

**THE EFFECT OF BRAND EQUITY ON CONSUMERS BANK  
PREFERENCE: THE CASE OF ZEMEN BANK ADDIS ABABA CITY  
BANKING CENTER CUSTOMERS**

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**A Thesis Submitted to Addis Ababa University School of Commerce  
Department of Marketing Management, in Partial Fulfillment of the  
Requirements for the Master of Arts Degree in Marketing Management**

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**Addis Ababa, Ethiopia**

**June, 2024**

## STATEMENT OF DECLARATION

I, Abraham Getachew, hereby declare that the thesis entitled *“The effect of brand equity on consumer bank preference: The case of Zemen bank Addis Ababa city banking center customers”* is my original work and that all the sources and materials used for the study have been duly accredited. This research has not been used for any degree in this or any other university. It is provided for the partial accomplishment of the requirement for the Master of Arts Degree in Marketing Management at School of Commerce, Addis Ababa University.

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## STATEMENT OF CERTIFICATION

This is to confirm that Abraham Getachew's research entitled "*The effect of brand equity on consumer bank preference: The case of Zemen bank Addis Ababa city banking center customers*" is his original work and is suitable for submission for the honor of Master of Arts Degree in Marketing Management.

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Advisor: Tewodros Mesfin (PH. D)

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

**THE EFFECT OF BRAND EQUITY ON CONSUMERS BANK  
PREFERENCE: THE CASE OF ZEMEN BANK ADDIS ABABA CITY  
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**Abraham Getachew**

## **ENDORSEMENT**

This thesis has been submitted to Addis Ababa University School of Commerce, school of graduate studies for examination with my approval as a university advisor.

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**Signature**

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**Addis Ababa University School of Commerce, Addis Ababa May, 2024**

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## ABSTRACT

*Zemen Bank plays a significant role in the economy, making up one of the big financial services provider in Ethiopian economy and introducing the new era of banking. Hence, providing better quality is vital as banks have to compete for customers. The aim of the study was to scrutinize the effect of brand equity on consumer bank preference in Zemen bank Addis Ababa city banking center customers. The sample consisted of 384 customers of the bank. Five brand equity dimensions by different authors have been analyzed in the study. Brand equity dimensions such as Brand image, Brand resonance, Brand association and Brand awareness and Perceived quality were used as independent variable. A questionnaire with a five-point Likert scale was used to collect primary data. The research design used by the researcher was descriptive and explanatory research design. For collecting data convenience sampling technique was applied. SPSS software 26.0 version was used to analyze the collected data by using descriptive and inferential statistics such as frequencies, percentages, means, standard deviations, correlation and multiple linear regression. Results of the study shows that from the five predictor variables such as Brand Awareness, Brand Association and Perceived Quality have positive and significant effect on consumer bank preference. Relatively Brand Awareness has the strongest effect. On the other hand, Brand Resonance and Brand Image doesn't have any effect on consumer bank preference. The researcher recommends the company to give priorities to the significant factors mainly to Brand Awareness, Brand Association and Perceived Quality. In addition to the significant factors the study have also recommends, even though Brand Resonance and Brand Image weren't statistically significant, it doesn't mean they are unimportant. Investigating them can provide valuable insights for future brand development.*

**Key words:** *Brand Equity, Brand Awareness, Brand Association, Perceived Quality, Brand Resonance, Brand Image, Consumer Bank Preference and Zemen Bank*

# CHAPTER ONE

## 1. Introduction

### 1.1. Background of the Study

Imagine a crowded marketplace, bustling with banks looking for our attention. Each one promises security, convenience, and financial solutions. But how do we choose? In today's dynamic business world, brand equity emerges as a powerful force shaping consumer decisions (Keller, 2021). A strong brand image, built on trust and positive associations, can significantly influence where you entrust your hard-earned money (Aaker, 2016).

This influence is particularly potent in the banking industry. Here, trust and reliability are paramount. Think about it: you wouldn't leave your valuables with just anyone, would you? This is precisely why banks invest heavily in building strong brands. A strong brand becomes a trusted companion, guiding you through financial decisions and fostering a sense of security (Keller, 2021).

But brand equity goes beyond just a logo or a catchy name. It's a unique blend of functional benefits (like efficient services) and emotional connections (feelings of security and trust) that resonate with consumers. It's the promise whispered in your ear, the feeling evoked by the bank's reputation all adding up to a distinct consumer experience (Aaker D. A., 1998).

Ethiopia's banking sector is experiencing a surge. Economic growth, financial inclusion initiatives, and technological advancements have fueled a thriving, yet highly competitive environment. Banks are no longer just about basic transactions; they're vying to become your trusted financial partner. In this landscape, brand image becomes a critical weapon, allowing banks to stand out from the crowd and capture customer loyalty (Chaudhuri, 2001).

Zemen Bank, a leading private bank in Ethiopia, exemplifies this focus on brand equity. Their commitment is evident in their innovative products, dedication to customer relationships, and unwavering reputation for reliability (Zemen Bank's Board of Directors, 2023). But in this ever-evolving market, understanding the nuances of brand image and its impact on customer preference is crucial for maintaining a competitive edge (Pappu, 2005).

This study delves into these nuances. We'll explore how different dimensions of brand equity (Aaker, 1996), like brand association (Keller, 2008), brand awareness, perceived quality (Jacoby, 1978), brand resonance (Keller, 2008) and brand image (Kapferer, 2008), influence consumer preference in the Ethiopian banking sector (Luo, 2006). By focusing on Zemen Bank as a case study, we aim to uncover valuable insights that will empower banks to craft effective branding strategies and build lasting relationships with their customers.

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

The banking industry is a fiercely competitive landscape where numerous institutions vie for a limited pool of customers. In this environment, building a strong and differentiated brand is no longer a luxury, but a necessity for attracting and retaining loyal customers. Brand equity, a multi-dimensional concept encompassing factors like brand awareness, associations, perceived quality, and loyalty, has been established as a key driver of consumer behavior across various industries. Studies have consistently demonstrated a positive link between specific brand equity dimensions and purchase intention or brand choice.

However, a critical gap exists in our understanding of how brand equity specifically influences customer preference within the banking sector (Abad, 2012). While research has explored the impact of brand equity on consumer preferences in general, the unique characteristics and dynamics of the banking industry necessitate dedicated investigation. Unlike tangible products with readily observable features, banks offer intangible services, often perceived as relatively similar across institutions. This necessitates a deeper understanding of how brand equity dimensions like brand image and perceived quality shape customer preference in the context of banking services.

Several existing studies highlight the limitations in our current knowledge. Research within the banking domain has primarily focused on brand reputation and customer satisfaction as drivers of loyalty and retention. While valuable, these studies don't delve into the broader construct of brand equity and its multifaceted influence on customer preference. Additionally, research on brand image in service industries like banking remains scarce compared to studies in other sectors like apparel.

The consequences of this knowledge gap are significant. Without a clear understanding of how different brand equity dimensions interact to influence bank selection, financial institutions

struggle to develop effective branding strategies. This can hinder their ability to attract new customers, build loyalty among existing ones, and ultimately, achieve sustainable growth.

Addressing this gap is crucial for advancing effective brand management in the banking sector. By investigating the specific interplay between brand equity dimensions and customer preference for banks, we can gain valuable insights. This knowledge can empower financial institutions to:

- **Craft targeted branding strategies:** Understanding which brand equity dimensions most influence customer preference allows banks to tailor their branding efforts to maximize impact (Keller, 2008).
- **Prioritize brand development initiatives:** By identifying the most critical brand equity areas for improvement, banks can focus resources on strengthening those aspects and cultivate a brand that resonates with their target audience (Keller, 2008).
- **Differentiate themselves in the market:** A nuanced understanding of brand equity's influence on customer preference enables banks to develop unique brand identities that set them apart from competitors (Keller, 2008).

Therefore, future research in this area is highly recommended (Tiruneh, 2021). As a research gap previous researchers used brand equity dimension (Aaker, 1991). In this study by delving deeper into the intricate relationship between brand equity and customer preference for banks, we can equip financial institutions with the knowledge and tools necessary to thrive in the competitive landscape. This study aims to contribute to this critical area by investigating the specific impact of brand equity on customer preference in the case of Zemen Bank, a prominent commercial bank in Ethiopia. The findings will not only benefit Zemen Bank but also contribute to the broader body of knowledge in brand management for the banking sector.

### **1.3. Research Question**

In accordance to the research purpose and objective, bellows are questions that has been addressed in this research:

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

How does brand equity influences consumers bank preference in the context of Zemen Bank's operations in Addis Ababa.

### **1.3.2. Specific Research Questions**

1. To what extent do brand associations influence consumer bank preference towards Zemen Bank in Addis Ababa city banking centers?
2. To what extent do brand awareness influence consumer bank preference towards Zemen Bank in Addis Ababa city banking centers?
3. To what extent do perceived quality influence consumer bank preference towards Zemen Bank in Addis Ababa city banking centers?
4. To what extent do brand resonance influence consumer bank preference towards Zemen Bank in Addis Ababa city banking centers?
5. To what extent do brand image influence consumer bank preference towards Zemen Bank in Addis Ababa city banking centers?

## **1.4. Research objective**

### **1.4.1. General Objective**

This study aimed to unravel the multifaceted connections between brand equity dimensions and consumers bank preference in the context of Zemen Bank's operations in Addis Ababa.

### **1.4.2. Specific Research objectives**

1. To examine the influence of brand associations on consumer bank preference for Zemen Bank.
2. To evaluate the influence of brand awareness on consumer bank preference for Zemen Bank.
3. To assess the influence of perceived quality on consumer bank preference for Zemen Bank.
4. To examine the influence of brand resonance on consumer bank preference for Zemen Bank.
5. To evaluate the influence of brand image on consumer bank preference for Zemen Bank.

## 1.5. Research Hypotheses

After reviewing several relevant theoretical and empirical literatures, five hypotheses are proposed for the study:

**H1<sub>a</sub>:** Brand associations have significant impact on consumer bank preference towards Zemen Bank.

**H2<sub>a</sub>:** Brand awareness have significant impact on consumer bank preference towards Zemen Bank.

**H3<sub>a</sub>:** Perceived quality have significant impact on consumer bank preference towards Zemen Bank.

**H4<sub>a</sub>:** Brand resonance have a significant impact on consumer bank preference towards Zemen Bank.

**H5<sub>a</sub>:** Brand image have a significant impact on consumer bank preference towards Zemen Bank.

## 1.6. Significance of the Study

Understanding the factors that shape consumer preference is crucial for businesses to achieve sustainable success. Brand equity is a well-recognized driver of preference, but there is a need to explore this relationship further in light of evolving consumer behavior and market trends. This study addresses this need by investigating the effect of brand equity on consumer bank preference, with a specific focus on Zemen bank.

The findings of this study will hold significance for both academic research and marketing practice in several ways:

- ❖ **Theoretical Contribution:** This study will contribute to a more nuanced understanding of the relationship between brand equity and consumer preference. By examining brand equity dimensions, it will shed light on the underlying mechanisms that influence how brand equity translates into consumer bank preference. This can help refine existing theoretical models and advance knowledge in the field of consumer behavior.
- ❖ **Practical Implications:** The findings will provide valuable insights for marketing professionals. Understanding how specific dimensions of brand equity and other relevant

factors influence consumer preference will allow them to develop more targeted and effective marketing strategies. This can lead to improved brand positioning, enhanced customer engagement, and ultimately, increased sales and market share.

- ❖ **Informing Future Research:** This study will identify potential areas for further investigation. By exploring the limitations of the current research, it will pave the way for future research to explore the effect of brand equity on consumer preference in a broader context.

In conclusion, this study has the potential to significantly improve our understanding of how brand equity shapes consumer preference in today's dynamic marketplace. The findings will be valuable for both academics and marketing practitioners, ultimately contributing to the development of more effective strategies to influence consumer behavior.

## 1.7. Scope and Delimitations

- ❖ **Geographical scope:** Geographically, the scope of the study is limited to examining the effect of brand equity on consumer's bank preference in Zemen bank in Addis Ababa city banking centers.
- ❖ **Theoretical scope:** Theoretically, the study is delimited to 5 Brand equity dimensions of (Aaker, 1991) , (Keller, 2003)and (Kapferer, 2008) brand associations, brand awareness, perceived quality, brand resonance, and brand image as independent variables and consumers bank preference as a dependent variable.
- ❖ **Methodological scope:** This study was used both descriptive and explanatory research designs, Quantitative research approach and the study was only include data collected from 384 customers of Zemen bank via questionnaires that was distributed and administered to them.

## 1.8. Limitations of the Study

This study is not without limitations. Here are some key factors to consider when interpreting the findings:

- ❖ **Sample Size and Generalizability:** The study involved 384 participants, which may limit the generalizability of the findings to a larger population. Further research with a larger and more diverse sample is recommended to strengthen the external validity of the results.
- ❖ **Data Collection Method:** The study relied on structured questionnaires only. While this method provided valuable insights. Alternative data collection methods, such as interview, could be explored in future studies to gain a more comprehensive understanding.
- ❖ **Timeframe:** The study was conducted over a period of three months. Since the research topic is related to study the effect of brand equity on consumer's brand preference, a longer-term study might reveal different trends or patterns.

Despite these limitations, this study provides valuable insights into the effect of brand equity on consumer's brand preference. The limitations identified here highlight areas for further investigation and contribute to a richer understanding of the research topic.

## 1.9. Definition of Key Terms

1. **Brand Equity** (Keller, 2021): This refers to the added value, both tangible and intangible, that accrues to a brand. It's the positive impact that a brand name, logo, symbols, or reputation has on a product or service. Strong brand equity allows a company to charge premium prices, attract and retain loyal customers, and gain a competitive advantage.
2. **Brand** (Aaker, 1991): A brand is more than just a product or service. It's a unique set of associations and experiences that a company creates in the minds of consumers. These associations can include a brand name, logo, symbols, packaging, advertising messages, and customer service experiences. A strong brand helps consumers differentiate between competing products and services.
3. **Consumer Preference** (Smith, 1992): This refers to a consumer's tendency to choose one good, service, or brand over another. Consumer preference is influenced by various factors, including brand image, perceived quality, price, features, and personal values. Understanding consumer preference is crucial for businesses to develop effective marketing strategies and products that resonate with their target audience.
4. **Brand Awareness** (Keller, 2013): This refers to the extent to which a brand is recognized and remembered by consumers. High brand awareness means a larger proportion of the target market can easily identify and recall the brand when prompted.

5. **Brand Association** (Aaker, 1996): These are the thoughts, feelings, and perceptions that consumers link to a brand. Brand associations can be functional (related to product features) or emotional (feelings evoked by the brand). Strong brand associations create a mental image of the brand and influence consumer decisions.
6. **Perceived Quality** (Zeithaml, 1988): This refers to a consumer's subjective assessment of a brand's overall excellence or superiority. It's not just about physical quality but also includes factors like reliability, durability, and performance. Consumers often use perceived quality as a key factor in their purchase decisions.
7. **Brand Resonance** (Keller, 2003): This is the deepest level of brand-consumer connection. It goes beyond just awareness and association and involves a sense of identity and emotional attachment to the brand. Consumers who resonate with a brand feel a personal connection and a sense of belonging to a community.
8. **Brand Image** (Kotler, 2012): This refers to the overall perception that consumers have of a brand. It's a combination of all the information and experiences that consumers have with the brand, including its logo, advertising, product features, customer service, and reputation. Brand image influences how consumers view the brand and ultimately shapes their behavior.

## 1.10. Organization of the Paper

The study is prepared in five chapters. The opening section deals with introduction consisting the study background, problem statement, proposed questions, objectives of the research, hypothesis, significance and scope of the research and definition of key terms. The second section deals with reviewing literatures related to the study area which includes theoretical and empirical literature reviews as well as the conceptual framework. The third chapter includes the research methodologies employed in the study. The fourth chapter is all about data analysis, presentation and interpretation. The fifth chapter focused on conclusions and recommendations. Finally, appendix is attached in the final part of the paper.

## **CHAPTER TWO**

### **2. Literature Review**

This chapter presents the literature review on the study. It includes theoretical literatures which are related with brand, brand equity and consumer preference, empirical evidences, and conclude with the conceptual framework.

#### **2.1. Theoretical literature**

##### **2.1.1. Definition of brand**

Brands have been around for a very long period. The prior days, people used to mark their cattle or clay pots with a burnt mark. (Keller, 2008) Today the word brand has gained more and more abstract senses. A brand means all the inceptions, relations, descriptions, ideas and promises that grow in consumers' minds about a product or business.

There are numerous definitions about brands. In many of them, the essence is the difference between the brands and the symbols that the brands denote. American Marketing Association's (AMA) (quoted by (Keller, 2013)) defined brand easily as a name, term, sign, symbol, design or a mixture of these elements, used to separate the products of sellers and to differ them from those of contestants. Based on this definition every time a marketer creates a new logo, name or symbol for its goods or services a new brand is created. (Keller, 2013)

Grounded on (Kapferer, 2008)s definition which is a little wider, brands are the essential elements that differentiate the company from its competitors. A brand is much larger entity than just a name of a good or service, it can be seen as a vision factor that drives the formation of a product or service under a definite name. The vision that constructs of the fundamental beliefs and encapsulates the core values of the brand is called the identity. Brands are perceived as non-material assets that generates additional benefits for the companies. (Kapferer, 2008)

(Bivainienè, 2008) Defined brand as a critical asset for a company as it is the key and most valuable asset that the company can place (Bivainienè, 2008) Based on Baskin's and Earls' definition brand has an important role in pulling businesses together. It is particularly important in the firms that have both internal teams and external teams taking care of the delivery of the goods and services.

In this kind of companies' brands are vital elements for unifying different operators such like suppliers and partners. (Baskin, 2002)

Not only physical products can be branded but several other things; services, distributors, online products and services, people and organizations, sport, art and entertainment, geographical places and ideas according to (Keller, 2008)

### **2.1.2. The four perspectives on the concept of brand by David A. Aaker**

According to (Zanthus Corp., 2011) David A. Aaker has developed a brand identity planning model, which contains of four-fold viewpoints on the concept of a brand.

#### ***2.1.1.1. Brand-as-person: Brand personality***

The first viewpoint, brand-as-person, deals with having a unique personality for the brand and the different personality features. These personality features may be for example genuine, energetic and natural. (Aaker, 1996)According to (Zanthus Corp., 2011) Aaker claims, "Like a person, a brand can be perceived as being upscale, competent, impressive, trustworthy, fun, active, humorous, casual, formal, youthful, or intellectual." All in all, the perspective advises a brand identity, which is more interesting and better-off than one based on product attributes.

#### ***2.1.1.2.Brand-as-product***

The second viewpoint of the four aspects by David A. Aaker is brand-as-product. (Aaker, 1996)Claims that nevertheless the product-attribute fixation trap should be evaded, the product-related relations are very critical portion of the brand identity, as they are strongly linked to the brand choice decisions as well as to the use experience. According to (Aaker, 1996)brand-as-product point of view contains the product scope, product-related attributes, quality and value, associations with use occasion, associations with users and link to a country of origin.

#### ***2.1.1.3. Brand-as-organization***

The third aspect brand-as-organization deals with organization attributes, such as innovation, consumer, concern and trustworthiness as well as the differentiation of local and global attributes.

According to (Zanthus Corp., 2011) when comparing organization and product attributes, the organizational attributes are more lasting and resistant to competitive claims.

#### ***2.1.1.4. Brand-as-symbol***

The fourth viewpoint is brand-as-symbol, which contains visual imagery and metaphors and brand heritage. According to (Zanthus Corp., 2011) a good symbol gives more cohesion and structure to an identity and makes it a lot easier to gain recall and recognition. All in all, its presence may be a key element of brand development and on the other hand its absence can be a significant handicap. Also, the potential power of the brand is expressed by elevating symbols to the status of being part of the identity. (Zanthus Corp., 2011) Underlines three different types of symbols: visual imaginary, metaphors and the brand heritage.

#### **2.1.2. Brand creating value**

For consumer's brands are vital because they offer them information of the product maker and thus let consumers assign responsibility to a particular manufacturer or distributor (Keller, 2008). Brands also simplify the consumers' decisions of which product/brand to use. If the consumers can recognize or recall a brand (brand awareness) it is more probable that they will also use a product of that certain brand. "Awareness is all about the strength of a brand's occurrence in the consumers' minds." (Aaker, 1996)

Being able to recognize a brand also reduces the risk of a product being something not wanted and it also reduces the search costs and time. Brands are perceived as a promise of quality for consumers. Consumers offer their loyalty and trust to a brand having a certain understanding of how the brand will perform and how its product will act. If the brand meets these certain expectations, it most possibly leads to consumers using that same brand in the future. Brand can be an indicator of quality. Brands can act as symbolic tools, meaning that through brands people can describe their self-image. "Some brands are linked with some types of individuals and hence reflect diverse values or traits." (Keller, 2008).

The benefits of brand for companies and manufacturers are that brands help to organize inventory and accounting records. Brands also give companies legal protection for features and aspects of a product. Brands give consumers indication of the quality level of its products and brands are

powerful tools to secure a competitive advantage. (Keller, 2008) Advises that strong brands results in improved earnings and profit performances. This statement is supported by (Arnold, 1992).

*“Successful brands can deliver superior levels of profit over the long run.”*

*“A strong brand can deliver for a company market leadership, a staple or sustainable competitive advantage, international reach, a platform from which to expand activities, and, of course, long-term profit.”*

*“A strong brand is a big asset for companies and generates profits for years, in brand marketing terms it is equity.”*

### **2.1.3. Brand Equity (BE)**

#### **2.1.3.1. Theoretical Background**

Brand is a complex social phenomena where various shareholders have a role and task in generating brand value (MacKinnon, 2009); (Mühlbacher, 2006). A brand denotes the product source, gives responsibility to product and service creators, supply promise, decreases search risk and costs of customers (Lovelock, 2008) and signaling products' quality (Malhotra, 2008). The concept of brand equity has been broadly discussed in the marketing literature. The brand equity has become an important key to considerate the mechanisms, objectives and net effect of the holistic effect of marketing.

A number of related researches stem from a marketing science institute conference on the issue, the important of them such as (Aaker, 1991), (Farquhar, 1989), (Feldwick, 1996), (Keller, 1993), (Ailawadi, 2003) have spelled widely regarding the concept of brand equity and concerning how to create, manage, and develop it. At the same time, advertising and market researchers have emphasized the significance of brand equity making the situation of brand equity and consulting methods have been set up to assess brand equity (Stahl, 2011).

Additionally, (Davis, 2008) and Ambler (Ambler, 1997) believe that brand equity is a key marketing asset, which can produce a welcome and unique relationship differentiating the linkages between the developments long-term consumer behavior, company image and its shareholders. Understanding the constructs of brand equity, subsequently investing to cultivate this intangible asset increases barriers of competition and raises brand wealth (Yoo, 2001). For companies,

growing brand equity is a major objective accomplished through achievement more favorable feelings and associations among target customers. Moreover, it is not surprising that measure capturing characteristics of brand equity have become one of the important parts of marketing performance indicators (Ambler, 1997).

Regarding the capturing brand equity characteristics, the meaning and content of BE have been argued in a number of various ways and for several different intentions, but as yet no common point of view has emerged (Atilgan, 2005); (Keller, 2003); (Vazquez, 2002). It can be debated from the viewpoint of the consumer, retailer and manufacturer. While retailers and manufacturers are more sympathetic in the strategic applications of BE, investors are interested for a financially defined notion (Atilgan, 2005); (Cobb-Walgren, 1995).

In addition, (Feldwick, 1996), (Atilgan, 2005) as proponents of the financial perspective have defined BE as the total value of a brand that is a divisible asset when it is sold or included in a balance sheet. And also, (Simon, 1993) considered brand equity as the incremental cash flow that increases branded products comparing with unbranded products. These researches just consider the financial aspects of brand equity not strategic applications approaches.

On the other side, strategic applications perspective focuses on guiding marketing decisions and functional strategic purpose of brand equity. It is more important for suppliers and customers to completely understand the source of BE. How sources affect interest outcomes such as customer acquisition and retention. How the sources change continually. How they impact on suppliers' brand equity in oil industry. In addition, knowing the source and outcomes of BE presents a common denominator for estimating and assessing of brand value, as well interpreting strategies of marketing. This perspective of brand equity helps marketing managers to understand exactly where brand equity create and add value for many of suppliers firms in industries (Simon, 1993).

#### **2.1.4. Conventional Scheme of Customer-based Brand Equity (CBBE)**

The lack of an approved definition of brand equity (BE) has in turn produced various methodologies to measure the construct. Even though there is no generally accepted definition of BE, there is some consensus in that BE indicate the added value endowed by the brand for a product. Brand equity is based on the product position of the brand. A consumer who believes that a brand delivers superior performance is excited to use and is likely to be willing to pay a premium

for the brand, to go to extra trouble to locate and buy it, to recommend it to others, to forgive a mistake or product flaw, or to otherwise engage in behaviors that benefit the firm that markets the brand. Thus, one source of economic value from a positive brand image results from consumers' behaviors toward existing items with that brand name (Del I. Hawkins, 2012).

And also, the definition and perspective of brand equity helps to better understand marketing as seen by Table 1.

(Feldwick, 1996) about understanding and interpretation of brand equity, recognized three various methods in which the phrase of brand equity has been utilized: 1) to indicate the total brand value as a distinct asset when it is sold or comprised on balance sheet; 2) as a scale of the power of consumers attachment to the brand; 3) as a description of the belief and associations the consumers have regarding the brand. The first method of the term is related to firm-based perspectives of brand equity and the other two is associated with customer-based perspective of brand equity. Therefore, CBBE is enhanced by generating the favorable responses of consumers to promotion activities, pricing, advertising and distribution of brand. Indeed, this conceptualization shows the CBBE is a consumer oriented model. The CBBE conceptualization is a key component of the suggested framework in this document (Christodoulides, 2010); (MacKinnon, 2009).

Additionally, the development of CBBE model was determined by three objectives: First, the model required state-of-the art thinking regarding branding from both industry and academic approaches as well as the model inherent have logical, grounded and well-integrate.

Second, the model should be applicable and multipurpose to all possible types of brands and industry locations. As more various branding applications continued for companies, people, places, products, services, and so forth.

Third, the model has to be comprehensive with sufficient scope to cover vital branding topics as well adequate depth to present valuable guidelines and insights (Keller, 2003). Hence, the CBBE model needs to support marketers and top managers set strategic path and update their related decisions of brand (Keller, 2003).

**Table 1: Dimensions of CBBE by Different Authors**

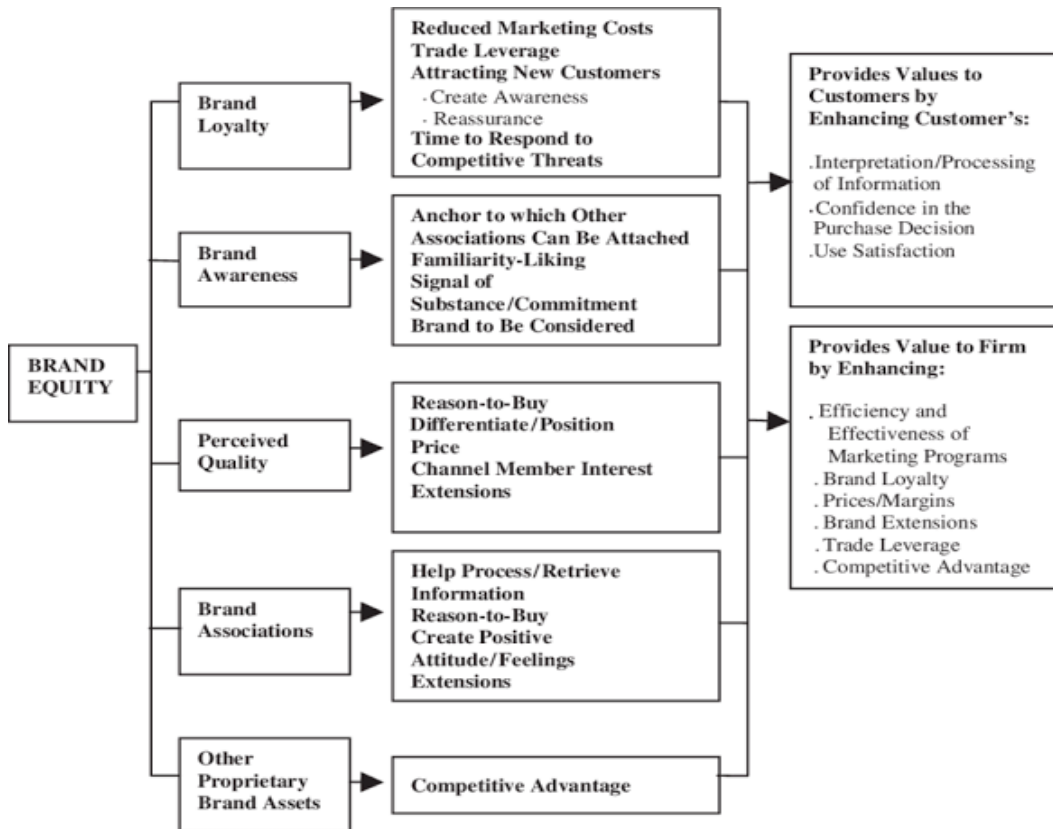
Author	Framework	Dimensions
(Aaker, 1991)	Brand Asset Valuator	1. <b>Brand awareness:</b> Customer recognition of the brand and its offerings.
		2. <b>Brand loyalty:</b> Customers' consistent preference for the brand.
		3. <b>Perceived quality:</b> Customer assessment of the brand's superiority in relevant attributes.
		4. <b>Brand associations:</b> Mental linkages, memories, and feelings evoked by the brand.
		5. <b>Proprietary assets:</b> Legally protected brand elements like patents, trademarks, and designs.
(Keller, 1993)	Customer-Based Brand Equity Model	1. <b>Brand identity:</b> Unique set of brand associations that represent its essence.
		2. <b>Brand resonance:</b> Depth of emotional connection and psychological bonds with the brand.
		3. <b>Brand relationships:</b> Nature and quality of interactions between customers and the brand.
(Rust, 1994)	Customer-Perceived Value Framework	1. <b>Expected sacrifice:</b> Perceived cost and effort associated with brand purchase and use.
		2. <b>Perceived benefit:</b> Expected value and satisfaction derived from brand usage.
(Wind, 1998)	Dynamic Model of CBBE	1. <b>Brand knowledge:</b> Awareness, understanding, and beliefs about the brand.
		2. <b>Brand affect:</b> Emotional responses and feelings evoked by the brand.
		3. <b>Brand behavior:</b> Purchase, usage, advocacy, and other customer actions towards the brand.
(Sharp, 1995)	Relational Brand Loyalty Framework	1. <b>Brand awareness and familiarity:</b> Recognition and knowledge of the brand.
		2. <b>Brand attitude:</b> Overall sentiment and feelings towards the brand.
		3. <b>Brand engagement:</b> Level of active involvement and interaction with the brand.
		4. <b>Brand loyalty:</b> Strength of the bond and commitment to the brand.
		5. <b>Brand community:</b> Sense of belonging and connection with other brand loyalists.

### **2.1.5. Aaker's Customer-based Brand Equity (CBBE) Model**

The Customer-Based Brand Equity (CBBE) Model of (Aaker, 1991) is well-known and as a pioneer model in the brand world it covers five dimensions: brand awareness, brand associations, brand loyalty, perceived quality as goods-centric constructs and other proprietary assets such as patent, trademarks, and channel relationships as service-based concepts. Moreover, the four attributes of brand equity signify consumer reactions and insights to the brand.

(Smith, 1992) Believes that these brand assets help customer to understand, interpret, process, and collect information pertaining brand and products by adding or subtracting its values. These five groups are considered the focal bases for measurement of brand equity from a consumer-oriented perspective. The Aaker's perspective is valuable for overall perception of brand equity formation. The strong point of this scheme lies on combination of both consumer-based constructs behavioral and perceptual. The key weakness of this model is inadequacy of indications of bonds among dimensions and their individual scores in the overall BE that it is related to its superficiality (Johnson, 2001).

Additionally, (Aaker, 1996) highlighted the firm-based brand equity can be value added by the CBBE which this aspect of model is related the brand value to the firm. Indeed, high brand equity allows the products and brands with differentiating products or brands. Therefore, brand owners are able to promote brand loyalty of customer as well charging a price premium. As a result, from Aaker's standpoint, brand equity is customer-based instead of financial-based. Thus, CBBE would be more vital for services and manufacturing industries such as oil companies and related suppliers rather than financial based brand equity (Aaker, 1996). The following figure 2.1 Source: depicts Aaker's CBBE (1996) and its dimensions.



**Figure 1: Aaker's CBBE (1996) and its dimensions (Aaker, 1996)**

### 1. Brand Awareness

Brand awareness is a key determinant of brand equity (Aaker, 1996); (Keller, 2003); (Mackay, 2001); (Yoo, 2001). It is defined as an individual's ability to recall and recognize a (Aaker, 1996); (Keller, 2003). Top-of-mind and brand dominance is other levels of awareness included by (Aaker, 1996) in measuring awareness. Awareness can affect customers' perceptions, which lead to different brand choice and even loyalty (Aaker, 1996). A brand with strong brand recall (unaided awareness) and top of mind can affect customers' perceptions, which lead to different customer choice inside a product category (Aaker, 1996); (Kimpakorn, 2010).

### 2. Brand Associations

(Aaker, 1996) Conceptualizes brand awareness that must precede brand associations. That is where a consumer must first be aware of the brand in order to develop a set of. Brand association contains the meaning of the brand for consumers (Keller, 1993). It is anything linked in memory to a brand (Aaker, 1991). Brand associations are mostly grouped into a product-related attribute like brand performance and non-product related attributes like brand personality and organizational

associations (Aaker, 1996); (Chen, 2001); (Keller, 2003). Customers evaluate a product not merely by whether the product can perform the functions for which it is designed for but the reasons to buy this brand over the competitors (Aaker, 1996) such as brand's fault-free and long-lasting physical operation and flawlessness in the product's physical construction (Lassar, 1995).

Brand personalities include symbolic attributes (Aaker, 1996) (Keller, 1993); (Chen, 2001) which are the intangible features that meet consumers' needs for social approval, personal expression or self-esteem (Keller, 2003).

The symbolic attributes that are commonly linked to a brand are:

1. **Social Image:** (Lassar, 1995) argue that social image which includes the attributions a consumer makes and a consumer thinks that others make to the typical user of the brand is more relevant in measuring customer-base brand equity.
2. **Perceived value:** Consumer choice of a brand depends on a perceived balance between the price of a product and all its utilities (Lassar, 1995). A consumer is willing to pay premium prices due to the higher brand equity (Aaker, 1991).
3. **Trustworthiness:** Trustworthiness refers to the level of confidence consumer places in the organisation (Lassar, 1995). As a customer buys a good or service before experiencing it, fostering of trust is a key to build a customer relationship (Kinard, 2006).
4. **Country of origin:** Country of origin leads to associations in the minds of consumers (Aaker, 1991); (Keller, 1993). Country image can influence perceived quality and brand loyalty. Country of origin refers to the country of origin of a firm or a product (Johansson, 1985).

Organisational associations include corporate ability and social responsibility (Aaker, 1996); (Chen, 2001). Consumers will consider the organisation, which is related to people, values, and programs that lies behind the brand. Brand-as-organisation can be particularly helpful when brands are similar with respect to attributes or when a corporate brand is involved (Aaker, 1996). Corporate social responsibility (CSR) is influencing the development of brands as the public is interested to know what, where, and how much brands are giving back to society.

### **3. Perceived Quality**

Perceived quality is defined as the customer's judgment about a product's overall excellence or superiority in comparison to alternative's brand (Zeithaml, 1988); (Aaker, 1996) and overall

superiority that ultimately motivates the customer to purchase the product (Aaker, 1996) and (Johansson, 1985). It is difficult for customers to make a rational judgment of the quality. They are likely using quality attributes like colour, flavour, form, appearance of the product and the availability of production information (Bernués, 2003) to 'infer' quality (Acebrón, 2000)

#### **4. Brand Resonance**

Describes the relationship customers have with the brand and the extent to which they feel they're "in sync" with it. Resonance is the intensity of customers' psychological bond with the brand and the level of activity it engenders (Matthew Thomson, 2005). Brands with high resonance include Harley-Davidson, Apple, and eBay. Fox News has found that the higher levels of resonance and engagement its programs engender often lead to greater recall of the ads it runs (Paul Rittenberg and Maura Clancey, 2006) (Philip Kotler, 2012).

The brand resonance model also views brand building as an ascending series of steps, from bottom to top: (1) ensuring customers identify the brand and associate it with a specific product class or need; (2) firmly establishing the brand meaning in customers' minds by strategically linking a host of tangible and intangible brand associations; (3) eliciting the proper customer responses in terms of brand-related judgment and feelings; and (4) converting customers' brand response to an intense, active loyalty (Philip Kotler, 2012).

#### **5. Brand Image**

In management sciences, there are various definitions, which clarify the brand image concept. For example, (Hung, 2008) and (Da Silva, 2008) specify brand image as a clue about a certain brand related to relations in customers' memory. (Zhang, 2015) Realizes brand image as "a system of images and thoughts existing in human awareness, expressing information about a given brand and basic attitude about it". Based on this definition, it is possible to say that brand image is formed by a set of features of an extraordinary nature, exclusive for a given brand, which cause its differentiation, at the same time assuring the looked-for market recognition. (Pars, 2011) also point out that brand image is an impression made as a result of various factors (e.g., associations related with a certain brand name, purchase experience, reputation of a given organization, forms and measures of advertising, promotion, etc.), which means that from the viewpoint of numerous recipients it is a complex, inhomogeneous and quite abstract category.

Brand image is the picture that is made about the company in the consumer's eyes. It describes the feelings and emotions that the brand evokes in consumer's mind when he or she thinks about the

brand. These are the basic features, which enables the company to develop a competitive advantage for their business. Understanding these important characteristics can bring significant competitive advantage for the company and is a main concern for the brand management in the long run. It is also necessary for the companies to understand how consumers shape and reshape the picture of the brand image and what kind of relationship is formed between the brand and the consumer (Roy D., 2008).

(Kevin Lane Keller, 2019). In his seminal book, *Strategic Brand Management*, Keller defines brand image as "the set of perceptions and beliefs that people have about a particular brand." He argues that a strong brand image is essential for success in the competitive marketplace, as it can lead to increased brand loyalty, higher customer satisfaction, and greater brand equity.

Brand image is the material property associated with the brand, for example the product name and the packing, which could make profits or sense for customers and help describing the characteristics (Ballantyne R, 2005). (Magid JM, 2006) Also believed that brand image encompassed customer responses to brand name, sign or impression and also represented the symbol of the product quality. Brand image is a set of assets and liabilities associated with brand name and sign that the assets and liabilities can increase or reduce the value by the organization offering products or services for customers (Magid JM, 2006).

#### **2.1.6. Consumer Preference**

There are broad variety of efforts and theories that attempt to describe the factors which influence the consumers and their behaviors when making purchasing decisions. (Matsatsinis, 2000) Proposed that the intention of the examination of consumer behavior is to realize trends of consumers' attitudes in their decision to buy or not to buy a product. Consumers' preferences for products or brands arise from the mixture of many different factors. Some factors come from features of the product itself (e.g., price, durability), whereas others are attributes of consumers themselves (e.g., goals, attitudes, discretionary income), (Venkatraman, 2012).

(Ge, 2015) Stated that consumers usually make choices in settings where some options are known and other choices can be revealed through search. When making a selection from a given set of alternatives, the means in which each of these was discovered should be irrelevant from a normative stance. Consumers must often decide between selecting among a set of previously

discovered alternatives and searching to discover additional alternatives before making a choice. A large body of prior work examines consumer choice from pre-determined sets of alternatives. As a result, we know much regarding the impact of choice set composition and decision context on choice (Ge, 2015). Additionally, consumer characteristics for example; patriotism, protectionism and social economic conservatism affect their choices (Spillan, 2013).

### **2.1.7. Brand Equity and Consumer preference**

The relationship between brand equity and consumer preference is a fascinating interaction in the marketing world, with each element influencing and benefiting from the other. Strong brand equity fuels consumer preference, while loyal preferences further build and solidify brand equity. This intertwined relationship has been examined extensively in internationally recognized books and journals, shedding light on its intricacies and providing valuable insights for brands.

Brand equity, as defined by (Keller, 2003), is "the set of assets and liabilities linked to a brand that increase or decrease its value." These assets could be tangible (brand recognition, trademarks) or intangible (brand loyalty, emotional associations). (Aaker, 1991) Further divides brand equity into five dimensions: brand awareness, brand loyalty, perceived quality, brand associations, and proprietary assets.

Consumer preference refers to the tendency of a consumer to favor one brand over another. This inclination often stems from the positive perceptions and associations they hold towards a brand (Johnson, 2005). Factors like perceived quality, value, and emotional resonance can all contribute to shaping consumer preference.

"The Relationships among Brand Equity, Brand Preference, and Purchase Intention" by (Nguyen, 2018): This study finds a significant positive impact of brand equity on brand preference and purchase intention in the Vietnamese motorbike market.

"Customer Brand Engagement: Its Nature and Antecedents" by (Vivek, 2014): This article explores the link between brand engagement and brand preference, suggesting that engaging experiences can foster positive associations and ultimately shape preferred brands.

Brand Equity Fosters Preference: Research consistently demonstrates that strong brand equity leads to increased consumer preference. (Keller, 2003) Suggests that brands with high brand awareness, positive brand associations, and perceived quality are more likely to be preferred by

consumers. Additionally, loyal customers with strong brand attachments naturally gravitate towards their preferred brands (Oliver, 1999).

Often, consumers will tend to pick a brand that they consider compatible with their self-image. In this specific way every consumer at a personal level will try to reflect his or her own self through selection. When part of a bigger social group, consumer choices tend to converge to a certain pattern thus forming the basics of an individual social identity (Catalin, 2014). Brand preference is viewed as a key step in consumer decision making, including elements of choice. In creating brand preference, consumers match and rank different brands by focusing on their uniqueness. (Jin, 2013) defined brand preference as “the extent to which the customer prefers the designed service offered by his or her current company, in contrast to the designated service offered by other companies in his or her consideration set,” with a consideration set referring to brands that a firm would consider buying in the near future. Furthermore, customer’s advisory has a positive effect on brand and consumer preferences (Gungor, 2011).

## **2.2. Empirical literatures**

Understanding the factors influencing consumer preferences for specific banks is crucial in the highly competitive financial landscape. This empirical review focuses on the concept of brand equity and its potential impact on bank preference, highlighting key findings from existing research and identifying potential areas for further investigation.

A number of studies have investigated the relationship between brand equity and consumer preference in the banking industry. These studies have consistently found that brand equity is a significant predictor of consumer preference.

The relationship between brand equity and consumer preference has been explored in various industries, with consistent evidence suggesting a positive correlation. However, research specifically focused on the banking sector remains limited. Existing studies provide valuable insights:

(Pettigrew, 2009) Found a positive association between brand reputation and customer loyalty in South African banks, suggesting a potential link between brand equity and preference.

(Verhoef, 2003) Identified perceived uniqueness as a significant driver of brand preference in financial services, highlighting the importance of differentiation within the banking industry.

(Gupta, 2022) Observed that customer satisfaction with digital banking services positively influenced intention to recommend the bank, indicating a potential link between perceived quality and preference.

(Jacoby, 1978) Their groundbreaking research highlighted the significance of brand loyalty in driving repeat banking behavior, influencing preference for specific institutions.

(Aaker, 1991) His seminal work on brand equity established a foundation for understanding its multi-dimensional nature, including brand awareness, associations, perceived quality, and loyalty, laying the groundwork for future research.

(Chen, 2007) Found that brand image had a positive and significant impact on customer satisfaction and loyalty in the Taiwanese banking industry.

Another study by (Park, 2010) found that brand image was a key factor in influencing customer choice in the Korean banking industry.

The findings of these studies suggest that banks that have a strong positive brand image are more likely to attract and retain customers. This is because a strong brand image can lead to increased customer satisfaction, loyalty, and advocacy.

(Freweini, 2017) Investigate the effect of brand image on consumer preference; the case of Ambassador Garment by using model adopted from (Aaker, 1996) (N=364) and find out that brand image dimensions have statistically significant relationship with consumer preference. The findings of the study also indicated positive correlations with all variables with high factor loadings.

(Joseph J, 2017) Analyzes the Effect of Brand Image on Consumer Preference with Reference to Youth in Bengaluru City (N=53). SPSS was used for conducting various parametric tests such as Frequency analysis, Cross Table analysis and One-way ANOVA test for data analysis and interpretation and the findings indicate that there is no significant difference between consumer's preferences for branded products according to income and there is no significant influence of advertisements on purchasing decision.

(YASIR, 2015) Using a measurement model of brand name and consumer preferences, investigates the effects of brand name on consumer preferences in Turkmenistan (N=422) and the result suggests that, brand name has significant relationship with consumer preferences. The

findings of the study indicate positive correlations among the two variables. Brand name of a product has significant impact on the overall preferences of the consumers.

(Chain-Hsiung, 2011) Analyzed the relationship among brand image and customer satisfaction in catering industry (N=264) and the result suggest that brand value and brand characteristics were found to have positive relationship with customer satisfaction, whereas brand association doesn't have any relationship with customer satisfaction.

(Switala, 2018) Examined the effect of brand awareness and brand image on brand equity (N=100) and the result of the study indicates that there is a weak positive relationship between brand awareness, brand image and brand equity. Whereas the findings of bootstrap simulations indicate that changes in the strength of the effect are not statistically significant.

(Seid, 2015) Investigated the impact of branding on consumer buying decision behavior of local leather footwear products. The researcher focused on manufacturers and distributors of local footwear products. The researcher used descriptive and inferential statistics and concluded that brand name and brand logo have significant impact on consumer buying decision behavior.

(Kassahun, 2014) Examined the determinants of beer brand preference the case of Addis Ababa beer market. The study was analyzed through descriptive statistic also factor analysis was used along with exploratory factor analysis and multiple regressions. The study concluded the finding in perception of beer consumer regarding the brand quality is important factor in shaping preference. Also, price and normative influence are insignificant predictors of consumer beer brand preference.

(Prof. Dr. Kalyan Sundaram, 2019) Investigated consumers brand preference of Refrigerator among working women in Triuchirappalli Town special reference to Thiruvarambur zone (N=50). The findings of the study suggest that branding is about building consumer trust in an organization's products. These days, when competition is too high firms should not disregard this and there should be a nonstop investment on how to improve and how to retain their brand image and competitive position in the market. One point of general agreement is that in a highly competitive market, brands are of particular importance in catalyzing consumption and eventually increasing producers' and marketers' returns. Brands attract customers by helping them to

differentiate among the goods and services available on the market. This is why the branding process is of core for the functioning of market-oriented economies.

(Asaminew, 2014) Tried to assess the brand preference of international vs. local mobile phone brands (the case of Addis Ababa university school of commerce students). The researcher used one-way ANOVA analysis and independent sample t-test and the researcher concluded that students of Addis Ababa University School of Commerce are affected by brand equity dimensions with regard to their brand preference of international mobile brands over the local ones rather than consumer attribute dimensions like new technology applications, product attributes and price.

(Tiruneh, 2021) This study examined the relationship between brand image and consumer preference in the context of Zemen Bank Addis Ababa City banking center customers. The study found that brand image had a positive and significant impact on consumer preference. This study also emphasized the significance of Brand image dimensions on consumer preference of Zemen bank in 28 branches located in Addis Ababa city.  $R^2$  which is the coefficient of determination was 58.3% which means that the independent variables account for 58.3% of the variation in consumer preference. Therefore, Future research is recommended to identify other dimensions that can affect consumer preference.

(Hasan, 2008) Tried to examine the Influence of brand name on consumer's decision in car choice and the findings suggest that a positive experience with the brand will develop the customer's trust in the firm brand and will also have them as a faithful customer. The researcher also found out, from his study, that well-known brands are more popular than unknown brand. Customers prefer to purchase a well-known brand product; he/she had already heard of rather than going for the product they do not know much about. Branded products have found good place in customer's mind and they have positive past experience about them.

(Moore, 2009) Conducted a study entitled "Does brand image or taste have more influence on consumer preference for energy drinks?" The result indicates that brand image and taste have a positive and significant influence on consumer's preference of energy drinks.

(Amandeep Kapur, 2019) Studied Consumers' Preferences in Choosing International Apparel Brand in Delhi. Investigating factors affecting consumer preference towards International Brand Apparel. The study used descriptive analysis for frequency and percentage to examine the profile

of the respondents. Independent sample t-test, one-way ANOVA, Test of Pearson moment correlation, Two-way ANOVA, Multiple Linear Regression. The study concluded Advertisement is strongest predictor towards international brand preference quality is also considered as one of the strong impacts on consumer preferences towards international branded apparel.

(Abad, 2012) Examined CBBE in banking industry of Iran marking to hypothesize the CBBE in the financial service sector with respect to its influence on perception of brand. After employing (Aaker, 1996)customer-based brand equity dimensions, he concluded that Brand Awareness and brand association are powerful dimensions to improve perception of brand in financial service sector.

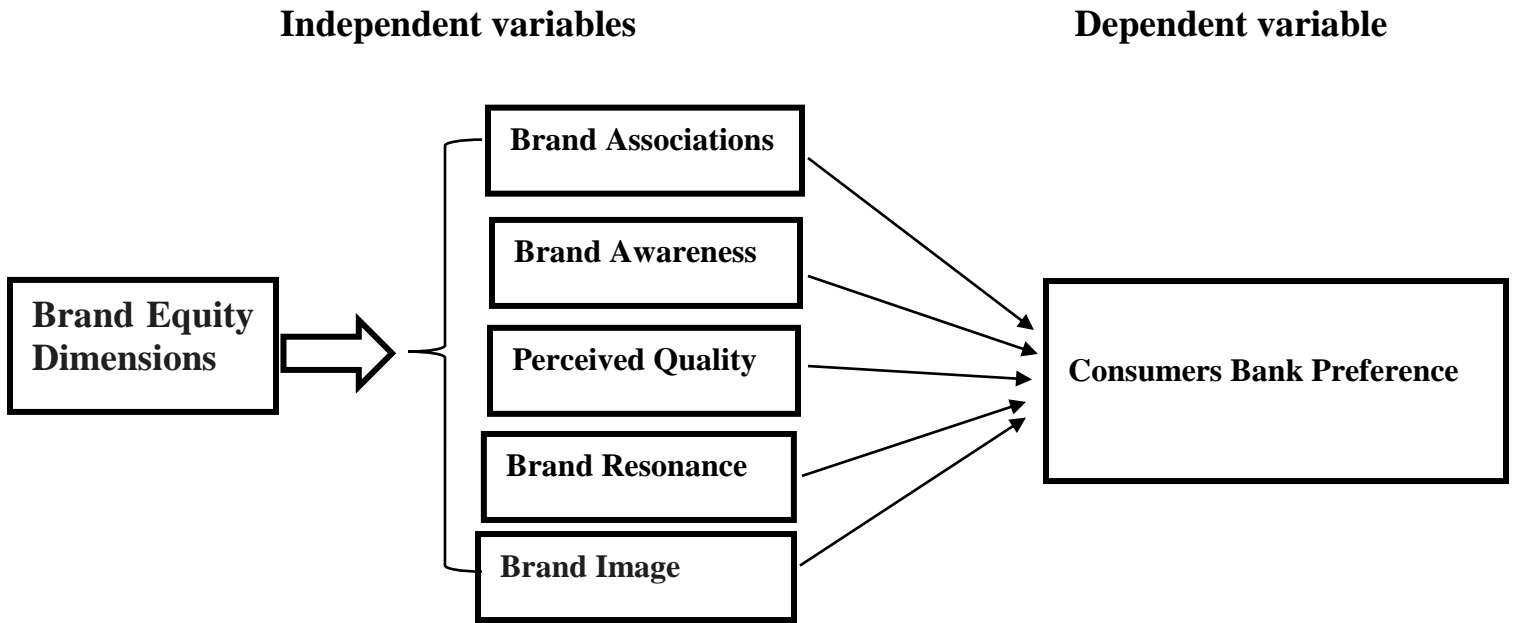
(Alemneh, 2018) Examined the influence of brand image on customer purchase intention in the case of Ethiopian Airlines. The study found that brand image had a positive and significant influence on customer purchase intention. The study also found that customer satisfaction and customer trust mediated the relationship between brand image and customer purchase intention.

(Kebede, 2019) Examined the impact of brand image on customer loyalty in the Ethiopian banking industry. The study found that brand image had a positive and significant impact on customer loyalty. The study also found that customer satisfaction and customer trust mediated the relationship between brand image and customer loyalty.

### **2.3. Conceptual framework**

Based on the theoretical and empirical literature, the following conceptual framework can be developed to study the relationship between brand equity and consumers bank preference in the context of Zemen Bank Addis Ababa City banking center customers.

The conceptual framework underpinning this study posits that brand equity dimensions serve as independent variables, influencing consumer bank preference, the dependent variable



**Figure 2:** Conceptual framework

**Source:** (Aaker, 1991) (Kapferer, 2008) (Keller, 2003)

## **CHAPTER THREE**

### **3. Research Methodology**

This chapter addresses the overall methodologies employed in this research. It consists of brief discussion of the study design & approach, population of the study, determination of sample size, sampling method, data type and source, data collection methods, data analysis methods and ethical considerations.

#### **3.1. Research Design**

According to (Kothari, 2004) the research design constitutes the plan for collecting, measuring and analyzing data. It is a logical and systematic plan that has been prepared for guiding a research study. Research can be classified as descriptive, explanatory and exploratory depending on the specific objective that the research tries to address.

In this study the researcher employed descriptive and explanatory research designs because, it is most fitting to achieve the objective of the study. The objective of this study was to scrutinize the effect of brand equity on consumer's bank preference. Thus, this can be examined through a descriptive and explanatory research designs. Descriptive research design is used to obtain a picture of feedbacks of various Zemen bank consumers with a view to realize how they feel and respond to the brand equity dimensions.

Explanatory research design is used to realize and explain the link between brand equity dimensions (brand associations, brand awareness, perceived quality, brand resonance, and brand image) and consumer's bank preference in the case of Zemen bank (Jacob C., 2002).

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

Basically, there are three kinds of research methods; the first one is Qualitative method which contains studies that do not attempt to qualify their results through statistical summary or analysis. The second approach is Quantitative approach, which occupies systematic and scientific examination of quantitative properties and phenomenon and their association. The last one is mixed approach consisted of both qualitative and quantitative approach (Abiy Z., 2009).

This study used quantitative research approach, because the study involved hypothesis testing, correlation analysis, regression analysis and other quantitative methods by using descriptive and inferential statistics.

### **3.3. Target Population**

Population can be defined as the whole set of units of analysis that are under examination. Therefore, the target population for this study is all the customers of Zemen bank in all 6 Grade-A banking centers which are located in Addis Ababa city.

### **3.4. Sampling method and sample size**

#### **3.4.1. Sampling method**

Sampling is the choice of a fraction of the total number of units of interest for the ultimate purpose of being able to draw general decisions about the complete body of units (Patrick, 2008). There are two kinds of sampling methods, i.e. probability and non-probability sampling methods. For this study, non-probability sampling method was applied. Sample respondents was chosen by using convenience sampling technique. The rational for using convenience sampling technique is that the target population of the study is big to test and it is the simplest method to acquire accessible and inexpensive method. Convenience sampling technique is a type of non-probability sampling method in which the sample is taken from a set of respondents easy to interact or reach.

#### **3.4.2. Sample size**

Due to the unknown number of consumers and no data concerning consumer of Zemen bank in Addis Ababa the sample size was calculated based on estimation method given by (Kothari, 2004). Which indicated below to determine the sample size.

$$n = \frac{z^2 \times p \times q}{e^2}$$

Where,

**n** = Size of sample

**z** = Standard variation at the given confidence interval

**p** = Percentage of success

**q** = Percentage of failure

**e** = Sampling errors

Thus, grounded on the formula an estimate of the likely percentage of success has to be considered (Kothari, 2004). Therefore, the most common percentage of success (p) which is 50% was chosen in line with a confidence interval of 95% (z), 5% sampling error (e). Therefore, the sample size for this study will be 384.

$$n = \frac{1.96^2 \times 0.5(1 - 0.5)}{0.5^2} = 384$$

Depending on the above formula the sample size for the study was 384. Zemen Bank has 66 branches in Addis Ababa different years of providing the service. Since the real number of customers in each branch is unknown the researcher divides the total sample size equally to the 6 Grade-A banking centers of Zemen bank in Addis Ababa city. This branches are graded by the bank according to their customer base, deposit amount, year of operation and foreign exchange mobilization.

**Table 2:** List of Grade-A Banking Centers of Zemen Bank in Addis Ababa under two districts

S.N	Name of Branches	Grade	Distribution Questionnaire	
			No.	%
1	Head Quarter Branch	A	64	16.67
2	Bole Medhanealem Banking center	A	64	16.67
3	Mesekel Flower	A	64	16.67
4	Arada Branch	A	64	16.67
5	CMC Banking Center	A	64	16.67
6	Hayhulet Banking Center	A	64	16.67
Total			384	100%

Source: (Zemen Bank's Board of Directors, 2023) and Company Profile

### **3.5. Data type and source**

#### **3.5.1. Data type**

In this study quantitative type of data was used.

#### **3.5.2. Data source**

There are two types of sources for data collection. Primary sources consist of all the data gathered throughout the investigation that directly associated to the aim of the study and secondary data comprises appropriate data that was gathered for a dissimilar purpose, but from which the conclusion is helpful for the purpose. In this study only primary data was collected.

### **3.6. Data collection instruments**

A structured questionnaire were used for gathering data in this study. The reason behind is the method is easy to standardize and produce results that are easy to summarize, compare and generalize. The second reason is; it is easy to use large sample by fitting diverse experience into predetermine response categories. It also adds to reliability by promoting greater consistency; since every respondent is asked the same questions.

384 questionnaires were distributed to respondents. The questionnaire included only close-ended questions. The close ended questions were prepared in a five-point Likert scale that stretch from strongly agree to strongly disagree and respondents was asked to rate the issues under each heading.

### **3.7. Method of data analysis**

In this study, data analysis was done by using descriptive statistics such as frequency, mean and standard deviation and inferential statistics (correlation and multiple linear regression analysis). Personal information of the users was analyzed by using percentage, frequency and cumulative percentage. Statistical techniques which include mean values and standard deviation was computed for each variable in the study. The statistical method of Pearson Correlation will be also used to determine the existence of any relationship between the independent variables and the dependent variable. Additionally, multiple linear regression was conducted to examine the effect

of the independent variables on the dependent variable (Hayes, 2018). To examine the quantitative data, the researcher used SPSS software version 26.

### 3.7.1. Regression Model specification

The general formula for multiple regression, also known as multiple linear regression, is (Hayes, 2018):

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \epsilon$$

Where:

- ❖ **Y** is the dependent variable (consumer bank preference in your case).
- ❖  **$\beta_0$** , is the intercept (the value of **Y** when all **Xs** are zero).
- ❖  **$\beta_1$ ,  $\beta_2$ ,  $\beta_3$ ,  $\beta_4$ , and  $\beta_5$**  are the regression coefficients representing the change in **Y** for a one-unit change in the corresponding **X** variable, holding all other **Xs** constant.
- ❖ **X1, X2, X3, X4, and X5** are the independent variables (brand image dimensions: brand salience, brand personality, brand relationship, brand quality, brand awareness, and brand association).
- ❖  **$\epsilon$**  Is the error term, representing the unexplained variation in **Y**.

Applying this formula to the specific research context:

$$Y = \beta_0 + \beta_1 (\text{Brand Associations}) + \beta_2 (\text{Brand Awareness}) + \beta_3 (\text{Perceived Quality}) + \beta_4 (\text{Brand Resonance}) + \beta_5 (\text{Brand Image}) + \epsilon$$

Interpretation of the Regression Coefficients:

- ❖ A positive coefficient ( **$\beta$** ) indicates a positive relationship between the independent variable and the dependent variable. For example,  **$\beta_1 > 0$**  would suggest that higher brand salience is associated with greater consumer preference for Zemen Bank.
- ❖ A negative coefficient indicates a negative relationship.
- ❖ The magnitude of the coefficient reflects the strength of the relationship.

### 3.8. Ethical consideration

The survey was conducted based upon the agreement of volunteer customers. All responses are anonymous. The researcher was invited the respondents to participate in the research upon distributing the questionnaires. All respondents will be informed that all information will be provided on a voluntary basis and would be used for research purposes only. Names are not required to disclose on the data collection forms so that privacy and anonymity was ensured.

More specifically, for ethical clearance the researcher was confirmed comprising the following information:

- ❖ A brief explanation of the objective of the research
- ❖ Explanation of what participation will involve, in terms of actions and period
- ❖ The assurance that all response remains private and unspecified

### 3.9. Reliability Analysis

Reliability analysis was conducted to check whether a scale used in this paper consistently reflects the subset it measures. For this study, the Cronbach's alpha was used as a measure of internal consistency. From data analysis the Cronbach's alpha for this study was at acceptable zone according to the standard set by (George, 2014) and it is over the acceptable limit of  $>0.70$ . For all individual items, Cronbach's alpha is greater than 0.70, which is shown below, that signifies greater internal consistency between the items and measures the intended dimension of the variables.

**Table 3:** Reliability of the instrument

Reliability of the instrument	Item Cronbach's alpha	Number of items
<b>Brand Equity Dimensions</b>		
Brand Awareness	0.958	5
Brand Association	0.934	5
Perceived Quality	0.895	5
Brand Resonance	0.895	5

Brand Image	0.895	5
Consumers Bank Preference	0.895	5
<b>Overall Reliability</b>	<b>0.936</b>	<b>30</b>

Source: Authors Computation using SPSS (2024)

Cronbach's alpha was calculated for each field of the instrument. The above table shows Cronbach's Alpha value for each and the entire questionnaire. For each field, Cronbach's Alpha value ranges from 0.895 - 0.958. Cronbach's Alpha for the entire instrument equals 0.936. Therefore, grounded on the test the values for the items are reliable and acceptable.

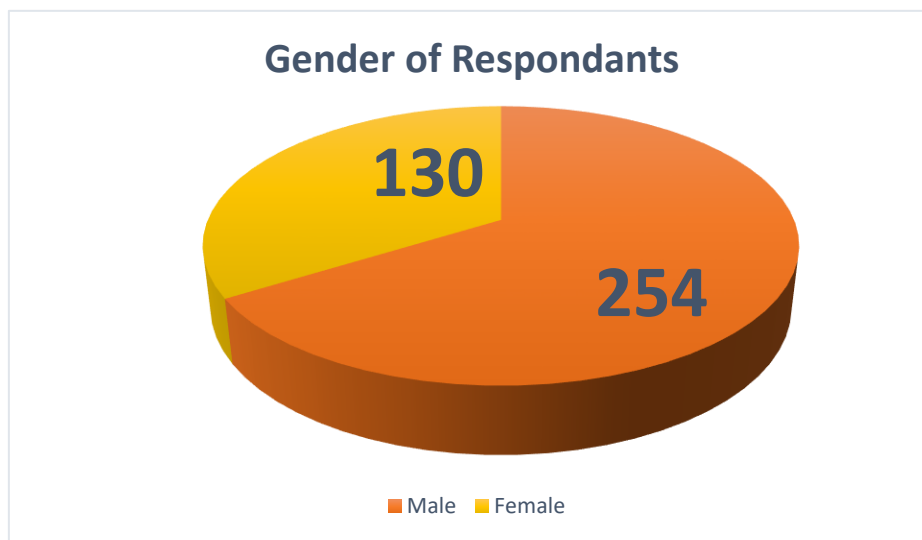
## CHAPTER FOUR

### 4. DATA ANALYSIS AND PRESENTATION

In this part, the data gathered from respondents were analyzed and presented in order to achieve the objective of the research. As mentioned earlier this study was held to examine the effect of brand image on consumer's preference. Therefore, the demographic profile of respondents and other associated subtopics are analyzed in detail by using descriptive and inferential statistics tools. To scrutinize the effect of brand image on consumer preference 384 customers of the bank were surveyed. From the 384 distributed questionnaires all 384 of them were collected.

#### 4.1. Profile of Respondents

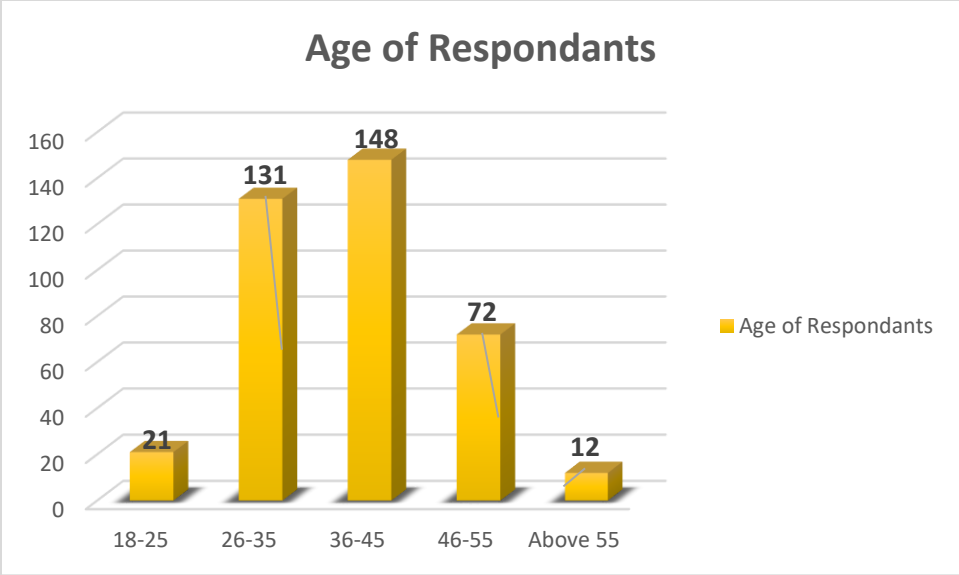
The demographic factors used in this research were gender, age, educational level and monthly income.



**Figure 3:** Gender of respondents

Source: Authors Computation using SPSS (2024)

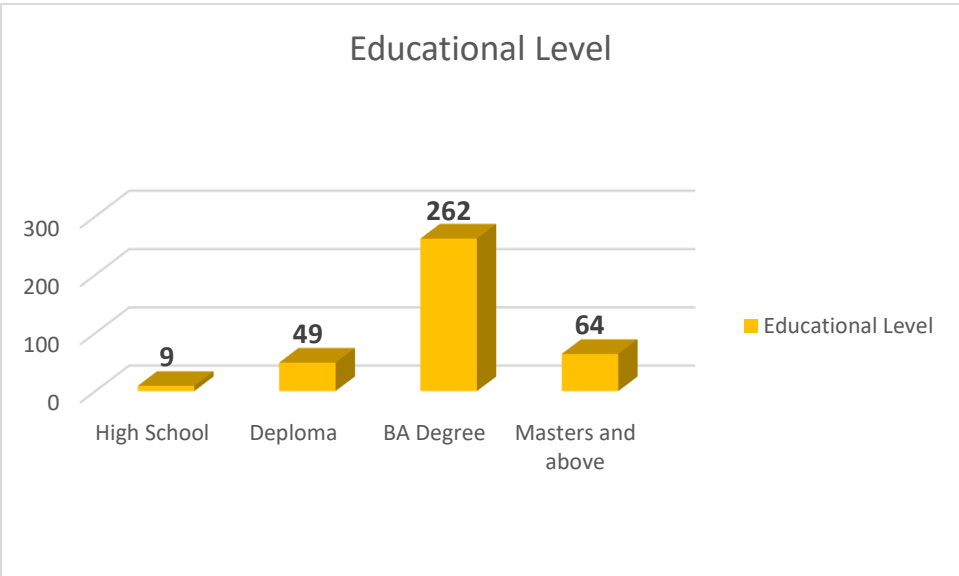
As it is depicted on figure 3, from the total of 384 respondents 66.1% of them are male and 33.9% of them are female. Slightly more male respondents were surveyed than female respondents.



**Figure 4:** Age of respondents

Source: Authors Computation using SPSS (2024)

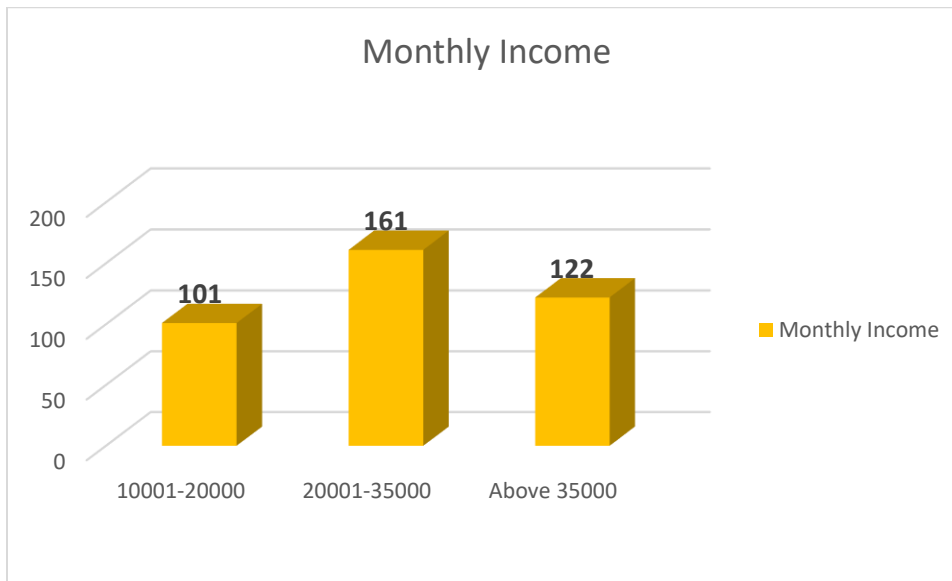
As it is shown on figure 4 above from the total of 384 respondents 5.5% of them are in the age category of 18-25. 34.6% of the respondents are in the age category of 26-35. Those respondents included in the age category of 36-45 are about 38.3% and hence this age category includes the majority. 18.5% of the respondents are in the age category of 46-55. There are only 3.1% of respondents which fall in the age category of 55 years and above and hence this age category contains the minority.



**Figure 5:** Educational level of respondents

Source: Authors Computation using SPSS (2024)

From figure 5 above, it can be seen that out of 384 total respondents 2.3% of them are at the level of secondary education, 12.8% of them are diploma holders, 68.2% of them are first degree holders and 16.7% of them are at the level of masters and above.



**Figure 6:** Monthly income of respondents

Source: Authors Computation using SPSS (2024)

Respondents were also requested to identify their income level categories. There were four categories of which 26.3% earned between 100001 - 20000 Birr, 41.9% earned birr 20001 - 35000 and the remaining 31.8% of respondents earned 35000 Birr and above.

#### 4.2. Descriptive statistics of variables

To show the level of agreement of the respondents, descriptive statistics of variables is presented in the form of mean and standard deviation. The answers of the respondents were measured on five-point Likert scale with: 1= strongly disagree - 5= strongly agree. But when making explanation of the outcomes of mean and standard deviation the scales are reassigned as follows to make the interpretation easy and clear. According to (Floyd J. Flower, 2014)the intervals for breaking the range in measuring each variable with five-point scale is calculated as follows:

$$\text{Agreement level} = \frac{\text{Maximum} - \text{Minimum}}{5} = \frac{5 - 1}{5} = 0.8$$

Hence, the range of the score indicates:

**Table 4:** Range of the score

<b>1.00 – 1.80</b>	<b>Strongly disagree</b>
<b>1.81 – 2.60</b>	Disagree
<b>2.61 – 3.40</b>	Neutral
<b>3.41 – 4.20</b>	Agree
<b>4.21 – 5.00</b>	Strongly agree

Source (Floyd J. Flower, 2014)

#### 4.2.1. Descriptive statistics of Brand Awareness

**Table 5:** Descriptive statistics of Brand Awareness

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
I am aware of Zemen Bank's various products and services offered in Addis Ababa.	384	1	5	3.52	1.017
Zemen Bank comes to mind when considering banking services.	384	2	5	3.59	.957
Compared to other banks in Addis Ababa, I have a good understanding of what Zemen Bank stands for.	384	2	5	3.64	.963
I can easily recall Zemen Bank's logo and branding elements.	384	2	5	3.64	.963
I am familiar with Zemen Bank S.C Addis Ababa Banking Centers.	384	2	5	3.64	.970
Valid N (listwise)	384				

Source: Authors Computation using SPSS

As we can see from the above Table No. 5 “I am aware of Zemen Bank's various products and services offered in Addis Ababa” Scored mean gave a rating of 3.52 and standard deviation of 1.017 (This suggests that most respondents were generally familiar with or positive towards Zemen Bank), “Zemen Bank comes to mind when considering banking services.” scored mean gave a rating of 3.59 and standard deviation of 0.957 (The average rating suggests that some respondents did consider Zemen Bank when considering banking services.), “Compared to other banks in A.A, I have a good understanding of what Zemen Bank stands for.” Scored mean gave a rating of 3.64 and standard deviation of 0.963, (This suggests that most respondents were generally familiar with or positive towards Zemen Bank.), “I can easily recall Zemen Bank's logo and branding elements.” Scored mean gave a rating of 3.64 and standard deviation of 0.963, (The average rating suggests that some respondents were less familiar with Zemen Bank's logo and branding elements.), and I am familiar with Zemen Bank S.C Addis Ababa Banking Centers” scored mean gave a rating of 3.64 and standard deviation of 0.970 (This suggests that average respondents were generally familiar with or positive towards Zemen Bank).

#### 4.2.2. Descriptive statistics of Brand Association

**Table 6:** Descriptive statistics of Brand Association

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Using Zemen Bank's services makes me feel confident and assured about my financial decisions.	384	1	5	3.57	1.022
When compared to other banks, Zemen Bank's brand offers unique and differentiating experiences.	384	2	5	3.60	.957
Zemen Bank is perceived as innovative and modern in its approach to banking.	384	2	5	3.69	.956
Zemen Bank evokes feelings of prestige and community amongst Ethiopians.	384	1	5	4.21	.854

Zemen Bank is associated with positive qualities such as reliability, trustworthiness, and security.	384	2	5	4.21	.772
Valid N (listwise)	384				

Source: Authors Computation using SPSS

As we can see from the above Table No. 6 “Using Zemen Bank's services makes me feel confident and assured about my financial decisions.” scored mean gave a rating of 3.57 and standard deviation of 1.022, “When compared to other banks, Zemen Bank's brand offers unique and differentiating experiences.” scored mean gave a rating of 3.60 and standard deviation of 0.957, “Zemen Bank is perceived as innovative and modern in its approach to banking.” scored mean gave a rating of 3.69 and standard deviation of 0.956, “Zemen Bank evokes feelings of prestige and community amongst Ethiopians.” scored mean gave a rating of 4.21 and standard deviation of 0.854 and “Zemen Bank is associated with positive qualities such as reliability, trustworthiness, and security.” scored mean gave a rating of 4.21 and standard deviation of 0.772.

#### 4.2.3. Descriptive statistics of Perceived Quality

**Table 7:** Descriptive statistics of Perceived Quality

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I am satisfied with the quality of service I receive at Zemen Bank Addis Ababa Banking Center.	384	1	5	3.52	1.017
I believe Zemen Bank invests in maintaining its facilities and technology to offer a good banking experience.	384	2	5	3.61	.961
Compared to other banks in Addis Ababa, I perceive Zemen Bank's overall service quality as superior.	384	2	5	3.61	.966
Zemen Bank staff are helpful, knowledgeable, and professional in their interactions with customers.	384	2	5	3.65	.969

Zemen Bank's banking products and services meet my expectations for performance and functionality.	384	2	5	4.35	.677
Valid N (listwise)	384				

Source: Authors Computation using SPSS (2024)

As we can see from the above Table No. 7 “I am satisfied with the quality of service I receive at Zemen Bank Addis Ababa Banking Center.” scored mean gave a rating of 3.52 and standard deviation of 1.017, “I believe Zemen Bank invests in maintaining its facilities and technology to offer a good banking experience.” scored mean gave a rating of 3.61 and standard deviation of 0.961, “Compared to other banks in Addis Ababa, I perceive Zemen Bank's overall service quality as superior.” scored mean gave a rating of 3.61 and standard deviation of 0.966, “Zemen Bank staff are helpful, knowledgeable, and professional in their interactions with customers.” scored mean gave a rating of 3.65 and standard deviation of 0.969 and “Zemen Bank's banking products and services meet my expectations for performance and functionality.” scored mean gave a rating of 4.35 and standard deviation of 0.677.

#### 4.2.4. Descriptive statistics of Brand Resonance

**Table 8:** Descriptive statistics of Brand Resonance

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Choosing Zemen Bank makes me feel like I am supporting a responsible and ethical company.	384	1	5	3.52	1.017
I identify with the message and story Zemen Bank communicates through its brand.	384	1	5	3.57	1.022
If given the choice, I would actively prefer Zemen Bank over other banks for my banking needs.	384	2	5	3.60	.959

I am proud to be associated with Zemen Bank and recommend it to others.	384	1	5	3.62	1.030
I feel emotionally connected to Zemen Bank and its values.	384	2	5	4.21	.772
Valid N (listwise)	384				

Source: Authors Computation using SPSS (2024)

As we can see from the above Table No. 8 “Choosing Zemen Bank makes me feel like I am supporting a responsible and ethical company.” scored mean gave a rating of 3.52 and standard deviation of 1.017, “I identify with the message and story Zemen Bank communicates through its brand.” scored mean gave a rating of 3.57 and standard deviation of 1.022, “If given the choice, I would actively prefer Zemen Bank over other banks for my banking needs.” scored mean gave a rating of 3.60 and standard deviation of 0.959, “I am proud to be associated with Zemen Bank and recommend it to others.” scored mean gave a rating of 3.62 and standard deviation of 1.030 and “I feel emotionally connected to Zemen Bank and its values.” scored mean gave a rating of 4.21 and standard deviation of 0.772.

#### 4.2.5. Descriptive statistics of Brand Image

**Table 9:** Descriptive statistics of Brand Image

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Overall, I consider Zemen Bank to be a prestigious and desirable bank to do business with.	384	2	5	3.57	.956
Zemen Bank is perceived as a leader in the Ethiopian banking industry.	384	2	5	3.60	.959
Zemen Bank has a positive reputation in the Addis Ababa community.	384	1	5	4.21	.854
Media coverage about Zemen Bank is generally favorable and reinforces its positive image.	384	2	5	4.21	.772

Zemen Bank's public image reflects stability, growth, and success.	384	2	5	4.34	.682
Valid N (listwise)	384				

Source: Authors Computation using SPSS (2024)

As we can see from the above Table No. 9 “Overall, I consider Zemen Bank to be a prestigious and desirable bank to do business with.” scored mean gave a rating of 3.57 and standard deviation of 0.956, “Zemen Bank is perceived as a leader in the Ethiopian banking industry.” scored mean gave a rating of 3.60 and standard deviation of 0.959, “Zemen Bank has a positive reputation in the Addis Ababa community.” scored mean gave a rating of 4.21 and standard deviation of 0.854, “Media coverage about Zemen Bank is generally favorable and reinforces its positive image.” scored mean gave a rating of 4.21 and standard deviation of 0.772 and “Zemen Bank's public image reflects stability, growth, and success.” scored mean gave a rating of 4.34 and standard deviation of 0.682.

#### 4.2.6. Descriptive statistics of Consumers Bank Preference

**Table 10:** Descriptive statistics of Consumers Bank Preference

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I am satisfied with the overall quality of service I have received from Zemen Bank.	384	2	5	3.61	.958
Zemen Bank is my preferred bank for personal banking.	384	2	5	3.61	.944
I am more likely to switch to Zemen Bank from other banks.	384	2	5	3.65	.963
I would consider Zemen Bank when choosing a bank for my business banking needs.	384	2	5	4.25	.765
I am more likely to recommend Zemen Bank to my friends and family for their banking needs.	384	4	5	4.50	.501

Valid N (listwise)	384				
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Source: Authors Computation using SPSS (2024)

As we can see from the above Table No. 10 “I am satisfied with the overall quality of service I have received from Zemen Bank.” scored mean gave a rating of 3.61 and standard deviation of 0.958, “Zemen Bank is my preferred bank for personal banking.” scored mean gave a rating of 3.61 and standard deviation of 0.944, “I am more likely to switch to Zemen Bank from other banks.” scored mean gave a rating of 3.65 and standard deviation of 0.963 “I would consider Zemen Bank when choosing a bank for my business banking needs.” scored mean gave a rating of 4.25 and standard deviation of 0.765, and “I am more likely to recommend Zemen Bank to my friends and family for their banking needs.” scored mean gave a rating of 4.50 and standard deviation of 0.501.

#### 4.2.7. Summary of descriptive statistics of variables

**Table 11:** Summary of descriptive statistics of variables

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand Awareness	384	2	5	3.60	.584
Brand Resonance	384	2	5	3.71	.542
Perceived Quality	384	3	5	3.75	.528
Brand Association	384	3	5	3.86	.426
Consumers Bank Preference	384	3	5	3.92	.531
Brand Image	384	3	5	3.99	.379
Valid N (listwise)	384				

Source: Authors Computation using SPSS (2024)

Table No. 11 clearly summarizes perceptions of the respondents. It shows the respondent’s perception with respect to the five predictor variables and the dependent variable. Brand Awareness have the higher rating scale (Mean = 3.60, SD = 0.584), followed by Brand Resonance (Mean = 3.71 with SD 0.542), Perceived Quality (Mean = 3.75 with SD = 0.528), Brand

Association (Mean = 3.86 with SD = 0.426), Consumers Bank Preference (Mean = 3.92 with SD = 0.531) and Brand Image (Mean = 3.99 with SD = 0.379). The low standard deviation shows that the Mean represents the rate given by the Majority of the respondents. This implies that the independent Variables i.e. brand equity dimensions are the predictors of the dependent variable consumer preference. In general, it is possible to conclude that respondents have agreed and are satisfied with the five brand equity dimensions.

### 4.3. Correlation Analysis

Pearson correlation in this case is vital to understand the strength of the linear relationship between two variables. The correlation coefficient (r), in the range of -1.0 to + 1.0, shows the level of strength of the relationship. Accordingly, if the coefficient is close to +1.0 or - 1.0, the relationship is said to be strong while a result close to 0 is a symptom of weak relationship between variables. According to (Cronk, 2008) a correlation coefficient beyond 0.7 on both sides is considered to be strong, 0.3-0.7 as moderate and below 0.3 and closing to 0 on both sides as weak relationship.

**Table 12:** Correlation matrix

		Consumers Bank Preference	Brand Awareness	Brand Association	Perceived Quality	Brand Resonance	Brand Image
Consumers Bank Preference	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	384					
Brand Awareness	Pearson Correlation	.766**	1				
	Sig. (2-tailed)	.000					
	N	384	384				
Brand Association	Pearson Correlation	.637**	.701**	1			

	Sig. (2-tailed)	.000	.000				
	N	384	384	384			
Perceived Quality	Pearson Correlation	.736**	.780**	.637**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	384	384	384	384		
Brand Resonance	Pearson Correlation	.675**	.756**	.754**	.772**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	384	384	384	384	384	
Brand Image	Pearson Correlation	.434**	.354**	.537**	.613**	.458**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	384	384	384	384	384	384
**. Correlation is significant at the 0.01 level (2-tailed).							

Source: Authors Computation using SPSS v.26 (2024)

As we can see from the above Table No 12 above, All the Five predictor variables have a significant relationship with consumer bank preference. The most correlated dimension with consumer bank preference among the predictor variables is brand awareness e ( $r = 0.766$ , very strong positive correlation) followed by perceived quality ( $r = 0.736$ , strong positive correlation), brand resonance ( $r = 0.675$ , moderate positive correlation), brand association ( $r = 0.637$ , moderate positive correlation) and brand image ( $r = 0.434$ , positive correlation). Accordingly, it can be concluded that all the five predictor variables have significant and positive relationship with consumer bank preference. Hence any improvement in one of the variables will positively contribute to consumer bank preference.

#### 4.4. Multiple Linear Regression Analysis

##### 4.4.1. Major Tests for Multiple Regression

Before analyzing multiple linear regression, the presence of Multi-Collinearity, Linearity, Normality and Homoscedasticity have to be checked.

**4.4.1.1. Multi Collinearity**

Multi-collinearity exists when there is high correlation amongst the predictor variables. In this study Variance Inflation Factor (VIF) was used to test Multi-collinearity between predictor variables. VIF analyses the outcome of correlations between predictor variables. The VIF result have to be less than 10, and should be close to one.

Tolerance shows how much of the variation of a specific predictor variable is not explained by other predictor variables and can be calculated by using the formula  $1-R^2$  for each variable. If the value is less than 0.20 it means the multiple correlation with other variables is high, indicating the likelihood of multi-collinearity.

**Table 13:** VIF Test for predictor variables

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Brand Awareness	.265	3.778
	Brand Association	.327	3.056
	Perceived Quality	.219	4.571
	Brand Resonance	.272	3.680
	Brand Image	.487	2.054

Source: Authors Computation using SPSS v.26 (2024)

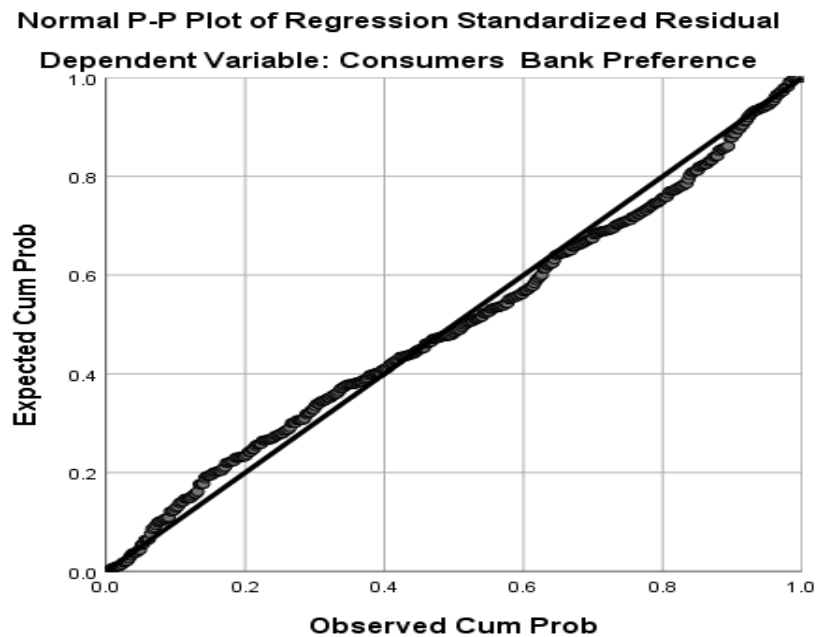
As it can be seen from the above table 13, the result of multi-collinearity statistics analysis indicates that VIF value is less than 10 and the variance individual tolerance for each value is greater than 0.1. Therefore, the results show that in this model multi-collinearity problem doesn't exist.

#### 4.4.1.2. Linearity

Linearity means the extent to which a variation in the dependent variable is linked to the variation in the predictor variables.

The Figure below displays no significant variation in the spread of the residuals as we look from left to right it is nearly all residuals lay on the linear straight line therefore, this indicates the association between the predictor variables and the dependent variable is linear.

**Figure 7:** Linearity test

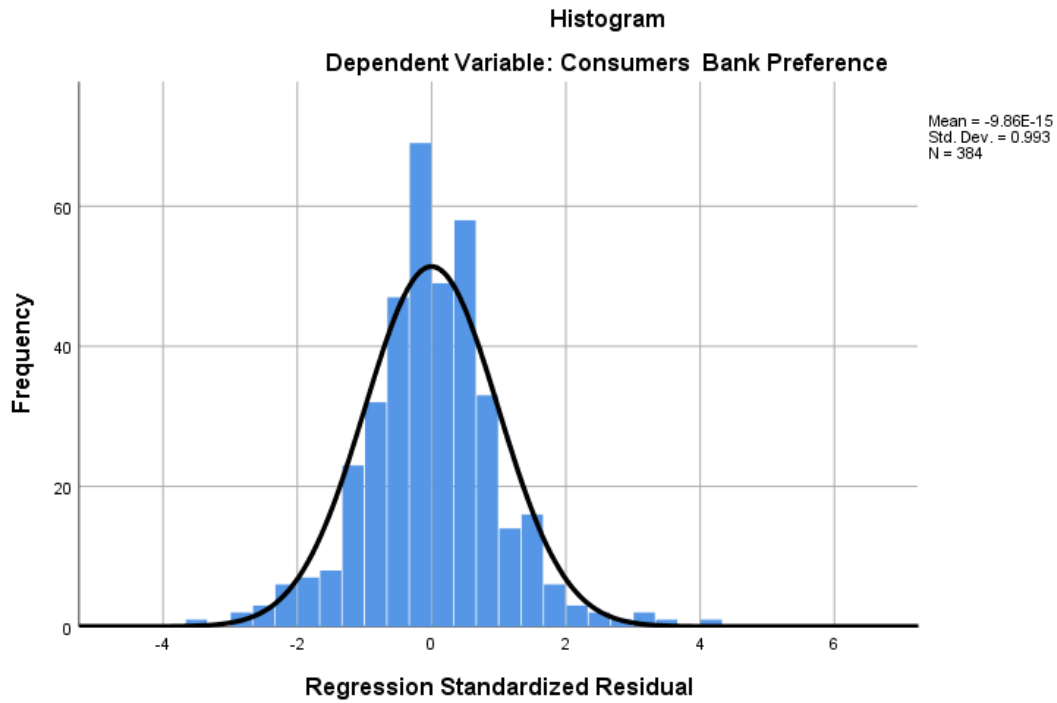


Source: Author's computation using SPSS v.26 (2024)

#### 4.4.1.3. Normality

Normality necessitate the predictor variables in the model to be normally distributed and the error term have to be normally distributed or expected value of the error terms should be zero. If the residuals distributed normally, the histogram will have a bell-shape. Hence, this study applied graphical methods to check normality of the data.

**Figure 8:** Normality test

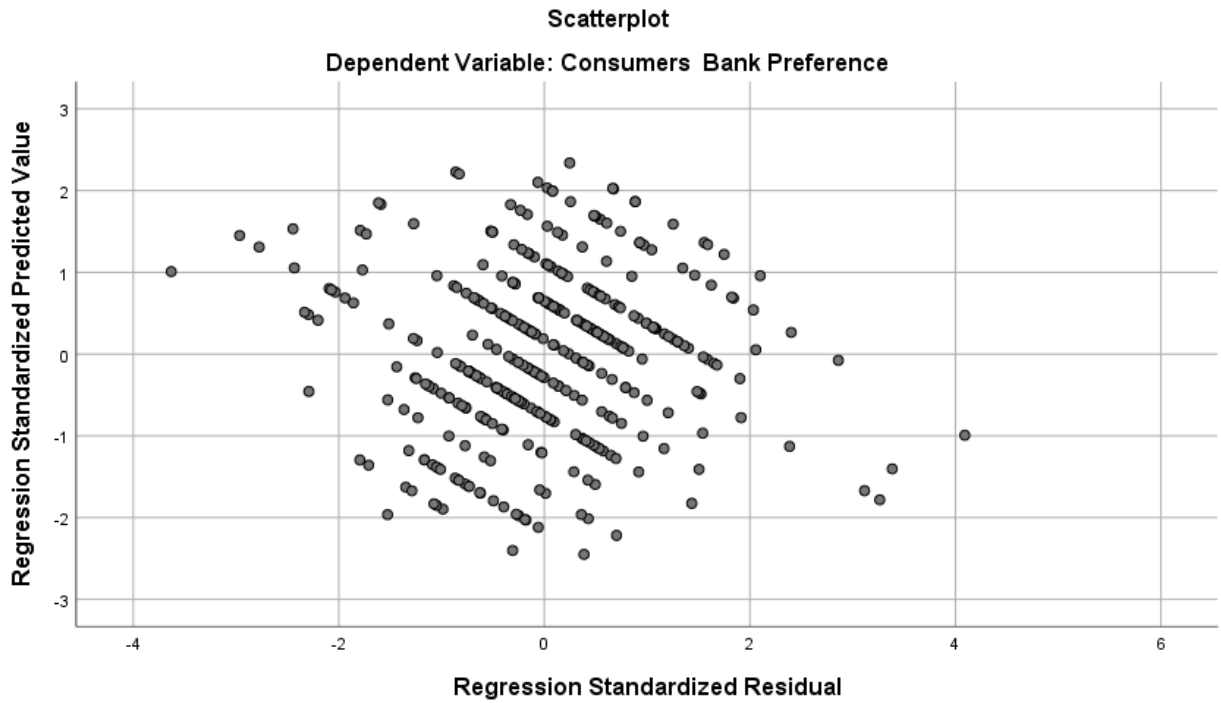


Source: Author’s computation using SPSS v.26 (2024)

#### ***4.4.1.4.Homoscedasticity***

Homoscedasticity is an assumption in regression analysis that the residuals at each phase of the independent variables have the same variations. Which means, at each point besides any predictor variable, the spread of residuals should be fairly constant.

**Figure 9:** Homoscedasticity test



Source: Author’s computation using SPSS v.26 (2024)

#### 4.4.2. Result of the Multiple Linear Regression Analysis

The effect of the five predictor variables; brand awareness, brand association, perceived quality, brand resonance and brand image on the dependent variable i.e. consumer bank preference was examined by using multiple linear regression analysis.

##### 4.4.2.1. Model summary

**Table 14:** Model summary

<b>Model Summary<sup>b</sup></b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.804 <sup>a</sup>	.646	.642	.318
a. Predictors: (Constant), Brand Image, Brand Awareness, Brand Association, Brand Resonance, Perceived Quality				
b. Dependent Variable: Consumers Bank Preference				

Source: Author’s computation using SPSS v.26 (2024)

The model summary offers the summary of the best-fit regression model. For this analysis the R (multiple R), which is the overall correlation between the predictor variables shows 0.804. The model explains about 64.6% of variation on consumer preference. The adjusted R<sup>2</sup> indicates the percentage of variance in the dependent variable that is accounted by the independent variables. In this case the coefficient of determination adjusted R Square was 0.646. This implies that about 64.2% of the dependent variable (i.e. consumer bank preference) can be explained by the independent variables (i.e. Brand Awareness, Brand Association, Perceived Quality, Brand Resonance and Brand Image ), leaving about 35.8% to be explained by other exogenous factors.

$Y = X\beta + e$ $(100\%) = 64.2\% + 35.8\%$
--

**4.4.2.2.ANOVA**

**Table 15:** ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69.764	5	13.953	138.121	.000 <sup>b</sup>
	Residual	38.185	378	.101		
	Total	107.949	383			
a. Dependent Variable: Consumers Bank Preference						
b. Predictors: (Constant), Brand Image, Brand Awareness, Brand Association, Brand Resonance, Perceived Quality						

Source: Author’s computation using SPSS v.26 (2024)

The ANOVA table shows the various sums of squares described in the Table above and the degrees of freedom associated with each. From these two values, the average sums of squares (the mean squares) can be calculated by dividing the sums of squares by the associated degrees of freedom. The most vital part of the table is the F-ratio, which is a test of the null hypothesis that the

regression coefficients are all equal to zero. Put in another way, this F statistic tests whether the  $R^2$  proportion of variance in the dependent variable accounted for by the predictors is zero and the table also shows the associated significance value of that F-ratio. For this data, F is 138.121 and it is significant at 0.000 (less than 0.05, typically considered the threshold for statistical significance) significance level. This result indicates there is below 0.0% probability that an F-ratio this large would happen, if the null hypothesis proposed about F-ratio were true. Thus, we can conclude that our regression model result is significantly better prediction of consumer's bank preference and that the regression model overall predicts consumer bank preference significantly well.

#### 4.4.2.3. Coefficients of predictor variables

**Table 16:** Coefficients of predictor variables

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.603	.186		3.251	<b>.001</b>
	Brand Awareness	.392	.054	.431	7.246	<b>.000</b>
	Brand Association	.142	.067	.114	2.134	<b>.033</b>
	Perceived Quality	.288	.066	.287	4.384	<b>.000</b>
	Brand Resonance	.027	.057	.027	.463	<b>.644</b>
	Brand Image	.045	.061	.032	.737	<b>.462</b>

Source: Author's computation using SPSS v.26 (2024)

Multiple linear regression model equation

$$Y = 0.603 + 0.431 (\text{Brand Awareness}) - 0.114 (\text{Brand Association}) - 0.287 (\text{Perceived Quality})$$

The above table No. 16 summarizes the outputs of the model predicting consumer bank preference with the dimensions of Brand Awareness, Brand Association, Perceived Quality, Brand Resonance, and Brand Image. Based on the p-values there are three predictor variables that have

a positive and significant effect on the dependent variable: Brand Awareness, Brand Association and Perceived Quality. These variables have a p-value less than 0.05, which indicates that they are statistically significant. Additionally, their coefficients are positive, suggesting that a higher value of these variables is associated with a higher preference for the bank.

Standardized coefficient ( $\beta$  value) shows the extent of significance of each predictor variables on consumer bank preference i.e. higher Beta value refers to high effect of the independent variable on dependent variable; hence, grounded on their contribution/importance the dimensions can be ordered in the following way:

1. Brand Awareness      **0.431**
2. Perceived Quality    **0.287**
3. Brand Association    **0.114**

Since brand resonance and brand image does not have significant effect on consumer bank preference, setting all other predictor variables to zero the interpretations of the significant independent variables are:

1. For every unit increase in the value of brand awareness in the bank, the value of consumer bank preference will increase by 43.1%.
2. For every unit increase in the value of perceived quality in the bank, the value of consumer bank preference will increase by 28.7%.
3. For every unit increase in the value of brand association in the bank, the value of consumer bank preference will increase by 11.4%.

Among the five predictor variables, brand awareness has the highest important effect on consumer bank preference followed by perceived quality and brand association. The remaining dimensions i.e. brand resonance and brand image does not have any effect on consumer preference.

#### **4.5. Hypothesis testing and discussion**

Depending on the multiple linear regression results, the proposed hypotheses of this study were tested below.

***H1<sub>0</sub>: Brand associations have no significant impact on consumer bank preference towards Zemen Bank.***

The multiple linear regression result in Table No. 16 clearly shows that in Zemen bank brand associations significantly affects consumer bank preference ( $p < 0.05$ ). In addition, the value of beta ( $\beta=0.114$ ) indicates a positive effect of brand association on consumer bank preference. This result is supported by (Freweini, 2017) which brand associations positively and significantly affects consumer bank preference. Therefore, the study rejected the null hypothesis and accepted the alternative hypothesis.

***H1<sub>a</sub>: Brand associations have significant positive impact on consumer bank preference towards Zemen Bank.***

***H2<sub>0</sub>: Brand awareness have no significant impact on consumer bank preference towards Zemen Bank.***

The multiple linear regression result in Table No. 16 clearly shows that in Zemen bank brand awareness significantly affects consumer bank preference ( $p < 0.05$ ). In addition, the value of beta ( $\beta=0.287$ ) indicates a positive effect of brand awareness on consumer bank preference. This result is supported by (Tiruneh, 2021) which Perceived quality positively and significantly affects consumer bank preference. Therefore, the study rejected the null hypothesis and accepted the alternative hypothesis.

***H2<sub>a</sub>: Brand awareness have significant positive impact on consumer bank preference towards Zemen Bank.***

***H3<sub>0</sub>: Perceived quality have no significant impact on consumer bank preference towards Zemen Bank.***

The multiple linear regression result in Table No. 16 clearly shows that in Zemen bank Perceived quality significantly affects consumer bank preference ( $p < 0.05$ ). In addition, the value of beta ( $\beta=0.431$ ) indicates a positive effect of Perceived quality on consumer bank preference. This result is supported by (Tiruneh, 2021) which Perceived quality positively and significantly affects consumer bank preference. Therefore, the study rejected the null hypothesis and accepted the alternative hypothesis.

***H3<sub>a</sub>: Perceived quality have significant positive impact on consumer bank preference towards Zemen Bank.***

***H4<sub>0</sub>: Brand resonance have no significant impact on consumer bank preference towards Zemen Bank.***

***H4<sub>a</sub>: Brand resonance have significant positive impact on consumer bank preference towards Zemen Bank.***

The multiple linear regression result in Table No. 16 clearly indicates that in Zemen bank Brand resonance has no effect on consumer bank preference ( $p > 0.05$ ). Therefore, the study accepted the null hypothesis and rejected the alternative hypothesis.

***H5<sub>0</sub>: Brand image have no significant impact on consumer bank preference towards Zemen Bank.***

***H5<sub>a</sub>: Brand image have significant positive impact on consumer bank preference towards Zemen Bank.***

The multiple linear regression result in Table No. 16 clearly indicates that in Zemen bank Brand image has no effect on consumer bank preference ( $p > 0.05$ ). Therefore, the study accepted the null hypothesis and rejected the alternative hypothesis.

**Table 17:** Summary of hypothesis testing

S.N <sup>o</sup>	Hypothesis	Result	Sig
1.	<i>H1<sub>a</sub>: Brand associations have significant positive impact on consumer bank preference towards Zemen Bank.</i>	Accepted	.000
2.	<i>H2<sub>a</sub>: Brand awareness have significant positive impact on consumer bank preference towards Zemen Bank.</i>	Accepted	.033
3.	<i>H3<sub>a</sub>: Perceived quality have significant positive impact on consumer bank preference towards Zemen Bank.</i>	Accepted	.000
4.	<i>H4<sub>a</sub>: Brand resonance have significant positive impact on consumer bank preference towards Zemen Bank.</i>	Rejected	.644
5.	<i>H5<sub>a</sub>: Brand image have significant positive impact on consumer bank preference towards Zemen Bank.</i>	Rejected	.462

Source: Author's computation using SPSS v.26 (2024)

#### **4.6. Discussion of the study**

This study investigated the influence of brand equity dimensions on consumer brand preference. The findings revealed that brand awareness, brand association, and perceived quality all have a significant positive effect on consumer preference. However, brand resonance and brand image were not statistically significant predictors in this model.

##### **Confirmation of Established Relationships:**

The positive influence of brand awareness, brand association, and perceived quality on consumer preference aligns with established research in brand equity. For instance, (Du, 2022) demonstrated that brand awareness enhances brand trust, ultimately leading to higher purchase intention. Similarly, (Li, 2023) found that positive brand associations strengthen customer loyalty. Our findings reinforce the importance of these core brand equity dimensions in shaping consumer preference.

##### **Mechanisms Underlying the Effects:**

The positive effects of brand awareness, brand association, and perceived quality can be explained by considering the cognitive and emotional processes involved in consumer decision-making. Strong brand awareness increases the likelihood of consumers recognizing and remembering the brand, leading to a sense of familiarity and trust (Kevin Lane Keller, 2019). Positive brand associations create favorable connections and evoke emotions that enhance the perceived value of the product (Keller, 1992). Perceived quality builds confidence in the brand's ability to deliver a satisfying experience, influencing purchase decisions (Zeithaml, 1988).

##### **Non-Significant Effects: Brand Resonance and Brand Image**

Interestingly, brand resonance and brand image did not significantly influence consumer preference in this study. This finding might be attributed to several factors. First, the sample characteristics could play a role. If the study focused on a specific demographic or product category where brand resonance or brand image are less emphasized, their influence might be diminished. Second, the way these variables were measured might not have fully captured their impact. Future studies could explore alternative measurement approaches. Finally, limitations of the model itself need to be considered. There might be other moderating variables not included in this analysis that influence the effect of brand resonance and brand image on consumer preference. Studies considering these factors could provide a more nuanced understanding of their role.

### **Comparison with Existing Research**

While our findings confirm the significance of brand awareness, brand association, and perceived quality, the non-significant effect of brand resonance is noteworthy. Some studies have shown a positive effect of brand resonance on consumer behavior (Morhart, 2018). This discrepancy could be due to methodological differences, such as the specific operationalization of brand resonance or the product category under study. Further research is needed to explore the boundary conditions under which brand resonance influences consumer preference.

## **CHAPTER FIVE**

### **5. SUMMARY, CONCLUSION AND RECOMMENDATION**

In this chapter summary of the major aspects of the study are addressed and in line with the major findings of the study, conclusion of the findings is presented and based on the conclusions made, recommendations for Zemen bank and for further research are suggested.

#### **5.1. Summary of Major Findings**

The main aim of the study was to scrutinize the effect of brand equity on consumer bank preference in Zemen bank Addis Ababa city branches. The study listed Brand awareness, Brand association, Perceived Quality, Brand Resonance and Brand Image as predictor variables and consumer bank preference as a dependent variable. In this study descriptive and explanatory research designs were applied. Regarding research approach, quantitative research approach was used and a cross-sectional research survey was also considered. The target populations of the study were customers of Zemen bank in 6 (grade A) branches located in Addis Ababa city. Primary data was used as a source of information and collected from respondents using English version questionnaires. 384 questionnaires were distributed to respondents who were approached using non-probability sampling (convenience sampling technique) and all 384 questionnaires were completed and returned.

With respect to the reliability and validity of the instrument Table No. 3 illustrated that the entire instrument was reliable and acceptable with Cronbach's Alpha value 0.936 and valid items are identified from a wide review of relevant literatures.

Regarding to the respondent's level of agreement with the predictor variables, five variables were considered and the respondents strongly agreed with all the four variables namely brand awareness have the higher rating scale (Mean = 3.60, SD = 0.584), followed by brand resonance (Mean = 3.71 with SD 0.542), perceived quality (Mean = 3.75 with SD = 0.528), brand association (Mean = 3.86 with SD = 0.426), and brand image (Mean = 3.99 with SD = 0.379). Besides, the respondents strongly agreed on the dependent variable which is consumer bank preference (Mean = 3.92 with SD = 0.531).

The results of correlation analysis indicate that all predictor variables are found to have positive and significant correlation with the dependent variable i.e. consumer bank preference at 99 percent confidence interval ( $P < 0.01$ ). The most correlated dimension with consumer bank preference among the predictor variables is brand awareness ( $r = 0.766$ , very strong positive correlation) followed by perceived quality ( $r = 0.736$ , strong positive correlation), brand resonance ( $r = 0.675$ , moderate positive correlation), brand association ( $r = 0.637$ , moderate positive correlation) and brand image ( $r = 0.434$ , moderate positive correlation). Accordingly, it can be concluded that all the five predictor variables have significant and positive relationship with consumer bank preference.

### **5.1.1. Summary based on specific objectives**

The multiple linear regressions result of the five predictor variables reveal that the study was conducted at 95% confidence interval i.e. P value less than or equal to 5%. The result indicates that the model is significant 0.05 significance level. The multiple R is 0.804, R square 0.646 and adjusted R square 0.642 which indicates 64.2% of variation in the dependent variable (consumer bank preference) is attributed to the five predictor variables. In this case 64.2% variance on consumer bank preference is attributed to the five predictor variables. The rest 35.8% variance can be caused by other factors which are not included in this research. Regarding the relative effect of the independent variables on consumer bank preference,  $\beta$  value was used to identify the relative importance of predictor variables in affecting consumer bank preference. Standardized beta value for brand awareness was  $\beta = 0.431$ . This indicates that, brand awareness is the dominant predictor to influence consumer bank preference. Perceived quality also had strong degree of positive influence in determining consumer bank preference since its beta value was the second highest with  $\beta = 0.287$ , brand association had  $\beta$  value of 0.114 and it has positive influence on consumer preference. The remaining predictor variable i.e. brand resonance and brand image has no significant effect on consumer bank preference. Therefore, the finding revealed that, brand awareness was the most powerful predictor in influencing consumer bank preference in Zemen bank.

The major findings of the study are summarized as follows:

**H1<sub>0</sub>:** Brand associations have no significant impact on consumer bank preference towards Zemen Bank. (Rejected)

**H1<sub>a</sub>:** Brand associations have significant positive impact on consumer bank preference towards Zemen Bank. (Accepted)

**H2<sub>0</sub>:** Brand awareness have no significant impact on consumer bank preference towards Zemen Bank. (Rejected)

**H2<sub>a</sub>:** Brand awareness have significant positive impact on consumer bank preference towards Zemen Bank. (Accepted)

**H3<sub>0</sub>:** Perceived quality have no significant impact on consumer bank preference towards Zemen Bank. (Rejected)

**H3<sub>a</sub>:** Perceived quality have significant positive impact on consumer bank preference towards Zemen Bank.

**H4<sub>0</sub>:** Brand resonance have no significant impact on consumer bank preference towards Zemen Bank. (Accepted)

**H4<sub>a</sub>:** Brand resonance have significant positive impact on consumer bank preference towards Zemen Bank. (Rejected)

**H5<sub>0</sub>:** Brand image have no significant impact on consumer bank preference towards Zemen Bank. (Accepted)

**H5<sub>a</sub>:** Brand image have significant positive impact on consumer bank preference towards Zemen Bank. (Rejected)

## **5.2. Conclusions**

The study investigated the effect of brand equity on the side of consumer bank preference of Zemen bank. Accordingly, a five-dimensional instrument comprising of the brand equity dimensions has been used for the study. The data obtained from the respondent was analyzed using both descriptive and inferential statistics and based on the findings, the researcher concluded in the following way:

Based on the results of the descriptive statistics, the following conclusions are made:

- ✓ Customers of Zemen bank have high level of perception for brand awareness followed by perceived quality, brand association, brand resonance and brand image.

Inferential statistics were made using correlation and multiple regression analysis and the findings are concluded as follows:

- ✓ Brand awareness has a positive and significant relationship with consumer bank preference
- ✓ Brand awareness has a positive and significant effect on consumer bank preference
- ✓ Perceived quality has a positive and significant relationship with consumer bank preference
- ✓ Perceived quality has a positive and significant effect on consumer bank preference
- ✓ Brand association has a positive and significant relationship with consumer bank preference
- ✓ Brand association has positive and significant effect on consumer bank preference
- ✓ Brand resonance has a positive and significant relationship with consumer bank preference
- ✓ Brand resonance has no significant effect consumer bank preference
- ✓ Brand image has a positive and significant relationship with consumer bank preference
- ✓ Brand image has no significant effect consumer bank preference
- ✓ 64.2% variance on consumer bank preference is attributed to the five predictor variables.

As far as the relative effects of predictor variables on consumer bank preference is concerned, brand awareness is the most dominant dimension in determining the variation in consumer bank preference followed by perceived quality and brand association.

### 5.3. Recommendation

Grounded on the conclusions drawn, the following recommendations are suggested for Zemen bank to help improve branding strategies in order to increase consumer preference.

- ✓ **Focus on strengthening positive brand associations and awareness:** Brand associations and awareness are the key factors influencing consumer bank preference, the study suggests these have a strong positive impact on consumer preference. Zemen Bank should continue efforts to build positive associations with their brand through marketing

campaigns, customer service experiences, and social responsibility initiatives. The bank should also ensure their brand is visible and easily recognizable to potential customers.

- ✓ **Maintain high perceived quality:** Perceived quality is another key factor influencing consumer bank preference. Zemen Bank should strive to deliver high-quality products and services consistently. This could involve investing in staff training, ensuring efficient processes, and offering innovative solutions that meet customer needs.
- ✓ **Investigate brand resonance and image:** While the study didn't find a statistically significant impact of brand resonance or image on preference, it might be worth further investigation. Zemen Bank could conduct additional research to understand how consumers perceive their brand and identify areas for improvement. This could involve surveys, focus groups, or social media analysis.

Based on the findings, out of the five variables, Brand Associations, Brand Awareness and Perceived Quality have positive and significant effect on consumer preference. Therefore, priorities toward these important variables are expected from Zemen bank.

### **5.3.1. The possible task for each important variables includes:**

From the five dimensions brand association has the highest effect on consumer bank preference. Therefore, Zemen bank should give more attention to this dimension in order to be preferred by customers.

Here's a breakdown of possible tasks for each variable based on the study's results:

#### **1. Brand Associations (H1a): Strengthen Positive Associations**

- ✓ Conduct market research to understand existing brand associations.
- ✓ Develop marketing campaigns that highlight positive associations and create new ones (e.g., reliability, innovation, customer focus).

#### **2. Brand Awareness (H2a): Increase Visibility and Recognition**

- ✓ Analyze current brand awareness levels through surveys or market research.
- ✓ Implement strategies to increase brand visibility across relevant channels (e.g., advertising, social media, sponsorships).

#### **3. Perceived Quality (H3a): Maintain and Improve Service Delivery**

- ✓ Regularly monitor customer satisfaction through surveys and feedback channels.

- ✓ Invest in staff training and process improvement initiatives to ensure consistent high-quality service.

#### **4. Brand Resonance (H4a): Investigate Deeper Customer Connection**

- ✓ Conduct in-depth research (e.g., focus groups) to understand how consumers emotionally connect with the brand.
- ✓ Based on research findings, develop strategies to create a stronger emotional connection with customers (e.g., brand storytelling, community engagement).

#### **5. Brand Image (H5a): Refine Brand Image for Better Perception**

- ✓ Analyze customer perception of the brand image through surveys or social media sentiment analysis.
- ✓ Based on the analysis, identify areas where the brand image needs improvement and develop strategies to refine it (e.g., visual identity, messaging).

We have to remember that, even though **H4a** (Brand Resonance) and **H5a** (Brand Image) weren't statistically significant, it doesn't mean they are unimportant. Investigating them can provide valuable insights for future brand development.

### **5.4. Future research direction**

This study emphasized the significance of Brand equity on consumer bank preference of Zemen bank in 6 branches located in Addis Ababa city.  $R^2$  which is the coefficient of determination was 64.6% which means that the independent variables account for 64.6% of the variation in consumer bank preference. Therefore, Future research is recommended to identify other variables that can affect consumer bank preference

Here are a couple of future research directions based on the initial study:

#### **1. Segmenting the Customer Base:**

- ✓ The current study likely looked at the overall customer base of Zemen Bank at Addis Ababa.
- ✓ Future research could involve segmenting the customers based on demographics (age, income), financial needs (retail vs. corporate), or banking behavior (digital vs. branch usage).
- ✓ This segmentation would allow researchers to see if the impact of factors like brand association or perceived quality varies across different customer segments.

- ✓ Tailoring marketing strategies and service offerings based on these variations could be highly effective.

## **2. The Role of Social Media and financial technology:**

- ✓ The initial study likely focused on traditional factors influencing brand preference.
- ✓ Future research could explore the growing impact of social media and financial technology on consumer banking behavior.
- ✓ This could involve investigating how social media influences brand perception and how financial technology offerings like mobile banking apps affect customer preferences.
- ✓ Understanding these factors would allow Zemen Bank to adapt its strategies to the evolving digital landscape.

## **3. Longitudinal Study:**

- ✓ The current study likely captured a snapshot in time.
- ✓ A longitudinal study would track the same group of customers over a period of time, allowing researchers to see how brand associations, awareness, and other factors evolve and influence long-term preference.
- ✓ This could provide valuable insights into building brand loyalty and customer retention strategies.

These are just a few potential directions for future research. By continuing to explore the factors influencing consumer bank preference, Zemen Bank can gain a deeper understanding of their customer base and develop strategies to stay competitive in the ever-changing financial landscape.

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## APPENDIX I



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY!

Addis Ababa University  
አዲስ አበባ ዩኒቨርሲቲ



### **ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE DEPARTMENT OF MARKETING MANAGEMENT MA PROGRAM IN MARKETING MANAGEMENT QUESTIONNAIRE TO BE FILLED BY CUSTOMERS OF ZEMEN BANK**

Dear Respondent, my name is Abraham Getachew Abshir I am currently conducting a research study for my MA degree on Marketing Management at Addis Ababa University, School of Commerce. The purpose of this study is to investigate “The Effect of Brand equity on Consumers Bank Preference: The Case of Zemen Bank Addis Ababa City Banking Center Customers”. Your participation in this study is crucial to its success.

The questionnaire should take approximately 10-15 minutes to complete. Please answer each question to the best of your ability. Your responses will be kept confidential and will only be used for the purposes of this research study.

I kindly request that you provide truthful and complete information. Your honest responses will help us gain valuable insights into the “Effect of Brand equity on Consumers bank Preference”.

You can contact me through +251931330629 and/or [abrahamabshir@gmail.com](mailto:abrahamabshir@gmail.com)

Thank you for your time and willingness to participate in this important research. Your contributions are greatly appreciated.

#### **N.B**

- You don't have to write your name,
- Fill each parts of the questionnaire with honesty and attention,
- Choose your appropriate answer from the alternatives given
- Please tick your answer with (√)



5.	Compared to other banks in Addis Ababa, I have a good understanding of what Zemen Bank stands for.					
<b>S. No</b>	<b>Brand Association</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
6.	Zemen Bank is associated with positive qualities like reliability, trustworthiness, and security.					
7.	Zemen Bank is perceived as innovative and modern in its approach to banking.					
8.	Zemen Bank evokes feelings of pride and community amongst Ethiopians.					
9.	Using Zemen Bank's services makes me feel confident and assured about my financial decisions.					
10.	When compared to other banks, Zemen Bank's brand offers unique and differentiating experiences.					
<b>S. No</b>	<b>Perceived Quality</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
11.	I am satisfied with the quality of service I receive at Zemen Bank Addis Ababa Banking Center.					
12.	Zemen Bank's banking products and services meet my expectations for performance and functionality.					
13.	I believe Zemen Bank invests in maintaining its facilities and technology to offer a good banking experience.					
14.	Zemen Bank staff are helpful, knowledgeable, and professional in their interactions with customers.					
15.	Compared to other banks in Addis Ababa, I perceive Zemen Bank's overall service quality as superior.					
<b>S. No</b>	<b>Brand Resonance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
16.	I feel emotionally connected to Zemen Bank and its values.					
17.	I identify with the message and story Zemen Bank communicates through its brand.					
18.	Choosing Zemen Bank makes me feel like I am supporting a responsible and ethical company.					
19.	I am proud to be associated with Zemen Bank and recommend it to others.					
20.	If given the choice, I would actively prefer Zemen Bank over other banks for my banking needs.					
<b>S. No</b>	<b>Brand Image</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

21.	Zemen Bank has a positive reputation in the Addis Ababa community.					
22.	Zemen Bank is perceived as a leader in the Ethiopian banking industry.					
23.	Zemen Bank's public image reflects stability, growth, and success.					
24.	Media coverage about Zemen Bank is generally favorable and reinforces its positive image.					
25.	Overall, I consider Zemen Bank to be a prestigious and desirable bank to do business with.					

### **PART THREE: QUESTIONS RELATED WITH CONSUMERS**

#### **PREFERENCE**

<b>S. No</b>	<b>Consumers Bank Preference</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
26.	Zemen Bank is my preferred bank for personal banking.					
27.	I would consider Zemen Bank when choosing a bank for my business banking needs.					
28.	I am more likely to recommend Zemen Bank to my friends and family for their banking needs.					
29.	I am more likely to switch to Zemen Bank from my current bank.					
30.	I am satisfied with the overall quality of service I have received from Zemen Bank.					

**Thank you for your Participation!!!**

## APPENDIX II

### Statistical Outputs

#### 1. Reliability of the instrument

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.936	6

<b>Item-Total Statistics</b>				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Brand Awareness	19.34	5.593	.881	.917
Brand Association	19.13	6.626	.911	.915
Perceived Quality	19.24	6.048	.859	.917
Brand Resonance	19.34	6.261	.861	.917
Brand Image	19.16	7.709	.519	.954
Consumers Bank Preference	19.07	6.086	.880	.914

#### 2. Respondents profile

<b>Age of Respondants</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	21	5.5	5.5	5.5
	26-35	131	34.1	34.1	39.6
	36-45	148	38.5	38.5	78.1
	46-55	72	18.8	18.8	96.9
	Above 55	12	3.1	3.1	100.0
	Total	384	100.0	100.0	

Educational Level					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School	9	2.3	2.3	2.3
	Deploma	49	12.8	12.8	15.1
	BA Degree	262	68.2	68.2	83.3
	Masters and above	64	16.7	16.7	100.0
	Total	384	100.0	100.0	

Monthly Income					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10001-20000	101	26.3	26.3	26.3
	20001-35000	161	41.9	41.9	68.2
	Above 35000	122	31.8	31.8	100.0
	Total	384	100.0	100.0	

### 3. Correlation

Correlations							
		Consumers Bank Preference	Brand Awareness	Brand Association	Perceived Quality	Brand Resonance	Brand Image
Consumers Bank Preference	Pearson Correlation	1	.766**	.637**	.736**	.675**	.434**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	384	384	384	384	384	384
Brand Awareness	Pearson Correlation	.766**	1	.701**	.780**	.756**	.354**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	384	384	384	384	384	384
Brand Association	Pearson Correlation	.637**	.701**	1	.637**	.754**	.537**
	Sig. (2-tailed)	.000	.000		.000	.000	.000

	N	384	384	384	384	384	384
Perceived Quality	Pearson Correlation	.736**	.780**	.637**	1	.772**	.613**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	384	384	384	384	384	384
Brand Resonance	Pearson Correlation	.675**	.756**	.754**	.772**	1	.458**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	384	384	384	384	384	384
Brand Image	Pearson Correlation	.434**	.354**	.537**	.613**	.458**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	384	384	384	384	384	384

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

#### 4. Multiple regression

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.804 <sup>a</sup>	.646	.642	.318
a. Predictors: (Constant), Brand Image, Brand Awareness, Brand Association, Brand Resonance, Perceived Quality				
b. Dependent Variable: Consumers Bank Preference				

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69.764	5	13.953	138.121	.000 <sup>b</sup>
	Residual	38.185	378	.101		
	Total	107.949	383			
a. Dependent Variable: Consumers Bank Preference						
b. Predictors: (Constant), Brand Image, Brand Awareness, Brand Association, Brand Resonance, Perceived Quality						

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.603	.186		3.251	.001					
	Brand Awareness	.392	.054	.431	7.246	.000	.766	.349	.222	.265	3.778
	Brand Association	.142	.067	.114	2.134	.033	.637	.109	.065	.327	3.056
	Perceived Quality	.288	.066	.287	4.384	.000	.736	.220	.134	.219	4.571
	Brand Resonance	.027	.057	.027	.463	.644	.675	.024	.014	.272	3.680
	Brand Image	.045	.061	.032	.737	.462	.434	.038	.023	.487	2.054

a. Dependent Variable: Consumers Bank Preference