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**MEASURING CUSTOMER BASED BRAND EQUITY:
EMPIRICAL EVIDENCE FROM THE PRIVATE BANKING
INDUSTRY IN ETHIOPIA THE CASE OF AWASH INTERNATIONAL
BANK S.C.**

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DECLARATION

I, **Mulugeta Kefyalew Tefera**, declare that the study entitled “Customer-Based Brand Equity: Empirical evidence from the private banking industry in Ethiopia” is the result of my own effort in research undertaking. The study has not been submitted to any Degree or Diploma in any college or university. It is submitted in the partial fulfillment of the requirement of the Degree of Masters of Marketing Management.

Mulugeta Kefyalew

STATEMENT OF CERTIFICATE

This is to certify that **Mulugeta Kefyalew Tefera** has carried out his research work on the topic, **“Customer-Based Brand Equity: Empirical evidence from the private Banking Industry in Ethiopia”** for the partial fulfillment of Masters of Marketing Management at Addis Ababa University-School of Commerce. This study is an original work and not submitted earlier for any degree either at this university or any other university and is suitable for submission of Master’s Degree in Marketing Management.

Advisor: Dr. Abebe Ejigu

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Customer-Based Brand Equity: Empirical evidence from the private Banking
Industry, the case of Awash International Bank S.C.

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LIST OF ABBREVIATIONS AND ACRONYMS

AGFI: Adjusted Goodness of Fit Index

AMOS: Analysis of Moment Structure

CBBE: Customer-Based Brand Equity

CFA: Confirmatory Factor Analysis

CFI: Comparative Fit Index

GFI: Goodness of Fit Index

OABE: Overall Brand Equity

RMR: Root Mean-square Residual

RMSEA: Root Mean Square Error of Approximation

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ABSTRACT

Brand equity is considered to be a very important concept in business practice as well as in academic research because marketers can gain competitive advantage through strong brands. The private banking industry in Ethiopia is expanding. Banks are trying to increase their market share and customer base by implementing various marketing strategies. As Keller (2003), states brand equity is a difference in customers' response to marketing activities. Brand equity is also an important consideration for service marketers and should be managed as an asset ((Aaker, 2003), (Keller, 2003)). Private Banks managers and marketers need to understand what constitute their brand value, and where and when their brands add value. This study seeks to examine the practicality and application of a customer-based brand equity model in the private banking industry in Ethiopia with evidence from Awash International Bank. Based on Keller's well known conceptual framework of customer-based brand equity, this study employed structural equation modeling to investigate the causal relationship among the six dimensions of brand equity including , brand salience, brand performance, brand image, judgments to brand, feelings to brand , and resonance with brand and overall brand equity from the view of the customers. This study used a sample of 344 customers of the bank who used the services of five branches located in Addis Ababa. The drawn hypothesis is tested using a multivariate statistical analysis method, Structural Equation Modeling (SEM). The result of squared multiple correlation $R^2=0.74$. This shows that predictors of brand equity dimensions explain **74%** of brand equity. The findings conclude that brand salience with $\beta=0.47$ and $P<.005$ and brand imagery with $\beta=0.39$ $P<.01$ are influential dimensions of brand equity. Weak support was found for the brand feelings dimension. The inter-correlation between brand dimensions was all positive. Thus, brand performance, brand judgment, brand feelings and brand resonance might affect brand equity by influencing brand salience and brand imagery first. Further research needs to be done by incorporating other financial institutions and customers in other regions of the country to improve the generalizability of the results. This study shows that banks marketing managers should consider the relative importance of brand equity in their overall brand equity evaluation, and should concentrate their efforts primarily on building brand salience and image.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Brand equity is regarded as a very important concept in business practice as well as in academic research because marketers can gain competitive advantage through strong brands K.L. Keller, (2003). Gammoh, B.S., Voss, K.E., Skiver, R., (2011) define brand equity as the differential impact of brand knowledge on consumer response to the marketing of the brand name. Aaker (1991) defines brand equity as a set of assets and liabilities linked to a brand name and symbol that adds to or subtracts from the value provided by a product or service to a firm and that firm's customers. Keller (2003) defines brand equity as a difference in customers' response to marketing activity.

Brand represents enormously valuable pieces of legal property capable of influencing consumer behavior, being bought and sold and providing the security of sustained future revenues to their owner. The value directly or indirectly accrued by these various benefits is often called brand equity (Kapferer, 2005; Keller, 2003).

Brand equity is an important consideration for service marketers (Keller, 2001; Keller and Lehmann, 2003) and should be managed as an asset (Aaker, 2003; Keller 2003). Marketers and researchers use various perspectives to study brand equity. Customer based approach view it from the perspective of the consumer- either an individual or an organization. The premise of customer-based-brand-equity model is that the power of a brand lies in what customers have seen, read, heard, learned, thought, and felt about the brand over time (Kotler & Keller, 2009).

Keller (2003) suggests that organizations build brand and thus brand equity based on memorability, meaningfulness, transferability, adaptability and predictability and also suggests to access equity from a customer perspective. Adapting this approach in banking a success factor is customer loyalty.

1.2 Background of the Organization

Bank of Abyssinia (Habesha Bank) started rendering what could be called modern insurance service for the first time in Ethiopia in 1905 as an agent for a foreign insurance company. This is considered to be the introduction of banking service in Ethiopia. During the Italian occupation only Italian companies were allowed to operate in Addis Ababa. In 1963, the State Bank of Ethiopia split into the National Bank of Ethiopia and the Commercial Bank of Ethiopia S.C. with the purpose of segregating the functions of central banking from those of commercial banking. The new banks started operation in 1964 (AIB & AIC special publication, 2004)

The first privately owned company in banking business was the Addis Ababa Bank S.C., established in 1964. The bank carried out typical commercial banking business. Banco Di Roma and Banko Di Napoli also continued to operate.

Thus up until the end of 1974, there was state owned, foreign owned and Ethiopian owned banks in Ethiopia. The banks were established for different purposes: central banking, commercial banking, development banking and investment banking. Such diversification of function, lack of wide spread banking habit among the wider population, the uneven and thinly spread network, and the asymmetric capacity of banks, made the issue of competition among banks irrelevant. On January 1, 1975 all private banks and 13 insurance companies were nationalized by the Dergue régime.

Awash International Bank S.C. was established in 1995 by 486 founding shareholders with a paid up capital of Birr 23,123,917. It is the first private bank to be established after the liberalization of the banking sector after the fall of the Dergue. On February 13, 1995, it opened its first branch named Head Office Branch at a building located at Bole.

The name AWASH was selected to be the name of the bank from many alternatives tabled for the founding shareholders. The bank was named after the river Awash as the name is famous among the Ethiopian people and it contributes a lot for the development of the country.

Currently there are 18 private banks operating in Ethiopia. The overall standing of the bank in the private banking industry of the country is second next to Dashen Bank. As noted above the key success factor for the private banks is to attract and retain customers.

Almost all private banks in Ethiopia provide similar services to their customers. New products developed by each bank are easily copied by its competitors. With the joining of new private banks and the massive expansion of the state owned and private banks in the country the competition is becoming stiffer each year.

As Keller (2003) says, one way of creating a strong brand and thereby creating competitive advantage through non-product-related means is by understanding consumer motivations and desires and creating relevant and appealing images surrounding their product. Often these intangible image associations may be the only way to distinguish different brands in a product category.

Keller (2003), also states that the brand elements, sometimes called brand identities, are those trademarkable devices that serve to identify and differentiate the brand. The main brand elements are brand names, URLs, logos, symbols, characters, spokespeople, slogans, jingles, packages, and signage. According to the customer-based brand equity model, brand elements can be chosen to enhance brand awareness; facilitate the formation of strong, favorable, and unique brand association; or elicit positive brand judgments and feelings.

Therefore AIB needs to understand what the major dimensions are affecting its brand building efforts. It also needs to understand where and when its brand adds value in order to develop an effective marketing strategy in order to achieve its vision.

Vision

- ❖ “To be the strongest and most preferred bank of the people.”

Mission

- “To provide modern, efficient, competitive, diversified and profitable banking service at domestic and international banking levels, to a continuously growing number of customers in a socially responsible manner.”

Values

- ❖ Dynamism
- ❖ Professionalism
- ❖ Excellence
- ❖ Integrity
- ❖ Accountability
- ❖ Impartiality
- ❖ Team Spirit
- ❖ Social Responsiveness

The bank's brand name “AWASH” comes from the famous river in Ethiopia. Awash River is the most exploited river for hydroelectric power generation, irrigation of agricultural farms and used as a source of drinking water for humans and animals in different parts of the country.

With regards to the memorability of the name AWASH is easily recognized and recalled as most of the population has been hearing the name through the various songs and praises given to the river. The name also gives meaning as it represents a river which is seen as the source of growth and productivity. It also has a good imagery as a source of life for the arid regions of the country.

1.3 Statement of the problem

The liberalization of the financial sector after the 1991 change of government opened a new opportunities for the rebirth and growth of the private banking sector in Ethiopia. With the establishment of Awash International Bank Share Company (AIB S.C.), as the first private bank in 1995, the number of private banks increased significantly. As per the annual report of the bank published on June 2013 the number of private banks has now reached sixteen.

The competition among the private banks is becoming stiffer each year. Most of the banks provide standard and similar services. Each new product developed by one bank is easily copied by its competitors as the services require only understanding of how it is applied.

Most of the private banks are now in a massive branch expansion phase to scramble for the most valuable resource i.e. deposits. As part of their marketing strategy all banks are undertaking extensive promotional activities to establish a strong brand with the aim of exploiting the brand to the companies benefit. All this will have a major impact on their bottom line i.e. profit.

Keller, (2001) states that brand equity is an important consideration for service marketers. The real power of a brand is in the thoughts, feelings, images, beliefs, attitudes, experiences, etc. that exist in the minds of customers.

To overcome the stiff competition from their competitors' banks need to build a strong brand. According to Aaker (1992), the brand can both enhance and detract from the value of a product or service, and thus consists of both brand assets and liabilities.

There are a large number of researches conducted on the subject matter of brand equity but almost all are done with regard to products. The customer based brand equity literatures and researches are also dominated by consumer products. Although there is some research papers conducted on CBBE models in the product sector, the researcher could not find a research paper conducted on CBBE focusing on the service sector, particularly in the banking subsector, in Ethiopia.

Therefore bank managers and marketers need to understand what constitute their brand value, which dimension of brand equity is more important, and where and when their brand adds value.

1.3 Basic Research Questions

This paper will try to answer the following basic research questions

- What are the factors that create brand equity in the Ethiopian banking industry?
- Are the six CBBE dimensions of Keller having any relation with each other?

- Are some dimensions of brand equity more significant than others?
- Are there any brand equity dimensions that create negative brand equity to the banks brand?

1.5 Objectives of the study

1.5.1 General Objective

The main purpose of this study is to measure the brand equity of private banks in Ethiopia using evidence from AIB.

1.5.2 Specific Objective

Specifically this study has the following objectives:

- ❖ To identify the factors that influence the private banks brand equity in Ethiopia.
- ❖ To test the relationship of the six dimensions of brand equity identified by K.L. Keller.
- ❖ To identify the variables that creates a negative brand equity value or liability on private banks' brand equity in Ethiopia.
- ❖ To test which attributes among brand equity dimensions create a superior value for the bank.

1.6 Conceptual framework and research hypotheses

A thorough understanding of brand equity from the customer's point of view is essential for successful brand management. As Keller (1993) explains, positive customer-based brand equity "can lead to greater revenue, lower cost, and higher profit; it has direct implications for the firm's ability to command higher prices, a customer's willingness to seek out new distribution channels, the effectiveness of marketing communications, and the success of brand extensions and licensing opportunities (Tong & Hawley, 2009).

Keller (2003) defines brand equity as differences in customer response to marketing activity. His customer brand equity model identifies six components including brand salience, brand performances, brand imagery, brand feelings, brand judgments and brand relationships.

According to Keller the process of building a brand requires to follow four consecutive steps:

1. Building brand awareness;
2. Creating brand meanings through imagery and brand performances;
3. Building brand responses through brand feelings and judgments; and finally
4. Building relationships between the brand and its customers.

The student researcher propose associative relationships among the six CBBE dimensions of brand Salience, brand performance, brand feelings, brand judgments, brand image and brand resonance.

With Keller's brand equity model, this study sets out to test the measurement of customer-based brand equity with service brands in the Awash International Bank.

Brand salience

Brand salience is a key dimension of brand equity (Keller, 2003) and represents the strength of awareness of the destination for a given travel situation. The aim is not to achieve general awareness. But to be remembered for the reasons intended (Aaker, 1996). A brand with much depth and spread in the minds of the customers has high salience in a way that its customer always think about buying it and in many situations with the feeling of need go toward it (Keller, 2003).

Based on this literature, the following hypothesis is drawn for testing

H1. Brand salience has a significant positive direct effect on brand equity.

Brand performance

A product is the core of the concept of brand equity because whatever a consumer experiences from the brand, hears from the others, and a company tells to the customers by advertisements are affected by the product. A pre-requisite of successful marketing is designing and producing a

product which can meet the needs of customers perfectly. To be loyal to a brand, marketers should make sure that the experiences of the customers from the product can meet their expectations. High quality brands can have better financial performance and fill the pockets of their investors with more profit (Keller, 2003).

The implications of customer-based research suggest that measures of customers' brand perceptions are accurate reflections of brand performance in the marketplace. Strong, positive customer-based brand equity has a significant influence on the financial performance of the firms (Kim and Kim, 2004).

Based on this literature, the following hypothesis is drawn for testing

H2. Brand performance, has a significant positive direct effect on brand equity.

Brand Imagery

Brand image is linked to functional and emotional elements, which could also help a company to communicate with consumers (Saviolo, 2002).

Brand image is a source that provides the brand to accomplish and remain resonant and adequate in consumers' minds (Sherry, 2005). Brand image is a meaning associated to the brand by consumers (Alimen and Cerit, 2009). Brand image is regarded as a consumer-constructed concept, due to consumers' creating a personal or image related to the brand with regard to their knowledge and perceptions (Nandan, 2005).

Based on this literature, the following hypothesis is drawn for testing

H3. Brand imagery, has a significant positive direct effect on brand equity.

Brand judgments

Judgments to brand consist of individual believes and evaluations of the customers about a brand which form by putting together all the performances and mental images of a brand. The customers may judge a brand differently; but, there are 4 important judgments including, judgments about the brand quality, reliability, properties, and superiority (Keller, 2003).

Consumers' purchasing decisions are often based on perceptions and predictions of product quality. These quality judgments are in turn dependent on product attributes and their relation to the potential utility a consumer may derive from that product. Although most consumers would agree that it is the more fundamental physical and reputational characteristics that determine a product's value, it is often an unwieldy task for consumers to process all the available attribute information. As a result; consumers often rely on simple decision-making strategies when evaluating products (Oxoby and Finnigan, 2007).

Based on this literature, the following hypothesis is drawn for testing

H4. Brand judgments, has a significant positive direct effect on brand equity.

Brand feelings

Feelings to brand consist of the responses and emotional reflection of the customers to a brand which result from the social trends impressed by the brand. The following questions are posed in this way: What feelings do the marketing and other tools create in the customers? How does a brand impress the feelings of the customers about themselves and their relation with the others? These feelings can be little, much, negative or positive. The excitement resulted from a brand in people can create a strong mentality during using a product. Nowadays, most companies try to mix more feelings and excitement with their brands to make them more memorable in the minds of their customers (Keller, 2003).

Based on this literature, the following hypothesis is drawn for testing

H5. Brand feelings, has a significant positive direct effect on brand equity.

Brand resonance

Brand resonance refers to the relationship between brand and its users including consumers' willingness to purchase and to recommend to others (Wang, 2008). The power of a brand lies in the minds of consumers, in the effect of what they have experienced and learned about the brand on their responses to the brand over time (Keller, 2000).

Repurchase intention or loyalty is a "core dimension of brand equity" (Aaker, 1996).

Some scholars even asserted that loyalty management, brand management, or relationship management are the same thing (Crosby and Johnson, 2002). Brand resonance could help predict repurchase intention, future earnings and firm value in various markets (Aaker and Jacobson, 2001). Brands win customers mainly because they “forge” a deep connection with the culture (Holt, 2003).

Based on this literature, the following hypothesis is drawn for testing

H6. Brand resonance, has a significant positive direct effect on brand equity.

1.6 Significance of the Study

This study regarding customer-based brand equity makes an important contribution to the existing body of knowledge in brand equity and can be used as a reference for further research in the area of customer based brand equity especially in the banking industry in Ethiopia.

The knowledge of how banks can make use of brand equity determinants to effectively build strong brand equity will help in winning the heart and mind of a large number of customers. This will create a sustainable and huge market share that the banks can grow and become more competitive and provide better service to their customers.

The banking sector in Ethiopia is becoming more competitive. The current trend is shifting from more standardized service products to more differentiated services appealing to each specific customer group. The outcome of this study shows how customers see the overall brand equity of banks and which dimensions are more important to build a strong bank brand there by. The outcome of this study will certainly benefit those banks which strive for excellence and customer acceptance.

1.8 Delimitation of the Study

This study mainly focuses on finding out the determinants of customer-based brand equity in the private banking sector in Ethiopia with evidence from Awash International Bank.

Although the results of this study are probably of interest to all banks in Ethiopia specially private banks, this study used only one private bank which may limit the generalizability of the

findings to all private banks. Therefore, it would be worthwhile to replicate this study using other service industries.

The other limitation is the limited experience of the student researcher in the research field and in manipulating the various soft-wares.

The other delimitation of the study is time and financial constraints. The study is done with evidence from Awash International Bank which has branches all over the country. The samples were taken only from Addis Ababa. The rationale for using sampling from Addis Ababa is that we can find many diverse personalities, habits, emotions and feelings of the banks customers who have a number of alternative banks in close proximity.

1.9 Organization of the Research Report

This research paper is organized in to five chapters. The first chapter is the introductory part which addresses background of the study, statement of the problem, objectives of the study, research hypothesis, and significance of the study and delimitation of the study.

The second chapter deals with the review of related literature where theoretical and empirical evidences are to be explored from different publications in the area of customer based brand equity.

The third chapter presents the research design and methodology which focuses on the type of research, target population, sample size, sampling techniques, sources and instruments of data collection, procedures of data collection and finally method of data analysis.

The fourth chapter is about the results and discussion that is concerned with the summarization and interpretation of the research findings with extensive literature review.

Finally in chapter five, summary of findings, conclusions, recommendations and limitations of the study are to be discussed.

CHAPTER TWO

LITRATURE REVIEW

2.1 What is a Brand?

The definition of Brand in the various marketing literatures is given from different perspectives. Therefore it is hard to find a concise definition.

According to the American Marketing Association (AMA), a brand is a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition” Keller (2003).

The term ‘brand’ is used broadly to refer to a branded product (for example, Diet Coke), service (for example, UPS), retailer (for example, Gap Kids), company (for example, IBM), person (for example, a politician, celebrity), organization (for example, the Boy Scouts), group (for example, a sports team), or place (for example, a city brand) (L.Rogers 2008). According to Kapferer (Kapferer 2008) “brands are intangible assets, assets that produce added benefits for the business”. This definition tried to see brands as valuable to the firms mainly from financial perspective. Brands will results in higher returns to the business since premium price can be set and claimed by the business of a product with brand than with a generic brand. This notion is further strengthened by Kevin Keller on (Keller 2003)” a product, but one that adds other dimensions that differentiate it in some way from other products designed to satisfy the same need”.

These differences may be functional, rational, or tangible related to product performance of the brand. They may also be more symbolic, emotional and intangible-related to what the brand represents (Kapferer, 2008).

Consumers view a brand as an important part of a product, and branding can add value to a product. Customers attach meanings to brands and develop brand relationships. Brands have meaning well beyond a product’s physical attributes.

Similarly, in 1991 Aaker defines brand in a perspective of identification and differentiation product/service by the customer from the competitor. For a brand is a portion of an intangible asset that offer a sustainable competitive advantage over the competitor. In addition, brands are built now for the purpose of earning a long-term benefit. Focusing only on the emotional aspect, which is one of the dimensions of brand equity in Aaker's model, Schimet defined brand as "the sum of all Associations customers have with a certain product or service" (Schmitt 2003).

In 2008 Kapferer presented the benefits of brands both for final and Business consumer as one entity and the firm as another entity. To the final consumers brands offer the recognition, expediency, assurance, optimization, symbol, continuity, and hedonistic benefits'. For Distributors a brand is a promise of Recognition signal, Practicality of choice, Optimization of choice, Pleasure for different categories of brands. The firm also obtains a number of benefits. To mention a few, brand avoids risk, increase the likelihood of setting high price stability of future sales. In support of this, For Dyson brand is mental relationship that will be developed with final user or industrial users (P.Dyson 1996) .

Some scholars are arguing that as business environments are changed so do brands. The forces that change the business landscape are three and indicated by Kotler as "the age of participation", "the age of globalization paradox" and "the age of creative society" (Kotler, 2010). As a result, recently brands are broader than an association of customers with certain product and service. In other words, the scope of branding is so widening and includes the role of consumer and stake holders than the sole brand ownership claimed by firms. As per Vallaster (2008), Brands must address multiple audiences, brand values must be lived from within and brands are currently built on via interactive relationship with the customer due to information communication technology developments. A brand is the sum total of relationships among stakeholders, or the medium through which stakeholders interact and exchange with each other (Vallaster ,2008).

A more broad definition of brands is forwarded by Heding (Tilde Heding 2009) from 7 different approaches. The seven approaches are:

The economic approach: the brand as part of the traditional marketing mix.

The identity approach: the brand as linked to corporate identity. It brings into focus the creation of a unified visual and behavioral identity.

The consumer-based approach: the brand as linked to consumer associations. In this approach the brand is analyzed as a cognitive construal. The two priory approaches the internal formation strategy in contrary CBA introduces an outside- in approach to a brand management.

The personality approach: the brand as a human-like character. This approach in brand management focuses on how and why people choose brands with certain personalities and how imbuing brands with personality thus can be a powerful tool to create and enhance brand equity.

The relational approach: the brand as a viable relationship partner.

The brand relationship theory is based on a ‘dyadic’ brand–consumer relationship, implying an equal exchange between brand and consumer.

The community approach: the brand as the pivotal point of social interaction. Consumers form communities around brands. In brand communities a brand is a focal point of social interaction among passionate consumers.

The cultural approach: the brand as part of the broader cultural fabric. Because it is based on analysis of brand and branding in the light of cultural influences.

According to these authors the recent development or stage of brand is its definition with the approach of culture.

Brand is considered to be a legal instrument, a logo, a company, an identity, a consumer perception, a personality, or a relationship, and, therefore, has many perspectives (Kermally 2003). According to Ellwood (2002), Brands acts as a kind of flag waving to consumers, creating awareness of the product and differentiating it from other competitors.

As per Keller, (2003) what distinguishes a brand from its unbranded commodity counterpart and gives it equity is the sum total of consumers perceptions and feelings about the products attributes and how they perform, about the brand name & what it stand for, and about the company associated with the brand.

Wong and Merrilees, (2008), state that brands become an un-separated part of a firm's value and an important strategic asset. It could even be the driver of the whole marketing planning process.

A brand can be beyond a sign or a text and act as a communication tool (Arjmandian 2010). A brand is a complicated symbol which includes a variety of ideas and properties which not only communicates with the customers by its tone but also makes connection by every factor mixed with it in the society during the times (Yadgariniaraki & Karimi 2010).

2.2 What is Brand Equity?

Similar to the definition of brand there is no one definition of brand equity accepted by all scholars. Despite years of research the meaning, boundaries and measures of brand equity is still contentious. This lack of consensus is reflected in the numerous measures and theoretical perspectives (for example, customer-based, product market-based, and financial marketplace-based) that underlie the brand equity construct. For example, a consensus has not emerged on whether brand equity refers to the value of a brand name or the value of a brand which is denoted by a brand name. Such lack of definitional clarity has serious measurement implications as different definitions of the term 'brand equity' would clearly imply different measures. For example, the net difference approach between a target brand and a fictitious/generic/private label brand reflects the value of a brand name, not the value of a brand. (L.Rogers 2008).

Kapferer (2008) quoted (Feldwick 1996) and defined brand equity from three perspectives: brand assets, brand strength and brand value. The first, brand assets are the sources of influence of the brand (awareness/saliency, image, type of relationship with consumers) and patents. Brand strength is the second perspective of defining brand equity. It is at specific point in time as a result of brand assets within a specific market and competitive environment. They are the "brand equity outcomes' if one restricts the use of the phrase brand equity to brand assets alone. Brand strength is captured by behavioral competitive indicators: market share, market leadership,

loyalty rates and price premium (if one follows a price premium strategy). The third stand point is how the ability of the brands to deliver profits and is called brand value.

The marketing Science institute defined brand equity as the set of associations and behaviors on the part of the brand's consumers, channel members, and parent corporations that permits the brand earn bigger volume or bigger margins than it would devoid of the brand name and that gives the brand is tough, sustainable, and differentiated advantage over competitors. (Leuthesser 1988). But for Aaker, (1991) Brand equity is the value consumers associate with a brand, as reflected in the dimensions of brand awareness, brand associations, perceived quality, brand loyalty and other proprietor brand asset.

Kapferer states that positive brand equity may be indicated by four assets. These are aided brand awareness, spontaneous brand awareness, evoked set also called consideration set, and whether the consumer experienced the brand or not (Kapferer 2008).

Measuring is a derivation of brand building. Meaning what you measure is what you laid down and a comparison of what you planned and what you performed. In this context, (Ford 2005) Kevin ford identified six components of brand equity. These are familiarity, differentiation, relevance, performance, empathy and popularity. Defining each dimension may give us a base to compare with the conceptual frame work of this study.

Familiarity: the clarity of what a brand stands for and the strength of communication of what it stands for. The author states that it includes aided and top of mind awareness.

Differentiation: differentiation is also a strategy in which product offering is a different from that of one or more competitors in a way that is valued by the customers or in some way affects customer choice. If you fail to offer anything different from your competitors, then there is no reason for consumers to consider switching to your brand. This point of difference needs to provide value to the customer that is substantial enough to matter, customers must realize that the value exists, and the resulting advantage needs to be sustainable (Aaker,1992).

Relevance: whether the brand meet the emotional and rational needs of the consumer and also consumers' decision to consider it as in a purchase category. It is more about the type of product or service that is offered than about how well that promise is delivered.

Performance: the functional aspect of the brand where consumers are distinguishing it from emotional aspects.

This means 'how well does the brand do the job for which you buy it?' As individual customers we tend to react the same way if we have to make a complaint to a company about poor service or a defective product. Our dissatisfaction can actually be turned round into a higher level of satisfaction than before the incident happened, if the company impresses us with its reaction to our complaint.

Empathy represents the emotional side to quality, a complement to the 'performance' side. To some extent it goes with relationship building at the higher levels of the needs map, whereas performance tends to emphasize the lower levels of the map. It means an emotional connection with a customer, a feeling of closeness and liking the brand.

The new mode of communication aims at a relationship of equals and empathy between the brand and its customers. You can observe this in everyday life, as well as in the mechanisms of marketing. Take banks as an example. Not so long ago a customer might be summoned to see his bank manager. This usually meant something unpleasant. In a survey conducted to identify drivers of satisfaction, Ford (2006) found that 'accessibility of the manager' had a negative influence – the more the manager was visible and available, the less satisfied would be the customer some fifteen years ago.

Now it is different. Bank customers tell the manager what they want from a bank account. The customer is shown to be the one in control, not the brand or its representative, the bank manager.

Popularity

You can explain a large part of desire for a brand (its equity) in terms of the components described above: differentiation, relevance, performance, empathy and familiarity. But

something is still missing. One noticeable thing about the list is its emphasis on a personal assessment, e.g. 'I think it performs well', or 'It is relevant to me'.

In a sense, popularity is about your perception of other people's opinions, whereas performance and empathy are about your own rational and emotional opinion of a brand. Popularity is a force in brand building, since people often choose a brand because of the security of knowing that lots of other people buy it: 'All those other people can't be wrong'. Of course, this makes it practically a quick, easy choice, as well as carrying emotional security.

Brand equity according to Swait (2001) is the consumer's implicit valuation of the brand in a market with differentiated brands relative to a market with no brand differentiation. Brands act as a signal or cue regarding the nature of product and service quality and reliability and image/status. CBBE occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory (Kamakura Russell 1993). Keller states brand equity as the differential effect of brand knowledge on consumer response to the marketing of the brand. Brand knowledge is the full set of brand associations linked to the brand in the long-term consumer memory (Keller 2003).

Lassar on the other hand defined brand equity as the consumer's perception of the overall superiority of product carrying that brand name when compared to other brands. Five perceptual dimensions of brand equity include performance, social image, value, trustworthiness, and attachment.

Brand equity is (1) loyalty (brand's real or potential price premium), (2) loyalty (customer satisfaction based), (3) Perceived comparative Quality, (4) perceived brand leadership, (5) Perceived brand value (brand functional benefit's) , (6) Brand personality , (7) consumer's perception of organization (trusted, admired or credible), (8) Perceived differentiation to competing brands , (9) brand awareness (Recognition and recall), (10) Market position (market share) , prices and coverage. (Aaker, 1996)

As a summary the Brand equity definition posited by Aaker is worthy to discuss. He defined brand equity as “a set of brand assets, and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or a service to a firm and/ or to that firm’s customers.”

The above definition singles that when brand equity dimensions, whether name or symbol, are strong the brand equity can be considered as an asset of the firm. As an asset the brand can command higher price, the brand can be sold above the infrastructure of the firm, competitors would be forced to incur huge amount of money to compete. Furthermore, the consumers are less likely to shift the brand because it offers values to them like functional value, avoidance of perceived risk, information processing, confidence and symbol. The company may further strength the customer base to extend brands.

On the contrary when the brand strength is decaying the company will lost its customers to other competitors, the image will be eroded and the value of the company will be below the sum of tangible and intangible balance sheet accounts. Incurring a huge expenditure related to marketing communication, creating an effective channel, revising pricing techniques, and as well packaging will be a must in order to re-brand and revitalize its brand and gain competitive position again. All these show negative brand equity where it’s a liability that will be paid in short and long term period.

2.3 Significance of Measuring Brand Equity

A brand gives value not only for firms but also to consumers. For example, for firms brands are intangible assets used to offend and defend their customer base. Similarly, brands present reason to buy to customer either rational or emotional. Thus, especially firms need to measure the value of their brand equity in order to identify which of the brand equity dimensions can be used as a strong base to attack competitors, as well as protect the existing angel customers. In addition measuring brand equity will give a clue in which of the dimensions an investment made in order to strengthen as well as minimize the erosion or decay of a strong brand equity dimensions. The

short term financial benefit versus the long term brand building exercise will be evaluated based on a perpetual measurement of brands.

This section will explore the significance of measuring brand equity with the context of values to both firms and consumers.

2.3.1 Value to Consumers

What value brands will offer to consumers and why consumers are brand loyal? Processing of information, confidence in the purchase decision, and use satisfaction are the three values brands given to consumers (Aaker, 1991).

Processing information is an obvious step of purchase decision in consumer behavior. Consumer behavior can be defined as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires. For many products and services, purchase decisions are the result of a long, detailed process that may include an extensive information search, brand comparisons and evaluations, and other activities (Belch 2003). Brand thus, create value to consumers in collecting, processing and interpreting huge amount of information about products and brands (Aaker, 1991).

Consumer purchase decision may vary based on whether consumers had past-experience or familiarity about the brand or not. The higher the familiarity of the brand, the greater the confidence of consumer in their purchase decision will be (Aaker,1991). While evaluating brands, the consumer ranks brand and forms purchase decision. Generally speaking consumers purchase decision will be to buy the most favored brand based on attitude of others and unexpected situational factors. (Armstrong 2012)

Aaker argue that about the third type of value brands create for consumers. Potentially more important is the fact that perceived quality and brand association together can enhance customer's satisfaction with the use of experience or we call it use satisfaction (Aaker, 1991). One study found that consumers preferred Pepsi over Coke in blind taste tests but preferred Coke

when they could see the names of the brands tasted. Different areas of the brain were activated when they knew the brand compared to when they did not (Armstrong 2012)

Kapferer on the other hand, explains the values of brands from the perspective of reducing perceived risk. He argued that brands reduce risk, and exist as soon as there is perceived risk. (Kapferer 2008) . With some similarity Keller identified the roles that brands play to consumers including: identification of source of a product, assignment of responsibility to product maker, risk reducer, search cost reducer, promise, bond, or pact with the maker of product, symbolic device and signal of quality (Keller 2003).

Whether the product/service is low involvement or high involvement consumers purchase decision may follow some steps from information search to final decision. A brand will facilitate the purchase decision process of consumers. In so doing, a brand which is easily come to mind in evoked set, associated with the personality and image of the consumer, a brand with good loyal customer base has a strong probability of being consumed (Armstrong 2012).

Table 2.1 The function of the brand to the consumer.

Function	Consumer Benefit
Identification	To be clearly seen, to quickly identify the sought-after product, to structure the shelf perception.
Practicality	To allow savings of time and energy through, identical repurchasing and loyalty
Guarantee	To be sure of finding the same quality, no matter what or when you buy the product or service.
Optimization	To be sure of buying the best product in its category, the best performer for a particular purpose.
Badge	To have confirmation of your self-image or the image that you present others
Continuity	Satisfaction created by a relationship of familiarity and intimacy with the brand that you have been consuming for years.
Hedonistic	Enchantment linked to the attractiveness of the brand, to its logo, to its communication and its experiential reward.

Source: (Kapferer 2008), PP: 22

2.3.2 Value to Firms

How brands create value for the company/firm?

Why financial analysts do prefer companies with strong brand over others? Due to being their risk is low. Financial firms with a strong brand are in turn having a large customer base and are able to outperform their competitors. Firms are willing to pay a huge amount of money to acquire strong brands. Building a strong brand from scratch is seriously a risky business as the cost of advertising and installing distribution system is very costly. The success rate of new brands is too low. On top of this, facing a fierce fight in order to occupy a space upon the customer mind still needs huge finance. This huge finance and the creativity of the firms marketing effort cannot guarantee success. ((Aaker, 1991), (Kapferer 2008))

According to Keller (2003) a brand resides in the minds of consumers and it is a perceptual entity rooted in reality but reflecting the perceptions and idiosyncrasies of consumers it generates value to firms. Because Brand(ing) creates mental structures that help consumers organize their knowledge about products and services in a way that clarifies their decision making. However, obtaining value needs a hard work on the side of the firms or marketers to teach their customers about what the product is-by giving its brand name and other elements to identify it- as well as what the product does and why consumers should care about the brand (Keller 2012).

Brands fundamentally serve an identification purpose simply produce handling or tracing for the firm. Operationally, brands help to organize inventory and accounting records. A brand also offers the firm legal protection for unique features or aspects of the product. A brand can retain an intellectual property rights, giving title to the brand owner (Keller 2003).

Brands and their strength (Brand equity) is the strong competitive tool for firms as well as assets to be exploited by brand extension (Aaker, 1991)(Keller 2003). A Brand is an asset to be utilized while creating a sustainable competitive advantage .if satisfied a VRIO frame work According to (HUNGER 2012)**VRIO framework** of analysis, proposes four questions to evaluate a firm's competencies:

1. Value: Does it provide customer value and competitive advantage?

2. Rareness: Do no other competitors possess it?

3. Imitability: Is it costly for others to imitate?

4. Organization: Is the firm organized to exploit the resource?

Brand equity has the potential to add value for the firm by generating marginal cash flow in many ways. First, it enhances programs to attract new customers or recapture the old ones. A promotion for example, which provides incentives to try a new use will be more effective if the brand is familiar, and if there is no need to combat consumer skeptical of brand quality.

Second, brand equity dimensions such as brand awareness, brand association, perceived quality, and other proprietary assets enhance brand loyalty and provide reasons to buy and can affect use satisfaction. Even when they are not pivotal to brand choice, they can reassure reducing incentive to try others. Brand loyalty is especially important in buying time to respond when competitors innovate and obtain product advantages.

Third, brand equity can provide leverage in the distribution channel. Like customers, the trade has less uncertainty dealing with a proven brand name that has already achieved recognition and association. A strong brand will have an edge in gaining both shelf facings and cooperation in implementing marketing programs (Aaker, 1991).

There are two broad approaches to creating differentiation. The traditional route is to perform noticeably above average on important performance dimensions, e.g. the dimension of aroma for coffee. Ideally, the aim is to dominate the attribute or dimension. The more modern route is to find your own unique way of expressing an important attribute or dimension.

The traditional approach also tended to be based on ‘added aspiration’. Desirable personality traits could be added on. The more modern view is that the characteristic differences need to be more authentic, more deeply integrated into the brand, and must be consistently presented throughout all the different ‘touch points’ between the consumer and the brand. For example, a brand such as The Gap presents informality and collective feeling through its adverts, staff, products and in-store environment.

Conversely, as observed by Keller in 2003, Abbey (formerly Abbey National bank) ran into difficulties through implying a ‘good guys’ personality via its advertising, but at the same time

imposing service charges for the use of certain competitors' cashpoint machines. The size of the charge was unimportant, in fact it was very small, but the problem lay in the inconsistency of the brand experience. The advertising said one thing while the usage contradicted it.

Table 2.2 Brand functions and the distributor/manufacturer power equilibrium

Main function of brand	Typical Product category of brand	Power of manufactures'' brand
Recognition signal	Milk, salt, flora	Very weak
Practicality of choice	Socks	Weak
Guarantee of quality	Food, Staples	weak
Optimization of choice, sign of high-quality performance	Cars, cosmetics, appliances, paint, services	strong
Personalizing one's choice	Perfumes, clothing	Strong
Permanence, bonding, familiarity relationship	Old brands	Strong but challenged
Pleasure	Poly sensual brands, luxury brands	Strong
Ethics	Trust brands, corporate brands	Strong but challenged

Source: (Kapferer 2008), PP: 23

In a nut shell, brands create value both to the consumer and firms. But, how much value is created? How much is the rate of decay of a brand value if marketing advertising is not aired? , Is it possible to extend the brand? Which dimension of the brand equity is significant in the given industry and how much investment can be made? What the financial and non-financial returns will be? Such and similar questions would be answered only if the firm is constantly gauging its brand equity by using firm based or consumer based brand equity methods.

2.4 A review of measurements of Consumer Brand Equity Models

A dozen of conducted researches were and still are unable to arrive at one conclusion about what the dimensions are of and how to measure brand equity. Some of them for example, classify brand equity measure as of financial and consumer based (Myers 2003). The financial

perspectives focus mostly on stock prices or brand replacement. Other researcher, who were and still dominant on the field, tries to measure brand equity from the consumer perspective.

For instance, Aaker argues that brand equity should be measured from the perspective of the consumer. The stronger the brand awareness, brand loyalty, and brand association the higher the financial value will be. In other words the value of the brand equity dimensions (i.e. especially brand awareness, brand loyalty, brand association and perceived quality) are the base on which the financial value of the firm will depend. The CBBE model of Aaker (see the figure below), often called the “five asset Brand Equity model” one of the most accepted models used to build, maintain, sustain, and measure brand equity over time.

The first element of brand equity, brand loyalty, will help firms by reducing marketing costs. Costs such as, promotional and distribution costs (trade leverage). In other words, loyal customer base will enhance to attract new customers by minimizing perceived risk of the new comers.

The second dimension of brand equity according to the figure below is brand awareness. Brand awareness can be an anchor to which other associations can be attached, familiarity or liking about the brand could be developed, and it may signal substance or commitment of the company/brand and help consumers to consider the brand in the purchase category.

The third determinant of brand equity, perceived quality, which is difficult to measure in service business than merchandise may offer a number of benefits for the company. Because consumers took quality as a justification of their buying, a base to conquer consumer mind as the tip of hand brand awareness, enable the company to extend its brands since consumers faith on the quality of the earlier products/ services will be projected and still enable both the manufacturer or service provider to command premium prices.

Brand association also offer similar benefit with perceived quality. Some authors use brand awareness and brand image interchangeably. It creates positive attitude and feelings, and help consumers to acquire, and process huge data of information about hundreds and thousands of different brand communication messages.

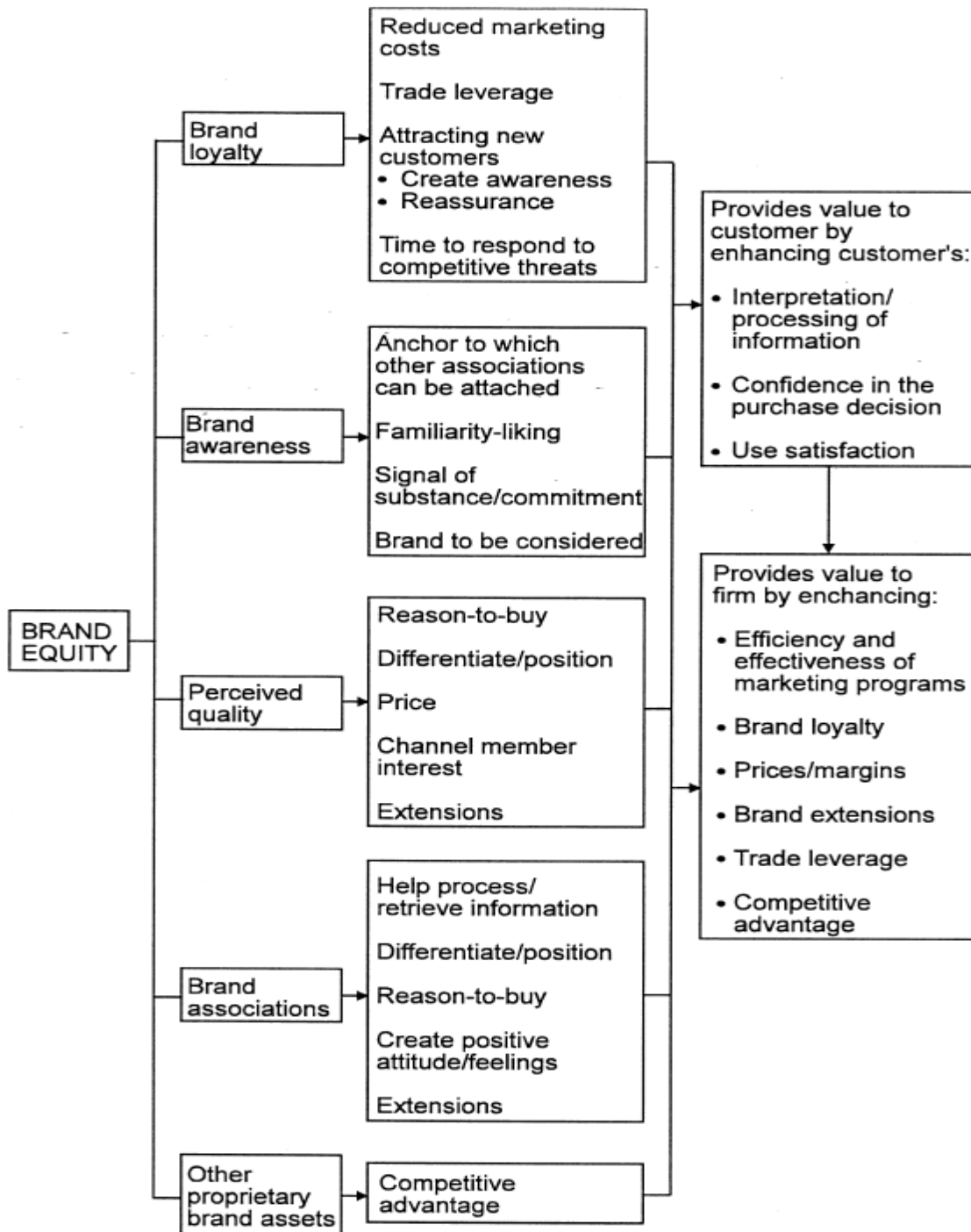


Fig 2.1 Brand Equity Model Aaker 1991 PP: ii

Similarly, Keller emphasizes the role of measuring consumer based brand equity to the benefits of the firm in terms of both long term and short term basis. He added that, measuring CBBE is strategic in nature and help to improve marketing productivity. He defined Brand Equity as the differential effect on brand knowledge on consumer response to the marketing of brand. As it is depicted in figure 1 as dimensions of brand knowledge, the higher the familiar with the brand with some kind of favorable, strong and unique association in memory the higher the value of the brand equity will be. This construct is based on the associative network memory model.

The associative network memory model views memory as consisting of a network of nodes and connecting links, in which nodes represent stored information or concepts and links represent the strength of association between this information or concepts. Any type of information can be stored in the memory network, including information that is verbal, visual abstract, contextual in nature ((Keller 1993), (Keller 2003)).

Consistent with, the associative network memory model Keller conceptualized brand equity from perspective of individual consumer brand knowledge. Moreover, the knowledge of consumer about brands affects the marketing brand strategy of firms. Brand knowledge is not the facts about the brand – it is all the thoughts, feelings, perceptions, images, experiences, and so on that becomes linked to the brand in the minds of consumers about the brand. In this model, brand knowledge is composed of brand awareness and brand associations (image). Brand awareness is related to the strength of the brand node or trace in memory, as reflected by consumers' ability to identify the brand under different conditions. Brand awareness is necessary, but not always sufficient, step in building brand equity.

Brand image can be defined as perceptions about a brand as reflected by the brand associations held in consumer memory. In other terms, brand associations are other informational nodes linked to the brand for consumers. Associations come in all forms and may reflect characteristics of the product or aspects independent of the product itself. As seen in figure the brand image is expressed as the function of the type, favorability, uniqueness and strength of associations between the brand and the consumers (Keller 2003).

The CBBE measurement approach argued by Keller (2003) is an indirect approach, which tries to identify potential sources of customer-based brand equities distribution channels, the effectiveness of marketing communications, and the success of brand extension by measuring brand awareness and the characteristics and relationships among brand associations. The direct approach focuses on consumer response to different elements of the firm's marketing program.

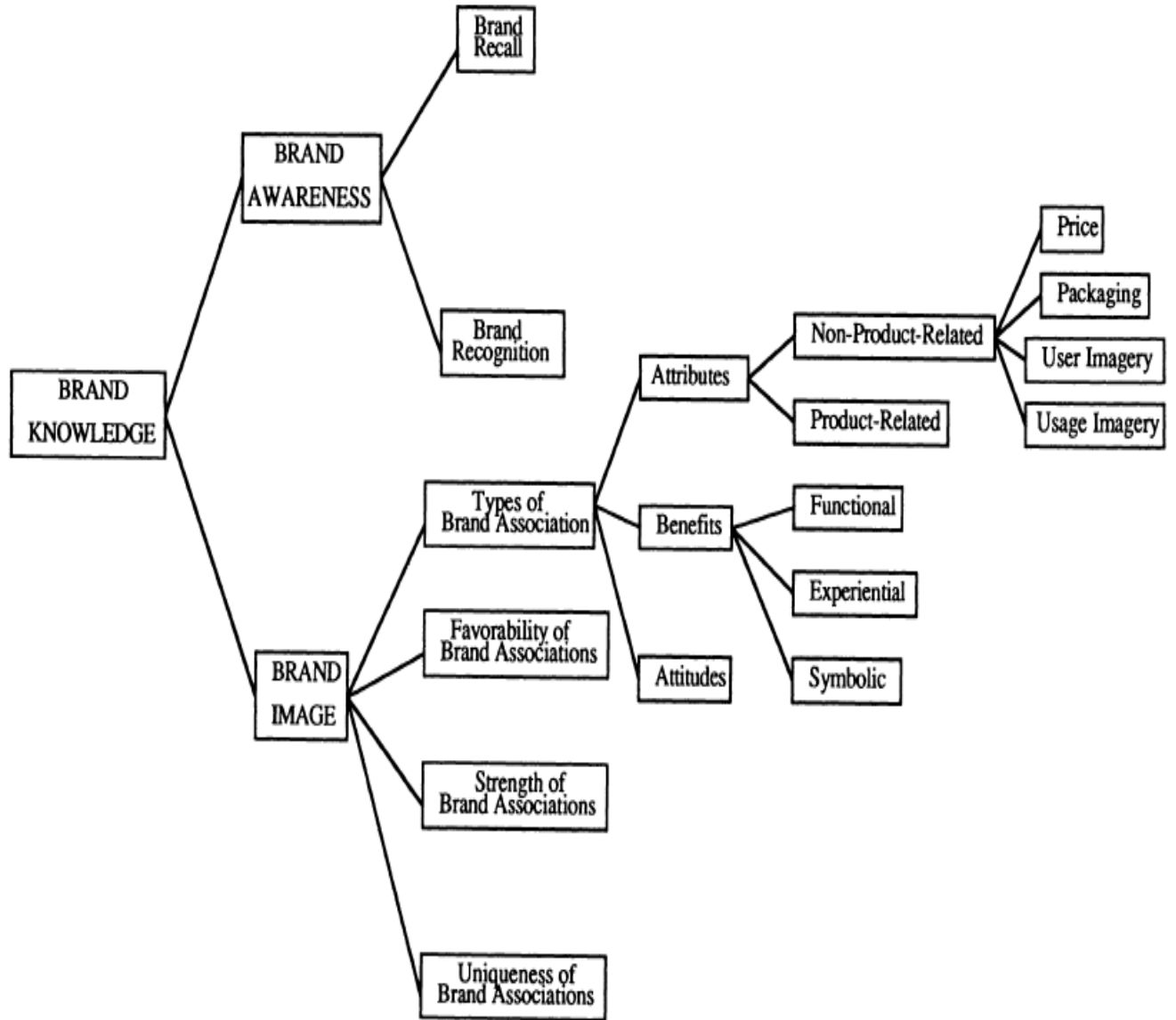


Fig 2.2 Dimensions of Brand Knowledge (Keller 2003)

The second consumer based brand equity model (see figure 3) developed by Anne Martensen and Lars Grønholdt named cause-effect model that links customer –based brand relationships to rational and emotional brand associations, as well as rational and emotional brand evaluations. The customer-based brand relationships are characterized by loyalty, based on both behavior and attitude (Gronholdt 2000).

As it is displayed in the figure the model links the final variable, customer-based brand relationships, to the drivers rational brand evaluations and emotional brand evaluations, which are in turn linked to the product quality, service quality, price, and brand premise, brand differentiation and brand trust and credibility. The model proposes two routes to creating brand strength; rational and an emotional route, as well as a combination of these routes.

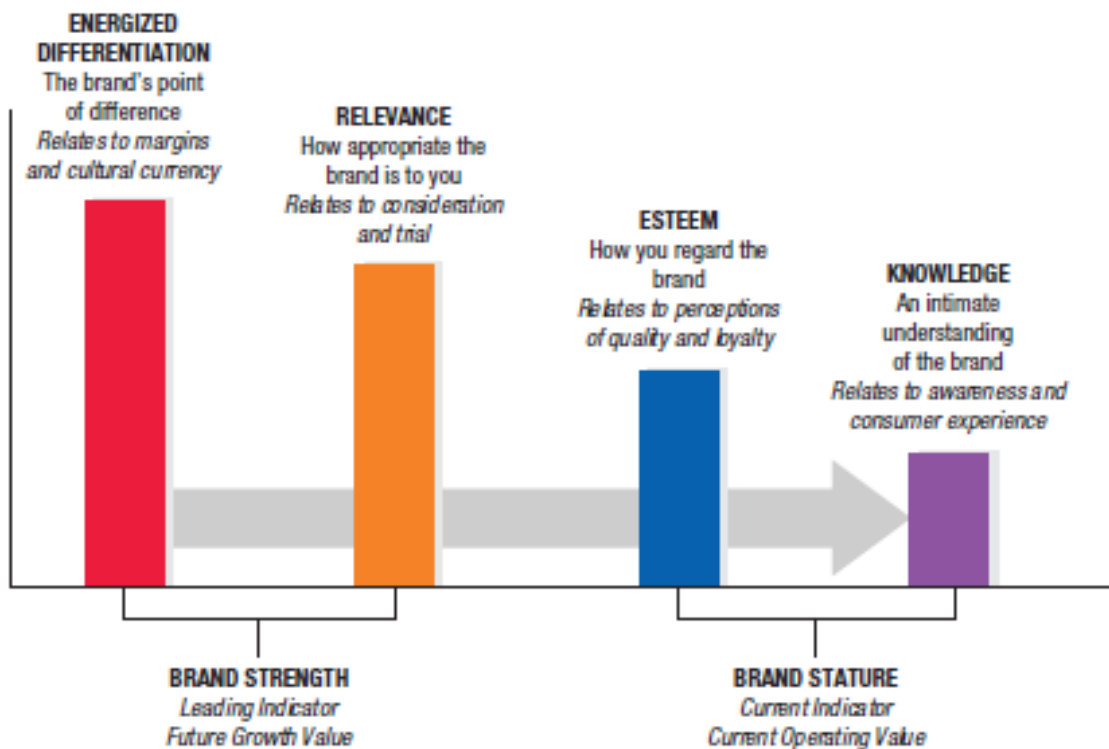


Fig 2.3 Brand Asset Valuator Model

The third consumer based brand equity measurement model, recent one, which is called Brand Asset Valuator (BAV) Model was forwarded by BRANDASSET@VAUATOR Advertising Agency. The company identified four pillars of brand equity; namely: energized differentiation, Relevance, esteem and knowledge. Energized differentiation is the brand's point of difference relate to margins and cultural currency. But, relevance is how appropriate the brand is to the consumer relates to consideration and trial. It is about whether the brand can be considered in purchase decision. Esteem refers to how the brand is perceived in quality and loyalty. If it is about the intimate understanding of the brand relates to awareness and consumers experience, it is called knowledge.

In this model brand strength, which is the leading indicator of future growth value, is composed of energized differentiation. Similarly, the current indicator for current operating value (i.e. Brand stature) is made up of esteem and knowledge. Brand strength components from energized differentiation than relevance show more value than brand stature components, where esteem is better future value indicator than knowledge.

The fourth CBBE model is that of Keller. Keller (2003) introduces us the concept of customer-based brand equity (also called CBBE model) in order to make clearer how brand equity should be built and managed. By analysing this model, the needs of consumer can be discovered and studied more in details, enabling us to take a further step to find satisfying solutions for them. Although a number of useful perspectives concerning brand equity have been put forth, the CBBE model provides a unique point of view as to what brand equity is and how it should best be built, measured, and managed.

The CBBE model is basically about finding what customers have learned and experienced over a certain period of time. The formal definition of customer brand equity is: "The value of the customer relationship that brand creates" (Keller, 1998).

Keller's CBBE model is called Brand resonance model. The brand resonance model views brand building as an ascending series of steps, from bottom to top: (1) ensuring identification of the brand with customers and an association of the brand in customers' minds with a specific product class or customer need; (2) firmly establishing the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations; (3)

eliciting the proper customer responses in terms of brand-related judgment and feelings; and (4) converting brand response to create an intense, active loyalty relationship between customers and the brand (Kotler and Keller, 2009).

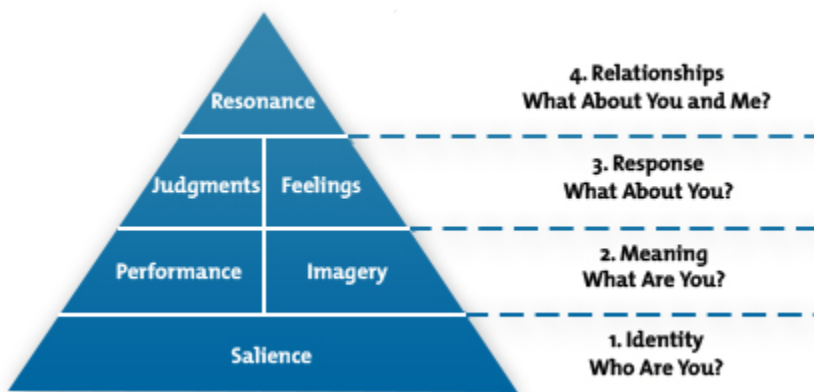


Fig 2.4 Keller's Brand Building Pyramid Model, (2003) PP: 246

2.5 Conceptual framework

A thorough understanding of brand equity from the customer's point of view is essential for successful brand management. Keller (2003) defines brand equity as differences in customer response to marketing activity. His customer brand equity model identifies six components including brand salience, brand performances, brand imagery, brand feelings, brand judgments and brand relationships. According to Keller the process of building a brand requires to follow four consecutive steps:

1. Building brand awareness;
2. Creating brand meanings through imagery and brand performances;
3. Building brand responses through brand feelings and judgments; and finally
4. Building relationships between the brand and its customers.

With Keller's brand equity model, this study sets out to retest the measurement of customer-based brand equity with service brands, in the private banking industry in Ethiopia with evidence from Awash International Bank S.C.

The student researcher proposes associative relationship among the six CBBE dimensions of brand Saliency, brands performance, brand feelings, brand judgements, brand image and brand resonance.

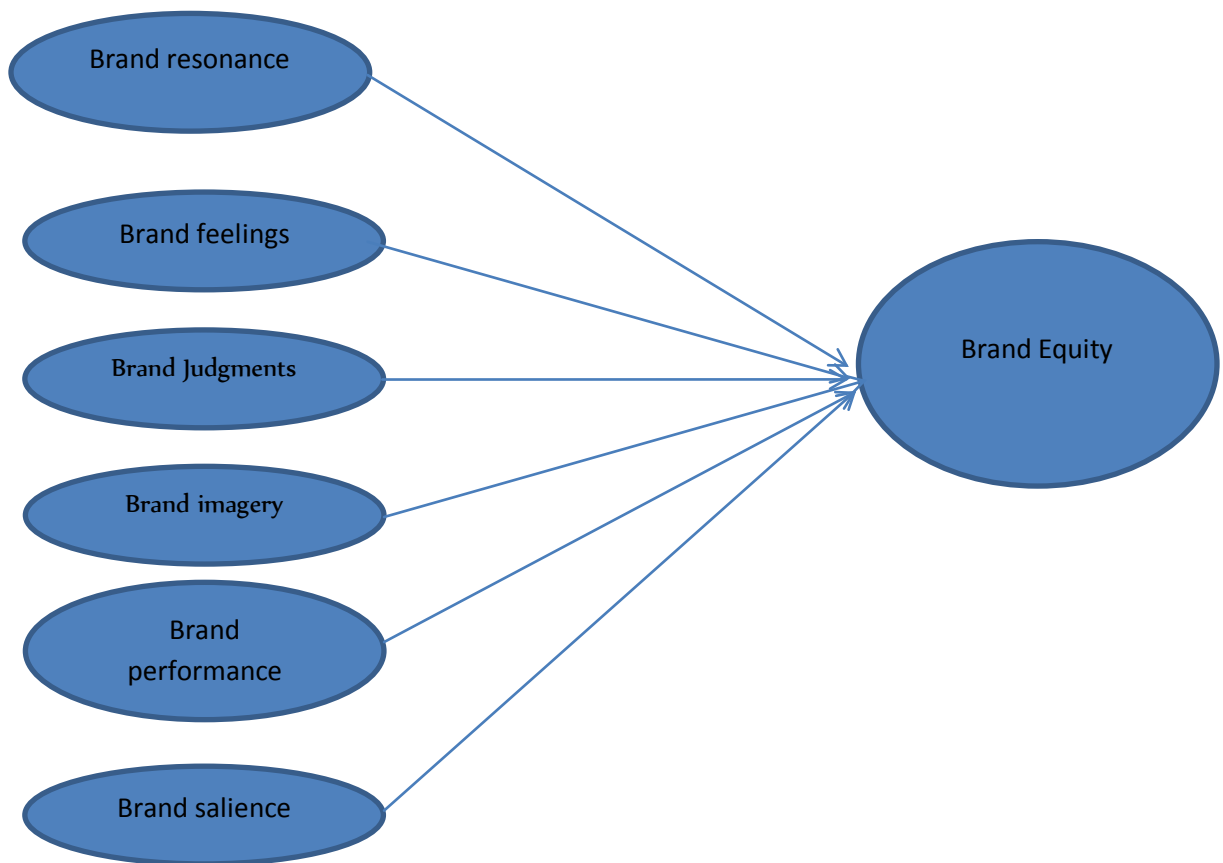


Fig 2.5 Own elaboration based on CBBE model of Kevin K. Keller (2003)

Dependent Variable

Brand equity is the dependent variable in this research. It is a consequence of brand Saliency, brands performance, brand feelings, brand judgements, brand image and brand resonance in the content of consumer based brand equity (Keller, 2003).

Independent Variables

1. Brand salience. Brand salience is a key dimension of brand equity (Keller, 2003) and represents the strength of awareness of the destination for a given travel situation. The aim is not to achieve general awareness. But to be remembered for the reasons intended (Aaker, 1996). A brand with much depth and spread in the minds of the customers has high salience in a way that its customer always think about buying it and in many situations with the feeling of need go toward it (Keller, 2003).

Brand salience is an index measuring the awareness to a brand, considering the following points:

1. How many times/how easily a brand is remembered in the minds of the customers?
2. How much does a customer remember the brand?
3. Does the customer remember and recognize it easily?
4. What kinds of hints are needed to remind the customers of the brand?
5. How much awareness to the brand is there in the minds of the customers?

A brand with much depth and spread in the minds of the customers has high salience in a way that its customer always think about buying it and in many situations with the feeling of need go toward it. Brand salience is the first important step in investigating brand equity but is not enough by itself.

2. Brand performance.

A product is the core of the concept of brand equity because whatever a consumer experiences from the brand, hears from the others, and a company tells to the customers by advertisements are affected by the product. A pre-requisite of successful marketing is designing and producing a product which can meet the needs of customers perfectly. To be loyal to a brand, marketers should make sure that the experiences of the customers from the product can meet their expectations.

High quality brands can have better financial performance and fill the pockets of their investors with more profit. The index of brand performance explains the extent of which a product or service can meet the applied, economical, aesthetical or other needs of the customers.

3. Brand image.

Brand image is linked to functional and emotional elements, which could also help a company to communicate with consumers (Ravioli, 2002). Brand image is a source that provides the brand to accomplish and remain resonant and adequate in consumers' minds (Sherry, 2005). Brand image is a meaning associated to the brand by consumers (Alimen and Cerit, 2009). Brand image is regarded as a consumer-constructed concept, due to consumers' creating a personal or image related to the brand with regard to their knowledge and perceptions (Nandan, 2005).

Brand image depends on the external properties of a product or service including the methods of meeting social and mental needs of the customers. This element shows that the thoughts and imagination of the people about brands and against the performance of the brand has less attention to the views of the people about its realities. On this basis, the term of mental image refers to the intangible and unobservable aspects of the brand.

Customers receive mental images directly (using their experiences) or indirectly (by advertisement or other information sources like mouth to mouth talks).

4. Judgments to brand.

Judgments to brand consist of individual believes and evaluations of the customers about a brand which form by putting together all the performances and mental images of a brand. The customers may judge a brand differently; but, there are 4 important judgments including, judgments about the brand quality, reliability, properties, and superiority (Keller, 2003).

Consumers' purchasing decisions are often based on perceptions and predictions of product quality. These quality judgments are in turn dependent on product attributes and their relation to the potential utility a consumer may derive from that product. Although most consumers would agree that it is the more fundamental physical and reputational characteristics that determine a product's value, it is often an unwieldy task for consumers to process all the available attribute

information. As a result; consumers often rely on simple decision-making strategies when evaluating products (Oxoby and Finnigan, 2007).

5. Brand Feelings.

Brand feelings consist of the responses and emotional reflection of the customers to a brand which result from the social trends impressed by the brand. The following questions are posed in this way: What feelings do the marketing and other tools create in the customers? How does a brand impress the feelings of the customers about themselves and their relation with the others?

These feelings can be little, much, negative or positive. The excitement resulted from a brand in people can create a strong mentality during using a product. Nowadays, most companies try to mix more feelings and excitement with their brands to make them more memorable in the minds of their customers (Keller, 2003).

6. Brand Resonance.

Brand resonance refers to the relationship between brand and its users including consumers' willingness to purchase and to recommend to others (Wang, 2008). The power of a brand lies in the minds of consumers, in the effect of what they have experienced and learned about the brand on their responses to the brand over time (Keller, 2000).

Repurchase intention or loyalty is a "core dimension of brand equity" (Aaker, 1996). Some scholars even asserted that loyalty management, brand management, or relationship management are the same thing (Crosby and Johnson, 2002). Brand resonance could help predict repurchase intention, future earnings and firm value in various markets (Aaker and Jacobson, (2001). Brands win customers mainly because they "forge" a deep connection with the culture (Holt, 2003).

According to the researcher, just the satisfaction of the customers is not enough for achieving this level. High loyalty needs creating a deep dependence by marketing programs in a way that just that product can meet the needs of the customers. A brand may find a wider meaning for the customers by belonging to a group. Resonance of the owners and customers of a brand reflects an important social fact.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

Research design is a comprehensive plan for data collection in an empirical research project. It is a “blueprint” for empirical research aimed at answering specific research questions or testing specific hypotheses (Anol, 2012).

It explains and justifies the type and method of data collection, source of information, sampling strategy and time-cost constraints (Saunders, 2012). The research methodology can be classified using the variety of ways, such as methods of data collection, time dimensions, researcher participation and the purpose of the study (Blumberg, 2008). There are three types of research design based on the study purpose: exploratory, descriptive and causal (David, 1987).

This research uses causal research designs. According to Kothari (2004), Hypothesis-testing research studies are those where the researcher tests the hypotheses of causal relationships between variables. Such studies require procedures that will not only reduce bias and increase reliability, but will permit drawing inferences about causality. This research will try to identify the causes that bring about brand equity in the Ethiopian private banking industry. The study will address not only the factors that increase (brand equity as an asset) as well as decrease (brand equity as a liability of the firm) but also put in hierarchical form among these dimension which will be more asset and more of a liability. Therefore causal research design is the appropriate method of design.

As per Creswell (2009), a quantitative approach is one in which the investigatory primarily uses postpositive claims for developing knowledge (i.e., cause and effect thinking, reduction to specific variables and hypotheses and questions, use of measurement and observation, and the test of theories). The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to natural phenomena. It places greater emphasis on the numerical data and statistical test to achieve conclusion that can be generalized (Saunders, 2012). Even though quantitative research is criticized for arbitrary definition of variables away

from the context setting and failure to generate hypothesis from the data (Silverman, 2006), to achieve this research objective statistical analysis will be applied to obtain the findings.

3.2 Source of Data

The source of data used in this research is comprised of both primary and secondary. Primary data are collected to meet the specific research need, customized and required specialized data collection procedure (Dillon, 1993). According to (William, 1991), primary data are collected by the researcher for the specific problem at hand. Standardized questionnaire were used to collect primary data.

Secondary data analysis is an analysis of data that has already been collected and tabulated by other sources (Saunders, 2012). For this research secondary data were collected from marketing books and journals, company publication and annual reports, Banking sector report and other governmental agencies. The secondary data helped the student researcher as specific reference and explore different constructs important to this study.

3.3 Method of Data Collection

However it is used to examine cause and effect between two variables in controlling setting. It often conducted in laboratory settings with a limited number of variables which impedes the generalization of the result (Saunders, 2012). A survey is used for descriptive study. Survey studies ask large numbers of people questions about their behaviors, attitudes, and opinions. Because the number of population is very large cross sectional survey design with questionnaire technique is used to collect data at a single point in order to collect quantitative data and examine the pattern of association of variables. There are many techniques used to conduct survey. However, questionnaire is common technique for survey (Saunders, 2012). For this study questionnaire technique of data collection method is used for this survey.

3.4 Type of questionnaires' and scale

Collection of data through questionnaire is quite popular particularly in case of big enquiries. According to Creswell (2009), types of questionnaires can be divided into three types as self-

administered questionnaires, telephone and personal interviews. Because both telephone and personal interviews are costly, time taking, requires trained interviewers and subject to interviewer bias, self-administered questionnaire is preferred as it is low cost and do not require the involvement of the researcher (Blumberg, 2008). In a Likert scale, the respondent is asked to respond to each of the statements in terms of several degrees, usually five degrees (but at times 3 or 7 may also be used) of agreement or disagreement. The five point Likert scales are clear in appearance and easier to handle than seven point scale. It also gives respondents the chance to be neutral about some statements than force respondent to take side than the three point likert scale. In this research the study questionnaire is designed as five point Likert scale.

3.5 Sampling Techniques

According to Anol (2012) Sampling is the statistical process of selecting a subset (called a “sample”) of a population of interest for purposes of making observations and statistical inferences about that population. Social science research is generally about inferring patterns of behaviours within specific populations.

3.5.1 Target Population

A population can be defined as all people or items (unit of analysis) with the characteristics that one wishes to study (Anol, 2012). The elements that make up the population are called the sampling units. The target populations for this study are Awash International Bank customers using the services of the Addis Ababa branches.

3.5.2 Sampling Frame

According to Kothari (2004), the elementary units or the group or cluster of such units may form the basis of sampling process in which case they are called as sampling units and a list containing all such sampling units is known as sampling frame. Thus sampling frame consists of a list of items from which the sample is to be drawn.

The information with regard to detail list and information of bank customers is considered secret and cannot be accessed by the student researcher. As per the monthly report of March 2014, Awash International Bank has 61 branches in Addis Ababa. There for the sampling frame is the customers using the services of these branches

3.5.3 Sampling Method and Sample Size

3.5.3.1 Sampling Method

The sampling method selected is simple random sampling for the selection of the branches where the questioners are administered. The reason for the selection of probability sampling technique is every item of the universe has an equal chance of inclusion in the sample and all choices are independent of one another. It also gives each possible sample combination an equal probability of being picked up and each item in the entire population to have an equal chance of being included in the sample, (Kothari, 2004).

3.5.3.2 Sampling Procedure

The names of the branches in Addis Ababa is written on a piece of paper, folded one by one in a similar way and placed in a bowl. The bowl holding the names of the branches is then mixed thoroughly and a sample of one is drawn from the bowl without looking and replacement.

Using this probability sampling technique Legehar, Kazanchis, Sidamo Tera, Bole Medhanialem and Merkato branches were selected as the sample frame.

3.5.3.3 Sample Size

Determining sample size is very complex as it depends on other factors such as margins of errors, degree of certainty and statistical technique. Sample size is therefore directly proportional to the desired confidence level of the estimate (z) and to the variability of the phenomenon being investigated, and it is inversely proportional to the error that the researcher is prepared to accept (Corbetta, 2003). When the size of population is unknown and previous researches are unavailable to determine the variability of an estimate over all possible samples, thus the sample size is calculated for the list favorable case $p = q = 0.5$ (Corbetta, 2003). Indeed, as the variability is measured by $1/pq$, it is easy to see that this index assumes its highest value when $p = q = 0.50$ (Corbetta, 2003).

Since the total population is unknown and previous studies are not available, with the study title here in Ethiopia, to determine the estimate of p and q . the student researcher used the

recommendation by Corbetta (2003) in determining the standard deviation, 95% confidence interval and 5% sampling error in calculating the sample size.

The sample size for this study was determined with the use of Topman formula as presented below (Dillon, 1993).

$$n = \frac{z^2 pq}{e^2}$$

Where:

n = required sample size

Z = Degree of confidence (i.e. 1.96^2)

P = Probability of positive response (0.5)

Q = Probability of negative response (0.5)

E = Tolerable error $(0.05)^2$

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5}{(0.05)^2}$$

$$n = \frac{3.8416 \times 0.5 \times 0.5}{0.0025}$$

n = 384.16 \equiv 385 *Respondents*

A total of 400 questionnaires were distributed by dividing the total questionnaires among the five selected branches equally.

Table 3.1 Name of Branches

Name of Branch	No of questionnaires distributed	Percentage of Total
Legehar	80	20
Kazanchis	80	20
Sidamo Tera	80	20
Bole Medhanialem	80	20
Merkato	80	20
Total	400	100

Source: Survey results (2014).

The questionnaires were self-administered in the above five branches from April 27 to May 10, 2014.

3.6 Variables and Measurement Instrument

The main purpose of this research was to measure customer based brand equity model of Keller (2003) in the private banking industry in Ethiopia. The questions in the questionnaire are designed to measured sources of brand equity and their impact on overall brand equity. The questioner was designed based on five point Likert scale. A total of 24 attributes were included in the questioner, including six items for brand equity, three items for each of the dimensions. Respondents were asked, using a five-point Likert-type scale (1 “strongly disagree”; 5 “strongly agree”), to indicate how they perceived the brand equity of Awash International Bank. The questionnaire was translated into Amharic by a licensed agency. Item statements for these variables were taken from previous researches. Categorical questions were used for demographic variables, such as gender, age, and education.

3.7 Data Analysis

The purpose of data analysis is to organize, provide structure to, and elicit meaning from research data. The data analysis consisted of examining the surveys for correctness and

completeness, coding and entering data into a database and performing an analysis of responses according to frequency distribution and inferential statistics.

The student researcher has done the analysis in two stages. In the first stage, the measurement model was analyzed to ensure sufficient reliability and validity of the construct.

In the second stage, the hypotheses of the relationship between constructs were tested using SPSS AMOS version 5. Model identification was done using Structural Equation Modeling technique, a multivariate estimate technique.

Structural equation models (SEMs), also called simultaneous equation model, are multivariate (i.e., multi equation) regression models. These structural equations are meant to represent causal relationships among the variables in the model, John Fox (1984).

CHAPTER FOUR

ANALYSIS AND DISCUSSION OF RESULTS

4.1 Background information of the respondents

The student researcher distributed 400 questionnaires and 344 valid responses were taken for analysis purpose. The response rate is 86% after the data is being screened from 359 respondents. Faulty 15 responses were excluded from the analysis. A percentage and frequency characteristic of the respondents is presented in the following subsequent tables.

The reliability of the data obtained from respondents is measured using SPSS 21 and is found to be reliable, $\text{Alpha}=0.872 > 0.70$ standard (Annex B).

The following table presents the number of actual respondents from Legehar, Kazanchis, Sidamo-Tera, Bole-Medhanialem and Merkato Branches.

Table 4.1 Branch name and response rate

Branch Name	Number of respondents in each Branch	Percent
Legehar	73	21.2%
Kazanchis	74	21.5%
Sidamo Tera	66	19.2%
Bole Medhanialem	71	20.6%
Merkato	60	17.5%
Total	344	100%

Source: Survey results, 2014.

Table 1.2 Frequency Table

	Age of the respondents		Gender of the respondents	Educational level of the respondents	Monthly income of the respondents	Marital Status of the respondents
N	Valid	344	344	344	344	344
	Missing	0	0	0	0	0

Source: Survey SPSS result (2014)

Table 4.3: Age of the respondents

In the following table the age distribution of respondents which is divided into five groups from 18-25 years, 26-35 years, 36-45 years, 46-55 years, and above 55 years is discussed below.

Age of the respondents	Age	Frequency	Percent	Valid Percent	Cumulative Percent
	"18-25"	132	38.4	38.4	38.4
	"26-35"	123	35.8	35.8	74.1
	"36-45"	40	11.6	11.6	85.8
	"46-55"	38	11.0	11.0	96.8
	>55	11	3.2	3.2	100.0
	Total	344	100.0	100.0	

Source: Survey SPSS result (2014)

Table 4.3 presents the age of respondents and 38.4% (132) were between the ages of 18-25, 35.8% (123) were between 26-35, 11.6% (40) were between 36-45, 11% (38) were between the age of 46-55; and the rest 3.2% (11) were above the age of 55 years old. In the above table it can be observed that the maximum percentage of the respondents (38.4% :132) were between 18-25 years of age, whereas the minimum age range lies above 55 years of age with 3.2% (11). Here it can be observed that, most of the respondents lay in the age range of 18-35 years 74.1%

(255). This shows most of the banks customers are in the economically active age group and building a strong and sustainable relation with this group will benefit the bank in the long run.

Gender of respondents

In the following table the gender of the respondents were presented with respective frequency of occurrence and percentage.

Table 4.4 Gender of respondents

	Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Gender of the respondents	"Male"	204	59.3	59.3	59.3
	"Female"	140	40.7	40.7	100.0
	Total	344	100.0	100.0	

Source: Survey SPSS result (2014)

In the above table the number of male respondents was 59.3 % (204) and the remaining 40.7 % (140) were female respondents. That is, in this investigation the numbers of male bank customers are almost 46% higher than female customers. The exhibit may align with the finding of other similar studies even though the proportion is improving in favor of female customers (Ephraim, 2013). The bank should work hard to improve the proportion of its female customer base even further by introducing new bank products that appeal to the group.

Educational Qualification of the respondents

Regarding the educational qualification of the respondents the survey was divided into six groups to measure their educational status i.e. Below High school, High school completed, diploma holder, first degree holder, second degree holder, and Doctor of Philosophy. The results are presented in the following table.

Table 4.5: Educational level of the respondents

Educational level of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	"below High School"	33	9.6	9.6	9.6
	"High School completed"	77	22.4	22.4	32.0
	"Diploma"	57	16.6	16.6	48.5
	First Degree	160	46.5	46.5	95.1
	Second Degree	14	4.1	4.1	99.1
	Doctor of Philosophy	3	0.9	0.9	100
	Total	344	100.0	100.0	

Source: Survey SPSS result (2014)

Table 6 shows the educational qualification of the respondents and that most of them 43.9 % (155) are first degree holders followed by High school completed 22.7 % (80) and Diploma Holders 18.7 % (66). Out of the total respondents 9.6 % (34) are below high school. The remaining respondents are 4.0 % (14) and 1.1 % (4) are second degree holders and Doctor of philosophy holders respectively. The data shows most of the respondents were first degree holders. Diploma holders and First degree holders constitute 62.6% (221) of the entire respondents. From this we can understand that educational background of customers of AIB is diverse and the bank needs to strengthen its attraction of professionals to its customer base.

Table 4.6: Monthly income of the respondents

Monthly income of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Up to 5,000	119	34.6	34.6	34.6
	5,001-20,000	180	52.3	52.3	86.9
	>20,000	45	13.1	13.1	100
	Total	344	100.0	100.0	

Source: Survey SPSS result (2014)

As per the data in Table 7, 34.6 % (119) responded that they earn a monthly income of up to Birr 5,000, 52.3 % (180) of the respondents earn between 5,001-20,000 Birr per month. The remaining 13.1% (45) respondents earn a monthly income above 20,000 birr. Sagaci Research, a market intelligence firm dedicated to African markets, in its report released in August, 2013 states that more than 10% of the Addis Ababa population earn a monthly income of more than USD 1,000 which is considered as the high income group. As per the data the banks customer base seems reasonably balanced.

Table 4.7: Marital Status of the respondents

Marital Status of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	147	42.7	42.7	42.7
	Single	180	52.3	52.3	95.1
	Divorced	9	2.6	2.6	97.7
	Separated	3	0.9	0.9	98.5
	Widowed	5	1.5	1.5	100
	Total	344	100.0	100.0	

Source: Survey SPSS result (2014)

Regarding the marital status of the respondents table 4.7 shows that 42.7% (147) of the respondents were married; whereas 52.3 % (180) of the respondents were single. Those who responded divorced were 2.6% (9), separated were 0.9 % (3) and widowed were 1.5% (5). In the same table, it is witnessed that more than half of the respondents were single. Together with the age distribution statistics it can be inferred that more of the banks customers are young and single. Therefore, the bank should introduce a marketing strategy to attract and retain this group.

4.2 Descriptive Analysis of the research variables

This study used a structured questionnaire to collect attitudinal data of the respondents about the dimensions of brand equity employing 24 constructs. 18 of them are constructs that intends to predict independent variables.

1. Brand Salience

Brand salience represents the strength of awareness of the brand names and other brand elements. This variable was measured using 3 items. The respondent's attitude towards brand salience is presented in the following table.

Table 4.8: Frequency, Mean and Standard Deviation of the Brand Salience Constructs

		BS1	BS2	BS3			
		Freq.	Freq.	Freq.	Total Frequency	Valid percent	Cumulative Percent
Valid	Strongly Disagree	7	9	7	23	2.2	2.2
	Disagree	21	23	42	86	8.3	10.6
	Neutral	36	52	84	172	16.7	27.2
	agree	172	172	143	487	47.2	74.4
	strongly Agree	108	88	68	264	25.6	100
	Total	344	344	344	1032	100	
	Mean	4.03	3.89	3.65	3.89		
	Std. Deviation	0.921	0.949	0.996	0.949		

Source: Survey SPSS result, 2014.

As can be seen from Table 4.8, 47.2 % (487) responded agree and 25.6 % (264) responded strongly agree. This shows that 72.8% of the responses were either agree or strongly agree and only 10.6% responded strongly disagree or disagree. This shows that customers of AIB have strong knowledge of the services of the bank.

2. Brand Performance

Brand performance is measures of customers' brand perception.

Table 4.9: Frequency and percentage of the Brand Performance Variable

		BP1	BP2	BP3			
		Freq	Freq	Freq	Total Frequency	valid Percent	cumulative percent
Valid	Strongly Disagree	15	17	17	49	4.7	4.7
	Disagree	27	63	35	125	12.1	16.9
	Neutral	70	48	36	154	14.9	31.8
	agree	161	160	180	501	48.5	80.3
	strongly Agree	71	56	76	203	19.7	100
	Total	344	344	344	1260	100	
	Mean	3.72	3.51	3.76	3.72		
	Std. Deviation	1.019	1.114	1.061	1.061		

Source: Survey SPSS result (2014)

In Table 4.9 the respondents' attitude about the brand performance is presented. In the data it is found that, 48.5% (501) responded agree and 19.7 % (203) responded strongly agree. The remaining 31.8% responded strongly disagree, disagree or neutral. The mean value of the brand performance constructs in the above table (table 14) portrayed that most of the respondents replied towards agree of the scale. This shows that a large proportion of the banks customers see the core products of the bank lack

3. Brand Imagery

Brand image is a source that provides the brand to accomplish and remain resonant and adequate in consumers' minds (Sherry, 2005).

Table 4.10: Frequency and percentage of Brand Imagery Variable

		BI1	BI2	BI3			
		Freq.	Freq.	Freq.	Total Frequency	Valid percent	Cumulative Percent
Valid	Strongly Disagree	15	13	14	42	4.1	4.1
	Disagree	19	31	20	70	6.8	10.9
	Neutral	53	39	20	112	10.9	21.7
	agree	165	172	185	522	50.6	72.3
	strongly Agree	92	89	105	286	27.7	100
	Total	344	344	344	1032	100	
	Mean	3.87	3.85	4.01	3.91		
	Std. Deviation	1.011	1.027	0.98	0.845		

Source: Survey SPSS result (2014)

In Table 4.10 the sum of strongly agree and agree (the positive replied) is about 78.3% whereas the negative responses accounted only around 10.9%. The remaining 21% is attributed to neutral reply. Here, it can be deduced that, a strong majority of the respondents replied in favor of agree and strongly agree, especially agree.

In the above table (table 4.10) the mean value of Brand imagery constructed portrayed 3.91, which is almost the fourth rank in the likert scale, that is, agree. We can infer from this that customers of AIB have a strong positive image towards the banks brand.

4. Brand Judgment

Judgments to brand consists of individual believes and evaluations of the customer about the bank's brand which forms by putting together all the performances and mental images about the bank's brand.

Table 4.11: Frequency and percentage of Brand Judgment Variable

		BJ1	BJ2	BJ3			
		Freq.	Freq.	Freq.	Total Freq.	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	14	16	47	4.9	4.9
	Disagree	26	31	42	99	7.6	12.5
	Neutral	26	29	30	85	7.6	20.1
	agree	175	187	176	538	50.9	70.9
	strongly Agree	100	83	80	263	29.1	100
	Total	344	344	344	1032	100	100
	Mean	3.92	3.85	3.76	3.85		
	Std. Deviation	1.953	1.017	1.083	1.053		

Source: Survey SPSS result (2014)

In the table 18 above, the sum of strongly agree and agree responses is 80 % (801) of the total 1,032 responses. 20.1 % (85) responded neutral and the balance 12.5 % (146) responded strongly disagree and disagree.

The mean value of 3.85 shows that the replay collected lay around agreed on the Likert scale.

5. Brand Feelings

Feelings to brand consist of the responses and emotional reflection of the customers to the brand which result from the social trends impressed by the brand.

Table 4.12: Frequency and percentage of Brand Feelings Variable

		BF1	BF2	BF3			
		Freq.	Freq.	Freq.	Total Frequency	Valid percent	Cumulative Percent
Valid	Strongly Disagree	21	24	19	64	6.2	6.2
	Disagree	29	37	29	95	9.2	15.4
	Neutral	84	78	93	255	24.7	40.1
	agree	132	143	137	412	39.9	80
	strongly Agree	78	62	66	206	20	100
	Total	344	344	344	1032	100	
	Mean	3.63	3.53	3.59	3.59		
	Std. Deviation	1.107	1.117	1.063	1.107		

Source: Survey SPSS results, 2014.

As with the other independent variables the response was dominated by the strongly agree and agree which is 59.9% (618) responses. The mean value of 3.59 is closer to the “agree” on the Likert scale but is the weakest value of all the independent variables in this study.

6. Brand Resonance

Brand resonance refers to the relationship between brand and its users including consumers’ willingness to purchase and to recommend to others (Wang, 2008).

Table 4.13 Frequency and percentage of Brand Resonance Variable

		BR1	BR2	BR3	Total	Valid	Cumulative
		Freq.	Freq.	Freq.	Frequency	Percent	Percent
Valid	Strongly Disagree	30	32	29	91	8.8%	8.8%
	Disagree	25	29	50	104	10.1%	18.9%
	Neutral	21	17	39	77	7.5%	26.4%
	agree	179	158	142	479	46.4%	74.8%
	strongly Agree	89	108	84	281	27.2%	100.00%
	Total	344	344	344	1032	100%	
	Mean	3.79	3.82	3.59	3.79		
	Strd. Deviation	1.164	1.228	1.238	1.228		

Source: Survey SPSS result (2014)

Table 4.13 shows, 46.4% (479) respondents out of the total 1032 responded agree and 27.2 % (281) responded strongly agree. The remaining 8.8 % (91), 10.1 % (104), and 7.5 % (77) responded strongly disagree, disagree, and neutral respectively.

When the data is analyzed using mean, a mean of 3.79 shows respondents agree towards the variable, Brand resonance.

7. Dependent Variables Response Analysis

The model being tested in the study posited brand equity as a dependent variable, which depends on brand awareness, brand loyalty, perceived quality and brand association. The overall brand equity variable was measured using four constructs. An average of the four constructs is presented in the following two subsequent tables.

Table4.14: Frequency and percentage of Brand Association Variable

		OBE1	OBE2	OBE3	OBE4	OBE5	OBE6			
		freq.	freq.	freq.	freq.	freq.	freq.	Total Frequenc y	valid percent	Cumulative percent
Valid	Strongly Disagree	11	8	11	11	19	15	75	3.6	3.6
	Disagree	27	20	25	12	42	54	180	8.7	12.4
	Neutral	27	46	52	47	96	67	335	16.2	28.6
	Agree	144	181	149	166	124	125	889	43.1	71.7
	strongly Agree	135	89	107	108	63	83	585	28.3	100
	Total	344	344	344	344	344	344	2064	100	
	Mean	4.06	3.94	3.92	4.01	3.49	3.60	3.93		
	Std. Deviatio n	1.035	0.913	1.018	0.938	1.093	1.141	1.027		

Source: Survey SPSS result (2014)

The result in the above table (table 20) is also a similar result with the above discussions. We can see from the table that 43.1 % (889) responded agree and 28.3% (585) responded strongly agree. This comes to 71.4% of the total response. The remaining 16.2% (335) responded neutral, 8.7% (180) disagree and 3.6% (75) strongly disagree.

Similar to the previous tables the mean value of the responses lay around “agree” on the Likert scale. Overall the majorities of the responses were agree or strongly agree.

4.3The Confirmatory Factor Analysis Measurement Model

The measurement model is assessed based on the Goodness of Fit (GOF) indices.

4.3.1 Model Fit analysis of CFA

The researcher passed through (1) Linking the model to the data set, (2) obtaining the desired statistics in the results output, and (3) conducting the analysis and the output result of CFA is analyzed here under. The maximum likelihood method is used in deriving out AMOS results.

In sum based on the following table, the CFA maintained a validity and reliability criteria. The model fit analysis of the confirmatory factor analysis is presented below.

Table 4.15: Goodness of Fit Criteria and Result of the measurement Model (CFA)

Absolute Fit Measures	Minimum Requirement	Survey coefficient	Remark
Chi-Square	significant	251.852	significant
Degrees of Freedom		131	
Significant Level		.05	significant

Source: Survey SPSS AMOS result (2014)

4.4 Structural Equation Modeling Analysis

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

4.4.1 SEM Goodness of Fit Analysis

Goodness-of-Fit Criteria

A number of goodness-of-fit measures are found to evaluate the overall fit of the hypothesized model. Goodness-of-fit measures the degree to which the actual or observed covariance input matrix corresponds with (or departs from) that predicted from the proposed model. Goodness-of-

fit dealings can be classified into three types: (1) absolute fit measures, (2) incremental fit measures, and (3) parsimonious fit measures. (Ho, 2006)

4.4.1.1 Absolute Fit Measures

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

Chi-square statistic is the most fundamental measure of overall fit is the likelihood ratio chi-square (χ^2) statistic, the only statistically based measure of goodness-of-fit available in SEM.

The GFI measures how much *better* the model fits compared with no model at all. RMSEA is the value that is representative of the goodness-of-fit when the proposed model is estimated in the population, Ho cited from (Jöreskog & Sörbom 1989).

4.4.1.2 Incremental Fit Measures

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

4.4.1.3 Parsimonious Fit Measures

In scientific research, theories should be as simple, or parsimonious, as possible. As Ho cited from (Bentler and Moorjaart, 1989) put it, “models with fewer unknown parameters may be considered as standing a better chance of being scientifically replicable and explainable. Following this line of thought, parsimonious fit measures relate the goodness-of-fit of the proposed model to the number of estimated coefficients required to achieve this level of fit. Their basic objective is to diagnose whether model fit has been achieved by “over fitting” the data with too many coefficients.

- **Parsimonious Normed Fit Index (PNFI):** The PNFI takes into account the number of degrees of freedom used to achieve a level of fit.

(In table -- Goodness Fit Measure of SEM) the SEM model is fit in all three criteria's. The absolute fit measures, the incremental fit measures and parsimony fit index. Hence, SEM AMOS outputs can be safely analyzed and discussed. In SEM the exogenous variables were brand salience, brand imagery, brand performance, brand feelings, brand judgments and brand resonance. The endogenous variable was overall brand equity. In other words, exogenous variables are independent variables whereas endogenous variables are dependent variables.

Table 4.16 Goodness of Fit the SEM model Analysis and Finding table

Absolute Fit Measures	Minimum Requirement	Survey coefficient	Remark
Chi-Square	significant	251.852	significant
Degrees of Freedom		131	
Significant Level		.05	significant
Goodness of Fit Index(GFI)		.932	
Root Mean Square Error of Approximation(RMSEA)	1) <.5 good fit 2) b/n .5 and .10 moderate fit 3) >1 bad fit	.056	Good fit
Adjusted Goodness of Fit Index (AGFI)		.902	Good Fit
Incremental Fit Index(Base Line Comparisons)		coefficient	
Normed Fit Index (NFI)		.917	
Incremental Fit Index (IFI)		.958	
Tucker-Lewis Index (TLI)		.945	
Comparative Fit Index(CFI)		.958	
Parsimony Measures		coefficient	
Normed Chi-Square (CMIN/DF) (Chi-square divided by degree of freedom)	<ul style="list-style-type: none"> • < 2 is preferred • 2-5 Normal 	1.923	Preferred

Source: Survey SPSS AMOS result (2014)

4.5 Regression Weights Analysis

Regression weights are the unstandardized coefficient estimates generated from maximum likelihood procedure. (Ho, 2006).

Table 4.17: Regression Weights: (Group number 1 - Default model)

Dependent variable		independent variables	Estimate	S.E.	C.R.	P	Label
Brand_Equity	<---	Brand_Salience	0.499	0.179	2.796	0.005	
Brand_Equity	<---	Brand_Performance	-0.074	0.068	-1.081	0.28	
Brand_Equity	<---	Brand_Imagery	0.38	0.12	3.156	0.002	
Brand_Equity	<---	Brand_Judgement	-0.003	0.046	-0.055	0.956	
Brand_Equity	<---	Brand_Feelings	0.129	0.071	1.827	0.068	
Brand_Equity	<---	Brand_Resonance	-0.051	0.034	-1.5	0.134	

Source: Survey SPSS AMOS result (2014)

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

As per this criterion, the values in the above table shows that the variables Brand Imagery (CR=3.156, at P =.01), Brand Salience (CR=2.796, at P < .01) are highly and directly related significant predictors of Overall Brand equity. Brand Feelings (CR=1.827, at P =.068) is directly

related but an insignificant predictor of Overall Brand Equity. Brand Performance (CR= -1.081, at P=0.28), Brand Judgments (CR= -0.055, P=0.956) and Brand Resonance (CR= -1.5, at P=0.134) are found to be negatively and insignificantly predictors of brand equity.

From the above table, it can be seen that the results of the two variables of Brand Salience and Brand Imagery are significantly and positively related to Overall brand Equity. Some times in social science statistical significance goes to 90%. Accordingly brand feelings can be considered as a significant variable. On the other hand, Brand Performance, Brand Judgments and Brand Resonance have insignificant prediction power of overall brand equity. Thus, it can be concluded that the greater brand salience, brand imagery and brand feelings the higher the value of brand equity will be.

4.6 Standardized Regression Weights Analysis

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

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

Dependent Variable		Independent Variable	Estimate
Brand_Equity	<---	Brand_Salience	0.468
Brand_Equity	<---	Brand_Performance	-0.069
Brand_Equity	<---	Brand_Imagery	0.392
Brand_Equity	<---	Brand_Judgement	-0.003
Brand_Equity	<---	Brand_Feelings	0.145
Brand_Equity	<---	Brand_Resonance	-0.075

Source: Survey SPSS AMOS result (2014)

The table above, table, shows a how change in brand equity dimensions changes brand equity based on standard deviation. Symbolically, when Brand Salience goes up by 1 standard deviation, brand equity goes up by 0.468 standard deviations. When brand performance goes up by 1 standard deviation, brand equity goes down by 0.069 standard deviations. When brand imagery goes up by 1 standard deviation, brand equity goes up by 0.392 standard deviations. When Brand judgments go up by 1 standard deviation, brand equity goes down by 0.003 standard deviations. When brand feelings go up by 1 standard deviation, brand equity goes up by 0.145 standard deviations. When brand resonance goes up by 1 standards deviation, brand equity goes down by 0.075 standard deviations.

4.7 Correlation Analysis

A correlation is simply a relationship between two things, (Ho et al, 2006)

Table 4.19 Covariance: (Group number 1 - Default model)

variables			Estimate	S.E.	C.R.	P	Label
Brand_Salience	<-->	Brand_Performance	0.25	0.046	5.391	***	
Brand_Performance	<-->	Brand_Imagery	0.305	0.049	6.2	***	
Brand_Salience	<-->	Brand_Feelings	0.416	0.058	7.214	***	
Brand_Salience	<-->	Brand_Imagery	0.467	0.054	8.589	***	
Brand_Performance	<-->	Brand_Feelings	0.168	0.048	3.534	***	
Brand_Imagery	<-->	Brand_Resonance	0.119	0.06	1.985	0.047	
Brand_Imagery	<-->	Brand_Feelings	0.303	0.056	5.407	***	
Brand_Judgement	<-->	Brand_Resonance	0.365	0.065	5.585	***	

Source: Survey SPSS AMOS result (2014)

Andy Field(FIELD, 2005) defined Covariance as about how two variables are deviate from the mean similarly. The covariance (unstandardized correlation coefficients) between the six predictor variables are presented in the above table. The covariance between Brand Salience on the one hand and Brand Performance, Brand Feelings and Brand Imagery is strong. By the same token Brand Performance also has a strong covariance with Brand Imagery and Brand Feelings. Brand Imagery has a strong covariance with Brand Feelings and Brand Judgements also have a strong covariance with Brand Resonance. All the above covariance's are all highly significant by the C.R. test ($p < .001$).

This shows that the above brand equity dimensions change will change the other associated brand equity dimensions as well. By influencing one of the correlated variables we can influence the other variables to increase the overall brand equity of the bank.

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

Variables			Estimate	Direction/Significance of Correlation
Brand_Salience	<-->	Brand_Performance	0.458	Range.03 to.70 moderate correlation
Brand_Performance	<-->	Brand_Imagery	0.508	Range.30 to.70 moderate correlation
Brand_Imagery	<-->	Brand_Judgement	0.095	Range.01 to.30 small correlation
Brand_Judgement	<-->	Brand_Feelings	0.061	Range.01 to.30 small correlation
Brand_Feelings	<-->	Brand_Resonance	0.1	Range.01 to.30 small correlation
Brand_Salience	<-->	Brand_Resonance	0.126	Range.01 to.30 small correlation
Brand_Salience	<-->	Brand_Feelings	0.634	Range.03 to.70 moderate correlation
Brand_Salience	<-->	Brand_Judgement	0.067	Range.10 to.30 small correlation
Brand_Salience	<-->	Brand_Imagery	0.773	Range.07 to.90 large correlation
Brand_Performance	<-->	Brand_Judgement	0.107	Range.01 to.30 small correlation
Brand_Performance	<-->	Brand_Feelings	0.258	Range.10 to.30 small correlation
Brand_Performance	<-->	Brand_Resonance	0.101	Range.01 to.30 small correlation
Brand_Imagery	<-->	Brand_Resonance	0.126	Range.10 to.30 small correlation
Brand_Imagery	<-->	Brand_Feelings	0.418	Range.30 to.70 moderate correlation
Brand_Judgement	<-->	Brand_Resonance	0.365	Range.03 to.70 moderate correlation

Source: Survey SPSS AMOS result (2014)

According to Marczyk et al (2005) correlations coefficient can move in the same direction (positive or direct correlation) or opposite direction (negative or inverse correlation). The range

of correlation may lie between -1.0 to and 1.0. The former is perfect negative correlation while the latter is perfect positive correlation. If correlations coefficient is equal to zero, it means there is no relationship between the considered variables. In general, correlations of .01 to .30 are considered small, correlations of .30 to .70 are considered moderate, correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large.

The above table (Table 29) shows that all dimensions of brand equity are interrelated from a small correlation significant to a large correlation significant. Especially, a large correlation is exhibited among brand salience and brand imagery ($r > .70$, $P < 0.001$).

4.8 Squared Multiple Correlation Analysis

According to Ho et al. (2006) squared multiple correlation is an index of the proportion of the variance of the endogenous variable (E1) that is accounted for by the exogenous or predictor variables. It can be assumed that the higher the value of the squared multiple correlation, the greater the explanatory power of the regression model, and therefore the better the prediction of the dependent variable. Field et al (2005) stated correlation coefficient squared (known as the coefficient determination, R^2) is a measure of the amount of variability in one variable that is explained by the other.

Table 4.21: Squared Multiple Correlations: (Group number 1 - Default model)

Dependent Variable	Overall Brand Equity
Estimate	.74

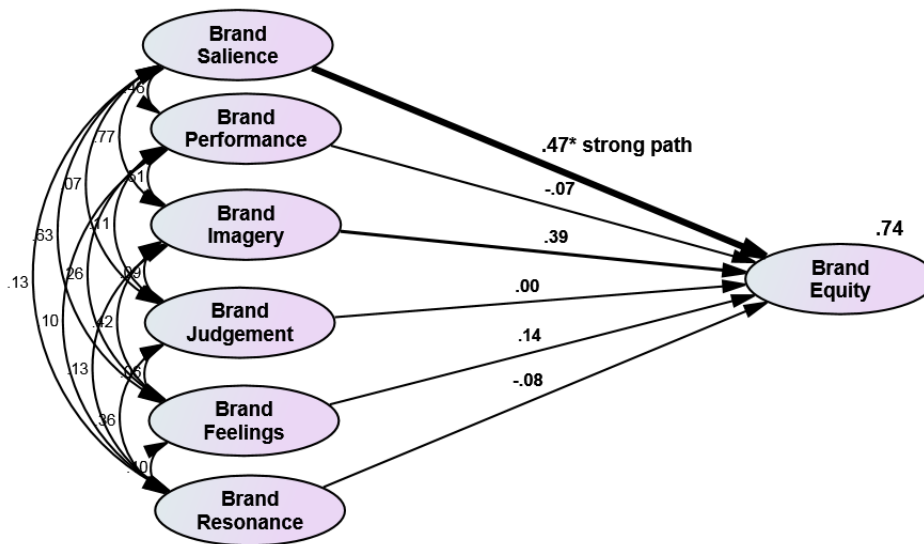
Source: Survey SPSS AMOS result (2014)

The result of squared multiple correlation is equal to R^2 of the regression coefficient. Table 4.21 it is estimated that the predictors of brand equity dimensions explain **74%** of brand equity. Its variance (100%-74.3%) is unexplained by these independent variables. In other words, the independent variables explain the dependent variable by **74 %**. The remaining **26%** will be attributed to the brand equity itself or other variables other than the independent variables

considered in the study. In other words, the error variance of **brand equity** is approximately 26 percent of the variance of **brand equity** itself.

Structural Equation Model: CBBE model in Awash International Bank

Figure 4.1: SEM: AMOS Graphics: Covariance, Correlation, and Standard Regression of coefficients



Source: Survey Result (2014)

In the above figure a one heading arrow shows the relative degree of influence a variable has on brand equity.

Table 4.22: Sources of Brand Equity and their influence on Brand Equity in AIB.

Relations Between Latent Variables	Standard Coefficients(n=344)
Brand Salience→ Brand Equity	$\beta= 0.47^*$
Brand Performance→ Brand Equity	$\beta= - 0.07$
Brand Imagery → Brand Equity	$\beta= 0.39^*$
Brand Feelings → Brand Equity	$\beta= 0.14$
Brand Judgments → Brand Equity	$\beta= 0.00$
Brand Resonance → Brand Equity	$\beta= -0.08$
* Significant at * P< 0.01	
R ² (Brand Equity)=0.74	

Source Survey SPSS AMOS result (2014) with own elaboration

In this part, the relationships established among the dimensions or sources of brand equity and Overall Brand Equity is analyzed.

Hypothesis O: Brand salience has no significant positive effect on brand equity.

Hypothesis A: Brand salience has a significant positive effect on brand equity.

The results show ($\beta= 0.47$) that the path from salience brand to brand equity was significant. Therefore we reject the null hypothesis and accept the alternative hypothesis. In addition brand salience is the most significant brand asset to private banks brands.

Hypothesis O: Brand performance has no significant positive effect on brand equity.

Hypothesis A: Brand performance has a significant positive effect on brand equity.

The results ($\beta= - 0.07$) show that brand performance has no insignificant positive effect on brand equity. Therefore we accept the null hypotheses and reject the alternative hypothesis.

Hypothesis O: Brand imagery has no significant positive effect on brand equity.

Hypothesis A: Brand imagery has a significant positive effect on brand equity.

The findings ($\beta= 0.39$) show brand imagery has a significant positive impact on brand equity. Therefore we reject the null hypotheses and accept the alternative hypotheses. Brand imagery is found to be the second most significant brand asset of private bank brands.

Hypothesis 0: Brand judgments, has no significant positive effect on brand equity.

Hypothesis A: Brand judgments have a significant positive direct effect on brand equity.

The findings ($\beta= 0.00$). We accept the null hypothesis and reject the alternative hypotheses.

Hypothesis 0: Brand feelings have no significant positive effect on brand equity.

Hypotheses A: Brand feelings have a significant positive direct effect on brand equity.

The findings indicate a value $\beta= 0.14$. Therefore we accept the null hypothesis and reject the alternative hypotheses.

Hypothesis 0: Brand resonance has no significant positive effect on brand equity.

Hypothesis A: Brand resonance has a significant positive direct effect on brand equity.

The findings ($\beta= -0.08$) show brand resonance have no significant positive effect on brand equity. Therefore we accept the null hypotheses and reject the alternative hypotheses.

4.9 Discussion of Findings

The purpose of this study was to measure customer-based brand equity based on Keller's model in the private banking industry in Ethiopia with evidence from Awash International Bank.

The first and the base of Keller's (2003), brand building block was brand salience. The first step in building a strong brand is to ensure the correct brand identity. The purpose is to create an identification of the brand with customers, and an association in their minds with a specific service or need. To do this, brand salience must exist. The results with $\beta=0.47$ and $P<.005$ show that there is a strong relation between brand equity and brand salience. This is consistent with the results obtained by researches conducted by Maryam et al (2012) and Tsai et al (2011).

When brand salience has been realized, the process moves to the next level in the development of brand meaning. Brand performance relates to the way in which the product or service attempts to meet customers more functional needs. The findings of the research show that brand performance in AWASH International Bank have no significant positive effect on brand equity. This in part is attributable to the standardized products provided by the banks. From the above result we can infer that the bank is not meeting its customers' expectations in delivering current customer needs followed by attempts to surpass the triggered customer expectations. This has been supported by the research conducted by Maryam et al (2012).

Brand imagery considers the extrinsic properties of the product or service, including the way in which the brand attempts to meet customers' psychological or social needs. It relates to more to intangible aspects of the brand. Brand imagery can be raised directly through brand experience or indirectly through advertising EURIP (2009). The value of $\beta=0.39$ $P < .01$ in the study shows that brand imagery is also a major brand equity dimensions significantly affecting Awash International Bank's brand equity.

Brand judgment focuses on customers' personal opinion and evaluation about the brand. The opinion is formed rationally. As per Keller (2003) the opinion is based on three criteria of quality, reliability and superiority. This dimension also has an insignificant effect on customers' attitude towards Awash International Bank. The findings reject H4. Most of the banks in Ethiopia provide the standard banking service for their customers. As Harrison (2013) points out just giving a product (like Students Account) just because other banks have it is just marketing myopia. For brand judgments to have significant effect there should be marked differentiation among the banks products and services.

Brand feelings, is all about customers' emotional responses and reactions with respect to the brand. It shows how the brand affects customers feeling about themselves and their relationship with others. The research finding show brand feeling have no significant impact on Awash International Bank's brand equity. Hypotheses 5, is therefore rejected.

Resonance to brand is the final step of the model which focus on the ultimate relationship and level of identification that the customer has with the brand. Contrary to expectation brand resonance also have an insignificance influence on the bank's brand equity. As Keller (2003)

states it is difficult for customers to appreciate the advantages and uniqueness of a brand unless they have some sort of frame of reference. It is also difficult for customers to achieve high level of positive responses without having a reasonably complete understanding of the various dimensions and characteristics of the brand.

Two dimensions (brand salience and brand imagery) have significant effect on brand equity and four dimensions (brand performance, brand judgments, brand feelings and brand resonance) have no significant effect on brand equity. Both brand salience and brand imagery are found to be assets that add value to the brand equity of Awash International Bank with brand salience having the highest value.

Summary of the Hypotheses Test

This study based on the Keller’s Customer-Based Brand Equity dimension, proposed brand salience, brand performance, brand imagery, brand judgments, brand feelings and brand resonance as a source of brand equity determinants in the private Banking industry in Ethiopia the case of Awash International Bank. The following table shows finding of this empirical investigation.

Table 4.23: Hypotheses results

Initial Proposed hypotheses	Results
H1: Brand salience, has a significant positive direct effect on brand equity.	Supported
H2: Brand performance, has a significant positive direct effect on brand equity.	Rejected
H3: Brand imagery, has a significant positive direct effect on brand equity.	Supported
H4: Brand judgments, has a significant positive direct effect on brand equity.	Rejected
H5: Brand feelings, has a significant positive direct effect on brand equity.	Rejected
H6: Brand resonance, has a significant positive direct effect on brand equity.	Rejected

Out of the six Customer-Based Brand Equity dimensions formulated by Keller (2003), only two of the dimensions brand salience and brand imagery were found to have a significant relationship with Awash International Bank’s brand equity. All the other dimensions have no significant influence on the banks brand equity.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

The purpose of this study was to measure customer-based brand equity based on Keller's model in the private banking industry in Ethiopia with evidence from Awash International Bank. The model used six constructs namely Brand Salience, Brand Performance, Brand Imagery, Brand Judgments, Brand Feelings and Brand Resonance to measure Customer-Based brand equity. A total of twenty four attributes were used in the questioner, including six items for brand equity, three items for each of dimensions. The result of squared multiple correlation $R^2=0.74$. This shows that predictors of brand equity dimensions explain **74%** of brand equity.

Findings of this paper suggest that amongst Awash International bank's customers in Ethiopia the brand dimensions of brand salience and brand imagery have a much greater importance in building the banks brand equity. Brand resonances have a weaker but positive impact in the bank's brand equity. Brand feelings, brand judgments, and brand performance are found to have no significant impact in the Bank's overall brand equity. It should be noted, however, when the correlation among dimensions was specified in the structural model, the inter-correlation between brand dimensions were all positive. Thus, brand performance, brand judgment, brand feelings and brand resonance might affect brand equity by influencing brand salience and brand imagery first.

Similar studies performed by Tsai et al (2011), made an exploratory study of the relationship between customer-based casino brand equity and firm performance. The results of paper indicated that better-performing casino brands were associated with greater customer-based brand equity, which only comprise of brand loyalty, brand image and brand awareness.

Another study performed by Maryam et al (2012), made an empirical study to measure customer based brand equity in the Iranian banking industry and found that only brand salience, brand performance, brand judgments and brand resonance were associated with customer-based brand

equity while brand imagery and brand feelings were found to have no significant impact on brand equity.

As Keller (2003) puts it the customer based brand equity model is a road map and guidance that can be used for brand building. Banks in Ethiopia can use the CBBE model to assess their progress in their brand building efforts as well as a guide for marketing research initiative. CBBE can enable firms to track and provide quantitative measures of the success of brand building efforts.

5.2 Recommendation

The study found out brand salient to be a strong determinant of Awash International Bank's brand equity. Brand salience relates to the aspects of the awareness of the brand which comprises depth and breadth of awareness. Breadth such that customers make sufficient purchases as well as always think of the brand across a variety of settings. Therefore the bank should make an effort to increase the breadth by employing quality investment to introduce its various services to increase customer purchase frequencies and situations.

The research also revealed brand imagery which is one aspect of meaning significantly contribute in to creating brand equity. Performance the other aspect of brand equity failed to do so. In order for the brand to have a meaning both aspects must be accomplished. Therefore efforts should be made to increase the extent to which the bank satisfy utilitarian, aesthetic and economic customers' needs and wants in the service category.

Brand judgments, was found to be insignificant in predicting brand equity in Awash International Bank's context. Brand judgments involve how customers put together all the different performances and imagery associations of the brand to form different kinds of opinions. Hence, efforts should be made to build a positive attitude towards the service quality, eliciting credibility through perceived expertise, trust worthiness and likability; influence customers to consider the banks service for possible purchase and usage; and proof superiority through convincing customers as being better and unique.

Feelings also failed to predict the brand equity. Brand feelings are emotional responses and reactions with respect to the brand. It is the social currency evoked by the brand. Therefore marketers should employ marketing programs such as transformational advertising which is designed to change customer's perception of the actual usage experience with the product. For example self-respect, social approval, security etc.

Resonance is the final step of the model which focus on the ultimate relationship and level of identification that the customer has with the brand. As Keller (2003) states it is difficult for customers to appreciate the advantages and uniqueness of a brand unless they have some sort of frame of reference. It is also difficult for customers to achieve high level of positive responses without having a reasonably complete understanding of the various dimensions and characteristics of the brand.

The bank should fortify the existing brand equity to reap some financial benefits by taking such steps as suggested by Marconi (2000). These proven facts relate directly to the premise offered in the Introduction, that if you are a better-known brand, you are a better brand.

Brand equity is the value, or the perception of value, in the brand name and establishing that value begins with creating awareness.

1. Going market by market or city to city to introduce the bank to test groups and influential persons or groups who will endorse or otherwise raise the level of awareness through word-of-mouth advertising
2. Sampling providing free product samples (or free trial service) to targeted groups on a market-by-market basis like students accounts with bonus deposits for better performing students.
3. Advertising media advertising (print, radio, TV, outdoor) or point-of-sale displays and promotions provide a more traditional approach. What is not traditional in the most effective programs and campaigns is the creativity involved in both the media plan and the advertisements themselves.

"Awareness advertising" lets the public know that the product exists; "image advertising" influences how the public feels about the bank. Either approach can be powerful or memorable with the right creative treatment. The media plan details where, when, and how often the work is

presented. It can include safe and proven-effective mainstream placements or unusual outlets that, while riskier, often gain greater attention.

4. Sponsorships The possibilities are just about limitless: TV shows, art exhibits (from fine art to pop art), student competitions, Amateur League, scholarship grants, concerts, and sporting events from football or tennis tournaments to car racing and marathons to the Special Olympics.

5. Promotions once meant putting a company name or logo on pens and key rings. It's still that, plus quality clothing, jewellery, and other brand-identified premiums that both involve the recipient and keep the brand name present and visible in the home or work environment. Promotions are also tie-ins with books, movies, events, and other products and projects that maximize budgets and visibility.

6. Public relations generating awareness through the use of "non-paid" media, such as television and radio interviews and call-in shows; placement of stories, expositions, and announcements.

7. Event or cause participation a little PR and a little sponsorship yield a lot of recognition, visibility, and awareness. Subsidies, endowments, and grants (the support of a school, charity, or another worthy cause) have long been subtle but effective methods of earning recognition, awareness, and brand loyalty by doing good.

8. Endorsements recognition by an independent research or testing organization often separates and distinguishes quality; examples are receiving the Good Housekeeping Seal of Approval or being recommended by "9 out of 10 successful business men surveyed."

The quick way to achieve brand salience is to do all of the above listed steps, only more quickly. Critics of this process call it hype, and those who undertake it can't be thin-skinned. This kind of campaign makes a very aggressive bid for attention.

Banks don't typically offer coupons, but they can give coupons for discounts or complimentary products or services from neighboring restaurants or movie theatres. Such offers generate goodwill while saying "thank you for being our customer."

In this study it is found that customer's knowledge about the brands basic knowledge and its imagery make differentiations that these differences in customer's attitudes strengthen brand

equity in the bank. Understanding this point has an important implication for bank managers. Based on findings, marketers could focus on the awareness of customers, improving brand image of the organization, improve on the brand feeling of customers and finally resonance brand and making powerful brand originates from the relationship of brand and customer.

As noted from the results of this research customer-based brand equity model could be of great help to the Ethiopian private banking industry as to how to go about building a strong brand.

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APPENDIX

Appendix A: Questionnaire in English

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT
Questionnaire to be filled by Awash International Bank customers to measure
CBBE in the Banking Industry in Ethiopia: An Empirical investigation**

Dear Respondent

I really appreciate your genuine response for this questionnaire. This questionnaire is designed and given to you to collect data about your knowledge, feelings and attitudes about the Awash International Bank Brand. My name is Mulugeta Kefyalew, MA candidate at Addis Ababa University School of Commerce conducting a research under the title *“measuring customer based brand equity: empirical evidence from the private banking industry in Ethiopia”* as a partial fulfillment of the requirement of my second degree. I give you my promise that your response will be kept absolutely confidential and used only for the consumption of this paper.

For any further inquiry you can contact me via +251-911-424968 mulugetakefyalew@gmail.com

Thank You!

I. General Questions

1. Age : 18-25 26-30 31-35 36-40 >41
2. Gender : Male Female
3. Educational level: Below high school High school completed Diploma Degree Master PhD
4. Marital status: Married Single Divorced Separated Widowed
5. Monthly Income
Below Birr 1,000 From Birr 1,001 up to Birr 5,000 From Birr 5,001 up to Birr 10,000
Above Birr 10,000

II Please thick the number that best describes your opinion 1= Strongly Disagree 2=Disagree 3=Neutral 4=Agree and 5=Strongly Agree about the brand of “Awash International Bank S.C.’.

Latent Variables	Indicators	Rating					
		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	
Brand Equity	1	Graphic design, symbol, and logo of Awash Bank is unique and memorable					
	2	I am sure about the information Awash Bank gives me.					
	3	Awash Bank is a symbol of honesty and safety.					
	4	In my idea, Awash Bank is reliable.					
	5	Awash Bank has been effective in providing financial security of my life.					
	6	In my idea, Awash Bank is more committed to the society compared with other Banks.					
Brand Salience	7	Awash Bank is the first and most famous bank crossing my mind.					
	8	I have more knowledge about Awash bank services.					
	9	In my idea, provided service in Awash bank is more favorable and distinct compared with other banks.					
Brand Performance	10	Financial stability of Awash bank has convinced me to choose it.					
	11	I have full satisfaction to Awash bank services.					
	12	Awash bank staffs are responsive to customer requests and solve them fast.					
Band Imagery	13	In my idea, Awash bank reminds me of a top economic corporation.					
	14	Access to Awash bank service is easily possible.					
	15	Awash bank has a good background in service providing.					
Brand judgments	16	Awash bank is more qualitative than others.					
	17	In my idea, Awash bank performance and services are unique.					

	18	Using Awash bank services worth the costs I bear.					
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Latent Variables	Indicators	Rating					
		Strongly disagree	disagree	Neutral	Agree	Strongly disagree	
Brand feelings	19	Awash bank has more credit and social reputation in the society.					
	20	I always feel comfort while using Awash bank services.					
	21	Awash bank has been effective in providing financial security of my life.					
Brand resonance	22	Despite the similarities of Awash bank and others, I decided to use only Awash bank services.					
	23	As a customer of Awash Bank, I try to use only Awash bank services.					
	24	I feel closeness with other customers of Awash bank					

Appendix A: Questionnaire in Amharic

አዲስአበባዩኒቨርሲቲ የንግድ ስራ ትምህርት ቤት የገበያ አመራር የትምህርት ክፍል በኢትዮጵያ ደንበኛን መሰረት ያደረገ ባንክ ብራንዶችን ሀብት ለመለካት የተዘጋጀ መጠይቅ

የተከበሩ ምላሽ ሰጪዎች

እውነተኛ ምላሽ ለመስጠት ሰዓትዎን ስለመደብ-ልኝ ከልቤ አመሰግናለሁ። ይህ መጠይቅ በኢትዮጵያ ደንበኛን መሰረት ያደረገ ባንክ ስያሜዎችን (ብራንዶችን) ሀብት ለመለካት እንዲቻል የተዘጋጀ ነው። በኢትዮጵያ ስላሉ ባንክ ስያሜዎች

(ብራንዶች) ያልዎትን እውቀት፣

አመለካከትና አስተሳሰብ በመሰብሰብና በመተንተን የብራንዶች ባለቤቶች የተጠቃሚዎችን ፍላጎት መሰረት ያደረገ የገበያ አመራር ውሳኔዎችን እንዲወስዱ ያስችላል ተብሎ ይታመናል።

በተጨማሪም ይህ መጠይቅ ለ 2ኛ ዲግሪ ይህን ስም ሆኑ የሚሰጡ ኝመረጃ በሙሉ በሚሰጡ ለሚጠራ የሚያዘና ለዚህ ጥናት ፍጆታ ብቻ የሚውል መሆኑን ላረጋግጥልዎ እወዳለሁ።

ለበለጠ መረጃ +251-911-424968

ወይንም mulugetakefyalew@gmail.com ሙሉ ኔታ

ከፍተኛ ጠቃሚ ሆኖ ለዎታል።

ከልብ የመነጨ ስጋና ዩይደር ስዎት

I ለጠቅላላ ጥያቄዎች እባክዎ በሰንጠረዥ ውስጥ ይህን ምልክት በማስቀመጥ ይተባበሩኝ። "✓"

- 1. እድሜ : 18-25 26-30 31-35 36-40 >41
- 2. ጾታ : ወንድ ሴት
- 3. የትምህርት ደረጃ: ከ 2ኛ ደረጃ በታች 2ኛ ደረጃ ያጠናቀቅኩ ዲፕሎማ ዲግሪ 2ኛ ዲግሪ ዶክተሬት ዲግሪ
- 4. የጋብቻ ሁኔታ: ያገባሁ ላጤ ፈት የተለያየሁ ባለቤቴ በሞት የተለየ/ች
- 5. ወርሃዊ ገቢ እስከ ብር 1000 ከ-ብር 1001 እስከ ብር 5000 ከ-ብር 5001 እስከ ብር 10000 ከ 10000 ብር በላይ

II እባክዎ ስለ አዋሽ ባንክ ብራንድ (ስያሜ) ያለዎትን ሐሳብ ይበልጥ የሚገልጠውን ቁጥር "✓" ምልክት በማድረግ ያሳዩ

- 1 አጥብቄ አልሰማም 2 አልሰማም 3 አይገልጽኝም 4 አሰማለሁ 5 አጥብቄ አሰማለሁ

ገለጭ ቃላት/ሐረግ	ክመልካች መጠይቆች	የመልስ ዎረዳዎች					
		አጥብቆ አልሰማም	አልሰማም	አይገልጽኝም	አሰማለሁ	አጥብቆ አሰማለሁ	
ጠቅላላ የብራንድ ህብት	1	የአዋቅባንክ የንግድ ምልክቱ የተለየና በቀላሉ የሚታወስነው።።					
	2	አዋቅባንክ በሚሰጠኝ መረጃዎች ላይ ሙሉ እምነት አለኝ።።					
	3	አዋቅባንክ የታማኝነትና የደህንነት ምልክት ነው።።					
	4	በኔ አስተሳሰብ አዋቅባንክ አስተማማኝ ነው።።					
Brand Equity	5	አዋቅባንክ ለሕይወቴ የፋይናንስ ስጦትና በመስጠት ጠቃሚ ነው።።					
	6	ከሌሎች ባንኮች አንጻር ሲታይ አዋቅባንክ ለሕብረተሰቡ (ተቆርቋሪ) ነው።።					
የብራንድ ግንዛቤ ጥንካሬ	7	አዋቅባንክ በጣም ታዋቂውና በመጀመሪያ ወደ አእምሮዬ የሚመጣው ባንክ ነው።።					
	8	ስለ አዋቅባንክ አገልግሎት የተሻለ እውቀት አለኝ።።					
	9	በኔ አስተያየት የአዋቅባንክ አገልግሎት ከሌሎች ባንኮች ጋር ሲነፃፀር ተመራጭና የተለየ ነው።።					
የብራንድ የገበያ ጥንካሬ	10	የአዋቅባንክ የካፒታል ጥንካሬው እንደ መርጠው አሳምኖኛል።።					
	11	በአዋቅባንክ የአገልግሎት ጥራት ሙሉ እርካታ ይሰማኛል።።					
	12	የአዋቅባንክ ሰራተኞች ለደንበኞች ታዛዥና ቶሎ መፍትሄ ሰጪ ናቸው።።					
የብራንድ ገጥታ	13	በኔ አስተያየት አዋቅባንክ ጠንካራ የንግድ ድርጅት ነፃነታው ሰኛል።።					
	14	የአዋቅባንክ አገልግሎት በቀላሉ ተደራሽ ነው።።					
	15	አዋቅባንክ በአገልግሎት አሰጣጥ ጥሩ ልምድ አለው።።					
የደንበኞች የብራንድ ግምገማ	16	አዋቅባንክ ከሌሎቹ በተሻለ ጥራት ያለው ባንክ ነው።።					
	17	በኔ አስተያየት የአዋቅባንክ እንቅስቃሴና አገልግሎት የተለየ ነው።።					

Brand Judgments	18	የአዋሽባንክን አገልግሎት መጠቀም ከወጪው አንጻር አዋጭ ነው።					
ገላጭ ቃላት/ሐረግ		አመልካች መጠይቆች	የመልስ ምደራ ጽሑፎች				
			አጥብቆ አስማማጭ	አልሰማማጭ	አይገልጽኝም	አሰማማጭ	አጥብቆ አስማማለሁ
ደንበኞች ለብራንዱ ያላቸው ስሜት	19	አዋሽባንክ በሕብረተሰቡ ዘንድ የተሻለ ተቀባይነት እና ጥሩ ስም አለው።					
	20	የአዋሽባንክ አገልግሎት ስጠቀም ሁሌ ምምቶት ይሰማኛል።					
	21	አዋሽባንክ በሕይወቴ በገንዘብ ዘርፍ ደህንነት እንዲሰማኝ ውጤታማ ስራ ሰርቷል።					
Brand Feelings							
ደንበኞች ከብራንዱ ጋር ያላቸው ጥምረት	22	ምንም እንኳን አዋሽባንክ ከሌሎች ተመሳሳይ ቢሆንም የአዋሽባንክ አገልግሎት በቻለ መጠቀም መስኛለሁ።					
	23	እንደ አዋሽባንክ ደንበኝነቴ የአዋሽባንክ አገልግሎት በቻለ መጠቀም እሞክራለሁ።					
	24	ከሌሎች የአዋሽባንክ ደንበኞች ጋር ጥሩ የቅርርብ ስሜት አለኝ።					
Brand Resonance							

APPENDEX BSPSS and AMOS results

Reliability and validity measures

Reliability Statistics

Cronbach's Alpha	N of Items
.872	24

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
Brand Equity	86.73	152.520	.361	.869
Brand Equity	86.85	151.167	.482	.866
Brand Equity	86.87	147.887	.561	.863
Brand Equity	86.78	149.364	.549	.864
Brand Equity	87.29	147.800	.520	.864
Brand Equity	87.19	145.697	.575	.862
Brand Salience	87.00	154.778	.231	.873
Brand Salience	86.97	153.364	.261	.873
Brand Salience	87.20	154.429	.223	.874
Brand Performance	87.07	151.718	.401	.868
Brand Performance	87.28	151.234	.378	.869
Brand Performance	87.02	153.119	.327	.870
Brand Imagery	86.92	148.900	.523	.864
Brand Imagery	86.94	147.932	.554	.863
Brand Imagery	86.78	146.674	.638	.861
Brand Judgements	86.87	154.048	.293	.871
Brand Judgements	86.93	155.246	.258	.872
Brand Judgements	87.03	152.953	.325	.870
Brand Feelings	86.76	150.462	.510	.865
Brand Feelings	86.90	147.289	.635	.861
Brand Feelings	87.14	147.654	.586	.863
Brand Resonance	87.16	147.824	.512	.864
Brand Resonance	87.26	147.942	.502	.865
Brand Resonance	87.20	149.006	.489	.865

AMOS Analysis Model Fit Summary

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	59	251.852	131	0	1.923
Saturated model	190	0	0		
Independence model	19	3035.383	171	0	17.751

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	0.045	0.932	0.902	0.643
Saturated model	0	1		
Independence model	0.309	0.383	0.315	0.345

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	0.917	0.892	0.958	0.945	0.958
Saturated model	1		1		1
Independence model	0	0	0	0	0

**Parsimony-
Adjusted
Measures**

Model	PRATIO	PNFI	PCFI
Default model	0.766	0.703	0.734
Saturated model	0	0	0
Independence model	1	0	0

NCP

Model	NCP	LO 90	HI 90
Default model	120.852	79.798	169.712
Saturated model	0	0	0
Independence model	2864.383	2689.316	3046.786

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	0.734	0.352	0.233	0.495
Saturated model	0	0	0	0
Independence model	8.85	8.351	7.841	8.883

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.052	0.042	0.061	0.364
Independence model	0.221	0.214	0.228	0

AIC

Model	AIC	BCC	BIC	CAIC
Default model	369.852	377.159	596.45	655.45
Saturated model	380	403.529	1109.722	1299.722
Independence model	3073.383	3075.735	3146.355	3165.355

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	1.078	0.959	1.221	1.1
Saturated model	1.108	1.108	1.108	1.176
Independence model	8.96	8.45	9.492	8.967

HOELTER

Model	HOELTER 0.05	HOELTER 0.01
Default model	217	234
Independence model	23	25

Computation of degrees of freedom (Default model)					
	Number of distinct sample moments:	190			
	Number of distinct parameters to be estimated:	59			
	Degrees of freedom (190 - 59):	131			
	Result (Default model)				
	Minimum was achieved				
	Chi-square = 251.852				
	Degrees of freedom = 131				
	Probability level = .000				