 1. 0.00-1,000.00
- 2. 1,001.00-3,000.00
- 3. 3,001.00-10,000.00
- 4. 10,001.00-20,000.00
- 5. ከ20,000.00 በላይ

ክፍል 2

እባክዎ ከተራ ቁጥር 1-22 ላሉት ጥያቄዎች በምታምኑበት መልስ ላይ የ”√” ምልክት ያድርጉ። አማራጭ መልሶቹም የሚከተሉት ናቸው።

- 1 በጣም አልሰማማም (በአ)
- 2 አልሰማማም (አ)
- 3 ተስማምቻለሁ አልተስማማሁም (ተአ) ወይም ገለልተኛ (ገ)
- 4 እስማማለሁ (እ)
- 5 በጣም እስማማለሁ (በእ)

ተ. ቁ.	መለዩ	ጥያቄ	1 (በአ)	2 (አ)	3 (ተአ) (ገ)	4 (እ)	5 (በእ)
የደንበኞች እርካታ							
1	ሲ.ኤስ.ቲ. መ.አር_ ኤስ.ኤ.ቲ 1	በሕብረት ባንክ ብራንድ በጣም እርካታ ተሰምቶኛል።					
2	ሲ.ኤስ.ቲ. መ.አር_ ኤስ.ኤ.ቲ 2	ባንኩ የሚሰጠው ልዩና በሌሎች ባንኮች የማይገኝ አገልግሎት ለብራንዱ ታማኝ እንድሆን ያደርገኛል።					
3	ሲ.ኤስ.ቲ. መ.አር_ ኤስ.ኤ.ቲ 3	በባንኩ/ በባንኩ ብራንድ ያለኝ እርካታ ሲጨምር ለባንኩ ያለኝ ታማኝነት ይጨምራል።					
4	ሲ.ኤስ.ቲ. መ.አር_ ኤስ.ኤ.ቲ 4	በባንኩ/ በባንኩ ብራንድ አገልግሎት ያልረካሁ ከሆነ በባንኩ በድጋሚ መገልገል አልፈልግም።					
5	ሲ.ኤስ.ቲ. መ.አር_ ኤስ.ኤ.ቲ 5	በሕብረት ባንክ /በሕብረት ባንክ ብራንድ አገልግሎት ደስተኛ ነኝ።					

ባንክ የመቀየሪያ ያወጪ

6	ኤስ.ደብ ሊ.ው.ሲ. ኤች_	ሊያስከትለው ከሚችሉ ተጨማሪ ወጪ ሌላ ባንክ/ሌላ የባንክ ብራንድ አልቀይርም።				
	ሲ.ኤስ.ቲ 1					
7	ኤስ.ደብ ሊ.ው.ሲ. ኤች_	ምቶት ያለው የባንክ አገልግሎት ለማግኘት ጥረት ስለሚጠይቅ ሌላ ባንክ /የባንክ ብራንድ አልቀይርም።				
	ሲ.ኤስ.ቲ 2					
8	ኤስ.ደብ ሊ.ው.ሲ. ኤች_	ያልተጠበቀ አሉታዊ ሁኔታ/ሪስክ ሊያጋጥመኝ ስለሚችል የሕብረት ባንክን /የሕብረት ባንክ ብራንድን አልለውጥም።				
	ሲ.ኤስ.ቲ 3					
9	ኤስ.ደብ ሊ.ው.ሲ. ኤች_	እንደ የወቅቱ ምጣኔ ሀብቴያዊ /ኢኮኖሚያዊ ሁኔታ ባንክ/የባንክ ብራንድ እቀይራለሁ።				
	ሲ.ኤስ.ቲ 4					
1 0	ኤስ.ደብ ሊ.ው.ሲ. ኤች_	ሕብረት ባንክ ደንቦች ታማኝ እንደሆኑ እንዲቀጥሉ ለማበረታታት የሚዘጋጀውን የደንበኝነት ፕሮግራም የሚያስገኘውን ጥቅም ጥቅም ላለማጣት የሕብረት ባንክን ብራንድ አልለውጥም።				
	ሲ.ኤስ.ቲ 5					

ብራንድ ላይ ያለ እምነት

1 1	ቢ.አር.ኤን .ዲ_	እኔ በሕብረት ባንክ ብራንድ እምነት አለኝ።				
	ቲ.አር.ኤስ .ቲ 1					
1 2	ቢ.አር.ኤን .ዲ_	እኔ በሕብረት ባንክ ብራንድ እተማመናለሁ።				
	ቲ.አር.ኤስ .ቲ 2					

1 3	ቢ.አር.ኤን .ዲ_	የህብረት ባንክ ብራንድ አገልግሎት ቀጣይነትና ወጥነት ያለው ከፍተኛ ጥራት አለው።					
	ቲ.አር.ኤስ .ቲ 4						
1 4	ቢ.አር.ኤን .ዲ_	የህብረት ባንክ ብራንድ መልካም ስም/ዝና ታማኝ ሆኖ እንድቀጥል የሚያስችለኝ ቁልፍ ምክንያት ነው።					
	ቲ.አር.ኤስ .ቲ 5						
ታሳቢ እሴት							
1 5	ፒ.ሲ.ቪ. ዲ_	ለህብረት ባንክ ብራንድ ያለኝ ታማኝነት በአገልጋሎት ጥራት እና በሚጠበቅ ስራ አፈጻጸም ላይ የተመሰረተ ነው።					
	ቪ.ኤል.ዩ 1						
1 6	ፒ.ሲ.ቪ. ዲ_	ከህብረት ባንክ ብራንድ ጋር ስሜታዊ የሆነ ግንኙነት/ትስስር አለኝ።					
	ቪ.ኤል.ዩ 2						
1 7	ፒ.ሲ.ቪ. ዲ_	የአገልግሎት ዋጋ ትክክለኛነት ለህብረት ባንክ ብራንድ ላለኝ ታማኝነት ቁልፍ ምክንያት ነው።					
	ቪ.ኤል.ዩ 3						
1 8	ፒ.ሲ.ቪ. ዲ_	የህብረት ባንክ ብራንድ ማህበራዊ ግለግምቴን/ግላዊ ጽንሰ ሃሳቤን ከፍ ያደርገዋል።					
	ቪ.ኤል.ዩ 4						
ማህበራዊ እና ባህላዊ							
1 9	ሲ.ኤል.ቲ. አር 1	የህብረት ባንክ ብራንድ ምርጫ ዩኒቨርሲቲ የማህበረሰብ/የዘር አባሎቼ የባንክ ምርጫ ጋር የተስማማ ነው።					
2 0	ሲ.ኤል.ቲ. አር 2	ለህብረት ባንክ ብራንድ ያለኝ ታማኝነት የቤተሰቤን የባንክ ምርጫ መሰረት ያደረገ ነው።					
2 1	ሲ.ኤል.ቲ. አር 3	ለህብረት ባንክ ብራንድ ምርጫዬ እና ለባንኩ ያለኝ ታማኝነት ሃይማኖቴ ሚና ይጫወታል።					
2 2	ሲ.ኤል.ቲ. አር 4	የህብረት ባንክ ብራንድ ቤተሰቤ የሚጠቀመው የባንክ ብራንድ እንደ መሆኑ በተዘዋዋሪ መንገድ አስተማማኝነቱን ያረጋግጥልኛል።					

23. ኤል.ኤ.ዋይ ከላይ ከሰጡት መልስ ተነስተው ራስዎን ለህብረት ባንክ ብራንድ ታማኝ ሆነው አግኝተዋል?

አዎአይ

Appendix 3: Source of questionnaire

S.No	Code		Source
Questions for customer satisfaction dimension			
1	CUS01	I am very satisfied with United Bank S.C Brand.	Delgado and Munuera-Aleman (2003)
2	CUS02	Distinctive product attributes in the bank keeps me brand loyal.	Saaty (1994).
3	CUS03	My loyalty towards the bank brand increases when I am satisfied about its brand.	Anderson and Sullivan (1993)
4	CUS04	I do not repeat a purchase if I am dissatisfied about bank's brand.	Chen and Liu (2004)
5	CUS05	I attain pleasure from United Bank S.C service.	Leuthesser and Kohli (1995)
Questions for switching cost dimension			
6	SCR01	I do not switch Bank brand because of the high cost implications.	Klemperer (1987)
7	SCR02	I do not switch Bank brand because of the effort required to reach a level of comfort.	Beggs and Klemperer (1992)
8	SCR03	I avoid switching United Bank S.C brand due to the risks involved.	Prof Bisschoff and Salim (2014)
9	SCR04	I switch Bank brand according to the prevailing economic condition.	Kim, Kliger and Vale (2003)
10	SCR05	I prefer not to switch United Bank S.C brand as I stand to lose out on the benefits from loyalty programs.	Klemperer (1987)
Questions for brand trust dimension			
11	BTS01	I trust United Bank S.C brand.	Halim (2006)
12	BTS02	I have confidence in United Bank S.C brand.	Morgan and Hunt (1994)
13	BTS03	United Bank S.C brand service has consistently high quality.	Reast (2005)
14	BTS04	The reputation of United Bank S.C brand is a key factor in maintaining me brand loyalty.	Reast (2000)
Questions for perceived value dimension			
15	PVL01	My brand loyalty to United Bank S.C is based on product quality and expected performance.	Olson (2008)
16	PVL02	I have an emotional attachment with United Bank S.C brand.	Petromilli, Morrison and Million (2002)
17	PVL03	Price worthiness is a key influence in my loyalty towards United Bank S.C brand.	Punniyamorthy and Raj (2007)

18	PVL04	United Bank S.C brand enhances my social self-concept.	Punniyamorthy and Raj (2007)
Questions for cultural dimension			
19	CUL01	My choice of United Bank S.C brand is in keeping with the choice made by other members in my race group.	Prof Bisschoff and Salim (2014)
20	CUL02	My loyalty towards United Bank S.C brand is based on the choice of Bank brand used by my family.	Kotler (2011)
21	CUL03	Religion plays a role in my choice and loyalty of United Bank S.C brand.	Prof Bisschoff and Salim (2014)
22	CUL04	Since United Bank S.C brand is family used Bank brand I indirectly feel secured.	McDougall and Chantrey (2004)
Question used to measure brand loyalty of clients dependent factor			
23	LOY	From the above response do you find yourself brand loyal to United Bank S.C?	Helen, M. (2014)

- All the source of the questionnaire for the independent factors is adapted by reading the work of Prof Bisschoff and Salim (2014) “A Model to Measure the Brand Loyalty of Financial Institutions.”

Appendix 4: Questionnaire interpreted by professionals in to Amharic

ስታዲየም የትርጉም ሥራ አገልግሎት

Stadium Translation Service

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መጠይቅ

ውድ መላሾች፣ በዚህ መጠይቅ አማካኝነት የሚሰበሰብ ማንኛውም መረጃ በአዲስ አበባ የኒቨርሲቲ በንግድ ትምህርት ቤት ለምክታተላው የማርኬቲንግ ስራ አመራር የማስተርስ ዲግሪ ክፍል ማሟያነት ብቻ ነው የሚውሉት።

ይህ መጠይቅ የተዘጋጀው በዩናይትድ ባንክ ኢ.ማ ውስጥ ደንበኞች ለብራንዱ ያላቸውን ታማኝነት የሚወስኑ ሁኔታዎችን ለይቶ ለማወቅ የተዘጋጀ ነው። በዚህ መጠይቅ የተሰበሰበ ማንኛውም መረጃ ለእኔ የማስተርስ የመመረቂያ ጽሁፍ ዝግጅት በስተቀር ለሌላ ለማንኛውም ተጨማሪ አላማ የማይውል መሆኑን ላረጋግጥልዎ እወዳለሁ።

ውድ ጊዜዎን ስለሰጡኝ አመሰግናለሁ።

ማስታወሻ፡- ትክክል ነው ብለው ባመነብት መልስ ትይይዩ ይህንን “✓” ምልክት እንዲያደርጉ በትህትና እጠይቃለሁ።
 ይህንን ቅጽ የባንክ ሂሳብዎን በክፍተት ቅርንጫፍ ላይ ብቻ እንዲሞሉ በትህትና እጠይቃለሁ።
 ከአንድ መጠይቅ በላይ እንዳይሞሉ በትህትና እጠይቃለሁ።
 ማንኛውም ጥያቄ ካለዎት +251 913 175 726 አቤል መሃሪ ብለው እንዲደውሉልኝ በእክብሮት እጠይቃለሁ።

ሀ. እድሜ

- 18-30
- 31-40
- 41-60
- > 60

ለ. ፆታ

1. ወንድ
2. ሴት

ሐ. የእርስዎ የሂሳብ ዓይነት


1. ቁጠባ ሂሳብ
2. ተንቀሳቃሽ ሂሳብ
3. ሌሎች

መ. ወርሃዊ ገቢ በብር

1. 0-1,000.00
2. 1,001.00-3,000.00
3. 3,001.00-10,000.00
4. 10,001.00-20,000.00
5. > 20,000.00

የታላቋ ኃይለ-ማርያም ሆስፒታል ስፔሻላይዜድ ስራ አገልግሎት

ዋና ሥራ አስኪያጅ
 Danfel H/Yesus W
 General Manager



ስታዲየም ትርጉም ሥራ ለሌላ ለማንኛውም ቤት ፊት ለፊት / Around Stadium Infront of Lalibelel Restaurant / Naannawaa Istaadiyoomii Riistoraantii Laalibalaa Fuuldura

ተ.ቁ	ክድ	ጥያቄዎች	1. በጣም አልተሰማም	2. አልተሰማም	3. ተሰማምኛለሁ	4. አልተሰማምም	5. በጣም አልተሰማምም	
የደንበኛ አርካታ								
1	ሲያኤስ1	በሀብረት ባንክ ብራንድ በጣም አርካታ ተሰምቶኛል።						
2	ሲያኤስ2	በባንኩ ውስጥ ያለው ለየት ያሉ የአገልግሎት አሰጣጥ ሁኔታዎች የብራንዱ ታማኝ ደንበኛ እንደሆን አድርጎኛል።						
3	ሲያኤስ3	በዚህ ብራንድ ላይ ባለኝ አርካታ የተወሰነ ለባንኩ ብራንድ ያለኝ ተአማኒነት ጨምሯል።						
4	ሲያኤስ4	በባንኩ ብራንድ ላይ አርካታ አጥቼ ቢሆን ኖሮ በድጋሚ ከአነርሱ ጋር አልገበያይም ነበር።						
5	ሲያኤስ5	ከሀብረት ባንክ አገልግሎት ደስታን አግኝቻለሁ።						
የመቀየሪያ ወጪ								
6	ኤስሲ.አር1	ባለው ክፍተኛ ወጪ ምክንያት የባንክ ብራንዱን ወደሌላ አልለውጥም።						
7	ኤስሲ.አር2	ምቾት እማገኝበት ደረጃ ድረስ ለመድረስ እምጠይቀውን ጥረት በመረዳት የባንክ ብራንዱን አልለውጥም።						
8	ኤስሲ.አር3	ባሉት የአደጋ ስጋቶች የተነሳ የሀብረት ባንክን ብራንድ ከመለወጥ እቆጠባለሁ።						
9	ኤስሲ.አር4	አሁን ባለው የኢኮኖሚ ሁኔታ መሰረት የባንክ ብራንድ ለውጥ አደርጋለሁ።						
10	ኤስሲ.አር5	ሰታማኝ ደንበኝነት የሚሰጡ ጥቅማጥቅሞችን ስለሚያሳጣኝ የሀብረት ባንክን ብራንድ ባልለውጥ						



ድንጋጌ/የሰው ጥያቄ
 ዋና ሥራ አስኪያፊ
 Daniel H/Yesus Wario
 General Manager

		እመርጣሰሁ።					
11	ኤስ.አር1	እኔ የሀብረት ባንክ ብራንድ አምነዋለሁ።					
12	ኤስ.አር2	እኔ በሀብረት ባንክ ብራንድ ላይ አምነቱን ጥያለሁ።					
13	ኤስ.አር3	የሀብረት ባንክ ብራንድ አገልግሎት የማይዛፍ አንድ ወጥ የሆነ ክፍተኛ ጥራት አለው።					
14	ኤስ.አር4	የሀብረት ባንክ ብራንድ ያለው መልካም ዝና እኔ የብራንዱ የምንገዜም ታማኝ አንድሆን አድርጎኛል።					
ተሳቢ እሴት							
15	ፒቪ.ኤል1	እኔ ለሀብረት ባንክ ብራንድ ያለኝ ታማኝነት ባላቸው የአገልግሎት ጥራት እና ክስብ በምጠብቀው አፈጻጸም ላይ የተሞረኮዘ ነው					
16	ፒቪ.ኤል2	እኔ ከሀብረት ባንክ ብራንድ ጋር ስነልዩናዊ ቁርኝት አለኝ					
17	ፒቪ.ኤል3	እኔ ለሀብረት ባንክ ብራንድ ላለኝ ታማኝነት ለማወጣው ወጪ የማገኘው ተመጣጣኝ ምላሽ ቁልፍ የሆነ ተጽእኖ ያለው ጉዳት ነው					
18	ፒቪ.ኤል4	የሀብረት ባንክ ብራንድ እኔ ስለማህብረሰቡ ያለኝን ግላዊ ጽንሰ ሃሳብ አጎልብቶልኛል።					
ባህል							
19	ሲ.ዩ.ኤል01	እኔ የሀብረት ባንክን ብራንድ የመረጥኩበት ምክንያት ሌሎች በእኔ የብሄር ቡድን ውስጥ ካሉት አባላት ካደረጉት ምርጫ ጋር የተጣጣመ ነው።					
20	ሲ.ዩ.ኤል02	እኔ ለሀብረት ባንክ ብራንድ ያለኝ ታማኝነት የእኔ ቤተሰብ የባንክ ብራንድ ምርጫ በመሆኑ ነው።					
21	ሲ.ዩ.ኤል03	እኔ የሀብረት ባንክን ብራንድ የመረጥኩበት					



ባንክ ጋራ ስራ
 ዋና ሥራ አስኪያጅ
 Daniel H/Yesus W
 General Manager

		ምክንያት እና ለብራንዱ ያሰኘ ታማኝነት ሃይማኖታዊ መሰረት ያለው ነው።					
22	ሲዩኤል04	ሀብረት ባንክ ብራንድ በቤተሰቤ አማካኝነት ለአገልግሎት ተመራጭ በመሆኑ ደህንነት ይሰማኛል።					

23. ከዚህ በላይ በሰጧቸው ምላሾች ተመርኩዘው እራስዎን ለሀብረት ባንክ ብራንድ ታማኝ ሆነው አግኝተዋል?

አዎ

አይ

ተፈርግል

አቤል መሃሪ

27/5/2008



Daniel H. Yesus Wana
 ስኳል/የክብ ጥና
 ጥና ሥራ አስኪያጅ
 Daniel H/Yesus Wana
 General Manager

Appendix 5: United Bank's S.C total number of customer per branch and per account type

S.NO	Branch name	Account Type				Total customer count per branch
		Current Account	Interest free banking accounts	Overdraft accounts	Saving accounts	
city branches						
1	Aba Koran Branch	113	38	1	615	767
2	Abune Petros Branch	106	65	2	623	796
3	Addisu Gebeya Branch	291	12	25	3,637	3,965
4	Africa Avenue Branch	466	8	18	1,268	1,760
5	Alem Bank Branch	18	82	0	282	382
6	Alemgena Branch	34	230	0	886	1,150
7	Arat Kilo Branch	68	23	1	554	646
8	Ayat Branch	21	5	0	392	418
9	Ayer Tena Branch	471	65	21	15,232	15,789
10	Balderas Branch	25	12	0	357	394
11	Beklobet Branch	1,278	34	52	11,364	12,728
12	Beshale Branch	32	11	0	370	413
13	Bethel Branch	109	124	2	595	830
14	Birramba Branch	671	17	23	5,707	6,418
15	Bisrate Gebriel Branch	387	37	28	5,546	5,998
16	Bole Branch	1,021	36	43	7,497	8,597
17	Bole Bulbula Branch	38	15	0	745	798
18	Bole Medehanialem Branch	1,045	11	31	7,831	8,918
19	Bomb Tera Branch	970	180	24	3,420	4,594
20	Burayu Branch	232	32	11	4,670	4,945
21	Cathedral Branch	248	95	11	901	1,255
22	Cmc Branch	670	42	9	9,937	10,658
23	Dukem Branch	9	1	0	52	62
24	Eca Branch	27	1	0	98	126
25	Ferensay Legasion Branch	12	6	0	686	704
26	Furi Branch	62	109	0	560	731
27	Gandi Branch	303	8	8	740	1,059
28	Gelan Dry Port Branch	0	0	0	39	39
29	Genet Branch	486	8	8	2,972	3,474
30	Gerji Branch	52	43	0	1,091	1,186
31	Gofa Branch	578	29	10	3,089	3,706
32	Gofa Mazoria Branch	60	35	0	503	598

33	Gullele Branch	508	16	8	3,714	4,246
34	Hayahulet Branch	219	6	6	1,248	1,479
35	Head Office	0	0	0	0	0
36	Hiber Branch	165	3	6	1,043	1,217
37	Hilton Branch	488	4	18	2,093	2,603
38	International Bank Department	1,040	0	0	0	1,040
39	Itegue Taitu Branch	588	42	7	3,358	3,995
40	Kality Branch	685	52	17	5,746	6,500
41	Kality Salo Branch	113	58	0	1,506	1,677
42	Kebena Branch	250	20	1	3,577	3,848
43	Kera Branch	71	15	1	322	409
44	Kolfe Branch	247	105	5	7,184	7,541
45	Kotebe Branch	27	2	0	750	779
46	Lagahar Branch	389	16	12	5,973	6,390
47	Lebu Lafto Branch	295	37	1	3,488	3,821
48	Legetafo Branch	10	22	0	342	374
49	Lideta Branch	578	27	13	9,641	10,259
50	Medhanit Branch	48	8	0	255	311
51	Megenagna Branch	240	50	16	3,043	3,349
52	Mehal Arada Branch	643	35	11	9,065	9,754
53	Meri Loke Branch	104	43	3	2,811	2,961
54	Mesalemia Branch	570	82	10	7,004	7,666
55	Meskel Flower Branch	233	23	12	1,174	1,442
56	Meskel Square Branch	355	0	14	2,741	3,110
57	Millennium Branch	145	13	0	1,127	1,285
58	Mirab Merkato Branch	12	49	0	65	126
59	Misrak Branch	1,073	11	22	17,936	19,042
60	Moenco Branch	1	0	0	30	31
61	Old Airport Branch	129	86	1	2,705	2,921
62	Sefere-Selam Branch	12	22	0	185	219
63	Shalla Branch	66	11	0	394	471
64	Shiro Meda Branch	323	20	4	15,362	15,709
65	Sholla Gebeya Branch	119	32	2	1,007	1,160
66	Sidist Kilo Branch	326	9	3	3,941	4,279
67	Stadium Branch	43	8	0	408	459
68	Summit Branch	23	25	0	417	465
69	Summit Condominium Branch	29	17	0	857	903

70	Tana Branch	578	88	17	4,165	4,848
71	Teklehaimanot Branch	543	47	15	3,798	4,403
72	Urael Branch	287	13	7	1,094	1,401
73	Welo Sefer Branch	1,037	37	26	4,091	5,191
74	Yerer Ber Branch	426	66	17	9,439	9,948
75	Yoseph Branch	306	20	14	2,750	3,090
Total customer per account		23,247	2,654	617	238,108	264,626
Outline branch						
S.No	Branch Name	Account Type				Total customer count per branch
		Current Account	Interest free banking accounts	Overdraft accounts	Saving accounts	
76	Abageda Branch	127	35	0	1,522	1,684
77	Adama Branch	601	66	8	9,536	10,211
78	Adigrat Branch	294	35	0	1,259	1,588
79	Alamata Branch	172	179	0	2,573	2,924
80	Allay Badey Branch	16	30	0	729	775
81	Arab Sefer- Awassa Branch	125	271	0	887	1,283
82	Arada Shashemene Branch	22	31	0	440	493
83	Arbaminch Branch	96	27	0	2,422	2,545
84	Arerti Branch	53	19	0	1,115	1,187
85	Asella Branch	78	19	0	1,298	1,395
86	Assosa Branch	41	142	0	1,304	1,487
87	Atse Yohannes	473	96	2	1,880	2,451
88	Awash Sebat Kilo Branch	14	367	0	717	1,098
89	Awassa Branch	632	52	6	6,575	7,265
90	Axum Branch	132	19	0	1,035	1,186
91	Bahirdar Branch	400	37	0	5,698	6,135
92	Bale Robe Branch	60	329	0	988	1,377
93	Batu Branch	30	81	0	658	769
94	Berecha Adama Branch	52	24	0	474	550
95	Bishoftu Branch	132	20	1	2,570	2,723
96	Bure Branch	330	11	0	2,502	2,843
97	Butajira Branch	14	154	0	450	618
98	Debark Branch	107	125	0	4,070	4,302
99	Debre Berhan Branch	104	33	4	2,556	2,697
100	Debre Markos Branch	43	2	0	774	819

101	Debre Taborb Ranch	27	0	0	487	514
102	Dessie Branch	432	324	0	6,859	7,615
103	Dilla Branch	90	107	0	1,019	1,216
104	Dire Dawa Branch	268	157	2	4,200	4,627
105	Edaga Mekele Branch	195	130	2	492	819
106	Fasil Branch	465	63	2	8,336	8,866
107	Gambella Branch	345	101	6	10,942	11,394
108	Harar Branch	269	186	4	3,975	4,434
109	Hermata Jimma Branch	32	120	0	393	545
110	Hosaena Branch	190	26	0	11,855	12,071
111	Jijiga Branch	159	150	0	2,275	2,584
112	Jimma Branch	208	278	5	4,398	4,889
113	Kombolcha Branch	40	210	0	955	1,205
114	Logia-Semera Branch	33	343	0	994	1,370
115	Maraki-Gondar Branch	46	56	0	2,121	2,223
116	Mehal-Bahir Dar Branch	65	39	0	1,330	1,434
117	Mekele Branch	980	54	8	7,608	8,650
118	Metema Branch	207	253	0	4,815	5,275
119	Mizan Teferi Branch	276	110	1	1,997	2,384
120	Modjo Branch	208	37	4	4,778	5,027
121	Mugad Dessie Branch	36	404	0	668	1,108
122	Nekemte Branch	96	18	2	1,614	1,730
123	Shashemene Branch	488	99	3	2,444	3,034
124	Shire Branch	414	60	0	1,831	2,305
125	Sululta Branch	30	22	0	460	512
126	Tewodros Branch	187	233	0	1,612	2,032
127	Togo Chale Branch	5	60	0	152	217
128	Werabe Branch	14	1,594	0	296	1,904
129	Wolaita Sodo Branch	665	13	0	8,522	9,200
130	Woldia Branch	423	164	0	3,287	3,874
131	Yela Sawla - Branch	76	53	0	918	1,047
Total customer per account		11,117	7,668	60	155,665	174,510
Grand Total (Sum of city branches and outline branches customers) 419,136						

source: <http://10.100.5.45:8085/wijsp/scripts/login/webiHome.jsp>

Appendix 6: Variance explained customer satisfaction, switching cost, brand trust, perceived value and culture

FACTOR

```

/VARIABLES CSTMR_SAT01 CSTMR_SAT02 CSTMR_SAT03 CSTMR_SAT04 CSTMR_SAT05
/MISSING LISTWISE
/ANALYSIS CSTMR_SAT01 CSTMR_SAT02 CSTMR_SAT03 CSTMR_SAT04 CSTMR_SAT05
/PRINT KMO EXTRACTION
/CRITERIA FACTORS(1) ITERATE(25)
/EXTRACTION PC
/ROTATION NOROTATE
/METHOD=CORRELATION.
    
```

Total Variance Explained

Component	Extraction Sums of Squared Loadings		
	Total	percent of Variance	Cumulative percent
1	2.496	49.921	49.921

Extraction Method: Principal Component Analysis.

FACTOR

```

/VARIABLES SWCH_CST01 SWCH_CST02 SWCH_CST03 SWCH_CST04 SWCH_CST05
/MISSING LISTWISE
/ANALYSIS SWCH_CST01 SWCH_CST02 SWCH_CST03 SWCH_CST04 SWCH_CST05
/PRINT KMO EXTRACTION
/CRITERIA FACTORS(1) ITERATE(25)
/EXTRACTION PC
/ROTATION NOROTATE
/METHOD=CORRELATION.
    
```

Total Variance Explained

Component	Extraction Sums of Squared Loadings		
	Total	percent of Variance	Cumulative percent
1	2.481	49.618	49.618

Extraction Method: Principal Component Analysis.

FACTOR

```

/VARIABLES BRND_TRST01 BRND_TRST02 BRND_TRST03 BRND_TRST04
/MISSING LISTWISE
/ANALYSIS BRND_TRST01 BRND_TRST02 BRND_TRST03 BRND_TRST04
/PRINT KMO EXTRACTION
/CRITERIA FACTORS(1) ITERATE(25)
/EXTRACTION PC
/ROTATION NOROTATE
/METHOD=CORRELATION.
    
```

Total Variance Explained

Component	Extraction Sums of Squared Loadings		
	Total	percent of Variance	Cumulative percent
1	2.813	70.316	70.316

Extraction Method: Principal Component Analysis.

FACTOR

/VARIABLES PCVD_VLU01 PCVD_VLU02 PCVD_VLU03 PCVD_VLU04
 /MISSING LISTWISE
 /ANALYSIS PCVD_VLU01 PCVD_VLU02 PCVD_VLU03 PCVD_VLU04
 /PRINT KMO EXTRACTION
 /CRITERIA FACTORS(1) ITERATE(25)
 /EXTRACTION PC
 /ROTATION NOROTATE
 /METHOD=CORRELATION.

Total Variance Explained

Component	Extraction Sums of Squared Loadings		
	Total	percent of Variance	Cumulative percent
1	2.149	53.713	53.713

Extraction Method: Principal Component Analysis.

FACTOR

/VARIABLES CLTR01 CLTR02 CLTR03 CLTR04
 /MISSING LISTWISE
 /ANALYSIS CLTR01 CLTR02 CLTR03 CLTR04
 /PRINT KMO EXTRACTION
 /CRITERIA FACTORS(1) ITERATE(25)
 /EXTRACTION PC
 /ROTATION NOROTATE
 /METHOD=CORRELATION.

Total Variance Explained

Component	Extraction Sums of Squared Loadings		
	Total	percent of Variance	Cumulative percent
1	2.757	68.930	68.930

Extraction Method: Principal Component Analysis.

Appendix 7: The logit model

LOGISTIC REGRESSION VARIABLES LOYALTY

/METHOD=ENTER CUSTOMER_SATISFACTION SWITCHING_COST BRAND_TRUST
 PERCEIVED_VALUE CULTURE
 /PRINT=ITER(1) CI(95)
 /CRITERIA=PIN(0.05) POUT(0.10) ITERATE(20) CUT(0.5).

Logistic Regression

[DataSet1] C:\Users\ami\Desktop\SPSS DATA\BRAND LOYALTY OF UNITED BANK S.C CUSTOMERS.sav

Case Processing Summary

Unweighted Cases ^a		N	Percent
Selected Cases	Included in Analysis	343	100.0
	Missing Cases	0	.0
	Total	343	100.0
Unselected Cases		0	.0
Total		343	100.0

a. If weight is in effect, see classification table for the total number of cases.

Dependent Variable Encoding

Original Value	Internal Value
NO	0
YES	1

Block 0: Beginning Block

Iteration History^{a,b,c}

Iteration	-2 Log likelihood	Coefficients
-----------	-------------------	--------------

		Constant	
Step 0	1	297.012	1.394
	2	291.925	1.690
	3	291.880	1.722
	4	291.880	1.722

- a. Constant is included in the model.
b. Initial -2 Log Likelihood: 291.880
c. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Classification Table^{a,b}

	Observed	Predicted			
		BRAND LOYAL TO UNITED BANK S.C.		Percentage Correct	
		NO	YES		
Step 0	BRAND LOYAL TO UNITED BANK S.C.	NO	0	52	.0
		YES	0	291	100.0
	Overall Percentage				84.8

- a. Constant is included in the model.
b. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	1.722	.151	130.830	1	.000	5.596

Variables not in the Equation

		Score	df	Sig.	
Step 0	Variables	CUSTOMER_SATISFACTION	65.470	1	.000
		SWITCHING_COST	17.510	1	.000
		BRAND_TRUST	133.272	1	.000
		PERCEIVED_VALUE	66.834	1	.000
		CULTURE	34.609	1	.000
Overall Statistics			151.321	5	.000

Block 1: Method = Enter

Iteration History^{a,b,c,d}

Iteration	-2 Log likelihood	Coefficients					
		Constant	CUSTOMER_SATISFACTION	SWITCHING_COST	BRAND_TRUST	PERCEIVED_VALUE	CULTURE
Step 1	195.540	-3.821	.236	-.067	.851	.178	.189
	143.358	-7.311	.423	-.081	1.456	.373	.380
	125.268	-10.827	.571	-.045	2.029	.574	.596
	120.707	-13.621	.671	.029	2.470	.730	.768
	120.237	-14.876	.716	.073	2.666	.795	.842
	120.230	-15.055	.723	.080	2.694	.803	.853
	120.230	-15.058	.723	.081	2.695	.803	.853
	120.230	-15.058	.723	.081	2.695	.803	.853

- a. Method: Enter
b. Constant is included in the model.
c. Initial -2 Log Likelihood: 291.880
d. Estimation terminated at iteration number 8 because parameter estimates changed by less than .001.

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	171.650	5	.000
	Block	171.650	5	.000
	Model	171.650	5	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
Step 1	120.230	.853	.853

1	120.230 ^a	.394	.687
---	----------------------	------	------

a. Estimation terminated at iteration number 8 because parameter estimates changed by less than .001.

Classification Table^a

	Observed	Predicted			
		BRAND LOYAL TO UNITED BANK S.C.		Percentage Correct	
		NO	YES		
Step 1	BRAND LOYAL TO UNITED BANK S.C.	NO YES	33 9	19 282	63.5 96.9
	Overall Percentage				91.8

a. The cut value is .500

Variables in the Equation

	B	S.E.	Wald	df	Sig.	Exp(B)	95 percent C.I. for EXP(B)		
							Lower	Upper	
							Step 1 ^a	CUSTOMER_SATISFACTION	.723
	SWITCHING_COST	.081	.361	.050	1	.824	1.084	.534	2.200
	BRAND_TRUST	2.695	.467	33.271	1	.000	14.804	5.925	36.989
	PERCEIVED_VALUE	.803	.330	5.932	1	.015	2.233	1.170	4.261
	CULTURE	.853	.268	10.102	1	.001	2.346	1.387	3.970
	Constant	-15.058	2.427	38.498	1	.000	.000		

a. Variable(s) entered on step 1: CUSTOMER_SATISFACTION, SWITCHING_COST, BRAND_TRUST, PERCEIVED_VALUE, CULTURE.