



**ADDIS ABABA UNIVERSITY COLLEGE OF COMMERCE
POSTGRADUATE STUDIES DEPARTMENT OF MARKETING**

**Analysis of the Effect of Brand Equity on Customer Loyalty:
*The Case of Selected Banks in Ethiopia***

**By: - Tsigemariam Belayneh
(GSE/0866/06)**

**A Research Thesis Submitted to Addis Ababa University
College of Commerce in Partial Fulfillment of the Requirement
for Degree of Master of Arts in Marketing Management**

**JUNE, 2016
ADDIS ABABA, ETHIOPIA**

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APPROVED BY BOARD OF EXAMINERS

Advisor

Signature

Date

Examiner

Signature

Date

Examiner

Signature

Date

DECLARATION

I, Tsigemariam Belayneh, hereby declare that this Master Thesis titled “Analysis of the Effect of Brand Equity on Customer Loyalty: *The Case of Selected Banks in Ethiopia*” is my novel work and this study has not been submitted for the award of any program or any other institution. I have carried out the present study independently with the guidance and support of the research advisor, Mulugeta G/Medhin (PhD). Any other research or academic sources used here in this study have been duly acknowledged.

Declared by: **Tsigemariam Belayneh**
(Student researcher)

Signature: _____

Date: _____

Statement of Certification

This is to certify that Tsigemariam Belayneh has carried out her research work on the topic entitled “Analysis of the Effect of Brand Equity on Customer Loyalty: *The Case of Selected Banks in Ethiopia*”. The work is original in nature and is suitable for submission for the award of Masters Degree in Marketing Management.

Advisor’s Name: **Mulugeta G/Medhin (PhD)**

Signature: _____

Date: _____

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LIST OF ABBREVIATIONS

- ANOVA** - Analysis of Variance
- BOA** - Bank of Abyssinia
- CBE:** - Commercial Bank of Ethiopia
- NBE** - National Bank of Ethiopia
- SPSS** - Statistical Package for Social Science
- VIF** - Variance Inflation Factor
- ZB** - Zemen Bank S.C.

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ABSTRACT

It is essential for service firms, such as banking industry to understand the dimensions of service brand equity that influence customer loyalty in order to be successful in this competitive marketing environment. However, in Ethiopian Banking industry, various aspects of brand building are given limited attention. The general objective of the study was to examine the possible relationship between brand equity and customer loyalty in the banking industry in Ethiopia. More specifically, the study tried to see the relationship of Brand awareness, Brand meaning, Company's presented brand, External brand communications, and Customer experiences with customer loyalty. Primary data was obtained through structured questionnaire from customers of three banks namely CBE, BOA and ZB. A multi stage stratified probability sampling technique was used to sample banking firms. The researcher proportionally distributed 384 questionnaires to customers of the three selected banks and 327 of the questionnaires were returned, properly filled. The questionnaires were analyzed using SPSS version 20. Pearson Correlation and multiple regressions were used to establish the relationship between the independent and dependent constructs of the research. The findings revealed that the three independent variables (i.e. brand meaning, customer experience with company and company's presented brand) are statistically important determinants of customer loyalty in the banking industry of Ethiopia whereas brand awareness and external brand communications had no impacts on customer loyalty of banks. A conclusion was drawn to the effect that since factor influencing customer loyalty have been established, banks should note these and emphasize them in their marketing strategy.

Keywords: *Customer loyalty, Brand awareness, Brand meaning, Company's presented brand, External brand communications, Customer experience with company*

CHAPTER ONE INTRODUCTION

1.1. Background of the study

The 1980s marked a turning point in the conception of brands (Kapferer 2008). Brands have been increasingly considered as primary capital for many businesses. Financial professionals have developed the notion that a brand has an equity that may exceed its conventional asset value (Kim and Kim 2005).

1.2. Branding in Services

Branding has been described as ‘the cornerstone of services marketing for the twenty first century’ (Berry 2000). In fact, due to the inherent service characteristics (i.e., tangibility, inseparability, heterogeneity & perishability), it has been argued by many scholars that the notion of branding is more important to services than to physical goods as it entails double recognition (Kapferer 2008). The significant benefits of building a strong service brand, such as banking service brands have been well documented. Brands are seen by service firms as a quick way to identify and differentiate themselves in the minds of the customers, serving as a signature of the firm service chain, its products, and services. In addition, branded service firms outperform non-branded properties on performance indicators. Such linkages have been empirically validated by Kim and Kim (2005), who establish a positive relationship between brand success (i.e., brand equity) and performance in the service sector.

While the distinction between goods and services has been increasingly questioned (e.g., Vargo and Lusch (2004b) emphasize the importance of services for all organizations (both goods and services). They suggest that new perspectives for marketing have emerged in which service provision rather than goods is fundamental to economic exchange. With this approach in mind, organizations need to appreciate how to effectively market the service component of their product offering in order for a competitive advantage to be realized. The development of brand equity by Aaker (1991) and Keller (1993) represented a shift in thinking about brand equity as an intangible value of a firm. Such a measure must ultimately be underpinned by consumer attitudes

towards the brand (Pike et al. 2010). High brand equity leads to enhanced performance (Kim and Kim 2005; Kim & Cavusgil 2009) and it is transferable (Lambkin and Muzellec, 2010).

In the context of services, as fewer tangible cues exist to assist customers in making decisions when purchasing services, a well-known brand name serves as a purveyor of information and risk reducer, simplifying the decision making process (Biswas 1992). While customer pre-purchase evaluation of services has largely changed as a result of the advancement of the Internet and its facilitation of greater customer access to various consumption related information (Peterson et al. 1997), it has not completely resolved the issues that are inherent when marketing a service. Access to greater information can reduce the customer's perceived risk level with respect to service purchase decisions. However, such availability of information is unlikely to replace the actual experience for services that are high in experience qualities. In situations, such as banking service, a strong brand is a requirement for reducing the challenges customers may face when making a banking service purchase decision. Brand management constitutes a useful tool to manage how firms are perceived by customers (Cannatelli et al. 2015). Therefore, for customers, a strong service brand not only serves as a promise of future satisfaction, but also increases customer trust associated with the invisible purchase, enabling them to visualize and understand intangible products (Berry 2000).

1.3. Customer-Based Brand Equity

Brand equity from the customer perspective suggests that positive brand equity occurs when the customer responds more favorably to a marketing activity (e.g., advertising and promotion) for the brand than they do to the same activity for an unbranded product or service from the same category (Keller 1993). Conceptualizing brand equity from this perspective is useful: it gives both specific guidelines for marketing strategies and tactics and areas where research can be useful in assisting managerial decision making (Keller, 1993). For example, measuring customer brand equity overtime allows managers to understand how the firm's marketing activities affect brand knowledge held by customers, and how changes in such knowledge affect performance. To realize such important insight, a number of brand models have been developed for the distinct

purpose of understanding the elements of customer-based brand equity (e.g., Aaker 1991; Keller 1998).

Although numerous local or global brands of different product categories have been employed to measure the brand equity, literature on brand equity within the service industry is hard to find (Kim et al. 2003). In consideration of this, Berry (2000) developed a brand equity model specifically related to service organizations. To date there have only been a small number of studies that have explored branding in a service industry context (e.g., Kim & Kim 2005; Kim et al. 2003). In examining service brand equity specifically, these studies have adopted a traditional manufacture-based customer brand model (e.g., Aaker 1991) to measure service brand equity. However, through their application of traditional brand equity models, they have overlooked the experiential aspects in building successful service brands, such as servicescape, service employees and core service.

Empirical research shows that firm value is positively related to branding strategy (Rao et al. 2004) and brand portfolio strategy (Morgan and Rego 2009; Bharadwaj et al. 2011). Also, customer mindset brand equity has a positive effect on performance or profitability (Mizik 2014). Using their own metric for measuring brand equity, Simon and Sullivan (1993) demonstrated that brand equity comprises a large percentage (more than 151%) of the replacement value of many firms.

1.4. Banking in Ethiopia

Modern banking in Ethiopia goes back to the turn of the century in 1905; the Bank of Abyssinia was established in Addis Ababa under the reign of Menelik II. This event marked the introduction of the banking industry in the country. In the 1930's the Bank was bought by the state and the state bank of Ethiopia was established by proclamation issued in August 1942. The bank was later disintegrated into two different banks to form The National Bank of Ethiopia and Commercial bank of Ethiopia. (NBE 2002-2012)

Post 1991 marked a new era for the banking sector and the economy as a whole as the country moved out of the socialist regime and private banks started to flourish, Awash International bank being the first Bank as the government allowed Ethiopian nationals to engage in banking and insurance business as per proclamation no. 84/1994. As of December 2015, there are 3 Government and 16 Private owned Banks operating in the country (NBE 2002-2012).

From the above definitions and discussion of various literatures, this study focuses on the relation between brand equity and customer loyalty in the context of Ethiopian Banking industry. Customer loyalty is the top 10 most valuable performance measures (Davidson 1999) and is also considered as one of the 15 most commonly used measures according to Ambler and Puntoni (2003).

This research endeavors to provide a clear and compelling empirical demonstration of the creation of shareholder value through branding.

2. Statement of the Problem

The service sector is an important component of any country's economy. It makes a direct and significant contribution to GDP, job creation and provides crucial inputs for the rest of the economy, thus having a significant effect on the overall investment climate, growth and development (Massimiliano et al. 2008). In the Ethiopian economy, the service sector is now the largest component at 46 percent of GDP, and even higher than the agricultural share of GDP.

Within the service sector, the growth and survival of companies is highly dependent on how loyal their customers are. Customer loyalty has been found in the literature to be a competitive tool for many companies. This is even much more pronounced in today's highly globalised, industrialized and competitive markets. Loyalty has been widely researched in the domain of marketing (Bose & Rao 2011). Past research recognized that certain predictors of levels of loyalty could exist (Veloutsou et al. 2004). Customer Loyalty as defined by Khan and Khan (2006) reads "*... exists when a person regularly patronizes a particular (store or non store) that he or she knows, likes and trusts*". Zeithaml et al. (1996) opine that a loyal customer will result

in repeat purchase; increase in purchase value and volume over time and in spreading positive word of mouth (WOM) which in turn will bring newer customers to the business.

It has been suggested that various constructs are likely to influence the development of a loyal customer base (Veloutsou et al. 2004). According to Chen & Myagmarsuren (2011), Brand equity leads to customer loyalty which develops long-term and profitable relationship.

The emergence of new banks in the banking industry makes competition intense. However, in the Ethiopian banking industry, there appears to be limited effort to engage in brand-building activities as a tool for securing long-term growth and profitability. Various aspects of brand-building, for instance, are given limited attention: the overall ambiance and atmosphere of physical branches is often not attractive; service quality is weak; advertizing and promotional budgets are very minimum and banks do not seem to make efforts to distinguish their service quality from that of their competitors. One hypothesis for why this is the case is that Ethiopian banks are not aware or are not convinced that building a high level of brand equity can really pay off in terms of customer loyalty. Accordingly, this study seeks to empirically examine the effect of service brand equity on customer loyalty within the context of the Ethiopian banking system. By addressing the question of whether there is a link between higher brand equity and higher customer loyalty, this study can provide a valuable information tool and knowledge base for banks as they seek to acquire and retain the loyal customers needed for their long-term growth.

3. Research Question

The researcher analyzed previous related articles in the area of the research topic and will try to respond to the following main research questions.

- ✓ What is the effect of Brand equity on Customer Loyalty in Ethiopia Banking Industry?

Sub-Research Questions: -

1. What is the effect of Brand Awareness on Customer Loyalty of Banks in Ethiopia?
2. What is the effect of Brand Meaning on Customer Loyalty of Banks in Ethiopia?
3. What is the effect of Company's Presented Brand on Customer Loyalty of Banks in Ethiopia?
4. What is the effect of External Brand Communications on Customer Loyalty of Banks in Ethiopia?
5. What is the effect of Customer Experience with Company on Customer Loyalty of Banks in Ethiopia?

4. Research Objective

4.1. General Objective

The purpose of this study is to examine the possible relationship between brand equity and customer loyalty in the banking industry in Ethiopia. Logical reasoning behind the study hypothesizes that the more customers are satisfied, the more they prefer the brand, so that they become loyal with a higher return to the organization.

4.2. Specific Objective

This study has the following specific research objectives:-

- ✓ To investigate the effect of brand awareness on the customer loyalty of banks in Ethiopia.
- ✓ To analyze the effect of brand meaning on the customer loyalty of banks in Ethiopia.
- ✓ To examine the effect of Company's Presented Brand on the customer loyalty of banks in Ethiopia.
- ✓ To evaluate the effect of External Brand Communications on the customer loyalty of banks in Ethiopia.
- ✓ To test the effect of Customer Experience with Company on the customer loyalty of banks in Ethiopia.

5. Research Hypotheses

In the previous service brand studies, Aaker's (1991) model was the most commonly adopted framework. From a practical point of view, the model gives minimal indication to brand managers as to what marketing strategies (e.g., advertising, promotion, publicity or improving customer services) should be adopted to cultivate brand equity.

For this reason and in light of the importance of brand equity to bank managers that a more context specific (i.e., services), Berry's (2000) brand equity dimensions is adopted for the purpose of this study. The five key dimensions of service brand equity are **Brand awareness**, **Brand meaning**, **Company's presented brand**, **External brand communications** and **Customer experience with company**.

Brand awareness: - is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category and it is an important component of brand equity (Aaker 1991; Keller 1993). Brand awareness can be a sign of quality and commitment, letting consumers become familiar with a brand and helping them consider it at the point of purchase (Aaker, 1991). Aaker mentioned several levels of brand awareness, ranging from mere recognition of the brand to dominance, which refers to the condition where the brand involved is the only brand recalled by a consumer. Research has shown that brand awareness highly influences purchase decisions. Customers who recognize a brand are more likely to buy it (Ardestani et al, 2012). Thus, the following hypothesis is formulated:-

H1: Brand Awareness has a significant positive impact on Customer Loyalty.

Brand meaning: - it refers to the customer's dominant perceptions of the brand. It is the customer's snapshot impression of the brand and its associations. Brand meaning is what immediately comes into the customer's mind when exposed to a brand (Berry 2000). It is the customer's perception, the impressions and associations of the brand which gives that brand a special meaning to the customer. Brand meanings create value for the firm and its customers by helping to process/retrieve information, differentiate the brand, create positive attitudes or feelings, and provide a reason to buy that product or service (Aaker, 1991). Customer loyalty

occurs when consumers hold some strong, favorable, and unique brand meaning in their memories. Based on this, then, the following hypothesis is posited:-

H2: *Brand Meaning has a significant positive impact on Customer Loyalty.*

Company's Presented Brand: - is the communication that the company controls and that is intended for the customers to see (Berry 2000). This communication is how the company wants to portray its image through its advertising, the service facilities and appearance of service providers. (Eng and Keh 2007) found that spending on advertising results in better brand sales and brand profitability. The company's communication can create associations in customers' minds (Riezebos 2003) and these associations effects in repeat purchases of goods and services of that organization. Hence, the following hypothesis is formulated:-

H3: *Company's Presented Brand has a significant positive impact on Customer Loyalty.*

External Brand Communications: - is referring to the information about the service company that is uncontrolled by the company itself (Berry 2000). Both Berry (2000) and Wirtz and Chew (2002) argue that since services are harder than products to evaluate before the actual purchase, the customer is more likely to rely on experience based information from other customers. Marconi (1999) emphasizes that since external brand communications is not as controlled as company's presented brand, it has a higher credibility so that it affects consumers purchasing intention and their long term loyalty. Thus, the following hypothesis is posited:-

H4: *External Brand Communications has a significant positive impact on Customer Loyalty.*

Customer Experience with Company: - is the actual experience of the customer with the service firm. The way customers evaluate a service greatly depends on the extent to which the customer experience in the delivery of the service (de Chernatony & McDonald 2003; Bitner & et al. 1997). Similarly, Nigam (2012) opined that experience of the customer is important as it affects the purchasing intention of a consumer and it can bring out the long-term loyalty. He put forth that if customer has a memorable experience, his purchasing intention would be higher. Hence,

the following hypothesis of the relationship between Customer Experience with Company and Customer Loyalty is proposed:-

H5: *Customer Experience with Company has a significant positive impact on Customer Loyalty.*

6. Definition of terms

- 6.1. **Brand:** is a name, term, sign, symbol, or design or a combination of these, that identify the products or services of one seller or group of sellers and to differentiate them from those of competitor (Kotler and Armstrong 2012).
- 6.2. **Branding:** is the process involved in creating a unique name and image for a product in the consumers' mind, mainly through advertizing campaigns with a consistent theme.
- 6.3. **Brand equity:** is a set of assets and liabilities linked to a brand, its name and symbol, that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm's customers (Aaker 1991).

7. Significant of the Study

The benefit of this study is to provide an empirical examination of the effect of brand equity on customer loyalty in Ethiopian Banking Industry. Berry's (2000) Service-Branding Model is adopted as the conceptual framework for this study given that it is the first brand equity model developed to explain the formation of brand equity exclusively in the context of services from the customer perspective. The results of this study will provide Bank brand managers with a robust service brand equity measure to assess customer loyalty as an outcome of branding strategies. It will also give an insight into the process by which Bank brand equity is built.

8. Scope of the Study

This research paper tries to analyze the effect of brand equity on customer loyalty of the banking industry in Ethiopia by evaluating the bank's brand equity dimensions.

The study covered some selected government and private banks in Ethiopia within Addis Ababa territory by using stratified sampling method that the researcher believes the sample were representative of the population.

9. Limitation of the Study

Considering time and cost constraints, banks other than the three selected ones were not part of this study. In addition to this, regional branches of the selected banks were not included in this research paper while taking samples for the study.

10. Organization of the research report

In order to achieve the abovementioned objective, this paper is organized into five chapters. The first chapter deals with the introduction part of the research topic. The second chapter outlines a theoretical foundation for this study by reviewing the extant literature on branding, particularly in the context of service firms. The third chapter articulates and justifies the adopted methodological approach and measurement techniques. In the fourth chapter, the analysis, discussion and results outlined. The last chapter identifies summary, conclusion and recommendations.

CHAPTER TWO REVIEW OF RELATED LITERATURE

Branding

The 1980s marked a turning point in the conception of brands (Kapferer 2008). It is defined as a name, term, sign, symbol, or design or a combination of these, that identify the products or services of one seller or group of sellers and to differentiate them from those of competitor (Kotler and Armstrong 2012). Brands have been increasingly considered as primary capital for many businesses.

Today, branding is such a strong force that hardly anything goes unbranded (Choudhury & Kakati 2014) and it is also a powerful means of differentiation (Pappu et al. 2005). There are many alternative product and services and, thus, much uncertainty. However, customers cannot spend much time on comparing the alternatives. Even if they have the time, they are not able to select the appropriate product or service with certainty. This is brand that conveys certainty and confidence. The real value is not within a product or service, but in the mind of the potential and actual customers. It is brand that creates real value in the minds of customers (Kapferer 2008). Financial professionals have developed the notion that a brand has an equity that may exceed its conventional asset value (Kim and Kim 2005).

Service Branding

While conceptually a brand is the same for a good or service (Vargo and Lusch 2004b), branding plays a particularly significant role in the services arena (Berry 2000; Onkvisit and Shaw 1989).

Krishnan and Hartline (2001) and Chang and Liu (2009) claimed that there has been comparatively little literature in service branding. The literature in this area has been slow to develop and is primarily conceptual in nature. For example, there is a debate on the type of branding strategy that should be followed for services. Berry et al. (1988) suggest that service brands should have distinctiveness, relevance, memorability, and flexibility. Moreover they argue that ‘service brands should be the firm’s name and should not be individualized’ (Berry et al., 1988). Onkvisit and Shaw (1989) take issue with Berry et al. (1988) and recommend the branding of services on an individualized basis.

Blankson and Kalafatis (1999) suggest that service brands are particularly different in that service characteristics are different from those of physical goods and that they rely on employees' actions and attitudes. This difference is seen to focus around the belief that services are conceptually different from products in that services are seen to have a number of unique characteristics including intangibility, inseparability of production and consumption, heterogeneity of quality and perishability (de Chernatoy and Segal-Horn 2003; Kayaman and Arasli 2007). Banking industry also shares the same characteristics applicable to the services.

Branding a service can help consumers by helping to assure them of a uniform level of service quality (Berry 2000). It also aids the service provider by elevating the service above the commodity level to differentiate the service relative to competing brands. Bharadwaj et al. (1993) have also argued that branding may be more important for services than goods due to the complexity faced by consumers in the purchase of services. Due to the unique characteristics of services, consumers have a difficult time evaluating the content and quality of a service prior to, during, and after the consumption of the service (Nelson 1970). As a result, brand names can help to reduce the risks associated with the purchase and consumption of many services (Bharadwaj et al. 1993).

Strong service brands are only realized, however, when the communicated brand promise is consistent to the brand experience delivered. Consumer's perception of the service brand, while initially formed by the marketing department in the form of external communication, depend on consumer interaction and the consistency of service delivery (McDonald et al. 2001).

Brand equity research in services

The modern business environment has advanced the importance of intangible firm assets as a sustainable firm advantage. This includes brands and brand equity. Branding and brand equity have been topics of interest to marketing researchers for many years and also brand equity continues to be a popular research topic (Huang & Sarigollu 2014). The concept of brand equity has been debated both in the accounting and marketing literatures, and has highlighted the importance of having a long-term focus within brand management (Wood 2000). While brand equity associated with tangible goods has received a great deal of attention in the literature, a

basic understanding of the nature of brand equity for services has yet to emerge. Most of what is known about brand equity for services is based on theoretical or anecdotal evidence (Krishnan and Hartline 2001).

There are numerous definitions of brand equity, but the role of brand equity in service firms has not yet been fully explored (Krishnan & Hartline 2001). The broad meaning attached to the term “brand equity” in branding literature is similar to the definition provided by Farquhar (1989) as the value endowed by the brand to the product (Kayaman and Arslı 2007). Brand equity is the result of total brand-building efforts over time, which involves the daily implementation of the marketing message through service, product, price, and promotion decisions (Allaway et al., 2011).

Studies of brand equity have typically taken one of two perspectives. On the one hand there are customers' cognitive and affective responses to the brand and on the other there are ‘hard’ measures such as the brand-owner's subsequent financial performance (Baumgarth & Schmidt 2010). Two often cited authors within the field of branding and brand equity are David Aaker and Kevin Keller.

According to Aaker (1991) brand equity is “...a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtracts from the value provided by a product or service to a firm and/or to that firm’s customers”. Aaker (1991) says that brand equity is based on brand loyalty, brand awareness, perceived quality, brand associations and other proprietary brand assets. As the definition indicates, all of these assets are intended to create value to both the customer and the firm. The customer can be helped by the different assets in the way that they can make him or her feel more confident in the purchase decision. The interpretation and storage of information about the brand can be facilitated, and the customer’s experience with the product can be improved. The firm’s added value is provided primarily by generating extra cash flows. Brand equity demands a lot of attention and needs to be maintained over time in order to not disperse. To do so the firm needs to invest in each of the underlying assets of brand equity (Aaker 1991).

Keller (1993) defines brand equity as “the differential effect brand knowledge has on response to a marketing program”. According to this perspective, a brand is considered to have positive

brand equity to the extent that customer's respond more favorably to marketing activities when the brand is identified, compared to when it is not (Hoeffler & Keller 2003). Brand knowledge consists of brand awareness and brand image. This definition of brand equity is from the customer's perspective, and is also referred to as customer-based brand equity (Keller 1993). Keller (1993) implies that by studying brand equity from this perspective, an understanding of the customer's response to certain marketing activities can improve the marketing actions of a firm. This strategy-based perspective provides the managers with guidelines for strategies and a better basis for making decisions (Keller 1993).

Although Aaker (1991) and Keller (1993) conceptualized brand equity differently, both defined brand equity from a customer perspective and emphasize that customer based brand equity provides value to the firm and to the customer. In investigating the similarities between these two main brand equity conceptualizations, both approaches also include similar dimensions (Kayaman and Arasli 2007)

Over the years, scholars have examined brand equity using different models/theories by incorporating various brand equity dimensions/elements (Jung and Sung 2008). In the previous service brand studies, Aaker's (1991) model was the most commonly adopted framework. In contrast to other models, Aaker's (1991) model summarizes different aspects of brands into a small number of measurable dimensions, which simplify the process of measuring the concept of brand equity. While Aaker (1991) argues that the model can be applied to both goods and services, the effect of marketing mix elements, other than advertising, on brand equity is not mentioned (Shocker 1993). Further questions could be posed. For example, what can enhance brand awareness and brand associations? Why does brand loyalty exist?

From this perspective, Aaker's (1991) model is more an outcome measure, as opposed to process and outcome. From a practical point of view, the model gives minimal indication to brand managers as to what marketing strategies (e.g., advertising, promotion, publicity or improving customer services) should be adopted to cultivate brand equity.

While Keller's (1998) model addresses this paucity, its claimed applicability to explain customer brand knowledge pertaining to both goods and services is observed to be biased towards physical goods. For example, Keller (1998) advocates that tools and objectives, such as packaging, distribution channels and country of origin, are elements that contribute to brand knowledge, which is the key to brand equity. Although these elements are important to manufactured goods, they may not be as relevant in the case of services. As such, it appears that the foundation of the model is more manufacture-based, as opposed to services.

The significance of this oversight is that, in reality, the inherent characteristics of services can result in service brand managers having to face special challenges requiring a modification of branding and marketing techniques usually applied to physical products (de Chernatony & Dall'Olmo Riley 1999). The direct application of branding principles developed for tangible goods to services may not only be inappropriate, but it might also neglect areas needing attention. It is for this reason and in light of the importance of brand equity to bank managers that a more context specific (i.e., services) brand equity model is investigated.

Considering this insight, Berry (2000) has developed a model for creating brand equity for services. He identifies brand equity as “the differential effect of brand awareness and brand meaning combined on customer response to the marketing of the brand”, which is his interpretation of Keller's (1993) definition of brand equity. According to Berry (2000) the service branding model does not differ in kind from that of products, only in degree. He argues that the main difference in building brand equity for products compared to services is the great importance of service performance, meaning human performance for services rather than machine performance for products.

For this reason, of all the views for brand equity, this study adopts Berry's brand equity dimensions, and its components are **Brand Awareness, Brand Meaning, Company's Presented Brand, External Brand Communications** and **Customer Experience with Company**. The researcher believe this approach is more effective in exploring brand equity in the context of service as it allows more realistic, effective assessment of brand equity in the banking industry.

2.1. Brand Awareness

Brand awareness is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. Rossiter and Percy (1987) defined brand awareness as the consumers' ability to identify or recognize the brand, whereas Keller conceptualized brand awareness as consisting of both brand recognition and brand recall.

According to Keller, brand recall refers to consumers' ability to retrieve the brand from memory, for example, when the product category or the needs fulfilled by the category are mentioned. Keller (1993) argued that "brand recognition may be more important to the extent that product decisions are made in the store". Hence, in the present study, brand awareness is conceptualized as consisting of both brand recognition and brand recall.

Brand awareness acts as a strong signal of product quality and supplier commitment (Hoyer & Brown 1990) because high levels of supplier investment (e.g., in exhibitions, or advertising) are usually necessary to build high brand awareness. Thus, the supplier currently spends money expecting to recover it in the future (Kirmani & Rao 2000).

Brand awareness reduces both the personal risk of the decision-makers in the buying center and the organizational risk for the buying firm itself (Mitchell 1995). The personal risk may relate to job security, career advancement, or status and appreciation within the company (Anderson & Chambers 1985). The role of brand awareness in reducing the personal risk for members of a buying center is well described in the popular saying that "nobody ever got fired for buying IBM." It is likely that decision-makers prefer to buy a brand associated with high awareness levels because it reduces the risk of their being blamed if the decision turns out to have been a mistake. Additionally, high-level brand awareness may also reduce perceived organizational risk (Dawar & Parker 1994; Mitchell 1995). In particular, organizations may well assume that the brands they know well are likely to be purchased by many other firms (Aaker 1991). Therefore, they have reason to expect that the purchase of a well-known brand will not result in any competitive disadvantage. At the same time, brand awareness signals a high-product quality (Dawar & Parker 1994; Rao & Monroe 1989). Thus, purchasing high awareness brands is also

associated with reduced functional risk for the organization, which further influences brand choice. (Homburg et al. 2010)

Brand awareness is a component of the brand that can add to its value. The value is based on how easy the brand comes to a customer's mind (Riezebos 2003). There are four different levels that show how aware a customer is of a certain brand: unawareness, passive awareness, active awareness and top-of-the-mind awareness (Riezebos 2003). The higher the level of brand awareness, the higher the likelihood to make a purchase decision in favor of that particular brand (Keller 1993). Passive awareness is similar to Keller's (1993) brand recognition meaning that the brand name is recognized by customers, but the brand name does not spontaneously come to mind (Riezebos 2003). When the level of brand name awareness has reached active awareness (Riezebos 2003), or brand recall (Keller 1993), the customer can retrieve the brand name when a cue such as the product group is given (Riezebos 2003). Top-of-the- mind awareness is the level that is the most desirable and is attributable to the brand that first comes to mind when a customer is presented with a certain product group (Riezebos 2003).

Although there is no clear agreement concerning the dimensions of brand equity, most existing models seem to agree that at least brand awareness should be included (Oliveria-Castro et al. 2008). Brand awareness is a necessary condition for brand equity (Pappu and Quester 2006; Spry and et al. 2011) and it is an important component of brand equity (Aaker 1991; Keller 1993). Aaker mentioned several levels of brand awareness, ranging from mere recognition of the brand to dominance, which refers to the condition where the brand involved is the only brand recalled by a consumer. Research has shown that brand awareness highly influences purchase decisions. Customers who recognize a brand are more likely to buy it (Ardestani et al, 2012).

The role of brand awareness in building brand equity depends on the strength of the brand's presence in the consumer's mind. Higher levels of brand awareness have a considerable impact on the marketing productivity (Keller 1998) and enhance the prospects of being considered in future purchase situations. Brand awareness is a dominant choice tactic in repeat purchase consumer product context (Hoyer and Brown 1990). Bogart and Lehman (1973) found that among very similar products, familiarity of a brand produces a perception of differentiation.

Cacioppo et al. (1983) argued that product involvement moderates the impact of brand awareness on consumer's purchase decisions. Being aware is envisaged to create value for the brand by forming a base to which various attributes can be associated. Thus, to attract consumers' attention, building strong brand awareness becomes a priority (Balaji 2011).

2.2. Brand Meaning

Brand meaning refers to the customer's dominant perceptions of the brand. It is the customer's snapshot impression of the brand and its associations. Brand meaning is what immediately comes into the customer's mind when exposed to a brand (Berry 2000). It is the customer's perception, the impressions and associations of the brand which gives that brand a special meaning to the customer. Brand meaning is created primarily based on the customer's experience with the brand. Such service experience relies heavily on internally focused brand activities, including managing the design and layout of the servicescape, encouraging brand consistent behavior of service employees, as well as ensuring the relevance of the core service provided by the firm.

Berry (2000) explains that if for example the advertising differs from the experience, the customer will believe the experience over the advertising.

2.3. Presented Brand

The company's presented brand can be said to be the communication that the company controls and that is intended for the customers to see (Berry 2000). This communication is how the company wants to portray its image through its advertising, the service facilities and appearance of service providers. The first thing that customers come into contact with is the company's name. Other core elements of the presented brand are advertising and symbolic associations (Berry 2000). These three elements will now be presented.

2.3.1. Name

The brand name can help reduce the customers' experienced risk of buying a service since external cues are the only thing they can rely on when the offering is intangible (Krishnan &

Hartline 2001; Dall’Olmo Riley & de Chernatony 2000). When selecting a brand name for a service there are many things to take into consideration. Keller (1993) lists criteria such as simplicity, familiarity and distinctiveness as prominent to create a successful brand name. Through the brand name, enhancements of brand image, loyalty and perceived quality should also be made (Yoo & et al. 2000).

When choosing a name, the question arises whether the name should be derived directly from the company name, linked to the company name, or completely individual (McDonald et al. 2001). A brand name can create associations in customers’ minds and these associations are either from the name itself or from associations that have been learned from the company’s communication (Riezebos 2003).

2.3.2. Advertising

Extant literature emphasizes the need for further research identifying marketing activities that can build brand equity (Keller and Lehmann 2006; Yoo et al. 2000). It is commonly accepted that advertising is useful in building brand equity (Spry et al. 2011)

Advertising plays a key role in communicating product availability, features, and benefits and in building a firm’s image. Brand image generated by advertising in turn contributes to brand value by improving brand awareness (Ailawadi et al. 2003; Keller 1998; *Peterson and Jeong* 2010)

Because customers change in line with what is socially acceptable and evolve with their surroundings, it is important that the presented brand is also continuously changed to fit the position the company wants to hold (Keller 1993; Lory & McCalman 2002). The perceptions customers have about the brand should be shared, positive and consistent (McDonald et al. 2001). Therefore it is important that the same message is given through all communication channels. Through a thematic line in the advertising the managers can shape the perceptions the customers have and decide how they will think about the brand (McDonald et al. 2001; Padgett & Allen 1997).

Through advertising, a certain image of the brand is created and customers choose the brand with the image that best fit themselves (Dall’Olmo Riley & de Chernatony 2000). Cobb-Walgren et al. (1995) mention several advantages with building brand awareness and brand equity through advertising. The authors say that through advertising, the perceived quality of the brand can be affected together with user experience. Advertising can also be used to improve brand recall as the brand is paired with the service category (Keller 1998) and the more money that is spent on advertising the more overall brand awareness will increase (Yoo et al. 2000). (Eng and Keh 2007) found that spending on advertising results in better brand sales and brand profitability. As they noted, Conchar et al. (2005) comprehensive meta-analysis provides evidence of a significant positive relationship between a firm's advertising and promotion spending and the market value of the firm.

2.3.3. Symbolic associations

According to de Chernatony and Segal Horn (2003), the most important communication channel is the staff facing the customers. When the staff is consistent in the way they are presented, with for example staff uniforms, they have the greatest impact on the brand perceptions (de Chernatony & Segal Horn 2003; McDonald et al. 2001). Since there are so many points of contact with customers in the delivery of services it is important to uphold good communications also within the company so that all employees present the same image of the brand (de Chernatony & Segal Horn 2003). Also mentioned as important influencers of brand associations are office décor, car parking, the building’s design, appearance of the reception area etc., as those factors often are the customer’s first interaction with the service firm (McDonald et al. 2001; Yoo et al. 2000).

2.4. External Brand Communications

When Berry (2000) discusses external brand communications, he is referring to the information about the service company that is uncontrolled by the company itself. The two most common forms of external brand communication that Berry (2000) points out are word-of-mouth (and, increasingly word-of-keyboard) and publicity.

2.4.1. Word-of-Mouth (WOM)

According to Berry (2000) WOM is common in services due to the service characteristic of intangibility. Wirtz and Chew (2002) support this by claiming that WOM is even more important in a service context. Both Berry (2000) and Wirtz and Chew (2002) argue that since services are harder than products to evaluate before the actual purchase, the customer is more likely to rely on experience based information from other customers. Grönroos (2004) continues by saying that to a potential customer, a person who has experienced the service is regarded as a more objective source of information. As a result, if there is a conflict between an advertising message and WOM, the advertising will lose. This demonstrates that the marketing impact of WOM is greater than the planned communication. The idea that satisfied customers generate WOM is generally accepted (Grönroos 2004; Gremler et al. 2001). According to Wirtz and Chew (2002) many studies have shown a positive relationship between satisfied customers and WOM, while some have shown a negative relationship. They indicate that this can be explained by an asymmetric U-shape relationship between customer satisfaction and WOM. This tells us that WOM is more frequent when the customer is either very satisfied or very dissatisfied. Grönroos (2004) explains that WOM can be either positive or negative. Negative WOM is generated when the customer has had too many negative experiences. This results in less effective advertising campaigns and the company needs to invest more in creating positive communications. Grönroos (2004) however accentuate that if the WOM is too negative, no increase in marketing communications will be enough to save the situation. Positive WOM will have the opposite effect; hence decrease the need of spending a lot on marketing communications. The customer takes on the role as a marketer without any additional cost for the firm.

There are different ways of influencing and encouraging positive WOM (Gremler et al. 2001). Grönroos (2004) recommends references and testimonials as one way of actively use WOM in the company's advertising. Gremler et al. (2001) argues that positive WOM can be encouraged through the development of interpersonal bonds between employees and customers. The positive WOM is enhanced through creating a greater trust in the relationship between the employee and the customer. The degree of trust is influenced by familiarity, care and personal connections. Gremler et al. (2001) define familiarity as "...the customer's perception that the employee has

personal recognition of the customer and knows specific details about his/her service needs”. The familiarity is assumed to increase with the frequency of interactions. Care is defined as “...the customer’s perception of the employee having genuine concern for the customer’s well being” (Gremler et al. 2001), and personal connection is defined as “...a strong sense of affiliation or bond based on some tie” (Gremler et al. 2001). The personal connection is related to personal chemistry. Some people just connect based on same personalities, interests, attitudes or other common attributes. By fostering the relationship between employees and customers and creating greater trust using familiarity, care and personal connection, Gremler et al. (2001) illustrate that positive WOM will be encouraged. Wirtz and Chew (2002) alternatively suggest incentives for generating positive WOM.

Through their study it is shown that incentives were found to be an effective way of creating WOM. The likelihood of the customer to make a recommendation increased along with increased incentives. The authors specify that for the WOM to be positive, it is not enough with only incentives, the customers must also be satisfied. Wirtz and Chew (2002) therefore imply that the manager’s first goal should be to keep the customers satisfied so that incentives can be used in a next step to increase the spread of positive WOM.

2.4.2. Publicity

Publicity is very important as: “A better-known company is perceived to be a better company, and publicity is about becoming better known” (Marconi 2004). A common misunderstanding is that publicity is the same as public relations (PR). Instead publicity is a part of PR along with for example promotions, community relations, media relations etc. (Marconi 2004). Publicity is about managing information intended for one or more audiences with the purpose of influencing their opinions or decisions (Marconi 1999). The word publicity is often associated with positive attention. However, Marconi (1999) stresses that it is important to realize that there is also such a thing as bad publicity. Even though Berry (2000) states that publicity is essentially uncontrolled, there are ways of influencing it and trying to manage it (Marconi 1999; 2004). In comparison to advertising, publicity is relatively cheap (Marconi 1999).

Publicity is often a part of a larger marketing effort, and under those circumstances it is important to integrate publicity as a part. Marconi (1999) argues that the publicity is often

handled under a separate department from marketing, and therefore often results in inconsistent messages to the customer. To avoid this it is important that the marketing and publicity departments are working closely together and share information. If a publicist for example is publishing a subject, he or she should be aware of what other related activities are undertaken at the same time in order to best publish the subject.

As mentioned earlier, publicity is relatively cheap in comparison to advertising. However, it is important to be aware that publicity is not free, which is a common misconception. The focal difference between advertisement and publicity is that in advertising the message is fully controlled by the company, whereas in publicity it is most often not. Marconi (1999) emphasizes that since publicity is not as controlled as advertising, it has a higher credibility. Marconi (1999) advocates that the most essential in publicity is to have a plan. This plan will facilitate the internal communication and make sure that all parts of the company communicate the right messages at the right time. The publicist can try to create publicity by approaching the media, but media is not interested in publishing a press release just to help the company spread a message. Therefore it is important that the story the publicist tries to sell is newsworthy.

2.5. Customer Experience with Company

The customer experience with the company has the most influential impact and can be affected by several factors. The components most often brought up as influencing the experience are the employees and the customers, and the relationship between the two (de Chernatony & McDonald 2003; Ind 2007; McDonald et al. 2001). Bateson and Hui (1991) say that it is the service encounter that makes up the service experience in which customer's needs and wants are satisfied. By service encounter the authors refer to interactions between employees and customers, customer-to-customer interactions and the service environment. It is the customer's psychological reactions to the service encounter that is the service experience. Further, Dall'Olmo and de Chernatony (2000) suggest that the service brand is a holistic process that starts with the relationship between the firm and the employees, to later become realized in the interaction between the customer and the service provider. Since the brand delivery through staff and customer participation are important parts of the customer experience, they will be discussed below.

2.5.1. Brand delivery through staff

The employees are often pointed out as being a great determinant of the customer's experience in services, and are often associated with the consistency of the service quality delivered (de Chernatony & McDonald 2003). The consistency of quality is directly related to the heterogeneity of services, which was previously discussed as one of the service characteristics. De Chernatony and McDonald (2003) argue that even if a company has developed a service image of the brand, this can easily be destroyed if no attention is being given to the role of the staff. Service marketing therefore needs to focus more on the internal marketing of the brand than in the case of product marketing. Dall'Olmo and de Chernatony (2000) support this due to the important role of the employees. Internal marketing is used to get the employees to share the firm's values, in order to communicate these to the customers. For this reason the authors claim that the communication with the employees may be even more important than the one with the customers. Studies have shown that the customer satisfaction is dependent on staff satisfaction. Therefore firms should motivate their employees and encourage them to be customer-oriented (de Chernatony & McDonald 2003). Important factors in the motivation and management of the employees are recruitment, training and appraisal (de Chernatony & McDonald 2003; Ind 2007). Ind (2007) argues that each of these factors are important individually, but it is even more important that they are linked together and are based on the same values and share the same philosophy. De Chernatony and McDonald (2003) assert that by addressing these issues, a customer focused culture can be established, which in turn is a condition for delivering consistent service quality and building a strong service brand.

The branding process starts with recruitment of the right people (Ind 2007). The aim is to employ people that share the same values as the firm that is to say with the brand. In order to do so the values of the brand need to be correctly communicated in all recruitment messages. Ind (2007) states that this is often not the case as many firms have a tendency to portray themselves as having values they actually do not, but maybe wish to have.

The next step is training of the people employed (Ind 2007). This training should be carried out in a way that the values of the firm are embedded in the employees. It is an opportunity to create

an understanding of the brand and bring the employees into line with its principles (Ind 2007). Grönroos (2004) believes that the most important part of the training is to provide the employees with a holistic view of the marketing process. They need to be able to see the whole process and their individual role, as well as the role of each individual in relation to other individuals, both within the firm and with its customers.

When it comes to appraisals and rewards, these should be defined based on the firm's values. If the values of the firm for example are to be collaborative and cooperative, then the reward system should not be based on individual performance, but on the performance of the group (Ind 2007).

2.5.2. Customer participation

When branding a product, the value delivery system is assumed to be internal and unseen by the customers. The value delivery system for services on the other hand is fully visible and involve the customer as an active participant (de Chernatony & Segal Horn 2003; Grönroos 2004). The role of the customer in the service delivery process has an important impact on the development of a service brand. The way customers evaluate a service greatly depends on the extent to which the customer participates in the delivery of the service (de Chernatony & McDonald 2003; Bitner & et al. 1997). The customers can be involved in the delivery of the service to different degrees. Sometimes the customer's level of participation is low, as in the fast-food sector. Within for example the banking and insurance sector the role of the customer is becoming more active, and when participating in services like the Weight Watchers the customer needs to play a very active role (de Chernatony & McDonald 2003). Bitner et al. (1997) state that in business-to-business services the customer often has a higher degree of involvement than in business-to-consumer markets. There are different strategies that can be implemented when the customers are involved in the service delivery process. These are according to de Chernatony and McDonald (2003) based on three factors: defining the customers' role; recruiting, educating and rewarding customers; and managing the customer mix.

Bitner et al. (1997) claim that the customers' role can be divided into three categories: the customer as a productive resource; the customer as a contributor to quality, satisfaction and values; and the customer as a competitor. The authors accentuate that the roles overlap each other, meaning that the customer can play more than one role at a specific situation.

When the customer plays the role as a productive resource, it is seen as a partial employee that performs the same kind of tasks and contributes with the same kind of information to the firm (Bitner et al. 1997; de Chernatony & McDonald 2003). Bitner et al. (1997) present different views on how to deal with the customer as a productive resource. They claim that some experts want to isolate the service delivery system as much as possible to reduce the uncertainty that comes from the customer's input, while others believe that the most efficient strategy is to regard the customer as an integrated part of the value delivery system and therefore the company should design the customer's role in the most effective way. When the customers are involved in the production of the service, they are also affecting the quality and hence their evaluation of the service brand (Bitner et al. 1997; de Chernatony and McDonald 2003). The customer's role as a contributor to quality, satisfaction and values is all about the customer itself influencing how its own needs are fulfilled. This is especially apparent in services where the outcome is highly dependent on customer participation (Bitner et al. 1997). The authors also claim that in addition to contributing to their own satisfaction, some customers enjoy participating in the service delivery for several reasons.

The notions of the customer as a competitor is linked to the fact that the customer often has the choice of performing the service itself or have someone else perform it. This implies that the company competes against the customer for the distribution of the service (Bitner et al., 1997). Some examples where the customer clearly can be seen as a competitor can for organizations be payroll, research or accounting. Effective customer participation may call for recruiting, educating and rewarding customers through a similar process that employees undergo (de Chernatony & McDonald 2003; Grönroos 2004). Targeting is the most important feature in the recruitment process. A firm should target those customers who has a need that the firm's offerings can satisfy, whether this need is yet recognized or not by the customer. After being recruited, the customer often needs to be educated and trained (de Chernatony & McDonald

2003). This can for example represent providing the customers with more information so that they know exactly what their roles are (Grönroos 2004). The customer can be rewarded for playing its role correctly by for example getting access to faster service (de Chernatony & McDonald 2003).

De Chernatony and McDonald (2003) claim that the service brand can be strengthened by managing the customer mix effectively since customers often simultaneously experience the service. There can be different degrees to which customers come in contact with other customers. For example in restaurants or on airplanes there is a high customer-to-customer contact, while in legal or consultancy services the degree of contact is low.

2.6. Customer Loyalty

Loyalty has been widely researched in the domain of marketing (Bose & Rao 2011). Past research recognized that certain predictors of levels of loyalty could exist (Veloutsou et al. 2004). It has been suggested that various constructs are likely to influence the development of a loyal customer base (Veloutsou et al. 2004).

Customer Loyalty as defined by Khan and Khan (2006) reads “... *exists when a person regularly patronizes a particular (store or non store) that he or she knows, likes and trusts*”. Zeithaml et al. (1996) opine that a loyal customer will result in repeat purchase; increase in purchase value and volume over time and in spreading positive word of mouth (WOM) which in turn will bring newer customers to the business.

It has been found by researchers that a satisfied customer tends to be loyal. That customer remains loyal to an organization as long as she or he feels that the organization gives him or her better services or products as compared to another organization. In the business context, loyalty is the customer’s commitment to do business with a particular organization which effects in repeat purchases of goods and services of that organization. It also results in recommending the goods and services to friends and associates (Bose & Rao 2011).

In conceptual and empirical investigation of loyalty, a large number of different specific constructs are described and build. All these constructs seem to have a common element: they refer to long term relationship between customers and companies, products, brands or services. So, loyalty involves a certain level of continuity of the connection between the two parts (Bobalca 2013).

Based on literature reviews, Grønholdt & Martensen (2006) included Customer loyalty/retention, in their shortlist of the most vital market performance measure. It is also the top 10 most valuable market performance measures according to Davidson (1999) and one of the 15 most commonly used measures according to Ambler and Puntoni (2003). Brand equity leads to customer loyalty which develops long-term and profitable relationship (Chen & Myagmarsuren 2011).

Accordingly, the research framework is formed as shown below: -

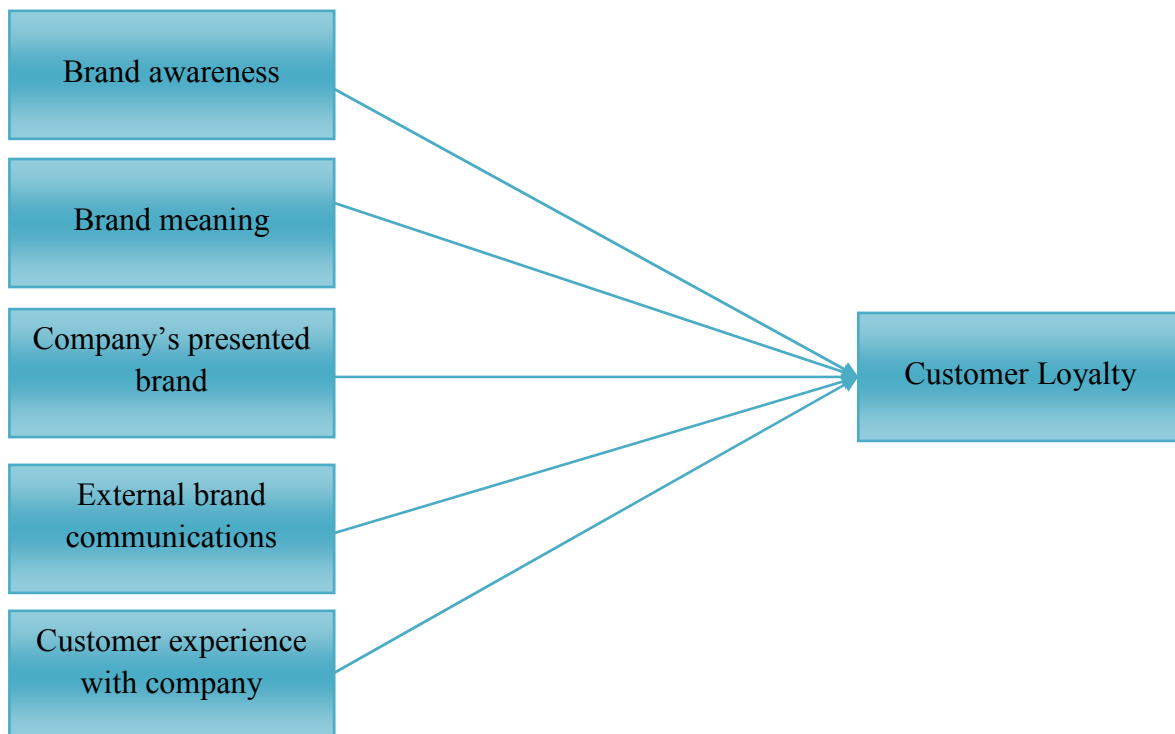


Figure 1: The research framework (Source: adopted from Berry, 2000)

CHAPTER THREE RESEARCH METHODOLOGY

This is a road map showing the arrangement of collection of data, measurement and analysis of data in a manner that aims to combine relevance to the research purpose. It includes all the methods, techniques and procedures that were used to execute the research project. Selecting appropriate research design and methodology is crucial to the success of any research and must be driven by the research problem or question and the state of knowledge in the area being studied.

3.1. Research Approach

Scientific studies can be conducted as either quantitative or qualitative studies. Many researchers are concerned with the choice between a quantitative and a qualitative methodology (Sobh & Perry 2006).

Most people regard the difference between qualitative and quantitative approach as one between numbers and words, with quantitative researchers focusing on numbers and qualitative researchers on words. This distinction is not accurate, as many qualitative researchers use numbers in their analyses. Rather, the distinction should be made according to when the information is quantified (Mooi and Sarstedt 2011).

Qualitative researchers use words and meanings in smaller samples to build theories (Sobh & Perry 2006). Qualitative studies are seeking descriptive data through a holistic viewpoint and examine several variables, but only in a small population. On the other hand, Quantitative studies deal with amounts of something, the occurrence or frequency and answer *what* questions. The studies deal with a few variables which are measured by figures or translated into figures and analyzed statistically after the data collection has been made.

Since the objective of this study as specified above was to test the relationships among different variables and due to its explanatory nature, quantitative approach was used for this study. Hence, in this section the researcher discussed quantitative research approach to show the basic features and its applicability.

Quantitative research approach

Quantitative studies deal with amounts of something, the occurrence or frequency and answer *what* questions. The studies deal with a few variables which are measured by figures or translated into figures and analyzed statistically after the data collection has been made. The results are then used to make generalizations over a large, representative population even though the complete population has not been studied.

Quantitative research is used for answering relationships among measured variables with the purpose of explaining, predicting and controlling a phenomenon. It gives an advantage over stating clear research problem. The main aim of quantitative approach is, in summary, is to test pre-determined hypothesis and produce generalizable results. Because of the closed and very structured type of questions quantitative research is better suited for theory testing (Sobh & Perry 2006).

Some forms of quantitative data are obviously based on numbers but there are, however, other types of data that initially seem remote from quantitative measures but that can be converted to numbers, for example, people's opinions. Survey and experimental design can be used in quantitative approach.

3.2. Research Design

There are four types of research design these are exploratory, explanatory, descriptive, and emancipatory (Creswell 2009). Of which this research is explanatory and descriptive type. It is explanatory as the research seeks to discover relationship between the variables under

consideration. It is also descriptive as the research describes respondents and their perception on variables identified.

3.3. Research Strategy

The most important condition for differentiating among various research strategies is to identify the research questions being asked. This study in general aimed to analyze the effect of brand equity in customer loyalty of Ethiopian banking industry.

The two main research strategies to use when collecting and analyzing empirical evidences in quantitative approach are experiment and survey research methods (cross-sectional or longitudinal). Of which cross-sectional Survey method was deployed in this study.

Survey research provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. It includes cross-sectional, with the data collected at one point in time and longitudinal, with data collected over time studies using questionnaires or structured interviews for data collection, with the intent of generalizing from a sample to a population (Creswell 2009).

Surveys are strongest for researches that measure variables and also it can measure many variables, often with multiple indicators, at one time and tests several hypotheses in a single study (Neuman 2006).

The adoption of this data collection method was due to the need to measure the focal constructs of the model, as well as the extensive use of survey methodology in previous studies examining customer branding (e.g., Kayaman & Arasli, 2007; Kim *et al.*, 2003; Lassar *et al.*, 1995; Pappu *et al.*, 2005).

3.4. Target population, Sampling Technique and Sample Size

3.4.1. Target Population

A population is the group of units about which the researcher wants to make judgments. These units can be groups of individuals, customers, companies, or products (Mooi and Sarstedt 2011). The population of interest for this study was a group of private and government owned banks working in Ethiopia.

3.4.2. Sampling Technique

The need to sample is one that is almost invariably encountered in quantitative research. Sampling is the process of selecting units (e.g., people, organizations) from a population of interest so that by studying the sample the researcher may fairly generalize the study results back to the population from which they were chosen (Trochim 2000).

The most important aspect of sampling is that the sample selected is representative of the population. With representative it means that the characteristics of the sample closely match those of the population (Mooi and Sarstedt 2011). The two broad categories of sampling techniques are probability sampling and non-probability sampling.

Probability sampling is based on selection by random means while non-probability sampling is based on selection by non-random means (Williman 2006). And non-probability sampling does not give every individual in the population an equal chance of being included in the sample.

For this thesis, the probability sampling method was chosen because it gives the most reliable representation of the whole population (Williman 2006). Also, the selection of the sample from banks in Ethiopia were done by using stratified sampling technique and sample were taken from each stratum since it is appropriate to have enough cases from each group to make meaningful subgroup inferences (Trochim 2000).

- **Probability Sampling**

Probability sampling approaches provide every individual in the population a chance (not equal to zero) of being included in the sample. This is often achieved by using an accurate sampling frame. A sampling frame is a list of individuals in the population (Mooi and Sarstedt 2011). The aim of probability sampling is to keep sampling error minimum, and it gives the most reliable representation of the whole population (Williman 2006). Starting from a good-quality sampling frame, it can be used several methods to select units from the sampling frame (Mooi and Sarstedt 2011). These are *Simple random sampling, Systematic sampling, Stratified sampling, and Cluster sampling*.

Stratified sampling: is dividing the sampling frame or the population into several different homogenous groups called strata. These strata are based on key sample characteristics, such as different departments in organizations. Subsequently a random number of observations from each stratum will be drawn (Mooi and Sarstedt 2011) and to ensure that each stratum is equally represented, an equally sized randomized sample is obtained from each stratum separately. The samples are then combined to form the complete sample from the whole population (Walliman 2001). It is used when cases in the population fall into distinctly different categories or strata (Williman 2006).

The banking industry in Ethiopia comprises a total of 19 government and private owned banks. Accordingly, the strata were two groups, Government owned and Private owned Banks. As all the state owned banks serves for more than 30 years, only private owned Banks was further be classified in to sub-strata as: *Short-Term, Medium-Term and Long-Term Banking Services* based on their respective years of services. The Short-Term sub-strata, which are group of banks with less than five years of services, was excluded from this study since brand equity has a positive impact in the long term (Yeung & Ramasamy, 2008). In addition to such classification, the researcher was considered one bank from each stratum for its data collection except from short-term sub-strata as explained above. The below table summarizes the stratification of the banks:-

Table-3.1: List of Ethiopian Banks and their established year

S.N.	Bank Name	Year Established	Strata	Sub-Strata
1	Development Bank of Ethiopia	1901	Strata One Government Owned Banks	
2	Commercial Bank of Ethiopia	1963		
3	Construction and Business Bank	1975		
4	Awash International Bank S.C.	1994	Strata Two Private Owned Banks	Sub-Strata One Long-Term Banking Services
5	Dashen Bank S.C.	1995		
6	Bank of Abyssinia S.C.	1996		
7	Wegagaen Bank S.C.	1997		
8	United Bank S.C.	1998		
9	Nib International Bank S.C.	1999		
10	Cooperative Bank of Oromia S.C.	2004		Sub-Strata Two Medium-Term Banking Services
11	Lion International Bank S.C.	2006		
12	Oromia International Bank S.C.	2008		
13	Zemen Bank S.C.	2008		
14	Berhan International Bank S.C.	2009		
15	Bunna International Bank S.C.	2009		
16	Abay Bank S.C.	2010		
17	Addis International Bank S.C.	2011		
18	Dehub Global Bank S.C.	2012		
19	Enat Bank S.C.	2012		Sub-Strata Three Short-Term Banking Services

Source: NBE(2002-2012)

Accordingly, the sample of this study included randomly selected one government and two private owned banks; these are *Commercial Bank of Ethiopia*, *Bank of Abyssinia* and *Zemen Bank S. C.* and also customers of these banks were the respondents for this study. To get a representative sample, the distribution of questionnaire was based on time interval for those customers appear every 15 minutes at the selected branches of the three banks in the last two weeks of April, 2016.

3.4.3. Sample Size

Having selected a suitable sampling method, the remaining problem is to determine the sample size. The preference for a large sample must be balanced against the practicalities of the research resources, that is, cost, time and effort.

In a homogeneous population, a small sample will give a fairly representative view of the whole (Williman 2006). Hence, because of its homogeneity nature of the Ethiopian banking industry in terms of service and banking products and also similarity of the competition as well as considering time and budget constraint, a representative sample were selected systematically among the banks. As discussed above, selection of sample was based on stratification of banks.

For the purpose of this study, since the population is very larger and the sampling frame is unknown, Krejcie and Morgan (1970) sampling size estimation was used as shown below: -

$$n = \frac{Z^2 (Pq)}{e^2}$$

Where:

Z = is the value from z tables (1.96) at 95% confidence level

P = the population proportion (assumed to be 0.5)

since this would provide the maximum sample size)

q = 1 – p (0.5)

e = the desire level of precision (0.05)

Therefore,

$$n = \frac{1.96^2 (0.5 \times 0.5)}{(0.05)^2} = \underline{\underline{384}}$$

Accordingly, a total customer of 384 respondents from the selected three banks were chosen for data collection and the distribution for each stratum was proportional base on their services years (1 – 10 years services 23.33%, 11 – 20 years services 33.33 % and more than 21 years services 43.33%) as shown below:-

Table-3.2: Questionnaire Distributed and its Response Rate

S.N.	Name of the Bank	Year Established *	Service Year	Distributed Questionnaire		Returned Questionnaire	
				No.	%	No.	%
1	CBE	1963	53	166	43.33	141	36.81
2	BOA	1996	20	128	33.33	111	28.91
3	ZB	2008	8	90	23.33	82	21.26
Total				384	100	334	86.98

Source: Own survey (2015) and * NBE (2002-2012)

3.5. Research Instrument

Asking questions is an obvious method of collecting both quantitative and qualitative information from people (Williman 2006). The four types of data collection forms in survey design are: self-administered questionnaires; interviews; structured record reviews and structured observations Creswell (2009).

In order to test the research hypotheses that underpin this study, the research instrument that the researcher was used structured questionnaire that allows for the measurement of service brand equity dimensions' effects on customer loyalty.

Questionnaires are particularly suitable for quantitative data and also they are convenient, the personal influence of the researcher is also eliminated and respondents will have time to check fact and think about their answers, which tends to lead to more accurate information and also it is cheap and quick to administer (Williman 2006). Using a questionnaire enable researchers to organize the questions and receive replies without actually having to talk to every respondent (Williman 2006).

The research questionnaire was consisted two sections. The first section was gather information about respondents profile like age, gender, education, service years and so on and the other section was collected data about the research variables using a five - point Likert scale, ranging

from “1 =strongly disagree” to “5 = strongly agree”. The data was collected via self administered questionnaire and the average time taken to complete the survey was approximately 10 minutes.

The developed questionnaire was pilot tested to critique the questions and mention any vague point in the questions so that to identify and eliminate potential problem. Based on feedback the questionnaire was refined for clarity.

3.6. Data Collection

To conduct this research, information obtained from both primary and secondary data sources were used. To get a good understanding and to make the findings as reliable as possible, primary data was collected from a total of 334 systematically selected customers of the three banks through survey method, in particular; via structured questioner. Questionnaires were distributed to the sample respondents for two weeks on daily basis and collected on the spot so as to appreciate the positive response rate.

The study also collected secondary data from the National bank of Ethiopia as well as utilized secondary data obtained from written materials like: academic books, journals, magazines, research papers, internet resources for literature review.

3.7. Data Analysis

One of the primary purposes of scientific investigation is to discover relationships among phenomena in order to explain, to predict and possibly control their occurrence. It is in the discovery and quantification of these relationships that statistical methods are valuable tools (Walliman 2001). Statistical methods enable researchers to present and describe the data and, if necessary, to discover and quantify relationships (Williman 2006).

SPSS is a computer package specializing in quantitative data analysis and it is widely used by market researchers. It is powerful, able to deal with large datasets, and relatively easy to use (Mooi and Sarstedt 2011). The primary data that was collected through questionnaire was sorted and screened for any errors and then processed using statistical software SPSS version 20.

Because the interest of this study was focusing on the relationships between different variables, correlational technique, that is correlation and regression analysis, was used as the main data analysis approach and technique to determine the relationship between the independent variables with customer loyalty. Further, the multiple regression analysis was also used to further explain the significance impacts of the independent and dependent variables as shown below:-

$$y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + e$$

Where:

y = Customer Loyalty

b₁ = beta weigh or regression coefficient of brand awareness

x₁ = Brand awareness

b₂ = beta weigh or regression coefficient of brand meaning

x₂ = Brand meaning

b₃ = beta weigh or regression coefficient of company's presented brand

x₃ = Company's presented brand

b₄ = beta weigh or regression coefficient of external brand communications

x₄ = External brand communications

b₅ = beta weigh or regression coefficient of customer experience with company

x₅ = Customer experience with company

The researcher was also used *t*-test and ANOVA analysis, to compare the means difference between different groups, so as to determine whether there is a statistically significant difference between the groups in terms of their perception of brand equity dimensions and customer loyalty. Furthermore, descriptive statistics were used to show the statistical summary of the data in terms of mean, frequency and percentages.

3.8. Research Quality

In a study it is important to show that the quality of the study is good. In any market research process, it is paramount to use “good” measures. Good measures are those that consistently measure what they are supposed to measure (Mooi and Sarstedt 2011).

3.8.1. Reliability

Reliability is the degree to which what researchers measure is free from random error (Mooi and Sarstedt 2011) and it is concerned with the consistency or stability of the score obtained from a measure or assessment over time and across settings or conditions. If the measurement is reliable, then there is less chance that the obtained score is due to random factors and measurement error (Marczyk et al. 2005). In this study, Cronbach's alpha (α) was used to test the reliability of the measure. As a result, Cronbach's alpha of the questionnaire revealed 0.962 score. Usually, reliability coefficients should be at least ‘.70’ and the higher is the better. Therefore the reliability of the response was accepted & assured.

3.8.2. Validity

Validity refers to whether we are measuring what we want to measure (Mooi and Sarstedt 2011). It is related to research methodology because its primary purpose is to increase the accuracy and usefulness of findings by eliminating or controlling as many confounding variables as possible, which allows for greater confidence in the findings of any given study (Marczyk et al. 2005).

To ensure the validity of the study, the researcher was used expert opinion from highly experienced bankers and academic professor. Also, validity of measure was guaranteed using a thorough and adequate literature review. Finally, pilot test was conducted to ensure the clarity of the question items. Based on the feedback from the pilot study, the questionnaire was revised.

CHAPTER FOUR DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

The previous chapters presented orientation of the study, literature review and the research design and methodology adopted in the study. This chapter presents the analysis of the survey questionnaire as well as results of the data analysis in order to realize the ultimate objective of the study.

The target population of this study was customers of selected Government and Private Banks in Ethiopia. Questionnaires have been collected at the last two weeks of April 2016. Out of 384 questionnaires dispersed to customers of the selected three banks, 334 responses were returned. Out of these, 7 were incomplete and were not used for further analysis. Thus, 327 questionnaires were eventually used for the study with a response rate of 85.16%. According to (Saunders 2002), a response rate of 70% and above for questionnaire survey is sufficient to carry out the analysis.

4.2. Reliability Analysis

Table 4.1: Reliability Coefficients of Research Measures (Cronbach's Alpha)

Items	Cronbach's Alpha	N of Items
Brand Awareness	.842	5
Brand Meaning	.907	9
Presented Brand	.887	8
External Brand Communications	.852	10
Customer Experience with Company	.943	16
Customer Loyalty	.895	4
Overall Reliability	.962	52

Source: Own survey (2015)

Table 4.1 above shows Cronbach’s alpha coefficients of the major research measures. A reliability test is used to assess consistency in measurement items and Cronbach’s alpha was used to measure the internal consistency of the measurement items. Higher alpha coefficients indicate higher scale reliability.

Extensive literature review was performed to operationalize the variables. Specifically, Nunnally (1978) recommended 0.70 Cronbach’s alpha value (internal consistency) for newly developed research instruments. All the major research measures met Nunnally’s (1978) internal consistency (reliability) standard. Therefore, subjects to the specific and unusual limitations associated with this type of research, the research instrument appears reliable and valid.

4.3. Descriptive Analysis

4.3.1. Respondents’ Characteristic

Before starting the analysis of the data some background information such as demographic data, is useful in order to make the analysis more meaningful for the readers. Accordingly, the sample consisted of 327 customer respondents and in terms of gender, respondents were roughly proportionate between male and female, even though the numbers of male respondents were a bit higher (male 58.4% and female 41.6 %). The result is presented in the below table: -

Table 4.2: Summary of Respondents’ Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	136	41.6	41.6	41.6
	Male	191	58.4	58.4	100.0
	Total	327	100.0	100.0	

Source: Own survey (2015)

Regarding the age of respondents, the sample population was largely dominated by the age group of 25-35 (59.6%) followed by the group between the age of 36-45 (20.8%). This implies that most of the sample respondents were middle aged. The rest of the respondents consisted, 40

(12.2 %) with the age of 25 and below, 17(5.2%) in between the age of 46 and 55 and 7 (2.1 %) with the age of 56 and above. Table 4.3 summarized the results as follows:-

Table 4.3: Summary of Respondents' Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25	40	12.2	12.2	12.2
	25-35	195	59.6	59.6	71.9
	36-45	68	20.8	20.8	92.7
	46-55	17	5.2	5.2	97.9
	Above 56	7	2.1	2.1	100.0
	Total	327	100.0	100.0	

Source: Own survey (2015)

Based on table 4.4 below, the largest group of the sample population comprised first-degree holders, which is 61.8% of the total respondents; followed by second-degree holders which comprised 18.7%. This shows that the majority of the respondents were with sufficient educational background.

Table 4.4: Summary of Respondents' Academic Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below high school	4	1.2	1.2	1.2
	High school complete	14	4.3	4.3	5.5
	College diploma	44	13.5	13.5	19.0
	First degree	202	61.8	61.8	80.7
	Second degree and above	61	18.7	18.7	99.4
	Other	2	.6	.6	100.0
	Total	327	100.0	100.0	

Source: Own survey (2015)

Concerning the customer relationship age, the sample populations was mainly dominated by a service years of 1-5 years, which is 46.2% and followed by 6-10 years of services (25.4%). This implies that, over 90% of the respondents have more than one years of relationship with their respective banks. The result of service years is summarized in table 4.5 below.

Table 4.5: Summary of respondents' service years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1 year	21	6.4	6.4	6.4
	1-5 years	151	46.2	46.2	52.6
	6-10 years	83	25.4	25.4	78.0
	Above 10 years	72	22.0	22.0	100.0
	Total	327	100.0	100.0	

Source: Own survey (2015)

4.3.2. Descriptive statistics of study variables

One statistical approach for determining equivalence between groups is to use simple analyses of means and standard deviations for the variables of interest for each group in the study (Marczyk et al. 2005). The descriptive statistics (mean and standard deviation) in respect of each variable is shown in the following table. The mean indicates to what extent the sample group on average agrees or does not agree with the different statement. The lower the mean, the more the respondents disagree with the statement. The higher the mean, the more the respondents agree with the statement.

Table 4.6: Descriptive Statistics of variables

	Mean	Std. Deviation	N
Brand Awareness	4.0648	.67448	327
Brand Meaning	4.0564	.65906	327
Company's Presented Brand	3.7687	.75508	327
External Brand Communications	3.5630	.66347	327
Customer Experience with Company	3.9293	.67170	327
Customer Loyalty	3.8609	.90168	327

Source: Own survey (2015)

Based on table 4.6 above, brand awareness has the highest mean score of 4.0648 followed by Brand meaning with a mean score of 4.0564. Customer experience with company stood at third level with a mean value of 3.9293. Customer loyalty placed next scoring 3.8609 mean value which was also followed by company's presented brand at mean score of 3.7687. External Brand Communications was the least variable with mean score of 3.5630.

The interpretation was made based on the following measurement scale intervals or range. Mean scores 4.51-5.00 excellent or very good, 3.51- 4.50 good, 2.51-3.50 average or moderate, 1.51-2.50 fair and 1.00-1.50 is poor (poonlar Btawee,1987) as cited by Sidie Assefa (2015). Accordingly, all the variables lie in the category between 3.51 and 4.50 which means respondents have good perception on each of the variables under consideration. On the other hand, the standard deviation shown on each variable was relatively low. Low standard deviation means that the data are narrow spread, which tells that customers gave close opinion on each variable.

4.4. Correlation analysis

A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 (Field 2005). A correlation analysis with Pearson's correlation coefficient was conducted on all the independent and dependant variables in this study to explore the relationship between variables. According to guidelines suggested by Field (2005) to interpret the strength of relationship between variables, the correlation coefficient(r) is as follows: if the correlation coefficient falls between 0.1 to 0.29, it is weak; 0.3 to 0.49 is moderate; and > 0.5 is strong relationship between variables.

In this study, bivariate Pearson correlation was used to examine the relationship between each of the independent variables and the dependant variable using a two tailed test of statistical significance at the level of 99% confidence and significance < 0.01 .

Table 4.7: Correlation between independent and dependent variables

		Brand Awareness	Brand Meaning	Company's Presented Brand	External Brand Communications	Customer Experience with Company	Customer Loyalty
Brand Awareness	Pearson Correlation	1					
	Sig. (2-tailed)						
Brand Meaning	Pearson Correlation	.624**	1				
	Sig. (2-tailed)	.000					
Company's Presented Brand	Pearson Correlation	.563**	.669**	1			
	Sig. (2-tailed)	.000	.000				
External Brand Communications	Pearson Correlation	.233**	.348**	.422**	1		
	Sig. (2-tailed)	.000	.000	.000			
Customer Experience with Company	Pearson Correlation	.515**	.712**	.655**	.356**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
Customer Loyalty	Pearson Correlation	.539**	.711**	.621**	.283**	.682**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

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

Source: Own survey (2015)

From the results shown in table 4.7 above, each variable correlated perfectly with itself with coefficients value of +1.00. The correlation matrix shows that there is a strong, positive and significant relationship between brand meaning and customer loyalty with a value of $r=0.711$ at 0.01 significant level.

The results of Pearson correlation matrix also shows that there is a strong positive relationship between brand awareness and customer loyalty; between company's presented brand and customer loyalty; between customer experience with company and customer loyalty with a value of $r=0.539$, $r=0.621$, $r=0.682$ respectively. On the other hand, there is also a significant positive but weak relationship between external brand communication and customer loyalty with a value of $r=0.283$ at significant level of $p=0.000$. The correlation between all the independent variables

and dependant variable is proved to be positive and significant, which means the improvement in any or all of the independent variables results in improvement in customer loyalty.

4.5. Multiple Regression Analysis

In order to determine the explanatory power of the independent variables in the variance of the dependent variable, multiple linear regression analysis was employed. In other words, Regression was conducted in order to see contribution of factors that consumers perceive to be important in affecting their loyalty in Ethiopian Banking industry, Customer loyalty was used as the dependent variable while service brand equity dimensions were used as the independent variables.

Before the regression analysis, the four major assumptions of variables were tested for checking errors. These are Homoscedacity, Normality, Independency and multicollinearity and all the assumptions were satisfied. The result charts of the assumptions are annexed with this paper (see annexes 3-5) and the multicollinearity and normality result tables are presented as follows in table 4.8 and 4.9 respectively.

Table 4.8: Multicollinearity statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Brand Awareness	.570	1.756
	Brand Meaning	.371	2.693
	Presented Brand	.437	2.287
	External Brand Communications	.807	1.239
	Customer Experience with Company	.432	2.316
a. Dependent Variable: Customer Loyalty			

Source: Own survey (2015)

Multicollinearity occurs when there are high intercorrelations among some set of the predictor variables. The rule is that when tolerance value is less than 0.2 and the VIF exceeds 10; it is a signal of multicollinearity, which could lead to misleading and/or inaccurate results. Refer to collinearity Statistics shown above in table 4.5, the tolerance and VIF showed that there was no multicollinearity between the study predictors.

Table 4.9: Normality statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Brand Awareness	327	4.0648	.67448	-.959	.135	1.206	.269
Brand Meaning	327	4.0564	.65906	-1.095	.135	2.124	.269
Presented Brand	327	3.7687	.75508	-.699	.135	.327	.269
External Brand Communications	327	3.5630	.66347	-.304	.135	.998	.269
Customer Experience with Company	327	3.9293	.67170	-.788	.135	1.582	.269
Customer Loyalty	327	3.8609	.90168	-.776	.135	.243	.269
Valid N (listwise)	327						

Source: Own survey (2015)

According to Kim (2013), for sample sizes greater than 300, the absolute values of skewness and kurtosis are used for interpretations of normality. And either an absolute skew value larger than 2 or an absolute kurtosis larger than 7 used as reference values for determining substantial non-normality. Thus, based on the above normality table, the distribution confirmed to be normal and the data were qualified for the regression analysis.

The regression model presents how much of the variance in the measure of customer loyalty is explained by the underlying dimensions of brand equity (the model). Adjusted R square was used to measure the percentage of variance in the customer loyalty explained by the brand awareness, brand meaning, company’s presented brand, external brand communications and customer experience with company. Based on table 4.10 below, the model or the predictor variables have accounted for 58% (adjusted R square of 58.0% with estimated standard deviation 0.58410) of

the variance in the criterion variable (customer loyalty). The other variables that were not considered in this study contribute about 42% of the variability of customer loyalty.

Similarly, the ANOVA table 4.11 shows the overall significance/acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value of 91.172 and p-value (.000), which is less than $p < 0.05$, the model is significant. This indicates the variation explained by the model is not due to chance.

Table 4.10: Regression Analysis between Independent and Dependent Variable

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.766 ^a	.587	.580	.58410
a. Predictors: (Constant), Customer Experience with Company, External Brand Communications, Brand Awareness, Company's Presented Brand, Brand Meaning				
b. Dependent Variable: Customer Loyalty				

Source: Own survey (2015)

Table 4.11: ANOVA of customer loyalty

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	155.527	5	31.105	91.172	.000 ^b
	Residual	109.517	321	.341		
	Total	265.044	326			
a. Dependent Variable: Customer Loyalty						
b. Predictors: (Constant), Customer Experience with Company, External Brand Communications, Brand Awareness, Presented Brand, Brand Meaning						

Source: Own survey (2015)

From the linear multiple regression equation, the standard regression coefficient (beta weight) was determined to compare the effect of each independent variable has on the variability of the overall customer loyalty. The regression coefficient explains the average amount of change in dependent variable that is caused by a unit of change in the independent variable. The larger

value of Beta coefficient that an independent variable has, the more support to the independent variable as the more important determinant in predicting the dependent variable. Tables 4.12 provide the results of the multiple regression analysis.

Table 4.12: Regression for Customer Loyalty

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.676	.251		-2.689	.008
	Brand Awareness	.114	.064	.086	1.800	.073
	Brand Meaning	.484	.081	.354	6.006	.000
	Company's Presented Brand	.185	.065	.155	2.859	.005
	External Brand Communications	-.042	.054	-.031	-.771	.441
	Customer Experience with Company	.397	.073	.296	5.418	.000

a. Dependent Variable: Customer Loyalty

Source: Own survey (2015)

According to Table 4.12 above, the regression standardized coefficients for the three independent variables, i.e. Brand Meaning, Company's Present Brand, and Customer Experience with Company are 0.354, 0.155 and 0.296 respectively. Their significance levels are 0.000, 0.005, and 0.000 respectively, which are less than 0.05. This indicates significant relationship between them and the dependent variable (customer loyalty). Since, coefficients of the predictor variables are statistically significant at less than five percent; alternative hypotheses related with brand meaning, company's present brand, and customer experience with company, are supported and the remaining two alternative hypotheses (which are related with brand awareness and external brand communications) are not supported since their p values are > 0.05 . The hypotheses testing

are summarized in table 4.13 below. The result also indicated that brand meaning is the most important factor influencing customer loyalty of banking industry in Ethiopia followed by customer experience with company and company's presented brand.

Table 4.13: summary of the hypotheses testing

Hypothesis	r-value	Relationship	Beta	Sig.	Result	Remark
H1: Brand Awareness has a significant positive impact on Customer Loyalty	.539**	Positive	.086	.073	Not Supported	This supports the findings of previous researchers (Subhani & Osman 2013)
H2: Brand Meaning has a significant positive impact on Customer Loyalty	.711**	Positive	.354	.000	Supported	This result confirms the findings of previous researchers (Veloutsou et al. 2004)
H3: Company's Presented Brand has a significant positive impact on Customer Loyalty	.621**	Positive	.155	.005	Supported	This supports the finding of previous researcher (Raj 1982)
H4: External Brand Communications has a significant positive impact on Customer Loyalty	.283**	Positive	-.031	.441	Not Supported	
H5: Customer Experience with Company has a significant positive impact on Customer Loyalty	.682**	Positive	.296	.000	Supported	This result confirms the findings of previous researchers (Wijaithammarit & Taechamaneestit 2012)

Source: Own survey (2015)

4.6. Underlying Factors of Customer Loyalty Based on Respondent's profile

In order to examine if there is a difference between the demographic profile of consumers and the factors they consider to be important in influencing their loyalty, two inferential statistics techniques were employed. The independent t-test and one-way ANOVA were applied to compare demographic characteristics and investigate how they are related with the independent variables.

T-test is used to test mean differences between two groups. In general, t -test requires a single dichotomous independent variable and a single continuous dependent variable (Marczyk et al. 2005). Thus, t-test were used to compare mean difference between types of bank and underlying factors perceived to be important in forming customer loyalty. Similarly, ANOVA is also a test of mean comparisons across more than two groups or conditions (Marczyk et al. 2005). Hence, OneWay ANOVA analysis between the factors perceived to be important in customer loyalty and five service years groups were executed.

4.6.1. Underlying Factors of Customer Loyalty Based on Bank Types

As it is shown in table 4.14, the mean difference between government banks and private banks with regard to the variables brand meaning, external brand communications and customer experience with companies are -.21878, -.13407 and -.31097 respectively at a significant level of all <0.05 . Thus, this result indicates that brand meaning, external brand communications and customer experience with companies are perceived to be important in forming customer loyalty by private banks' consumers than government banks' customers. The mean difference between government banks and private banks for the remaining two variables is not significant as their p values are more than 0.05 (see table 4.14). This shows that the factors that are perceived to be important in forming customer loyalty of banks are almost similar within government and private bank customers. Also, the mean difference for customer loyalty (dependent variable) between government and private bank customers is -.21061 at a significance level of 0.001. Thus, there is a significant perception difference between the two groups.

Table 4.14: Independent sample t-test between bank types and service brand equity dimensions

	Types of the Bank	N	Mean	Std. Deviation	Mean Difference	t	Sig.
Brand Awareness	Gov't bank	138	3.9928	.69341		-1.656	
	Private Bank	189	4.1175	.65717	-.12471	-1.642	.371
Brand Meaning	Gov't bank	138	3.9300	.79854		-3.001	
	Private Bank	189	4.1487	.51789	-.21878	-2.815	.000
Company's Presented Brand	Gov't bank	138	3.7065	.81356		-1.274	
	Private Bank	189	3.8142	.70812	-.10763	-1.247	.119
External Brand Communications	Gov't bank	138	3.4855	.75634		-1.811	
	Private Bank	189	3.6196	.58208	-.13407	-1.740	.002
Customer Experience with Company	Gov't bank	138	3.7495	.75442		-4.241	
	Private Bank	189	4.0605	.57147	-.31097	-4.065	.003
Customer Loyalty	Gov't bank	138	3.7391	1.02606		-2.097	
	Private Bank	189	3.9497	.78980	-.21061	-2.015	.001

Source: Own survey (2015)

4.6.2. Underlying Factors of Customer Loyalty based on Service Years

ANOVA result in table 4.15 shows that from the five service brand dimensions a significance difference is observed between service years of respondents with regard to brand awareness, brand meaning and company's presented brand dimensions. As table 4.15 shows there is significant difference between different service years groups and brand awareness at $F=4.961$, significance level 0.002, with brand meaning at $F= 3.901$, significance level 0.009 and also with company's presented brand at $F= 2.844$, significance level 0.038. The customer loyalties of respondents who are in different service years groups are affected by the three brand equity

dimensions; brand awareness, brand meaning and company’s presented brand at a significant level, i.e. all has p value < 0.05. For the remaining two dimensions, the result shows that the influence is the same among different service year groups of respondents. Respondents who are in the service years category of above 10 years, give more attention for brand awareness, as mean score shows 4.2583 (See annex 6). Respondents who are in the services years group of below 1 year, give more attention to brand meaning and company’s presented brand, at mean scores 4.3598 and 3.9821 respectively followed by respondents of service years group above 10 years at mean scores of 4.1975 and 3.9201 respectively.

Table 4.15: One Way ANOVA between service years and service brand equity dimensions

		Sum of Squares	df	Mean Square	F	Sig.
Brand Awareness	Between Groups	6.533	3	2.178	4.961	.002
	Within Groups	141.773	323	.439		
	Total	148.306	326			
Brand Meaning	Between Groups	4.954	3	1.651	3.903	.009
	Within Groups	136.648	323	.423		
	Total	141.602	326			
Presented Brand	Between Groups	4.784	3	1.595	2.844	.038
	Within Groups	181.086	323	.561		
	Total	185.870	326			
External Brand Communications	Between Groups	2.424	3	.808	1.850	.138
	Within Groups	141.079	323	.437		
	Total	143.502	326			
Customer Experience with Company	Between Groups	1.092	3	.364	.806	.491
	Within Groups	145.991	323	.452		
	Total	147.083	326			
Customer loyalty	Between Groups	4.565	3	1.522	1.887	.132
	Within Groups	260.479	323	.806		
	Total	265.044	326			

Source: Own survey (2015)

CHAPTER FIVE SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

The purpose of the study was to examine the effect of service brand equity dimensions to customer loyalty of banks in Ethiopia. In this chapter of the study, summary of findings, conclusion drawn, and recommendations of the study are stated. Limitation and agenda for future researches is also included at the end of this chapter.

5.2. Summary of the major findings

From the demographic characteristics of respondents, male and female respondents were roughly proportionate. Besides, respondents participated in the survey were middle aged. Regarding educational background, majority have got first degree and above. In terms of years of service experience, the majority have the experience between 1 to 5 years with their current banks.

The descriptive statistics shows that the mean score values of the independent variables (i.e. brand awareness, brand meaning, company's presented brand, external brand communications and customer experience with company) ranges from 3.51 to 4.50. According to (Poonlar Btawee; 1987) as cited by Sidie Assefa (2015) each of the variables under consideration were perceived as good among respondents.

The Pearson correlation coefficient reveals that brand awareness ($r=.539$); brand meaning ($r=.711$); company's presented brand ($r=.621$); external brand communication ($r=0.283$) and customer experience with company ($r=.680$) are all positively correlated with customer loyalty. The strength of correlation is highest for brand meaning followed by customer experience with company; company's presented brand; brand awareness and external brand communication. The correlation is also significant at .01 level two tailed.

The multiple regression result, estimate of regression weight shows that the three independent variables Brand Meaning ($\beta=.354$), Company's Present Brand ($\beta=.155$), and Customer Experience with Company ($\beta=.296$) significantly predict and explain customer loyalty, supporting H2, H3 and H5. Whereas the remaining two independent variables Brand Awareness ($\beta=.086$) and External Brand Communications ($\beta=-.031$) not significantly affect customer loyalty, not supporting H1 and H4. Brand meaning and customer experience with company are the most important service brand equity dimensions influencing customer loyalty of banking industry in Ethiopia.

Finally, the t-test showed that brand meaning, external brand communications and customer experience with companies were perceived to be important in forming customer loyalty by private banks consumers than government bank's customers and both groups had similar perceptions for the remaining two variables. Also, ANOVA result showed that from the five service brand equity dimensions customer loyalties of respondents who are in different service years groups were affected by the three brand equity dimensions; brand awareness, brand meaning and company's presented brand whereas for the remaining two dimensions the influence was the same among different service year groups of respondents.

5.3. Conclusion

The main objective of the research was to examine the possible relationship between brand equity and customer loyalty in the banking industry in Ethiopia. Accordingly, the study tried to test the relationship that exists between service brand equity dimensions vis a vis customer loyalty.

Brand meaning appeared to be the most correlated construct with customer loyalty in the Ethiopian banking industry with a correlation coefficient of 0.711. It is also the most dominant factor in predicting customer loyalty with a beta coefficient of 0.354. This result supported the findings of previous researchers (Veloutsou et al. 2004). This implies that when customers give meanings to the bank's brand in different perspectives such as perceived value, brand personality

and organizations associations, they remain loyal to their respective banks. Thus, improving brand meaning brings about improved customer loyalty.

Customer experience with company is the second most correlated construct with customer loyalty in the Ethiopian banking industry with a correlation coefficient of 0.682. It is also the second most dominant factor in predicting customer loyalty with a beta coefficient of 0.296. The implication is that as customers of banks has a good experiences with their respective banks, customers tend to be loyal. So, increasing good experience of customers increases loyalty.

The third most correlated construct with customer loyalty in the Ethiopian banking industry with a correlation coefficient of 0.621 is Company's present brand. It is also the third most dominant factor in predicting customer loyalty with a beta coefficient of 0.155. This implies that as customers perceived the banks presented brand (eg. brand name and advertizing) as valuable, they remain loyal to such banks. Thus, increased companies presented brand results in increased customer loyalty.

According to the findings, brand awareness and external brand communications were found to be less considered in the loyalty of banking customers; but brand awareness has a significant direct relation with customer loyalty at 0.539 correlation coefficient and on the other hand, there is also a significant positive but weak relationship between external brand communication and customer loyalty with a correlation coefficient value of 0.283. This shows that bank consumers give less attention for brand awareness and external brand communications (eg. word of mouth and publicity) when they buy banking services.

In conclusion, brand meaning, customer experience with company and company's presented brand appeared to be antecedents of loyalty in the Ethiopian banking industry. Therefore, banking industry should note the three dimensions of service brand equity that are found to predict loyalty and emphasize them in their marketing strategy.

5.4. Recommendations

Traditional marketing mix elements are not the only factors, consumers used to make decisions now a days than ever before. Rather, branding issues such as brand equity is a key ingredient in decision making. This study investigated the influential dimensions of service brand equity that makes consumers to be loyal in the banking industry. Depending on the findings of the study and conclusions made, the following recommendation was developed to increase customer loyalty by improving brand equity of banks.

- ✓ Based on this result, banking firms have to put in more effort to create brand meanings through factors related to customers perceived value, brand personality and organizational associations, for instance, by providing quality service that meets or exceeds customer expectations, by assessing customer satisfaction survey for any discrepancies and improvements and so on. It is well acknowledged that consumers' loyalty may be based on brand meanings attributes, and hence, improving brand meaning is essential for the success of banking firms and to get sustainable competitive advantages by retaining loyal customers.
- ✓ Since, the way customers evaluate a service greatly depends on the extent to which the customer experience in the delivery of the service and that experience of the customer is important to bring out the long-term loyalty, customer actual experience with the banks is also an influential service brand equity dimension for loyalty of bank customers. Thus, banking managers should put efforts to create memorable experience through improving factors related to the core services, employee service deliver, and servicescape. For example, up-to-date facilities, attractive service environments, quality services.
- ✓ Since company's presented brand has a significant positive impact on the loyalty of banking customers, the banking managers should work on the aspects of the company's presented brand like building/improving good brand name, improving promotion and advertisings of the banks by assessing the customers' reaction of current promotions campaigns so that to improve their presented brand.

- ✓ Loyal customers are a life time value for any marketers because a number of benefits obtained from them, such as premium price, less cost to serve them, suggest our brand to their brands, and they can be a strong market base if we develop new products. In order to earn customers loyalty for a long term, brand equity should be improved by these banks. For example, improving the ambience of the service environment which may create a good experience for the customers, providing outstanding quality service, improving promotion and advertizing and other similar activities that will strength the customers experience and brand meaning dimensions of service brand equity.

5.5. Limitations and Directions for Further Studies

Every research has certain limitations therefore it is necessary to acknowledge them before moving on to generalizations of findings.

- There is limitation with regard to scope of the study; the place in which this research has been conducted was Addis Ababa. Future researches should attempt to include customers located outside Addis Ababa to have a complete picture about the subject matter in Ethiopian context. Moreover, since the majority of the respondents were well educated and middle-aged, generalization to other groups might not be applicable.
- While the study relates to the factors that consumers perceive to be important considered in customer loyalty for banking industry, it has only focused on brand equity. As per different researches in different times, so many other factors can enhance consumers' loyalty. Gathering the data by using different qualitative methods such as in- depth interview, or focus group discussion is recommended to uncover other variables that might have an impact on customer loyalty in order to be able to dig deeper insights and information.
- This research focused only on the perceptions of customers and did not measure the perception from employee of the banks. Future researches should consider both ways and identify differences among perception of customers and employees of the banks.
- The research, however, has more rooms for improvement. Further research could be conducted to a different industry, expanded to other geographical area so that the result may be reflective of the actual customers' loyalty and to generate higher outcomes of the confidence level.

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Annexes

Annex-1

Addis Ababa University School of Commerce Marketing Management Department

Dear Participants,

This questionnaire is designed to collect primary data that supports my research on ‘**Analysis of the Effect of Brand Equity on Customer Loyalty**’ that I am conducting as a partial fulfillment of the requirements for the degree of Master’s of Marketing Management. The main objective of this particular research project is to examine the possible relationship between brand equity and customer loyalty in Ethiopia banking industry.

Hence, your response to the questionnaire has paramount importance to the success of the research. The findings of the research are strictly to be used only for academic purpose authorized by the Addis Ababa University College of Commerce.

Thank you for sharing your precious time from your eventful schedule and I appreciate your genuine and prompt response. If you have any clarification or query, please contact me at Tel. 0911-483680 or e-mail tsigebelayz@gmail.com

If you would like a summary of my research results in soft copy, please put your email address here:- _____

Direction: There is no need to write your name

Please, put a mark (✓) in the boxes of your option.

Explanation of the acronyms used: SD- Strongly Disagree, D- Disagree, N-neutral, A- Agree, SA-strongly agree

Part - I: Profile of Respondents

1.1. Name of your bank _____

1.2. Age

- | | | |
|--------------------------------------|---|--------------------------------------|
| <input type="checkbox"/> Below 25 | <input type="checkbox"/> 25-35 year | <input type="checkbox"/> 36-45 years |
| <input type="checkbox"/> 46-55 years | <input type="checkbox"/> above 56 years | |

1.3. Gender Male Female

1.4. Academic Qualification

Below high school High school complete
 College Diploma First Degree
 Second Degree & above other (specify) _____

1.5. Service years

Below 1 year 1-5 years
 6-10 years above 10 yrs

Part - II

S. N.	Construct and Items	Scale				
		SD	D	N	A	SA
1	Brand Awareness					
	I am aware of this bank					
	This bank Comes to my mind when I need to make a purchase decision					
	I am familiar with this bank Brand					
	I Know what the bank looks like					
	I can recognize this bank among other competing Brands					
2	Brand Meaning					
	Perceived Value					
	The bank service is good value for money					
	I consider this bank a good choice					
	I Get from this bank more than my money's worth					
	Brand Personality					
	The bank has a personality					
	This bank service is interesting					
	The bank portrays the image of customers it serves					
	Organizational Associations					
	I trust this bank					
	I like the bank					
	The bank has credibility					

S. N.	Construct and Items	Scale				
		SD	D	N	A	SA
3	Presented Brand					
	Brand name					
	The Brand name tells me what to expect					
	The Brand name means nothing to me					
	I always choose “ brand name” to make a purchase decision					
	The Brand name tells me everything					
	Advertising					
	I like the bank advertisings					
	I react favorably to this bank advertisings					
	I feel positive toward the advertisings					
	The bank’s advertisings are good					
4	External Brand Communications					
	Word Of Mouth (WOM)					
	Word of Mouth communication about this bank affects my views					
	Word of Mouth communication reveals important message about the bank					
	Word of Mouth communication provides different ideas					
	Word of Mouth communication helps me to make better choices					
	Word of Mouth communication influence my evaluation					
	Publicity					
	Publicity about this bank affects my views					
	Publicity reveals some things about the bank					
	Publicity provides some different ideas					
	Publicity helps me formulate ideas					
	Publicity influence my evaluation					

S. N.	Construct and Items	Scale				
		SD	D	N	A	SA
5	Customer Experience with Company					
	Core Service					
	This bank suits my needs					
	The bank Service is reliable					
	The bank Service is superior					
	This bank has good services					
	This bank has quality services					
	Servicescape					
	This bank has up-to-date facilities					
	The bank facilities are attractive					
	This bank has neat employees					
	The bank facilities suit service type					
	Employee Service					
	The bank Employees provide prompt service					
	The Employees are willing to help					
	They are never too busy for me					
	I can trust this bank's employees					
	I feel safe in transactions					
	The bank employees are polite					
	They gives personal attention					
6	Customer Loyalty					
	I am satisfied with this bank's complete ranges of services					
	I usually use this bank as my first choice					
	I will not switch to another bank					
	I would recommend this bank to others					

Annex-2

**አዲስ አበባ ዩኒቨርሲቲ ንግድ ስራ ኮሌጅ
የድህረ ምረቃ ጥናት
የማርኬቲንግ ማኔጅመንት ፕሮግራም
በደንበኞች የሚሞላ መጠይቅ**

ይህ መጠይቅ የተዘጋጀው በንግድ ምልክት እና በደንበኛ ታማኝነት መካከል ያለውን ግንኙነት ለመፈተሽ ሲሆን ጥናቱም በኢትዮጵያ ባንኮች ላይ ያተኩራል። ጥናቱ የተዘጋጀው ለመመረቂያ ዕሁፍ ሲሆን በዚህ መጠይቅ ላይ የሚሠጡት መልስም ለትምህርት ጉዳይ ብቻ የሚውል ይሆናል። በመሆኑም፣ የእርሶ ተሳታፊነት ለጥናቱ ውጤት ከፍተኛ ጠቀሜታ አለው።

ውድ ጊዜዎን ሰውተው ይኼንን መጠይቅ ስለሞሉልኝ በቅድሚያ እያመሠገንኩ ለማንኛውም ተጨማሪ ጥያቄ ወይም ማብራሪያ በስልክ ቁጥር 0911-483680 ቢደውሉልኝ ወይም በtsigebelalayz@gmail.com ኢ-ሜይል ቢፀፉ ፈጣን ምላሽ እሠጣለሁ።

ጥናቱ በሚጠናቀቅበት ጊዜ የጥናቱን ጠቅላላ ያለ ውጤት በሶፍት ኮፒ እንድልክልዎ ከፈለጉ የኢ-ሜይል አድራሻዎን እዚህ ላይ ይጻፉ፣ _____

በሚሞሉበት ጊዜ

- ስምዎን መጻፍ የለብዎትም
- መልስዎ ላይ (✓) ምልክት ያድርጉ

ክፍል - 1 የግል መረጃ

1. የሚገለገሉበት ባንክ ስም -----
2. ጾታ ሴት ወንድ
3. እድሜ ከ25 በታች ከ25 እስከ 35 ከ36 እስከ 45
 ከ46 እስከ 55 ከ56 በላይ
4. የትምህርት ደረጃ
 ከ12 በታች 12 ያጠናቀቀ
 የኮሌጅ ዲፕሎማ የመጀመሪያ ዲግሪ
 ሁለተኛ ዲግሪና ከዛ በላይ ሌላ፣ ይግለፁ -----
5. በባንኩ መገልገል ከጀመሩ ስንት ጊዜ ሆነዎት?
 ከ1 አመት በታች 1-5 አመት
 6-10 አመት ከ10 አመት በላይ

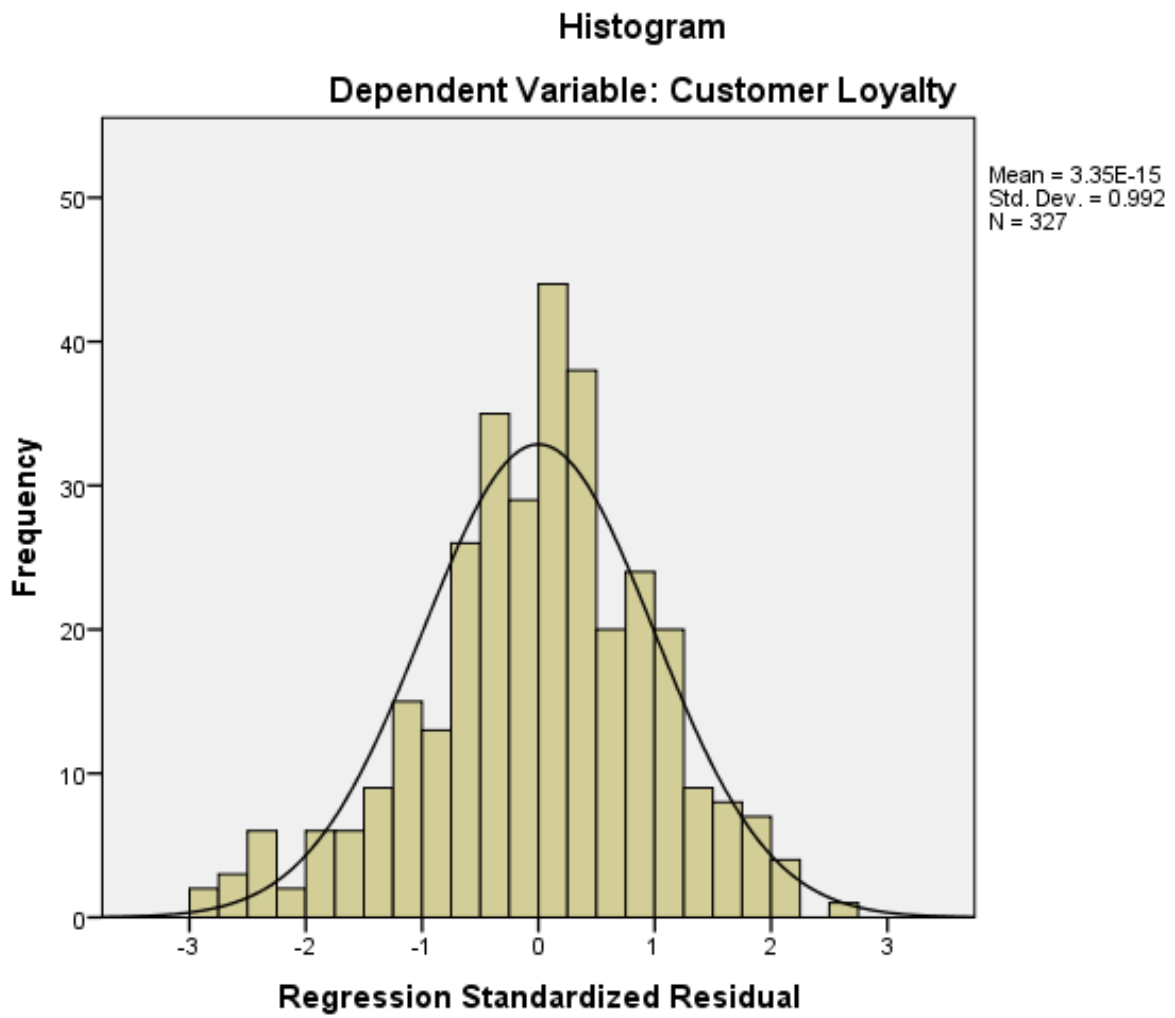
ክፍል - 2

ተ. ቁ.	ጥያቄዎች	መመዘኛ				
		በፍፁም አልሰማማም	አልሰማማም	ገለልተኛ	አስማማለሁ	በጣም አስማማለሁ
1	የንግድ ምልክት ግንዛቤ					
	ስለዚህ ባንክ ግንዛቤ አለኝ					
	የባንክ አገልግሎት በሚያስፈልገኝ ጊዜ ቀድሞ በአዕምሮዬ የሚመጣው ይህ ባንክ ነው					
	ከዚህ ባንክ የንግድ ምልክቶች ጋር የጠበቀ ትውውቅ አለኝ					
	ይህ ባንክ ምን እንደሚመስል አውቀዋለሁ					
	የዚህን ባንክ ንግድ ምልክት ከሌሎች ተወዳዳሪ ባንኮች ንግድ ምልክት ይልቅ ለይቼ አውቀዋለሁ					
2	የንግድ ምልክት ትርጉም					
	የተጠቃሚነት መጠን					
	የባንኩ አገልግሎት ለምክፍለው ገንዘብ ተገቢ ዋጋ ነው					
	ይህ ባንክ ጥሩ ምርጫ ነው ብዬ አምናለው					
	ከዚህ ባንክ የማገኘው አገልግሎት ከምክፍለው ገንዘብ በላይ ነው					
	የንግድ ምልክት ስብዕና					
	ይህ ባንክ ህጋዊ ሰውነት አለው					
	የዚህ ባንክ አገልግሎት አስደሳች ነው					
	የዚህ ባንክ አገልግሎት የደንበኞቹ ነፃብራቅ ነው					
	ድርጅታዊ ትስስር					
	በዚህ ባንክ ላይ እምነት አለኝ					
	ይህንን ባንክ እወደዋለሁ					
	ይህ ባንክ እምነት የሚጣልበት ነው					

ተ. ቁ.	ጥያቄዎች	መመዘኛ				
		በፍቃድ አልሰማማም	አልሰማማም	ገለልተኛ	እስማማለሁ	በጣም እስማማለሁ
3	የንግድ ምልክት አቀራረብ					
	የንግድ ምልክት ስም					
	የንግድ ምልክቱ ሥም ምን መጠበቅ እንዳለብኝ ይነግረኛል					
	የንግድ ምልክቱ ለእኔ ምንም ማለት አይደለም					
	ማንኛውንም ግዥ ስፈፅም የንግድ ምልክቱን መሠረት አድርጌ ነው					
	የንግድ ምልክቱ ሁሉን ነገር ይነግረኛል					
	ማስታወቂያዎች					
	የባንኩን ማስታወቂያዎች እወዳቸዋለሁ					
	የባንኩ ማስታወቂያዎች ለእኔ ስሜት የሚሰጡ ናቸው					
	ለባንኩ ማስታወቂያዎች አዎንታዊ ስሜት አለኝ					
	የባንኩ ማስታወቂያዎች ጥሩ ናቸው					
4	የውጭ ግንኙነቶች					
	አሉባልታዎች					
	አሉባልታዎች ለባንኩ በአለኝ አመለካከት ላይ ተፅዕኖ ይፈጥራሉ					
	አሉባልታዎች ስለባንኩ ጠቃሚ መልዕክት ያስተላልፋሉ					
	አሉባልታዎች የተለያዩ ሃሳቦችን ያንፀባርቃሉ					
	አሉባልታዎች ምርጫዬን የተሻለ ለማድረግ ይረዱኛል					
	አሉባልታዎች ለባንኩ በአለኝ ግምት ላይ ተጽዕኖ ያሳድራሉ					
	መግለጫዎች					
	መግለጫዎች ለባንኩ በአለኝ አመለካከት ላይ ተፅዕኖ ይፈጥራሉ					
	መግለጫዎች ስለባንኩ የሆነ መልዕክት ያስተላልፋሉ					
	መግለጫዎች የተለያዩ ሃሳቦችን ይጠቁማሉ					
	መግለጫዎች ሀሳቤን ለማሰባሰብ ይረዱኛል					
	መግለጫዎች ለባንኩ በአለኝ ግምት ላይ ተጽዕኖ ያሳድራሉ					

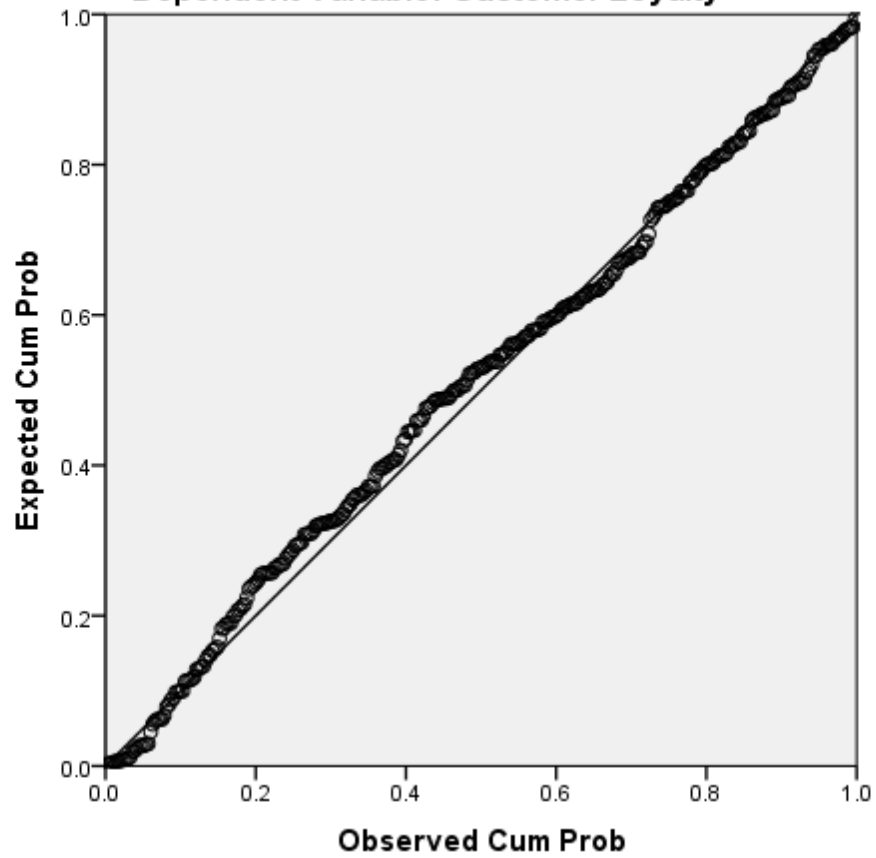
ተ. ቁ.	ጥያቄዎች	መመዘኛ				
		በፍጹም አልሰማማም	አልሰማማም	ገለልተኛ	እስሰማማለሁ	በጣም እስሰማማለሁ
5	የኩባንያው ደንበኞች ልምድ					
	አብይ አገልግሎት					
	ይህ ባንክ ፍላጎቴን ያሟላል					
	የባንኩ አገልግሎት አስተማማኝ ነው					
	የባንኩ አገልግሎት ከሌላው የበለጠ ነው					
	ይህ ባንክ ጥሩ አገልግሎት ይሰጣል					
	የዚህ ባንክ አገልግሎት ቀልጣፋ ነው					
	የአገልግሎት መስጫ ሥፍራ					
	ይህ ባንክ ዘመናዊ የአገልግሎት መስጫ ቁሶች አሉት					
	የባንኩ የአገልግሎት መስጫ ቁሶች ይማርካሉ					
	ባንኩ ንፁህ እና ጥሩ አለባበስ ያላቸው ሠራተኞች አሉት					
	የባንኩ የአገልግሎት መስጫ ቁሶች ለሥራው አመቺ ናቸው					
	የሠራተኞች ብቃት					
	የባንኩ ሠራተኞች ቀልጣፋ አገልግሎት ይሰጣሉ					
	ሠራተኞቹ ደንበኛን ለመርዳት ፍላጎት አላቸው					
	ሠራተኞቹ ሁሌም በቅድሚያ ያስተናግዳኛል					
	የባንኩ ሠራተኞች እምነት የሚጣልባቸው ናቸው					
ከባንኩ ጋር በማደርገው ሥራ አልሠጋም						
የባንኩ ሠራተኞች ትሁት ናቸው						
የባንኩ ሠራተኞች ለደንበኛ የተለየ ትኩረት ይሰጣሉ						
6	የደንበኛ ታማኝነት					
	በባንኩ የተሟላ አገልግሎት ደስተኛ ነኝ					
	ከሌሎች ባንኮች ጋር ሲነፃፀር ይህ ባንክ ሁሌም ቢሆን ተቀዳሚ ምርጫዬ ነው					
	ወደ ሌላ ባንክ አልሄድም					
	ለሌሎች ሰዎች በዚህ ባንክ እንዲጠቀሙ አበረታታለሁ					

Annex-3

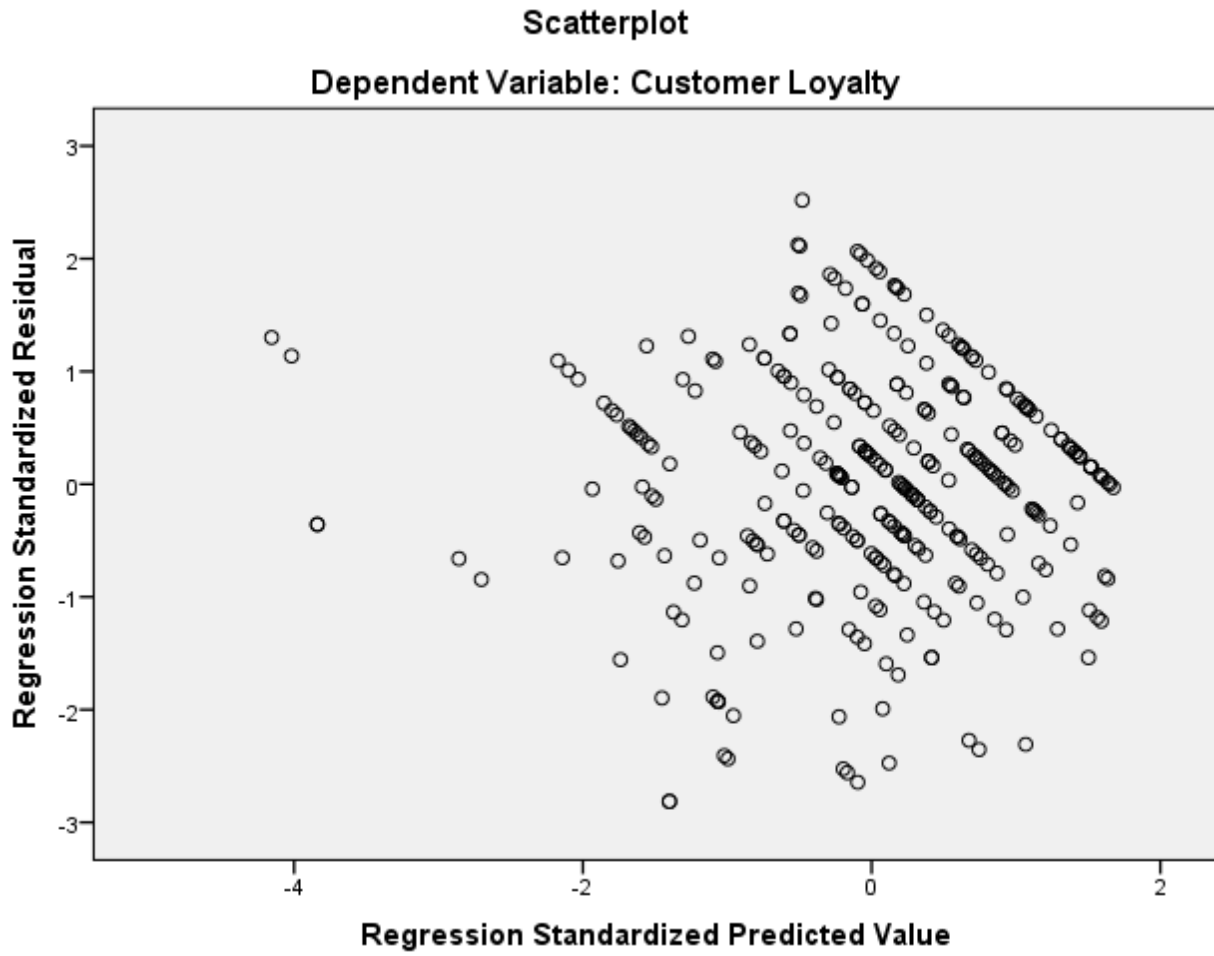


Annex-4

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Customer Loyalty



Annex-5



Annex-6

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Min.	Max.
						Lower Bound	Upper Bound		
						Brand Awareness	Below 1 year		
	1-5 years	151	3.9192	.70962	.05775	3.8051	4.0333	1.60	5.00
	6-10 years	83	4.1373	.58345	.06404	4.0099	4.2647	2.00	5.00
	Above 10 years	72	4.2583	.66072	.07787	4.1031	4.4136	2.40	5.00
	Total	327	4.0648	.67448	.03730	3.9915	4.1382	1.60	5.00
Brand Meaning	Below 1 year	21	4.3598	.54081	.11801	4.1136	4.6060	3.00	5.00
	1-5 years	151	3.9544	.76166	.06198	3.8319	4.0769	1.33	5.00
	6-10 years	83	4.0428	.47958	.05264	3.9381	4.1476	3.11	4.89
	Above 10 years	72	4.1975	.59243	.06982	4.0583	4.3367	2.56	5.00
	Total	327	4.0564	.65906	.03645	3.9847	4.1281	1.33	5.00
Presented Brand	Below 1 year	21	3.9821	.68040	.14848	3.6724	4.2919	2.50	5.00
	1-5 years	151	3.6507	.76353	.06214	3.5279	3.7734	1.50	5.00
	6-10 years	83	3.7982	.74332	.08159	3.6359	3.9605	1.63	4.88
	Above 10 years	72	3.9201	.74183	.08743	3.7458	4.0945	2.13	5.00
	Total	327	3.7687	.75508	.04176	3.6866	3.8509	1.50	5.00
External Brand Communications	Below 1 year	21	3.7000	.61725	.13470	3.4190	3.9810	3.00	5.00
	1-5 years	151	3.4947	.70501	.05737	3.3813	3.6081	1.00	5.00
	6-10 years	83	3.5373	.60075	.06594	3.4062	3.6685	2.10	4.90
	Above 10 years	72	3.6958	.64249	.07572	3.5449	3.8468	2.50	5.00
	Total	327	3.5630	.66347	.03669	3.4908	3.6352	1.00	5.00
Customer Experience with Company	Below 1 year	21	4.1220	.62702	.13683	3.8366	4.4074	2.94	5.00
	1-5 years	151	3.8866	.77148	.06278	3.7625	4.0106	1.13	5.00
	6-10 years	83	3.9450	.55709	.06115	3.8234	4.0667	2.06	5.00
	Above 10 years	72	3.9444	.57412	.06766	3.8095	4.0794	2.56	5.00
	Total	327	3.9293	.67170	.03714	3.8562	4.0024	1.13	5.00