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# **THE ROLE OF CUSTOMER BASED BRAND EQUITY ON CUSTOMER SATISFACTION OF PRIVATE COMMERCIAL BANKS IN ETHIOPIA**

**BY:**

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**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE  
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## **Approval Sheet**

**Addis Ababa University School of Commerce, Graduate Studies**

**Marketing Management Program Unit**

The Role of Customer Based Brand Equity on Customer Satisfaction of Private  
Commercial Banks in Ethiopia.

By: Aklilu Beyene

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## **STATEMENT OF CERTIFICATION**

This is to certify that Aklilu Beyene has successfully completed his research work on the topic of "The Role of Customer Based Brand Equity on Customer Satisfaction of Private Commercial Banks in Ethiopia". This work is entirely original and meets the requirements for submission for the award of a Master's Degree in Marketing Management.

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Advisor: Mesfin Workineh (PhD)

June, 2023

## **DECLARATION**

I, Aklilu Beyene, certify that this research work entitled “The Role of Customer Based Brand Equity of Private Commercial Banks in Ethiopia” has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree. I also certify that the thesis has been written by me and that any help that I have received in doing my research work and in the preparation of the thesis itself has been duly acknowledged. In addition, I certify that all information sources and literatures used are indicated in the reference part of this thesis.

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## **ABBREVIATIONS**

CBE	Commercial Bank of Ethiopia
CBBE	Customer Based Brand Equity
EPRDF	Ethiopian People's Revolutionary Democratic Front
FDRE	Federal Democratic Republic of Ethiopia
NBE	National Bank of Ethiopia
SPSS	Statistical Package for Social Studies
UNECA	United Nations Economic Commission for Africa

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## **ABSTRACT**

*The purpose of the study is to determine the relationship between the dimensions of customer based brand equity and customer satisfaction. Customer based brand equity have five dimensions: brand awareness, brand association, brand loyalty, perceived quality, and other proprietary assets. The first four are directly related to customer. Thus, the fifth dimension of other proprietary asset is not included as explanatory factor. Accordingly, the explanatory variables are brand awareness, brand association, perceived quality, brand loyalty, and overall brand equity and their impact on customer satisfaction as dependent variable. The study examined which dimensions has strong influence on customer satisfaction in private commercial banks in Ethiopia. Data is gathered using structured questionnaire, from four selected private commercial banks operating in Ethiopia. The data is analyzed using SPSS. The correlational results showed the presence of positive and significant correlation between the independent variables and the dependent variable. Brand loyalty, perceived quality, and overall brand equity are found having significant and positive impact on the satisfaction of customers of private commercial banks in Ethiopia than brand awareness and brand association. The study recommends that as the current banking sector has high level of competitions, brand equity has high impact on customers' satisfaction. This implies Powerful brands provide long-term security and growth, higher sustainable profits, and increased asset value of private banks. Thus, private commercial banks should focus more on brand loyalty, perceived quality and overall brand equity to enhance customer satisfaction and thereby endure future flow of income and increase profitability and shareholders' value. The study is expected to contribute in the formation and implementation of customer based brand equity policy and procedure that can increase customer satisfaction to the private banking industry. Further research works can also be done with reference to this research work.*

**Key Words:** *Customer based brand equity, brand association, brand loyalty, brand awareness, perceived quality, and customer satisfaction*

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

Companies have realized that the brand associated with their products is the most valued asset. Brands serve as means of product identification, legal protection, signal of quality, association of product with customers, source of competitive advantage and guarantee of future flow of income. To customers, brand is able to simplify customers' decision making, reduce risk, assign the product to producer, reduce search cost, indicate quality, promise value and serve as symbolic device. The ever-increasing companies and stiff competition compel the focus of management to create strong brand, and maintain and enhance the brand value over time. According to the American Marketing Association, a brand is any name, phrase, sign, symbol, or design, alone or in combination, that is used to identify and set one seller's or a group of sellers' products apart from those of rivals. (Keller, 2003). Actually, brand comprises awareness, reputation, prominence and so on created in the market that adds value to the company. The marketing activities of creating brand and placing the brand in the mind of customers properly so they organize their knowledge about the product and simplify their decision making which in turn provide value to the company is called branding. Brand equity offers a common framework for understanding marketing tactics, evaluating the worth of a brand, and manifesting and exploiting the brand value to the company's advantage. Various approaches are developed to study brand equity. Viewing brand equity from the perspective of customers has great significance since customers hold the power of the brand in their thoughts as a result of their experience and knowledge through time.

Stiff competition that is witnessed in the banking sector requires banks to work on branding and brand equity to live the competition and increase value to their shareholders. Brand is a term coined from the word- 'blander' literally means 'to put initial on to identify and differentiate' and it is defined as a name and/or symbol (such as logo, trademark or slogan) intended to identify goods and services of one seller and to differentiate it from goods and services of others. (Keller, 2003). Brand is valued when customers have positive attitude towards its offering. Customers' thoughts, feelings, images, beliefs, attitudes, and experiences are what give a brand

its power. Any brand strategy and activity aims to guarantee clients' favorable attitudes toward its brand in comparison to rival brands. According to Ferhana and Islam (2012), the process of developing a positive brand can be accomplished via a marketing strategy known as the Customer Based Brand Equity Model.

The marketing activities and results that help a product or service become associated with its brand are referred to as brand equity. According to research reports, "the majority of multinational corporations in the world are focusing on brand equity in their marketing strategy." (Mehabaw, 2021). The increasing competition and expansion of business of today's World forced management to work on brand equity in their marketing activities. Brand equity and its brand value apply to goods including intangible services.

According to Keller (2003), Customer Based Brand Equity (CBBE) is a subject which marketers should broaden their understanding to apply in financial service marketing too and this will enhance customer satisfaction among others. However, despite the fact that the service sector accounts for 39.6% of the GDP and that the financial sector plays a significant role in it, little research has been done on the impact of CBBE on customer satisfaction in the Ethiopian banking industry. (National Bank of Ethiopia, 2020–2021 Annual Report). As seen from the data, the banking industry plays a crucial role in the overall economic development. Therefore, it is imperative to explore into the relationship between CBBE and customer satisfaction within the private commercial banks of Ethiopia.

## **1.2. Background of the Banking Industry**

The founding of the Bank of Abyssinia in 1906 signaled the start of modern banking in Ethiopia after the Anglo-Egyptian National Bank and the Ethiopian government negotiated a concession deal for 50 years. The Société Nationale d'Ethiopie pour le Developpement de l' Agriculture et du Commerce was founded in 1908 as a new development bank. It is the first bank owned entirely by Ethiopia. (Mauri, 2003). The Bank of Abyssinia was later repurchased by the Ethiopian government in 1931, and it was reorganized as the Bank of Ethiopia. Bank of Ethiopia and other financial institutions were shut down during the Italian occupation of Ethiopia, whereas Italian banks were open. (Mauri, 2003). The State Bank of Ethiopia was formed by the Ethiopian government in 1943 when the Italian Occupation ended. It served as both a commercial bank and a regulatory agency. There were also started up other privately owned

banks. The State Bank of Ethiopia was given the essential responsibilities of the central bank, including the ability to issue money, maintain the nation's foreign reserves, and serve as the government's fiscal agent in addition to its regular commercial banking functions. (Mauri, 2003). A new proclamation that reformed the State Bank of Ethiopia was passed in 1963. As a result, it was divided into two entities: Commercial Bank of Ethiopia, which is responsible for conducting commercial banking operations, and the National Bank of Ethiopia, which is in charge of acting as the country's central bank. (Mauri, 2003).

However, the nationalization of privately held financial institutions, including as banks, insurance firms, and other non-bank financial organizations, came after the revolution of 1974. The Agricultural and Industrial Development Bank (which offers specialized services targeted to agriculture and development), the Housing and Saving Bank (later renamed as Construction and Business Bank), the Ethiopian Insurance Corporation, and the Commercial Bank of Ethiopia made up the country's financial sector between 1974 and 1991. (Mauri, 2003). Construction and Business Bank was acquired by the CBE on April 1, 2016, and they amalgamated. (Demsachew, 2017).

The command economy of the Derg regime during 1974 – 1991, which was state dominated financial sector was a major constraint to economic growth of Ethiopia. (Demsachew, 2017). In 1991, a new government under the leadership of EPRDF took power. Then, in order to rejuvenate the economy a number of policy reforms were taken including those target to the financial sector. A financial sector reform and liberalization was taken as per Banking and Monetary Proclamation of 1994. Consequently, new private banks, insurance companies, and micro-finance institutions established in the form of Share Company. This was done with the aim of that the private sector role in economic development and growth is equally important to that of the public roles. Additionally, the Commercial Bank of Ethiopia, Agricultural and Industrial Development Bank (now known as Development Bank of Ethiopia), and Housing and Saving Bank (later renamed Construction and Business Bank) were reorganized by the government and continue as government-owned banks. The National Bank of Ethiopia was also once again designated by the new Banking and Monetary Proclamation as a regulatory body, bank of the government, and overseer of the financial sector. (Bezabeh and Desta, 1994). Bezabeh and Desta claim that the primary goals of these banking sector changes were to expand customer access to financial services, boost productivity, and promote competition.

Proclamation No. 84/1994 which witnessed the explosion of domestic private banks was repealed and replaced by Proclamation No. 592/2008 in order to further enhance the role of private domestic banks, improve efficiency of the payment and settlement system, properly manage the financial system and enhance macroeconomic stability and strengthen the licensing and supervision of banking business role of NBE. (Proclamation 592/2008). At present, there are 30 banks with a total of 8,944 branches. (Biritu, August, 2022). The increase in number of private banks and their branch expansion fortified competition among banks and pledge efficiency and promote their role to the development of the economy.

### **1.3. Statement of The Problem**

The banking industry is on fast and rapid change reflected by stiff competition among banks, increased expectation of customers, and strong regulations. These factors make it difficult for banks, especially those in developing nations, to preserve customer-based brand equity. (Suleiman, 2013). Many businesses are engaging to blossom in the present market due to the intense competition. Those whose goods and services have withstood fierce rivalry are those who have a competitive edge over rivals. Banks are concentrated in major cities of the nation. This added to the size banks operating which are more than 30 amplifies the prevalence of stiff competition. Strong brand equity of the goods and services offered by their businesses can help them get this competitive edge, which is essential to their ability to survive in the market.

Any firm that sells products or provides services has to have a strong brand because it tells customers about the quality of those products and helps set those products and services apart from those of competitors. (Kumar and Prasad, 2012). Because the products are similar and harder for clients to identify between, branding is particularly important in the banking industry. (Sileshi, 2015).

“Building brands that cater to customers' fundamental needs can result in strong brand equity.” as stated by Larry, 2001. The homogeneity of banking products requires banks to formulate their branding strategy properly because it leads to customer satisfaction and loyalty and enhance strong brand equity.

A firm can greatly enhance its long-term and sustainable relationship with customers through customer satisfaction. Satisfied customers are more likely to recommend a company to others, which can lead to new customer acquisition and further business growth. Additionally, a satisfied

customer is less likely to switch to a competitor, reducing the risk of losing valuable market share. (Oliver, 1980). Customer satisfaction plays a crucial role in customer retention and profitability. Furthermore, customer satisfaction serves as a foundation for establishing a positive brand image. Numerous studies have been conducted to explore customer satisfaction, primarily focusing on the internal operations of banks. However, this study seeks to delve deeper into the influence of customer perceptions on brand equity and its various dimensions, which directly impact customers.

To achieve their objectives and attain growth, banks are greatly invested in expanding their branches and implementing marketing strategies to mobilize deposits. (Adem, 2015). However, it appears they are disregarding the crucial aspects of customer satisfaction and loyalty programs, aligned with customer based brand equity, which are vital for building long-term relationship with their customers.

There has been little research done on brand equity. There hasn't been a lot of Ethiopian empirical investigation into this literature; most of the focus has been conceptual or theoretical in nature. According to Sileshi (2015), brand equity's function in brand strategy has not been clearly taken into account. This study is necessary since there aren't many reliable studies or studies that focus on private commercial banks in Ethiopia, which is a research gap. While banks employ various branding techniques, and service quality measures, the banking industry offers uniform products and services. In order to determine the effect of brand awareness, brand loyalty, brand association, perceived quality, and overall brand equity on customer satisfaction in some chosen private commercial banks in Ethiopia, the study was done.

In addition, despite the fact that the service sector accounts for 39.6% of the GDP and that the financial sector plays a significant role in the economy, little research has been done on the impact of CBBE on customer satisfaction in the Ethiopian banking industry. (National Bank of Ethiopia, 2020–2021 Annual Report). This research study investigates this significant discrepancy and potential connections between CBBE and customer satisfaction in Ethiopian commercial banks.

#### **1.4. Research Questions**

The study has formulated the following questions based on the problem statement in order to obtain a clear understanding and accurate response regarding the application of customer-based

brand equity to achieve customer satisfaction in the context of Ethiopia's private banking industry:

#### **1.4.1. Main Research Question**

1. What is the effect of customer based brand equity on customer satisfaction of customers of private banks in Ethiopia?

#### **1.4.2. Sub Research Question**

1. What is the effect of brand awareness on customer satisfaction of customers of private banks in Ethiopia?
2. What is the effect of brand association on customer satisfaction of customers of private banks in Ethiopia?
3. What is the effect of perceived quality on customer satisfaction of customers of private banks in Ethiopia?
4. What is the effect of brand loyalty on customer satisfaction of customers of private banks in Ethiopia?
5. What is the effect of overall brand equity on customer satisfaction of customers of private banks in Ethiopia?

### **1.5. Objectives of the Study**

The overall and specific goals of the study are as follows:

#### **1.5.1 General Objective of the Study**

The study's overarching goal is to assess the customer-based brand equity on customer satisfaction with Ethiopian private commercial banks.

#### **1.5.2. Specific Objectives of the Study**

- To examine the impact of brand awareness on customer satisfaction of customers of private commercial banks in Ethiopia
- To determine the influence of brand association on the satisfaction of customers of private commercial banks in Ethiopia.
- To examine the impact of perceived quality on the satisfaction of customers of private commercial banks in Ethiopia.

- To analyses the effect of brand loyalty on customers' satisfaction of private commercial banks in Ethiopia.
- To examine the impact of overall brand equity on the satisfaction of customers of private commercial banks in Ethiopia.

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

As noted in the background of the study, banks are being challenged by stiff competition and increased demand of potential and existing customers on their way to satisfy customer and retain existing customers and attract new ones. The research examined customer based brand equity in the private banking sector of Ethiopia to explore any relationship between dimensions of customer based brand equity and customer satisfaction. Thus, the findings of the research is useful both to practical and academic use to reflect on the effect of customer based brand equity. It showcased how private commercial banks satisfy their customers through customer based brand equity which have great impact on the profitability of banks and to play their role in the growth of the economy significantly. This paper can also be used for future research as reference and to develop marketing strategy in banks in the field of customer based brand equity.

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

There are one public owned-CBE and twenty nine privately owned commercial banks operating in Ethiopia according to National Bank of Ethiopia. Total deposit liabilities of the banking system reached 1.5 trillion at the end of 2021/22 fiscal year. (NBE Report 2021/22). Out of the total deposit commercial banks mobilized, CBE accounts for 57.3 per cent share of deposit and the remaining 42.7 per cent of total deposit is mobilized by private commercial banks. The total loans and advances of the banking system reached at 1.1 trillion at the end of 2021/22 fiscal year. (NBE Report 2021/22). The CBE's portfolio of loans and advances covers 64.8 per cent of the industry total loans and advances. The private commercial banks sum up the remaining 35.2 per cent of the total loans and advances.

In other measure, CBE profits above the combined profits of all private banks. (NBE Report 2021/22). These data showed that CBE is giant. Thus, CBE is not included in the study.

Addis Ababa is the capital of Ethiopia and it is the largest city and it's administrative, communications, and major trade centre. (Gulema, 2013). As per World Population Review, the

population of Addis Ababa is estimated at more than 8.9 million. In addition, Addis Ababa is dubbed the ‘Political Capital of Africa’ for its historical, diplomatic and political significance for Africa as it serves as the administrative center for both the African Union and the UN Economic Commission for Africa (UNECA). (Amedie, 2014). Addis Ababa is the seat of the central bank and banks are head quartered in it. Addis Ababa is home to 25% of the urban population in Ethiopia and it is the growth engine for the nation that the city alone contributes 50% towards the national Gross Domestic Product/ GDP. (World Bank Group, 2015). The study also indicates that the city has high human development index. (World Bank Group, 2015). Thus, the study found better representative sample group of the population from Addis Ababa. Accordingly, the study is limited to the city of Addis Ababa.

Customers of some selected Addis Ababa-based private commercial banks make up the research's target demographic. In light of branch expansion and client base, Bank of Abyssinia, Dashen Bank, Hibret Bank, and Awash Bank were selected. More, these banks are among the six peer group referred as the first generation of private commercial banks established post 1991 liberalization. (Gulema, 2013). Thus, customers of other banks are not included in the study. Even, customers of those selected private commercial banks outside of Addis Ababa are not encompassed in the study. Among these peer groups as per the below table, the selected four commercial banks are at the top in terms of number of depositors and branch expansion. Therefore, the research study selected these four private commercial banks to find better representative sample.

<b>Bank Name</b>	<b>No. of Depositors</b>	<b>No. of Branches</b>
Awash Bank	7,882,785.00	725
BOA	7,521,897.00	748
Dashen Bank	3,921,684.00	652
Hibret Bank	2,852,485.00	575
NIB Bank	2,327,216.00	415
Wegagen Bank	2,198,216.00	437

## **Table 1: Sample Selection**

Source: Own Computation using Microsoft Excel as per data from NBE report 2022 and annual reports of banks 2021/2022

The study's scope is restricted to evaluating the effects of customer-based brand equity and its four dimensions/ explanatory factors—brand awareness, brand association, brand loyalty, and perceived quality, plus overall brand equity—on Ethiopian private commercial banks' customers' satisfaction; as dependent variable. In order to test the potential effects of customer-based brand equity on customer satisfaction, the research applied Shoaib Tahir, Dr. Faisal Aftab, and Rab Nawaz Lodhi (2014) adopted model of Aaker's model of customer-based brand equity with added enhancement. (2014). The research is confined to private commercial banks in Ethiopia and other wings of the financial industry like insurance companies and also micro-finance institutions are not covered in the study. Thus, the results of the research cannot be comprehended to the whole financial industry other than private commercial banks.

### **1.8. Limitation of the Study**

The study's main objective was to determine how certain Ethiopian private commercial banks' customer-based brand equity aspects affected customer satisfaction. Shoaib Tahir, Dr. Faisal Aftab, and Rab Nawaz Lodhi (2014) used adoption of Aaker's customer-based brand equity approach for this aim. The study's conclusions cannot apply to other areas of the financial industry because it only looks at private commercial banks in Ethiopia.

### **1.9. Definition of Terms**

- **Brand:** A brand can be a name, word, sign, symbol, design, or a mix of these things that is used to distinguish and set one seller's products apart from those of rivals. (Keller, 2003).
- **Brand equity:** Brand equity is the value that consumers identify with a company or product as a result of previous brand marketing activities and customer experiences. (Clifton et al, 2003). It explains why marketing branded goods or services produces different results than marketing non-branded goods or services. (Keller, 2013). Brand awareness, brand association, brand loyalty, perceived quality, and other proprietary assets are the elements of brand equity. While the first four are directly linked to learning,

feelings, information and other experience of customers; other proprietary asset is engagement of marketing team and management to strongly position the brand in market and consumer mind. Thus, it is not directly linked to customer satisfaction.

- **Brand awareness** refers to how strongly the brand is put in the minds of consumers so that they retrieve the brand under different conditions. (Clifton et al, 2003). Brand awareness is about brand recognition and brand recall. When provided the brand as a cue, customers can infer prior exposure to the product or service. (Keller, 2003). Consumers' capacity to recall a brand when presented with a product category is known as brand recall. (Keller, 2013).
- **Brand association:** Brand association is made up of all memories associated with a brand, including thoughts, feelings, perceptions, pictures, experiences, beliefs, and attitudes. (Kotler and Keller, 2006). It is a base for purchase decisions and a link in the mind. (Clifton et al, 2003).
- **Brand loyalty:** The fundamental component of brand equity, measured by the degree of consumer commitment to a brand, is brand loyalty. (Aaker, 1991). It is the end result of years of product experience and marketing actions that are difficult to duplicate. (Keller, 2004).
- **Perceived quality-** Perceived quality refers to consumers' opinions about a brand's superior quality and their willingness to pay a higher price. (Keller, 2004).
- **Other proprietary assets** are patent, trade mark, channel and trade partnerships which offer the company competitive advantage in the market. (Keller, 2004).
- **Customer based brand equity** -The distinction between the impact brand awareness has on consumer reactions to a brand's marketing is known as "customer based brand equity." (Keller, 2013). Customer-based brand equity is an approach to brand equity that is based on the customer's experience with the brand in the past. It is what customers have on their minds and in their hearts. Customers' opinions of a product's quality are subjective, thus they are willing to pay a higher price. (Clifton et al, 2003).
- **Customer satisfaction:** Customer satisfaction measures how well a product or service meets a customer's wants and expectations. When customers compare their assessment of the performance of the actual product or service with their expectations, and product meets expectation, they experience customer satisfaction. (Oliver, 1980). Customer

satisfaction is determined by comparing the post-purchase behavior of the customer with his or her pre-formed expectations for the good or service. Customer satisfaction is defined as the reaction of the consumer to the assessment of the apparent discrepancy between expectations and the ultimate outcome following consumption. (Tse & Wilton, 1988).

### **1.10. Organization of the Study**

There are five chapters in the study. Introduction, review of pertinent literature, research methods, findings and discussion, conclusion and recommendation make up the chapters.

First chapter started with an introduction which begin with briefing on brand and continue on history of banking in Ethiopia and discusses the current stiff competition among banks, increased customer demand and more regulations. In order to win the competition, brand building become important to satisfy customers. Then, in the statement of the problem gap in current literature was identified and research question followed. From the research question, objective of the study was constructed. The chapter is closed with discussion on the significance, scope and limitation of the study and definition of terms.

The theoretical study of brand and what customer-based brand equity entails was expanded upon in the second chapter. The empirical review came next, and the conceptual framework came after that. Finally, the study advanced a conceptual framework-based hypothesis.

The third chapter, which is devoted to the study's methodology, discusses the research design, sample method, data gathering method, and data analysis method chosen.

The fourth chapter focuses on data analysis, explains key discoveries, and tests the hypothesis that was put out. Based on the findings of chapter four, chapter five summarized, concluded, and offered recommendations.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1. Theoretical Review**

##### **2.1.1 Brand**

People have practiced branding since earliest times. (Clifton et al, 2003). They used to mark or paint initial of the first letter of their name to identify and associate ownership. (Keller, 2004). Farmers would have marked their name on the skin of their cattle to differentiate them from others. Craftsmen imprinted their symbol on their goods as a means of identification of their works. Artists put their initial on their paintings as a means of identification of their art works. This brand marking provides protection to producers and conveys quality information to buyers. Through time marketers stressed the power of branding for identification and differentiation of their products. Thus, marketers begun to apply branding in their marketing activities. (Keller, 2004).

If this business were to split up, John Stuart, who served as Chief Executive Officer (CEO) of the Quarter Oats Company from 1922 to 1953 and maintains a strong global brand in food products, once said, "If this business were to split up, I would give you the land and brick and mortar, and I would take the brand, and I would fare better than you." (Yohannes, 2006). His quote underscores the fact that brands are strong assets that need to be built and handled carefully. According to Jack Greenberg, a former CEO of McDonald's, if every asset, facility, and piece of equipment we own were destroyed in a severe natural disaster, we would be able to borrow all the money to replace it very quickly due to the value of our brand. The value of the brand exceeds the sum of all these assets. (Clifton et al, 2003). Greenberg emphasized that financiers can give you equity financing taking into account the quality of your brand.

The value of a brand and the significance of brand building are highlighted in these quotations. Important tangible assets include land and buildings. Brands are precious assets as well. Therefore, effective brand management guarantees a future cash stream. (Patricia, 2001). Brand is mentioned several times. Name, logo, symbol, identity, and a trade mark make up a brand. The term "brand" also includes all verbal and written characteristics that represent what a company

stands for. (Prasad and Dev, 2000). The brand adds value to the product, giving it individuality, whereas the name serves only to identify the thing.

A brand is typically defined by the American Marketing Association as "a products or services add dimensions that differentiate in some ways from other products and services designed to satisfy the same needs." (Keller, 2004). These distinctions could be physical or abstract, practical or irrational, or, in other words, more symbolic or emotive of what the brand represents.

Keller and Lehman define brand as "the highest-valued intangible assets that a company can have". (2006). Customers are benefited from brands in many ways as brand identify the product's source, assign responsibility to producer of product, reduce search cost, provide a promise of value, signify excellence and provide symbolic attachment. (Keller, 2004). If organizations are able to consistently deliver the quality of the brand promise, they are guaranteed of financial benefits. Thus, brands are consistent income generators for the organization. The marketing strategy of the organization considers its brands as valuable assets and implements brand strategy to point out as sources of differentiation. Brands are important as they enable customers differentiate the product from other competing products and influence customer's preference and choice.

To a customer, brands assist the customer simplify their buying decision, the information processing of products, and make consumers confident of their buying decision. It is also become clear and vigorous that the brand is an important asset to the company, so managers give focus on the creation of brand equity. Well-conceived and effectively managed brands confirm organizations favorable reputations and staff confidence, and also of buyers and of users. (Patricia, 2000)

### **2.1.2. Service Brand**

A product brand revolves around visible factors, including its core functions and quality. Services are non-physical items offered to the market. Service offering is intangible. In service offering, employee images and professionalism, and service environment plays significant role. These attributes are subjective unlike goods quality assessment. Thus, customers face more difficulty to evaluate service brand in advance of purchase decision. Service brand plays critical roles to customers that it reduces the risk of buying decision, enhance confidence and trust of

customers. Intangibility, inseparability and perishability are the basic features of services that raise the importance of branding to services than physical goods. (Kapferes, 2004). Intangibility is lack of physical appearance. The offering cannot be seen, tasted, felt, heard or smelled before the decision of buying. Because of inseparability of service from the staff that provides the service, consumers purchase a service at the time they want to consume. It is difficult to separate the service from those who provide it. Perishability feature states that service cannot be stored for future use. Branding thus plays a specific role in service businesses because powerful brands boost consumers' faith in the invisible, allowing them to better visualize and grasp the intangible and lowering customers' perceived risk in the areas of money, society, and safety. (Qasempour et al, 2013). Because of the characteristics of service brand, service brands use slogan. Slogan refers to a short catchy phrase that companies use in addition to the brand to make the brand stick in consumers' minds. Slogans establish company's connections with customers and protect the brand identity.

Slogans to the brand are expressions that the customer grasp the concept of the brand and intensify everything that makes the brand different. (Clifton et al, 2003). Therefore, transacting in a bank is all about contact between customer and staff. It is the staff and the environment that convey the brand. Thus, service brand is real time experience, contact of staff and value derived at the time that can satisfy customer needs.

Banking business shares the characteristics of services. Banks should apprehend that the brand is more important asset. Brand demands proper management unlike tangible assets. Thus, brand building in banks necessitates a holistic measure involving all staff. It encompasses service process efficiency and effectiveness, company's culture and working environment and also personality. Strong brands enable customers to better visualize and understand the intangible side of services. (Qasempour et al, 2013).

### **2.1.3. Brand Equity**

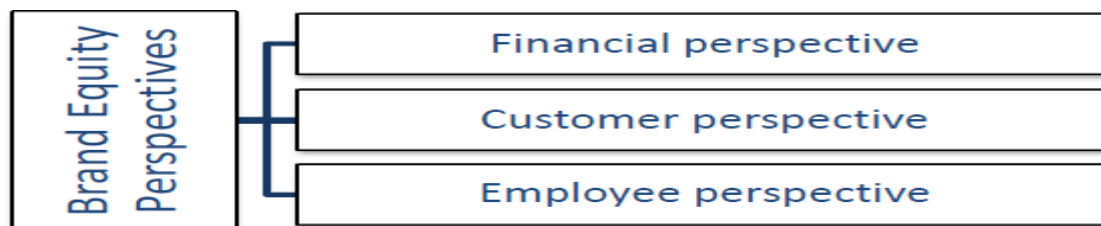
There are several definitions of brand equity in literature, but David Aaker's term is the most often used. He defined "brand equity" as a group of assets and liabilities connected to a brand, its name, and its symbol that increase or decrease the value offered by the good or service to a firm's client. (Aaker, 1991). For a more practical definition, see Simon and Sullivan's (1993) statement

that "brand equity is found when a firm's book value is subtracted from the brand value, meaning it is the extra value added to the company due to its brand."

Academics have promoted three main and diverse views for studying brand equity: the financial-based approach, the employee-based approach, and the customer-based approach. The first viewpoint on brand equity is from the standpoint of the financial market, where the asset worth of the brand is valued and customer-based brand equity is used to gauge how customers react to the brand. (Fayrene & Lee, 2011). The employee viewpoint is used in the third perspective to examine brand equity. As a result, earlier research on brand equity has tended to concentrate more on the viewpoint of the customer.

Additionally, Keller describes brand equity as the difference between how brand understanding affects consumer reactions to a brand's marketing.

As shown below, there are three alternative ways to assess brand equity. (Farjam and Hongyi, 2015).



**Figure 1: Brand Equity Perspectives**

Source: (Farjam and Hongyi, 2015)

*Financial Perspectives (Financial based brand equity):* This idea exclusively considers brand equity from a financial standpoint. It provides managers with direction to comprehend brand enhancement. (Sanaz et al, 2015). Therefore, according to Farjam and Hongyi (2015), "brand equity is the incremental cost flows that accrue to branded products above and beyond the cash flows that would result from the sale of unbranded products." When a brand is sold or included in the balance sheet, its financial based brand equity is the separable assets of the brand.

Calculating a brand's financial worth is undoubtedly helpful, but it does not assist marketers in comprehending the process of creating brand equity. (Sanaz et al, 2015).

*Customer perspective (Customer based brand equity):* This strategy is the main viewpoint and subject of this study. Investors, producers, and retailers have little reason to care about a brand if it has no significance or value for the consumer. (Sanaz et al 2015). When a consumer is familiar with a brand and has positive, strong, and distinctive brand associations in their memory, there is customer-based brand equity. (Keller, 1993).

*Employee perspective (Employee based brand equity):* Both brand equity based on employees and brand equity based on customers derive its worth from the brand's inherent qualities. (Sanaz et al, 2015). Employee-based brand equity is the difference between how employees react to their work environment and culture depending on the brand. (Sanaz et al, 2015).

#### **2.1.4. Customer Based Brand Equity**

Customer-based brand equity demonstrates the strength of the consumer's perception of the brand and how it affects the brand's success. The brand is said to have positive brand equity if consumers have favorable thoughts, feelings, and impressions of it. Positive customer-based brand equity has a number of benefits, including long-term revenues, the willingness of customers to seek out new channels of distribution, the ability to command higher pricing, and the efficiency of marketing communications. (Keller, 2004).

#### **2.1.5 Measuring Customer Based Brand Equity**

According to De Chernatony et al (2006), there are various financial and non-financial measures to evaluate brand equity. These are direct and indirect approaches to measure brand equity. (Agarwal et al, 1996). The direct approach assesses the benefit of the brand. (Keller, 1993). The indirect approaches are to evaluate and identify the sources of the brand equity. Target repurchase rates, switching costs, level of significance, brand performance, and perceived quality across a range of goods and services are all part of Aaker's framework for measuring brand equity.(1991). Similar to this, according to Keller (1993), some of the indicators of brand equity include accurate top-of-mind memory, free association, ratings of evaluations, and belief of

associations. The way brand equity is calculated reveals how valuable a brand is. The discussion of several customer-based brand equity models follows.

### **I. Customer Based Brand Equity – Aaker’s Model**

In order to create strong brand equity, Aaker created reasonable endorsements that explain how customer-based brand equity is organized and how to employ various aspects. (Clifton et al, 2003). The five components of customer-based brand equity were defined by Aaker (1991). These include perceived quality, brand awareness, brand association, brand loyalty, and other proprietary brand assets.

The first four brand equity categories are representative of customers’ perceptions and reactions to the brand. The fifth one represents that ‘other proprietary brand assets’ are trademark, patent, and channel relationships. (Aaker, 1991). Thus, the fifth category is intricately linked to the activities of marketing management of the firm. However, it should be noted that other proprietary brand assets are not considered explanatory factors for customer satisfaction.

The following are the components of customer-based brand equity that are discussed:

#### ***Brand Awareness***

The starting point of brand knowledge is brand awareness. It is about how the brand is known to customers and their ability to identify the brand under different conditions. (Aaker, 1991). That is how easily the brand name comes to the minds of customers.

Brand recall and brand recognition make up brand awareness. (Kotler and Keller, 2006). Customers' capacity to identify a brand when provided a hint about it based on prior knowledge and experiences is referred to as brand recognition. Brand recall is the ability of consumers to recall a given brand from a specific product category on their own. Customers are aided in their decision-making by brand awareness.

#### ***Brand Association***

Purchase decisions and brand loyalty are based on brand associations. (Aaker, 1991) According to Kotler and Keller (2006), "Brand association consists of all brand related thoughts, feelings, perceptions, images, experiences, beliefs, and attitudes." Brand association is a connection

between a brand and memory. Product association and organizational association are the two categories of brand associations.

(A) *Product Association*: Product associations pertaining to both functional and non-functional product characteristics. Keller asserts that a product's functional properties are its salient characteristics. (1993). Brand equity will be poor if the brand is not performing the role for which it was created. Performance is often used to describe how a customer feels about a brand. Non-functional traits, which include trustworthiness, perceived value, differentiation, and place of origin of the brand, are symbolic qualities that are intangible aspects that offer value to consumers in the form of social approval, personal expression, or self-esteem. (Keller, 1993).

(B) *Organizational Association*: Company production expertise and corporate social responsibility associations are related to organizational associations. The question of whether a brand contributes to society is central to the concept of corporate social responsibility. Customers take into account the organization—the people, beliefs, and initiatives that support the brand—according to Aaker (1991).

### ***Brand Loyalty***

It is the fundamental component of brand equity. The definition of brand equity is the igniting of phrases. (Aaker, 1991). There are two different levels of loyalty. Buying a product repeatedly or pledging to do so indicates customer behavior in the market that is known as behavioral loyalty. (Keller, 1998). Cognitive loyalty is when a consumer prioritizes a particular brand when making a buying decision. (Keller, 1998) The highest level of awareness, known as cognitive loyalty, occurs when a customer recalls a brand first. A brand should consequently be able to win the respondents' cognitive loyalty and become their top choice, leading to repeat purchases. (Behavioral commitment). (Keller, 1998).

### ***Perceived Quality***

Customers' perceptions of a product's perfection, which differ from objective quality, are referred to as perceived quality. The technical, measurable, and verifiable aspects of the product, process, and quality control are what constitute objective quality. Customers employ quality traits they

connect with the brand because it is difficult for them to accurately judge the objective quality. The buyer's subjective appraisal of the goods is known as perceived quality. (Keller, 2013). The two categories of intrinsic and extrinsic qualities are where perceived quality falls. The physical characteristics of a product's color, flavor, form, and appearance are referred to as its intrinsic properties. Extrinsic attributes, on the other hand, have to do with the product's name, quality seal, cost, location, packaging, and information about the goods. Brand equity has a favorable relationship with perceived quality. (Yoo et al, 2000).

## **II. Customer Based Brand Equity – Keller's Model**

The introduction of the ideas of customer-based brand equity and brand hierarchy is mostly credited to Kevin Keller. (Clifton et al, 2003). Brand equity, according to him, is "the effect of brand knowledge on consumer response to the marketing of a brand, with effect occurring when the brand is known and when the customer has favorable, strong, and unique brand associations." (Keller, 2004). Brand salience, brand performances, brand images, brand feelings, brand judgments, and brand relationships are the six components of the Keller model.

Then, they are sectioned in a pyramid of four levels moving from bottom to top. (Clifton et al, 2003).

The initial phase has to do with brand identity. As a gauge of brand awareness, it leverages brand salience. It mostly focuses on describing who you are. Brand identity reacts to how consumers view the brand. (Clifton et al, 2003). For ensuring the customer is aware of the brand against which the product competes is crucial to the process of developing brand awareness. (Keller, 2004). In order to create a powerful brand, the first phase discusses brand identity because this brand salience is necessary. Brand association and recurring purchases are represented by brand salience. Need satisfaction and category identification make up brand salience. Thus, it must be laid strong to support the rest of the pyramid.

The establishment of brand meaning, which is divided into brand performance and brand imagination, comes next. Product functionality, dependability, durability, pricing, customer service, and satisfaction are all aspects of brand performance (rational). (Clifton et al, 2003). The emotional brand image satisfies the social and psychological needs of the consumer. (Keller,

2004). To define what you are giving is to define your brand. To discover the brand's significance, consider the features, fashion, dependability, durability, customer experience, and value for money. Customers' perceptions of the brand are positively impacted as a result. (Keller, 2004).

The third step, brand response, concerns judgments and assessments of the brand based on brand associations and brand meaning. (Clifton et al, 2003). This level of the pyramid deals with consumer perceptions of brands. Finding out how consumers feel about a brand is the goal. These assessments take into account supremacy, creditability, and quality. Customers' emotional responses and reactions to a brand are known as brand feelings. Keller (2004) asserts that there are six different types of sentiments, including self-respect, security, warmth, joy, and excitement.

The top stage in the pyramid is brand resonance (a solid connection). Customers and the brand develop a strong, active engagement as a result of the brand relationship. (Keller, 2004). Brand resonance is the most advanced stage of brand development. Strong customer relationships with brands are referred to as brand resonance. A brand-loyal customer believes the brand to be superior, doesn't purchase any other brands, and extols its virtues to others. (Clifton et al,2003). Behavioral loyalty, attitudinal attachment, a sense of belonging, and active participation are the four components of brand resonance. (Keller, 2004). The order of the branding ladder makes it apparent that the bottom level must be completed before moving on to the next level. (Keller, 2004).

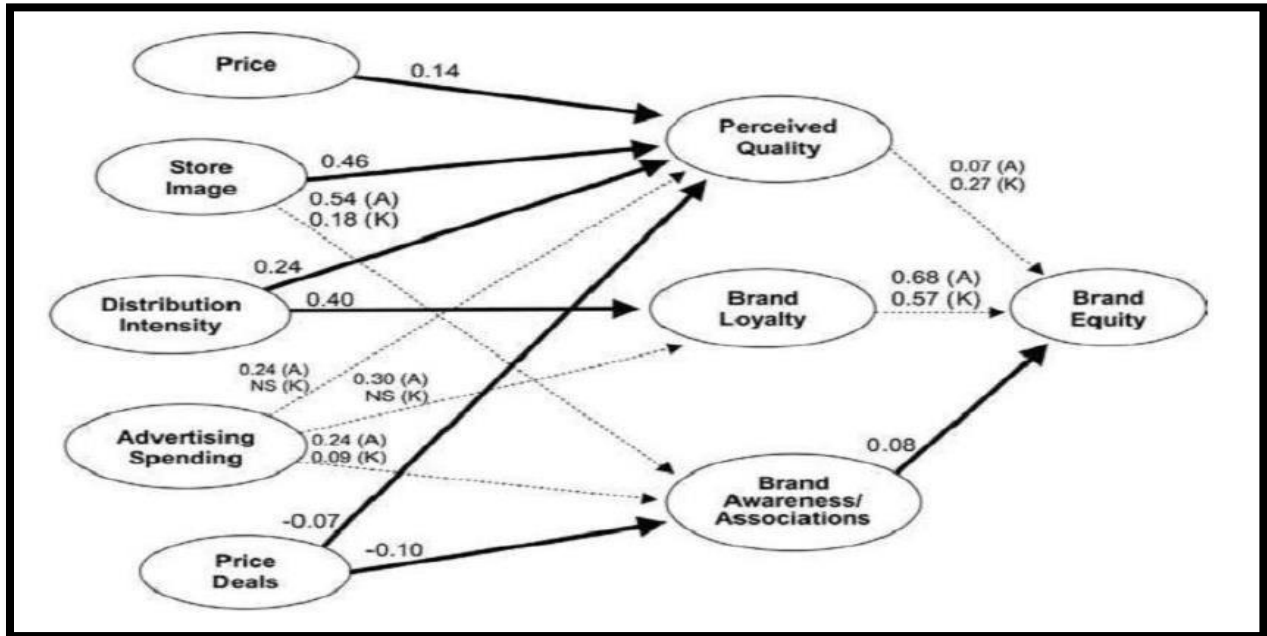


**Figure 2: Keller's model for measuring Customer-Based Brand Equity**

Source: Keller, 2001

### **III. Customer Based Brand Equity – Yoo and Donthu Model**

The structural model of brand equity generation developed by Yoo et al. (2001) consists of three parts: traditional marketing mix, brand equity dimensions (i.e. perceived quality, brand loyalty, and brand awareness/associations), plus overall brand equity. As a result, the company's marketing management activities are divided into two categories: those that help establish brands and those that hurt them. Thus, brand equity is included as a separate construct between the dimensions of brand equity and the value of the client and the company, expanding Aaker's model. The focus is on brand awareness/associations, perceived quality, and brand loyalty because brand awareness and brand associations are merged into one group. How the brand is viewed by the company's customers affects the maintenance of high brand equity and customer preference.



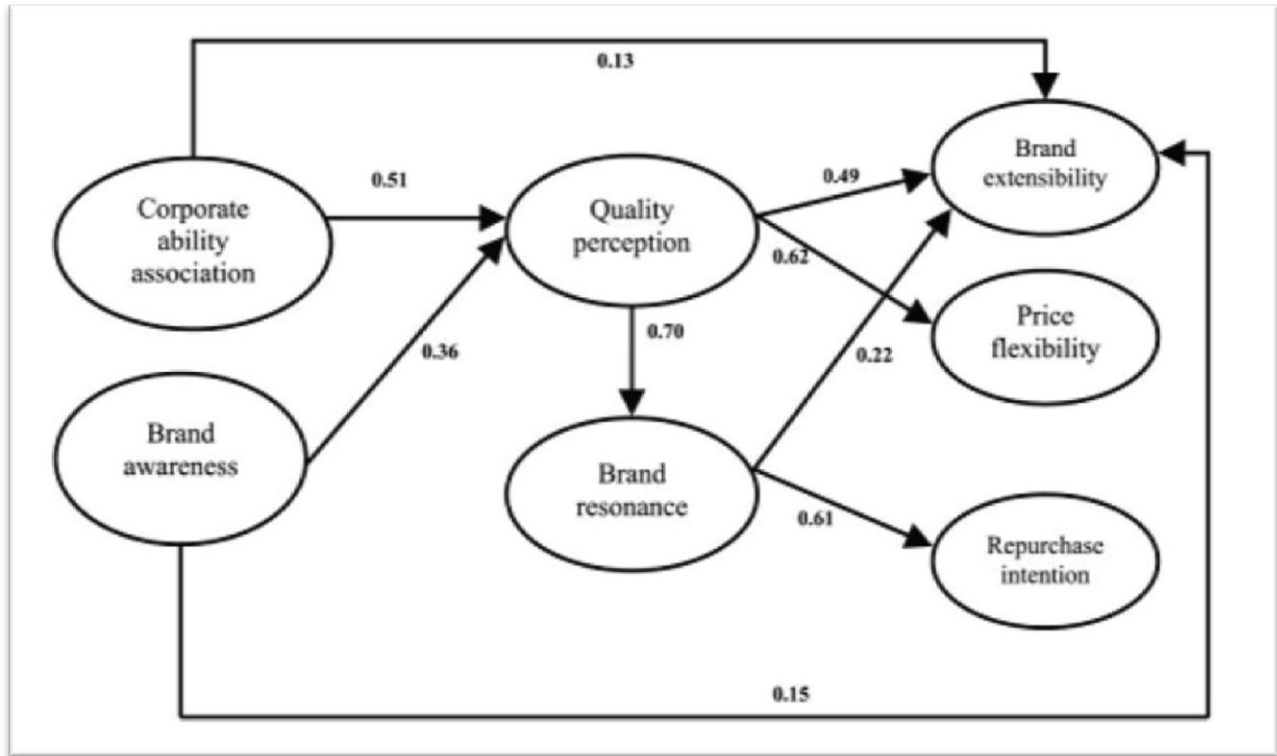
**Figure 3: Yoo and Donthu customer based brand equity model**

Source: Yoo et al (2001)

#### IV. Company Ability Association/ CAA Customer-Based Brand Equity Model

According to Wang.H et al. (2003), worldwide corporations are becoming more interested in brand creation and brand valuation, but global marketers frequently overlook corporate ability association (CAA), one of the most important aspects of brand construction. They stand in for the model's attempt to investigate the structural connections between CAA, consumer-based brand equity indicators, and the outcomes of its product and market. They built a brand equity model that combines customer-based brand equity with product-market result approaches using the theoretical foundation of brand equity provided by Aaker and Keller. The conclusion of their study shows that CAA is crucial for creating and maintaining brand equity. A collection of scales is created and put to the test on a national sample of 20 consumer brands in China. Brand resonance, brand extensibility, and price flexibility are all positively impacted by CAA and brand awareness on quality perception. Brand extensibility and the propensity to repurchase are positively impacted by brand resonance. Additionally, they contended that brand equity is a culturally market-based asset for international marketers operating in China and that in order to

benefit from the significant competitive and economic advantages that brand equity offers, international businesses must concentrate on developing corporate ability associations in China.



**Figure 4: CAA brand equity model**

Source: Wang.H et al (2003)

#### The Model Chosen

The researcher used Shoaib Tahir, Dr. Faisal Aftab, and Rab Nawaz Lodhi's (2014) adaptation of Aaker's (1991) model of customer-based brand equity with enhancement. It appears that Aaker was the first to put up the useful methodology for evaluating brand equity, particularly from the viewpoint of the customer. (Maryam, 2012). Brand to have value to manufacturers and retailers, first the brand should have value to customers. Aaker's model focuses on recognition, how well the brand is known by customers and in what way. (Clifton et al, 2003). To retain business and the brand, customers must be treated in a long-term well-nurtured relationship. The study's topic, "The Role of Customer Based Brand Equity of Private Commercial Banks in Ethiopia," is

directly tied to the model because it shows customer impressions of a brand. Without customer perception, a brand has no value, hence the customer always comes first. (Maryam, 2012). The corporate and academic communities will definitely be significantly impacted by the approach. (Clifton et al, 2003). The marketing viewpoint on brand equity can assist marketers in comprehending the brand in customers' perceptions and in creating powerful marketing campaigns to strengthen the brand. (Yohannes, 2016). This model can also be applied across markets and products. Aaker's model is more suitable for business to consumer or mass produced products that requires business like private commercial banks in Ethiopia to stand out from many competitors. (Clifton et al, 2003).

## **2.2. Empirical Review**

Branding is a consistent developmental and maintenance activity. The purpose of this study was to enhance customer satisfaction. According to Keller (1993), customers loyalty lies not in products, but with brands. We find several studies on customer-based brand equity that focus on different products. To mention some of them, Abad et al (2012) undertook a study of customer based-brand equity focusing on the banking sector in Iran to identify the impact of customer based brand equity in financial sector on brand perception using Aaker's model of customer based brand equity. The study revealed that perceived quality, brand awareness, brand association and brand loyalty are influential criteria for brand equity that enhance the perception of brand equity in the financial sector. He identified that among the dimensions of brand equity, brand association is powerful.

Hussien (2012) studied customer based brand equity in the Iranian chocolate industry using Aaker's model of customer based brand equity in order to identify factors influencing brand equity building and measure the relationship among the dimensions of customer based brand equity. Accordingly, the research discovered a direct correlation between two aspects of brand equity, brand loyalty and brand image, and the brand equity of chocolate products in Iran. The other brand equity factors have a negligible and indirect effect on Iran's chocolate sector.

Another article (Tang and Hawley, 2008) undertook study focusing on sportswear in China, which measured customer based brand equity through the application of Aaker's model of customer based brand equity and investigate the relationship among the four dimensions of brand equity and overall brand equity. Thus, the research brought forward that brand association and

brand loyalty are influential dimensions of brand equity in sportswear market in China. And, perceived quality and brand awareness dimensions of brand equity have weak support in sportswear in china. So, the study recommends managers and marketers should focus their effort on building brand loyalty and image.

Another article argued that service building is relatively neglected than goods branding. (Cerri, 2001). Nine banks which represent 98 per cent of the banking sector in Albania covered in the study. Brand equity is an important concept in service branding. The study was undertaken with goal of measuring brand equity in the service of banking sector. The banking sector employs hundreds of employees and plays important role in the economy of Albania. The study deployed seven measures of service brand equity that are brand recall, brand familiarity, quality of brand name, likelihood of changing service provider, number of brand associations and uniqueness of the brand. The article concluded that banks with higher market share have higher customer based brand equity.

In the context of Commercial Bank Ethiopia, Sileshi (2015) investigated the impact of service quality on customer-based brand equity aspects. The study looked at how brand equity characteristics related to service quality parameters. The study is conducted with 384 respondents from a range of Commercial Bank of Ethiopia clients. The outcome showed that CBE's ability to set itself apart from its rivals through service excellence. Therefore, applying its service quality dimensions well helps to enhance its brand equity.

Furthermore, another study was made to examine the brand equity and resonance of banking service in Bangladesh using Keller's model of CBBE. The research is made by Nadia Farhana and Shohana Islam in 2012. Using a structured questionnaire, 300 sample respondents were asked to analyze their views. The findings suggest that brand feeling and the brand being the choice of customers (brand judgment) leads to strong customers' association with a brand. Brand recognition and brand recall are found to contribute not significantly in creating strong brand association in Bangladesh.

The majority of the literatures cited above examined the relationship between brand loyalty and service quality. Perceived quality is a crucial component of the customer-based brand equity concept, albeit not being the only one. Therefore, the purpose of this study is to examine the potential impact that customer-based brand equity may have on client satisfaction in Ethiopian

commercial banks. The study investigates the connection between brand equity metrics based on customer satisfaction and brand equity.

*Perceived Quality:* This refers to the consumer's judgment of the overall excellence or superiority of a service or in other words the brand's image. (Qasempour et al, 2013). Perceived quality differentiates the brand of one seller from that of others. It is an important dimension that drives financial performance through the premium price that customers are willing to pay. (Klopper, 2011)

Hypothesis 1: Perceived quality has significance and positive impact on customer satisfaction of private commercial banks in Ethiopia.

*Brand Awareness:* Brand awareness refers to a buyer's ability to recognize or recall a brand as a member of a certain product. (Qasempour et al, 2013). Brand recall and recognition are two representatives of brand awareness. (Keller, 2003). Brand recognition is the customers' ability to pick the brand when a cue is given, and brand recall is picking out the brand without cues. Consumers' brand awareness is likely to be high when they perceive the brand's quality to be high. (Qasempour et al, 2013).

Hypothesis 2: Brand awareness has significant and positive impact on customer satisfaction of private commercial banks in Ethiopia.

*Brand Association:* It is widely accepted dimension of brand equity. Brand associations construct purchase decisions and brand loyalty. (Aaker, 1991). According to Keller and Kotler (2006) brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attributes and memory linkages to the brand constitute brand associations. Chen (2001) identified product and organizational associations as two types of brand association.

Hypothesis 3: Brand associations have significant and positive impact on customer satisfaction of private commercial banks in Ethiopia.

*Brand Loyalty:* It is defined as the attachment that customer has to a brand. (Aaker, 1991). Brand loyalty is considered a repeated purchasing behavior under conditions of strong sensitivity. (Qasempour et al, 2013). Brand equity stems from the greater confidence that consumers place in a brand than in its competitor. This confidence translates into consumer loyalty and willingness to pay a premium price for the brand. (Qasempour et al, 2013). For the firm, brand loyalty secures

future demand and for other firms, it creates entry barriers to the market. Manufacturing and product designs may easily be duplicated but lasting impressions in the minds of individuals and organizations from years of marketing activity and product experience cannot be easily reproduced. (Keller, 2004). Loyalty begins when customers become aware of a product. (Qasempour et al, 2013).

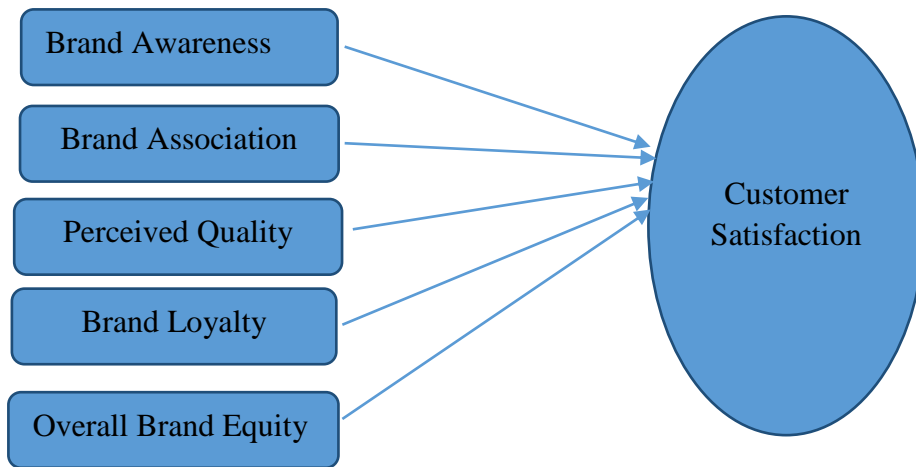
Hypothesis 4: Brand loyalty has significant and positive impact on customer satisfaction of private commercial banks in Ethiopia.

Overall brand equity, in our context refers to brand awareness, brand association, perceived quality, and brand loyalty and their holistic impact on the satisfaction of customers.

Hypothesis 4: Overall brand equity has significant and positive impact on customer satisfaction of private commercial banks in Ethiopia.

### **2.3. Conceptual Framework**

There are both direct and indirect approaches to measuring customer-based brand equity. (Keller, 1993). Sources of brand equity were identified using indirect approaches. Customers' responses to a firm's marketing program were identified using direct approaches. The performance of a brand in the marketplace is measured by customers' brand perceptions. According to Kim and Kim (2004), strong and positive customer-based brand equity plays a significant role in a firm's financial performance. The first four dimensions of brand equity represent customers' evaluations and reactions to the brand. (Yoo et al, 2001). Thus, brand awareness, brand associations, brand loyalty, and perceived quality are widely adopted measures of brand equity. Therefore, strong brand equity results in strong brand awareness, favorable brand image, perceptions of the brand's high quality and loyal customers. This study employed Aaker's (1991) model of customer-based brand equity as adopted by Shoaib Tahir, Dr. Faisal Aftab, and Rab Nawaz Lodhi (2014) with enhancement. Accordingly, in the conceptual framework depicted below, the independent variables are perceived quality, brand associations, brand awareness, brand loyalty, and overall brand equity whereas customer satisfaction is the dependent variable.



**Figure 5: Conceptual framework of the study**

Source: Aaker's model of CBBE (1991) as adopted from Shoaib Tahir, Dr. Faisal Aftab, and Rab Nawaz Lodhi (2014) and self enhancement

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

The researcher discusses how the research should be conducted in this chapter. The concept of how research should be conducted is referred to as research methodology. (Saunders et al, 2016). The research approach, research design, data sources and types, sample and sampling process, data collection, and method of analysis are all included in the methodology.

#### **3.1. Research Philosophy**

The research philosophy deals with the development of research assumption, its knowledge and nature. (Saunders et al, 2016). The research obtained its point from assumption; it is the preliminary statement of reasoning. Research philosophy is scientific methods that relates to the development of knowledge and the nature of that knowledge. The research philosophy is distinguished into four sects; positivist research philosophy, interpretivist research philosophy, pragmatist research philosophy, and realistic research philosophy. (Sanders et al, 2016).

Positivist research philosophy is a method of research into the social world in an objective way, in which the researcher should exclude his personal values and work independently. Positivist research philosophy employs empirical methods and the observation is repeatable. (Saunders et al, 2016). Positivist research philosophy deals through quantitative approach to investigate the problem that describe and explore the social world in a qualitative perspective. In opposite to this, the interpretivist research philosophy obtains interpretation of the social world in a subjective manner. The researcher's personal views are incorporated to the research. The researcher becomes part of the research and produces qualitative results. (Saunders et al, 2016).

Positivist research philosophy is a research philosophy in which the researcher is 'free' to choose the method, techniques and procedures that can address the research objectives and problem. Pragmatist research philosophy argues that something is true only if it works practical. (Saunders et al, 2016). Realistic research philosophy combines positivist and interpretivist research philosophies based on assumptions necessary for subjective nature of human. Realistic research philosophy represents things as they really are. It describe that there is an external reality and our description of it is separate from the reality. (Saunders et al, 2016).

In this research, positivist research philosophy is followed.

### **3.2. Research Approach**

Research approach is referred to as a blue print of the research that constitutes all about the research that is collection, measurement and analysis of data. (Khotari, 2004). Saunders et al. (2016) classified research approach as exploratory, descriptive and explanatory. Exploratory research is a research approach that is done to have insight and understanding into the problem situation. Descriptive research is researched to describe the state of nature. On the other hand, explanatory research is a research method that describes and explains why and how something occurs with availability of limited information. Therefore, to address the research questions, examine the impact of customer based brand equity on customer satisfaction in private commercial banks in Ethiopia, the study follows both descriptive and explanatory research approaches.

The main thing in research is whether the researcher applies qualitative, quantitative or mixed method of research design.

### **3.3. Research Design**

“Research design is a framework for the collection and analysis of data.”(Saunders et al, 2016) In order to address the research problem that is the relationship between brand equity and customer satisfaction in private commercial banks in Ethiopia, the research designed the cross-sectional survey method. “Survey is the method of obtaining standardized data concerning phenomena under study from sample of the population.” (Kothari, 2005). Survey is usually associated with a deductive research approach and it tends to be used for explanatory and descriptive research. (Saunders et al., 2016). A Cross-sectional survey measures independent and dependent variables using questionnaire. A questionnaire is technique of data collection in which each person is asked to respond the same set of questions in a pre-set order.

### **3.4. Data Type and Sources**

The study acquired data from primary and secondary sources. Secondary data include numeric and non-numeric data that have been collected and processed for other purpose than the problem under consideration and these data are analyzed and tabulated as related to the current study.

(Saunders et al., 2016). Primary data are first-hand data collected and which are raw in nature that needs to be analyzed.

In this research, primary data is obtained through questionnaire. The questionnaire is designed to have the same wording and in the same order to the participants of the research. Books, journal, articles, magazine, annual reports and publications are sources of secondary data to the research.

### **3.5. Population of the Study**

Target populations of the research are customers of Bank of Abyssinia, Dashen Bank, Hibret Bank and Awash Bank in Addis Ababa. Both male and female are population of the study.

Customers of Bank of Abyssinia, Dashen Bank, Hibret Bank and Awash Bank who approach branches of those banks for any banking services during the study period and those who are willing to participate are included in the study. And, the research did not include those who are not customers of Bank of Abyssinia, Dashen Bank, Hibret Bank and Awash Bank.

### **3.6. Sampling Procedures**

A non-probability sampling technique- judgment sampling is applied to select participants of the research. Because there is no formal sampling frame and to find better result under small budget and time constraints, judgment sampling is applied. (Farhana& Islam, 2012). Thus, five branches from each of the four banks: Bank of Abyssinia, Hibret Bank, Dashen Bank and Awash Bank are selected by judgment sampling method that are considered to represent the population.

Addis Ababa is chosen because it is the largest city with inhabitants of more than 8.9 million as per the estimates of World Population Record. More it is the political and economic hub of Ethiopia, where it is the seat of the central bank; NBE and headquarters of banks. Thus, a heterogeneous sample with better representation of the population can be found from different demographics in Addis Ababa.

The necessity for an effective way of figuring out the sample size required to be representative of a given community has arisen due to the continuously growing demand for research. (Morgan & Krejcie, 1970). This is necessary in order to be able to confidently generalize the findings to that population.

Confidence level is the probability that the findings are correct with specified tolerance level. When the researcher is not sure on the level of confidence, the authors recommend to use 95% the results are correct. (Krejcie & Morgan, 1970). A 100% confidence level is achieved if the entire population is surveyed and everyone responds. Confidence level indicates how much error is tolerable. (Krejcie and Morgan, 1970).

The population size refers to the whole population that the study includes. This is the overall population to whom the researcher is to extrapolate the findings. (Morgan and Krejcie, 1970).

Sample size is a measure of the population that is determined by the size of the population and the researcher's chosen level of confidence. The survey must be completed by this many respondents for the results to be accurate and within the previously established tolerance level. (Morgan and Krejcie, 1970).

The sample size for this research study was determined to be 384 based on a 95% confidence level, a 5% margin of error, and the definitions and reference table for sample size supplied by Krejcie and Morgan (1970). With a population of 300,000,000, this sample size represents the largest sample size for the specified confidence level and marginal error.

As the population of this study is unknown and we know for fact that the entire Ethiopian population is estimated to be one hundred twenty million as per World Population Record. Therefore, 384 samples were drawn from customers of the four selected commercial banks residing in Addis Ababa.

$$n = \frac{X^2 * N * P * (1-P)}{(ME^2 * (N-1)) + (X^2 * P * (1-P))}$$

Where :

n = sample size

X<sup>2</sup> = Chi – square for the specified confidence level at 1 degree of freedom

N = Population Size

P = population proportion (.50 in this table)

ME = desired Margin of Error (expressed as a proportion)

**Figure 6: Sample Determination**

Source: sample size determinant formula proposed by Krejcie & Morgan, 1970

This work used proportionate stratified sampling, which is a stratified sampling procedure in which the number of elements sampled from each stratum is proportional to their representation in the total population. Stratified random sampling suggests the assignment of samples from each stratum should be proportional to a certain criteria (typically the stratum's representation in the total population). According to NBE report statistics, the proportion is calculated based on the number of depositors as of 2022.

Stratified random sampling suggests that the assignment of samples from each stratum is proportional to certain criteria. The four selected private commercial banks are privately owned peer group that give them similarity. Thus, proportionate stratified random sampling is followed. Accordingly, sample size from each of the four selected commercial banks is selected based on the number of depositors as per data found from NBE, 2021/2022 report. The following table computes the size of the sample from each stratum.

<b>Sample Bank</b>	<b>No. of Deposit Accounts</b>	<b>Proportional Target Sample Size</b>	<b>Total No. of Sample Size</b>
Bank of Abyssinia	7,521,897	130	130
Dashen Bank	3,921,684	68	198
Hibret Bank	2,852,485	49	247
Awash Bank	7,882,765	137	384

**Table2: Sample Breakdown**

Source: Own Computation using Microsoft Excel as per data from NBE report 2022

### **3.7. Data Gathering Instruments**

The primary method of data collecting is the questionnaire. Data from respondents are gathered using a structured questionnaire in order to confirm or refute the hypothesis. The questionnaire is created in both English and Amharic. The information is directly obtained on the spot from the sample respondents. The questionnaire were created using the five-point Likert scale questions (I entirely disagree, I disagree, I neither agree nor disagree, I agree, and I definitely agree). Additionally, the scales feature a point system of one to five.

Three sections make up the questionnaire. The study's goal and confidentiality were explained to the respondents in the first section. The second section included client profiles. (i.e., age, gender, profession, income level, and education level). The final section addresses issues with gauging brand equity based on customer satisfaction.

### **3.8. Data Analysis Technique**

Both descriptive and inferential statistics are used in data analysis. The statistical package for social science (SPSS) is used to analyze the data that was gathered. In summarizing the data, descriptive statistics like frequencies, percentages, means, and standard deviations should be used to display the data.

### **3.9. Reliability and Validity**

#### **3.9.1. Reliability**

The degree of measure that is related to consistency or dependability is called reliability. That is the measuring instrument should result the same every time it is tested.

Cronbach's Alpha is a consistency metric that assesses the degree to which a group of elements are positively connected to one another. It is regarded as a reliable measurement. It measures the reliability/consistency coefficient. The internal consistency of the variables in the research instrument is evaluated using Cronbach's Alpha. A number in the range of 0 and 1 is used to symbolize it. These scales are somewhat dependable and more reliable than .7 if their coefficient of alpha is between 0.6 and 0.7. (Zikmund, 2010).

Accordingly, a measurement procedure's precision and accuracy are related to reliability. A measure called Cronbach's alpha is used to rate the internal consistency or dependability of a collection of items. (Yohannes, 2006). It is commonly used as a gauge of scale dependability. It is widely accepted that a reliability coefficient of 0.7 or above is "acceptable" for research purposes.

<b>Sub scales</b>	<b>Number of items</b>	<b>Cronbach's Alpha</b>
<b>Brand awareness</b>	4	.854
<b>Perceived Quality</b>	6	.856
<b>Brand association</b>	6	.881
<b>Brand loyalty</b>	4	.781
<b>Overall brand equity</b>	2	.887
<b>Customer satisfaction</b>	6	.889
<b>Entire scale</b>	28	.899

**Table 3: Reliability results**

Source: Survey result, SPSS

### **3.9.2. Validity**

According to Kothari (2004), "Validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested." In other words, validity is the main criterion used to determine the extent to which an instrument accurately measures the intended outcome. Validity cannot be quantified because it is mostly determined by judgment and intuition.

### **3.10. Ethical Consideration**

The participants of the research will be well informed of the purpose of the research, the same is briefed in the introductory part of the questionnaire so that to obtain their full-consent. All the information is to be kept with strict confidentiality and the same is dictated in the introductory part of the questionnaire. All these raise the confidence level of respondents. No name of respondents is required.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **4.1. Introduction**

In this chapter of the research, the collected data analyzed and interpreted using SPSS. The chapter consists of the introduction, respondents' demographic characteristics, and the relationship between customer satisfaction and independent variables such as brand awareness, perceived quality, brand association, brand loyalty, and overall brand equity of some selected commercial banks in Ethiopia. Items of the questionnaire regarding measuring the impact of brand dimensions were Likert scale using five points ranging from 1=Strongly Disagree to 5=Strongly Agree. In addition, the demographic descriptions of the respondents were collected.

The Cronbach's coefficient alpha was determined for each questionnaire field as well as the full questionnaire, as shown in the table above. All of the findings, which lie between 0.7 and 0.9, are more than acceptable, according to the values of Cronbach's Alpha. The resultant range is regarded as high because it guarantees the validity of each questionnaire field. Additionally, Cronbach's Alpha for the full survey shows a value of .899, which is good and denotes the survey's overall reliability. The results for the items are therefore trustworthy and acceptable based on the test.

#### **4.2. Sample Response Rates and Missing Data**

The research endeavor chose four private commercial banks in Ethiopia: Bank of Abyssinia, Dashen Bank, Hibret Bank, and Awash Bank in order to achieve an accurate sample and response rates. 384 samples were taken and shared from a pool made up of these banks. 384 standardized questionnaires were duplicated and given to clients of the aforementioned banks in order to accomplish this.

With a thorough consideration, vague words in the questionnaire that may appear technical for respondents were revised to make sure the questionnaires are appropriate for distribution. Then, the questionnaires were circulated to target respondents personally.

From among the 384 questionnaires distributed, 367 questionnaires (95.6%) were found good for analysis but 17 questionnaires were unworkable, invalid response and being unreturned. Seventeen responses (4.4%) were rejected and subsequently uninvolved in the study due to either

incomplete answers or impractical response patterns. These responses were discarded thus they did not negatively impact the study's outcome.

Due to respondents' partial responses to the demographic and fundamental research questions on the distributed questionnaires, 17 responses have been left out of this study's analysis of the data. Responses were also disregarded because of the participants' unpractical response patterns. The SPSS program was then used to conduct additional analysis on the remaining 367 responses, as detailed in the table below.

### 4.3. Demographic Characteristics of Respondents

Customers of some selected private commercial banks were given surveys about brand equity and customer satisfaction. This component of the research work describes the demographics of the respondents, including their age, gender, level of education, and marital status. The frequencies and percentage distributions listed below were used to analyze these replies.

Variables		Frequency	Percentage
Gender	Male	306	83.4%
	Female	61	16.6%
Age	18 - 30	143	39.0%
	31 - 40	192	52.3%
	41 - 50	32	8.7%
	More than 50	0	0.0%
Educational Level	Up to diploma	15	4.1%
	Degree	285	77.7%
	Master	67	18.3%
	PhD	0	0.0%
Marital Status	Single	164	44.7%
	Married	156	42.5%
	Divorced	15	4.1%
	Widowed	32	8.7%
<b>Total</b>		<b>367</b>	<b>100%</b>

*Table 4: demographic characteristics of respondents*

Source: Survey Result, SPSS

In consideration of the gender analysis of the respondents, out of the total sample size of 367, male respondents are identified to count 306, accounting for 83.4% of the total, and the remaining 61 respondents are identified as female, constructing up 16.6% of the total. This indicates a clear majority of male participated in the study.

In terms of the respondents' ages, 52.3% were between the ages of 31 and 40, while 39.0% were between the ages of under 30 and over 18 years old. The remaining 8.7% of people were above 41 to 50 years old. The findings indicate that the majority of respondents were in the 31–40 age range, which corresponds to the demographics of clients at these particular commercial banks.

In terms of educational attainment, more over half of the respondents—77.7%—had degrees, followed by 18.3% of respondents who had master's degrees or higher, and 4.0% of respondents, who had only diplomas. The respondents' educational backgrounds provided evidence that they were well-educated, providing a chance to get precise answers to the study's questions.

Lastly, regarding the marital status of respondents, the largest of the group were single individuals accounting for 44.7% of the total respondents. The next largest group is married individuals comprising of 42.5% of the total respondents. The remaining 8.7% and 4.1% of the total respondents were widowed and divorced, respectively.

#### **4.4. Descriptive Analysis**

In order to show how much the respondents agreed with the implications of the chosen private commercial banks, descriptive statistics in the form of mean and standard deviation were presented in this section. The replies of the respondents were scored on a five point Likert scale with 1 representing highly disagreement, 2 disagreement, 3 neutral, 4 agreement, and 5 strongly agreement for the characteristics listed below. However, in order to make the interpretation of the mean results simple and understandable, the scales were reassigned as follows.

The interval for dividing the range in measuring each variable using a 5-point scale is derived using the formula  $5/5=0.8$ . It denotes that statements with scores in the range of 4.20 to 5.00 are deemed strongly agreed; 3.40 to 4.19 are deemed agreed; 2.60 to 3.39 are deemed neutral; 1.08 to 2.59 are deemed disagree; and 1.00 to 1.79 are deemed extremely disagree.

Data from questionnaires were processed by SPSS program in terms of frequency, mean, and standard deviation (Descriptive statistics).

#### 4.4.1. Brand Awareness

In order to measure the level of brand awareness of customers, the following items were presented for respondents and the following descriptive result found. The results are presented using mean and standard deviation of individual items.

Items	N	Mean	Std. Deviation
Knowing the symbol or logo of this Bank.	367	4.5368	.57558
Recognizing the bank among brands of competing banks.	367	4.5777	.76740
The bank that comes to my mind quickly.	367	4.1826	1.03592
High service quality.	367	4.1063	.65881

**Table 5: Summary of brand awareness**

Source: Survey result, SPSS

According to the results, all of the items fall in the agreement range (mean > 3.39) which includes inquiring the customers whether logo is a design, symbol or text used by an organization on its products, materials, and advertisements. And whether they know the symbol or logo of this Bank (mean = 4.5368, SD = .57558), whether there exist various banks operating in Ethiopia and they can recognize the bank among brands of competing banks (mean = 4.5777, SD = .76740), whether this is the bank that comes to my mind quickly when thinking of banking service. (Mean = 4.1826, SD = 1.03592), whether Service quality is about how much delivery of service by the organization meets your expectation. The service quality of the bank is high. (Mean = 4.1063, SD = .65881).

The above descriptive results clearly imply that the studied customers have high level of brand awareness which can be expressed by the presence of higher knowledge and understanding about logo design, symbol or text used by the bank, differentiation among various banks' brands, as

well as understanding the important identifiers that makes a good brand especially in the banking industry.

#### 4.4.2. Perceived Quality

To quantify the degree of perceived quality with clients, the accompanying things were introduced for respondents and the accompanying clear outcome originated. The outcomes are introduced utilizing mean and standard deviation of individual things.

Items	N	Mean	SD
Attractive and conducive business atmosphere.	367	4.0191	.66708
Service delivery standards and execution.	367	3.8420	1.19291
Proper handling of customer complaints.	367	4.1499	.89741
The bank has courteous and experienced staff.	367	3.4905	.96908
Provision of excellent customer service.	367	3.3624	1.39359
Quality of service compared to others.	367	3.2888	1.23848

**Table 6: Summary of perceived quality**

Source: Survey result, SPSS

Based on the results presented in the above table, all of the items fall in the agreement range (mean > 3.39) which includes; whether there is a perceived positive working environment with having a friendly, safe, comfortable place to conduct business. The respective banks have attractive and conducive atmosphere (mean = 4.0191, SD = .66708), whether the company formulates service delivery standards to define what a customer can expect and how it should be delivered by its team. The bank delivers services as per the standard it has set (mean = 3.8420, SD = 1.19291), whether customer complains may arise anytime, it should be well recognized and handled so the issue resolved and everyone benefited. The bank handles customer complaints properly, when there is (mean = 4.1499, SD = .89741), whether the bank has courteous and experienced staff (mean = 3.4905, SD = .96908), whether customer service is a direct interaction

between customer and company team that ensure customer satisfaction and encourage repeated purchase. Overall, the respective banks provide excellent customer service (mean = 3.3624, SD = 1.39359), and whether their bank is providing them better service than other banks that is devoted to service quality and customer satisfaction (mean = 3.2888, SD = 1.23848).

The above descriptive results clearly imply that regarding the perceived quality most of the customers of the studied commercial banks have expressed their agreement for the presence of positive working environment in the studied banks, formulates service delivery standards to define what a customer can expect and how service should be delivered by its team, the presence of proper treatment of customers complaints, the presence of excellent customer service as well as provision of service better than competitor banks.

#### 4.4.3. Brand Association

A brand association is a mental connection a customer makes between your brand and a concept, image, emotion, experience, person, interest, or activity. This association can be immediately positive or negative and it heavily influences purchase decisions.

So as to measure the level of brand association of customers, the following items were presented for respondents and the following descriptive results were found. The results are presented using mean and standard deviation of individual items.

Items	N	Mean	SD
Reliability of the brand.	367	3.3542	1.29728
Trust of team of the bank.	367	2.8420	1.16745
Professionalism.	367	4.4114	1.08501
Known for quality of service.	367	4.3297	.89184
Unique image.	367	4.5068	.95204
Meets my personality.	367	3.6812	1.17080

**Table 7: Summary of brand association**

Source: Survey result, SPSS

As it is illustrated in the above table, the majority of the items measuring brand association fall in the agreement range (mean > 3.39) which includes; whether a brand is reliable if it fulfills what it claims and exceeds expectation. The brand of these banks is reliable (Mean = 3.354, SD =

1.297), whether professionalism is the conduct, behavior and attitude of company team that adheres to a set of standards, they consider the bank and people who stand behind the brand have the required professionalism to deliver the service (Mean = 4.41, SD = 1.085), whether the bank is known for providing best quality service (Mean = 4.32, SD = .891), whether the bank has unique image than others competing banks (Mean = 4.506, SD = .952), and whether the bank meets my personality, distinctive character that defines me (Mean = 3.68, SD = 1.170). However, the second item fall in the neutral range which measures whether customers consider the bank and people who stand behind the brand are very trustworthy(Mean = 2.84, SD = 1.167),.

The results above suggest that most customers think a trustworthy brand lives up to its promises and goes above and beyond expectations, that these banks and the people who support it are very reliable, that they have the necessary professionalism to provide the service, that the bank has a distinctive image from other competing banks, and that it fits their personality and other characteristics that define them.

#### 4.4.4. Brand Loyalty

Customers that are brand loyal think that a certain brand symbolizes superior quality and customer service to any rivals, regardless of price. Although brand-loyal customers may make fewer purchases overall, their profit margins are higher. The subsequent items were introduced to respondents, and the corresponding unambiguous result was discovered, in order to assess the level of brand loyalty with customers. The results are presented using the mean and standard deviation of the different components.

Items	N	Mean	Std. Deviation
First choice.	367	3.9809	.99571
Regular choice.	367	3.7275	1.67817
Recommend to others	367	4.4605	.99339
Loyalty to the bank.	367	4.6240	.48505

**Table 8: Summary of brand loyalty**

Source: Survey result, SPSS

All the brand loyalty measurement items, as shown in the table above, fall into the agreement range (mean > 3.39). These items included; whether customer service is quality of service that

ensures brand loyalty. This bank is my number one choice (Mean = 3.980, SD = .995), whether while a customer perceived the quality of service, he sticks to the same brand. The bank is their regular choice for all their banking needs (Mean = 3.727, SD =1.678), whether this is the bank that they positively recommend to others (Mean = 4.460, SD = .9933), and whether brand loyalty is when customer sticks to a brand and perceived positive feeling towards the brand. They consider themselves as a loyal customer of the bank (Mean = 4.624, SD = .4850).

According to the aforementioned results, brand loyalty is ensured by the quality of customer service. They consistently choose their bank for all of their banking requirements, they enthusiastically endorse it to others, and brand loyalty is when a customer remains with a brand and has a favorable perception of the brand of the studied selected commercial banks.

#### 4.4.5. Overall brand equity

When compared to a generic alternative, a corporation can command a higher price for a product with a well-known brand. This is known as brand equity. Making a product distinctive, identifiable, superior in quality, and dependable are all ways that businesses can build brand equity for their goods. Campaigns for mass marketing can aid in building brand equity.

Items	N	Mean	Std. Deviation
Preferred bank considering service level.	367	4.6240	.56324
Preferred bank considering price level.	367	4.1281	.99036

**Table 9: Summary of overall brand equity**

Source: Survey result, SPSS

The results of the above table indicated the presence of high level of brand equity among the studied customers in some selected commercial banks which involves the preference of the bank despite the presence of other similar and equitable services with relatively similar price level.

#### 4.5. Correlation Results

A correlation analysis, according to Saunders et al. (2009), is used to determine the direction and link between the variables. One can measure the strength of the linear link between two variables using the correlation coefficient.

Based on this, the independent variables and the dependent variable underwent the following correlation analysis.

Correlations							
		Customer satisfaction	Brand awareness	Perceived Quality	Brand association	Brand loyalty	Overall brand equity
CS	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	367					
BAW	Pearson Correlation	.724**	1				
	Sig. (2-tailed)	.000					
	N	367	367				
PQ	Pearson Correlation	.754**	.747**	1			
	Sig. (2-tailed)	.000	.000				
	N	367	367	367			
BAS	Pearson Correlation	.662**	.605**	.569**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	367	367	367	367		
BL	Pearson Correlation	.723**	.693**	.596**	.782**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	367	367	367	367	367	
OBE	Pearson Correlation	.799**	.712**	.687**	.744**	.661**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	367	367	367	367	367	367

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

**Table 10: Correlational coefficients**

Source: Survey result, SPSS

The correlation coefficient has a value range of between -1 and +1. The strength of the association between the variables increases with the coefficient's absolute value. An absolute value of 1 for the Pearson correlation denotes a perfectly linear relationship. There is no linear relationship between the variables when the correlation is close to 0. The coefficient's sign reflects the relationship's direction. The correlation line slopes higher when the coefficient is positive and both variables tend to rise or fall together. The correlation line slopes downward if the coefficient is negative and one variable tends to rise while the other falls.

The independent factors and the dependent variable (customer satisfaction) have a positive and substantial link, according to the correlational findings of this study that are displayed in the above table. More specifically, it has been discovered that customer satisfaction with a limited group of commercial banks is positively and significantly connected with brand awareness ( $r=.724$ ), perceived quality ( $r=.754$ ), brand association ( $r=.662$ ), brand loyalty ( $r=.723$ ), and overall brand equity ( $r=.799$ ).

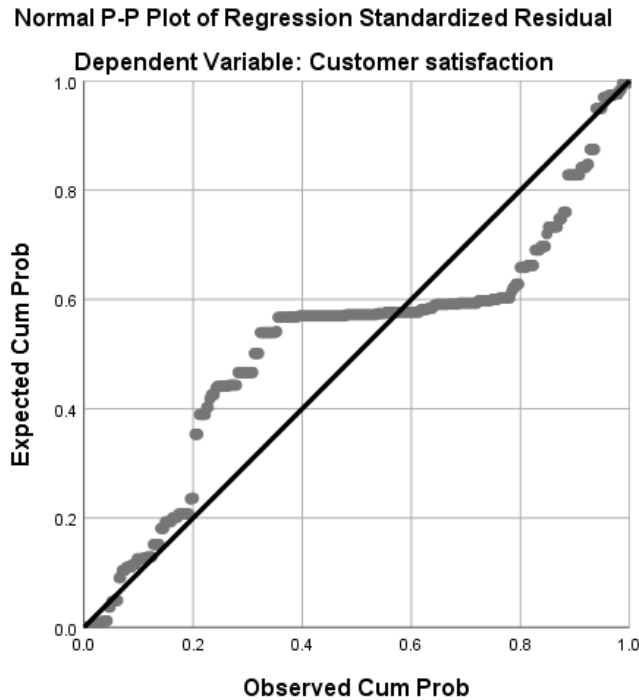
#### **4.6. Multiple Regression Results**

The link between the variables is estimated using the regression analysis that follows. It makes it possible to ascertain the degree to which variables are correlated with one another as well as the independent variables' ability to predict the dependent variable. Regression, in essence, enables researchers to determine the extent to which changes in one independent variable while holding other independent variables constant result in changes in the values of the dependent variable. Regression analysis is a statistical method for identifying the variables that actually have an impact. Regression analysis comes in a variety of forms, but at its heart, all of them look at how one or more independent variables affect a dependent variable.

It is necessary to do the fundamental presumption tests for the model before moving on to conducting a regression analysis. In order to describe the connections between dependent and explanatory variables, this is a necessary prerequisite. Four key presumptions were verified and found to be largely met: Linearity Test, Homoscedasticity Test, Auto Correlation (Durbin Watson Test), and Normality Test. These tests are described below:

##### **1. Linearity Test**

Examining the P-P plot for the model allows one to determine whether connections between the dependent and independent variables are linear. The residuals are distributed more normally the closer the dots are to the diagonal line. The p-p plot visually demonstrated that the dependent and independent variables have a linear relationship, as shown in the graph below.

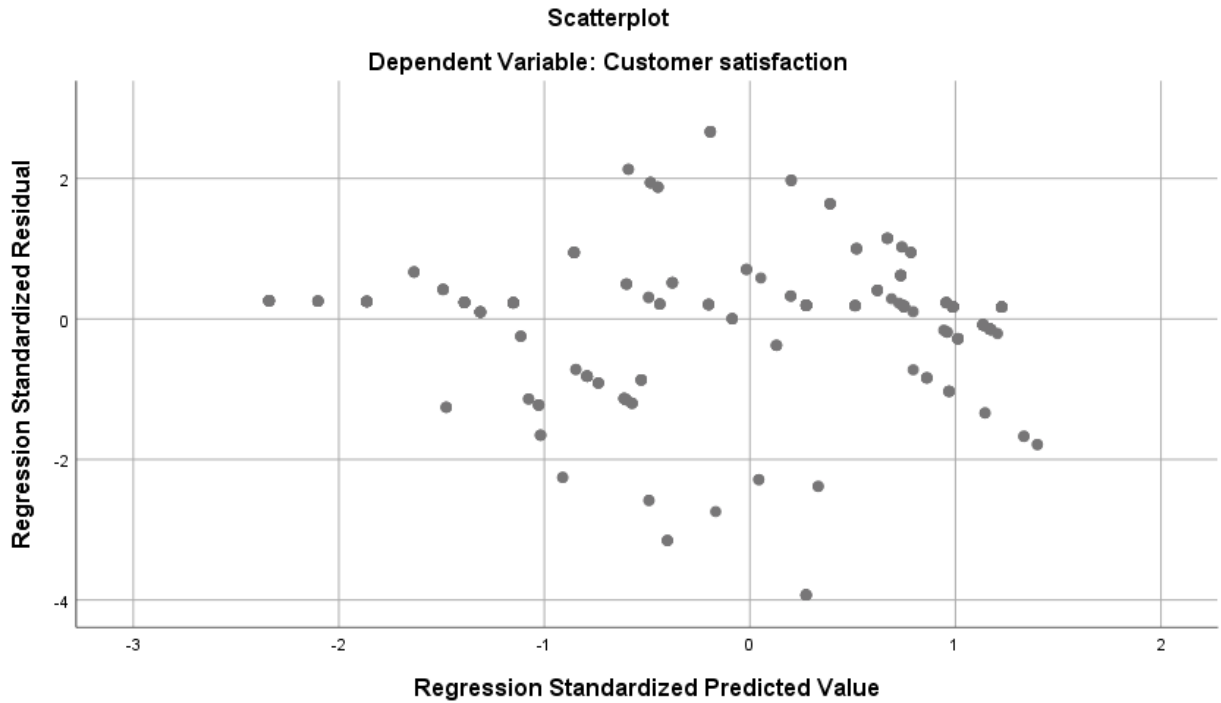


**Figure7: P-P Plot of Regression Standardized Residual**

Source: Survey result, SPSS

## 2. Homoscedasticity Test

According to Osborne and Waters (2002), the homoscedasticity assumption states that all levels of the independent variables have a same variance of errors. This indicates that it calls for either homogeneity of error terms across the data or an even distribution of residual terms. By visually examining a plot of the regression's standardized predicted value against the standardized residuals, homoscedasticity can be determined (Osborne & Waters, 2002). The issue is not deleterious for analysis if the mistake words are scattered randomly and without any discernible pattern. The scatterplot in figure 6 demonstrates that there was no violation of homoscedasticity in this study's standardized residuals, which are distributed equally.



**Figure8: Scatterplot of standardized residuals**

Source: Survey result, SPSS

### 3. Auto-Correlation (Durbin-Watson Test)

The idea that errors are independent of one another and that individuals are responding independently is known as autocorrelation or error independence. (Stevens, 2009). To verify the notion that our residuals are independent (or uncorrelated), the Durbin-Watson statistic might be used. This number might range from 0 to 4. The Durbin-Watson number must be close to 2 in order for this assumption to hold (Field, 2006). Values that are worrisome or alarming are those that fall below 1 and above 3. This assumption needs to be verified, therefore look at the Model Summary box down below.

<b>Model Summary</b>		
Model	Std. Error of the Estimate	Durbin-Watson
1	.40414	2.141
a. predictors: (constant), overall brand equity, brand loyalty, perceived quality, brand awareness, brand association		
b. dependent variable: customer satisfaction		

**Table 11: Durbin Watson statistics**

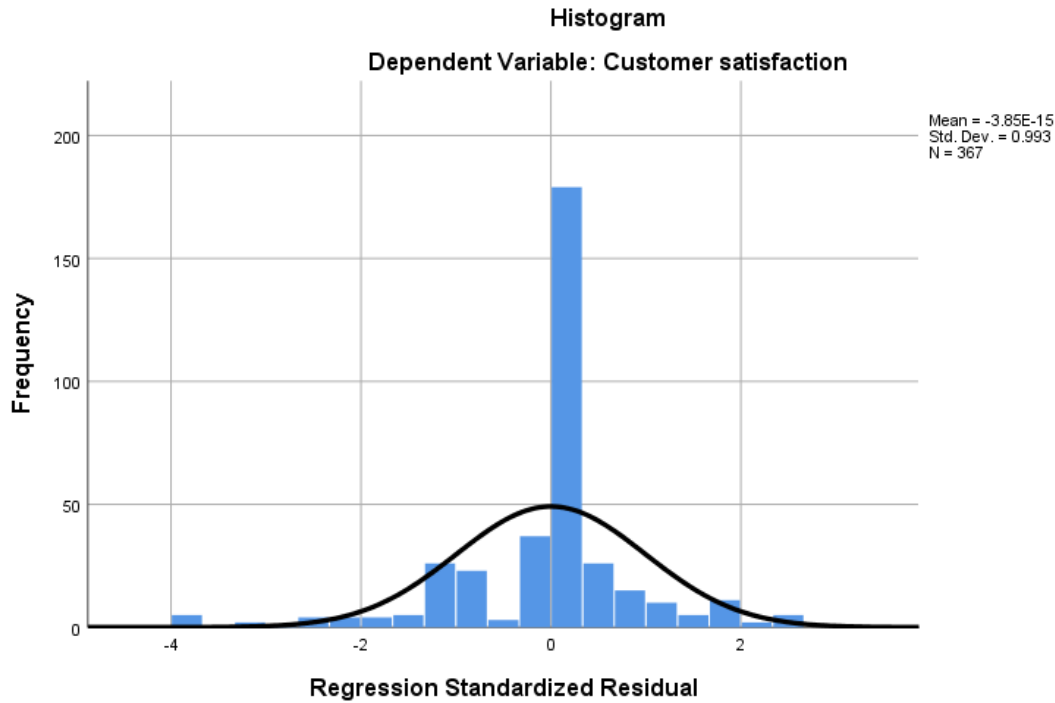
Source: Survey result, SPSS

With a Durbin-Watson value of 2.141, the above shows that mistakes are responding independently and autocorrelation is not a problem. We can therefore conclude that the autocorrelation test has been satisfied.

#### **4. Normality Test**

The independent variables must be regularly distributed for multiple regressions. As a result, mistakes have a normal distribution, and a plot of the residual values will resemble a normal curve (Keith, 2006).

Frequency distribution can take on a variety of forms and dimensions. As a result, it is crucial to provide a general definition of the most prevalent forms of distributions. In a perfect world, all of our data would be symmetrically distributed about the center of each score. As a result, it should appear the same on both sides if we draw a vertical line across the distribution's center. This has a bell-shaped curve and is referred to as a normal distribution. This shape essentially suggests that the majority of scores are distributed around the middle (Field, 2006). The assumption of normality has been met, as evidenced by the normal distribution graph in figure 9 below.



**Figure 9: Normality Test**  
Source: Survey result, SPSS

**5. Multicollinearity Test**

Multicollinearity exists every time an independent variable in a multivariate regression equation has a high correlation with one or more independent variables. This is a concern because it calls into question the statistical significance of an independent variable. The following table shows the results of the multicollinearity test of the dependent variables.

<b>Coefficients</b>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Brand awareness	.318	3.145
	Perceived Quality	.392	2.553
	Brand association	.293	3.417
	Brand loyalty	.311	3.220
	Overall brand equity	.315	3.171

a. Dependent Variable: Customer satisfaction

**Tables 12: Multicollinearity test of the independent variable**

Source: Survey result, SPSS

A measurement of the reciprocal of the complement of the inter-correlations among the independent variables is the variation inflation factor (VIF). A variable with a VIF value larger than 10 in the decision rule denotes the possibility of a multicollinearity. A statistic called tolerance (TOL) can be used to display the variability of an independent variable that is not explained by another independent variable in the model. Numerous scholars have used it to assess the level of collinearity. A variable's TOL value of less than 0.1 indicates the potential existence of a multicollinearity problem, according to the decision rule for tolerance. (Gujarati, 2004).

From the above table information, all VIF variables less than 10 and all tolerance (T) is greater than 0.1, therefore, this study has no multi-collinearity problem.

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.871 <sup>a</sup>	.759	.755	.40414		
a. Predictors: (Constant), Overall brand equity, Brand loyalty, Perceived Quality, Brand awareness, Brand association						
b. Dependent Variable: Customer satisfaction						
<b>ANOVA</b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	185.387	5	37.077	227.014	.000 <sup>b</sup>
	Residual	58.961	361	.163		
	Total	244.348	366			
a. Dependent Variable: Customer satisfaction						
b. Predictors: (Constant), Overall brand equity, Brand loyalty, Perceived Quality, Brand awareness, Brand association						

**Table 13: The regression model statistics**

Source: Survey result, SPSS

The aforementioned model also demonstrated its applicability in predicting customer satisfaction, and it is deduced that the independent variables (brand loyalty, perceived quality,

brand awareness, brand association, and overall brand equity) account for 75.9% of the variance in customer satisfaction (p value 0.05). The remaining variability was unaccounted for, however it can be explained by include additional factors that are not part of this model. The p-value test table demonstrates that the model is successful as a result.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.139	.133		-1.048	.295
	Brand awareness	.040	.054	.035	.754	.451
	Perceived Quality	.301	.042	.300	7.251	.000
	Brand association	-.098	.050	-.093	-1.943	.053
	Brand loyalty	.311	.047	.304	6.561	.000
	Overall brand equity	.460	.048	.437	9.489	.000
a. Dependent Variable: Customer satisfaction						

**Table 14: Coefficients**

Source: Survey result, SPSS

Brand loyalty, perceived quality, and overall brand equity were discovered to have a considerable and favorable impact on customer satisfaction with the tested institutions, as shown by the table above coefficient. Brand association and brand awareness, however, have no discernible impact.

We can compare the means of two groups and discover whether they differ substantially from one another using the t-test, a potent statistical technique. (Gujarati, 2004). We must make sure that our data satisfies specific requirements before we can build a t-test. In particular, our data must be homogeneous in variance, independent, and roughly regularly distributed. The t-test can be used to assess whether there is a significant difference between our factors after we have confirmed that our data satisfies these requirements. Higher t-values signify greater confidence in our findings, with an appropriate t-value generally being larger than +2 or less than -2. (Gujarati, 2004).

Thus, the t-test to brand awareness and brand association shows a weaker impact on customer satisfaction than the other explanatory variables. This suggests that while brand awareness and

brand association are important factors to consider, they may not be the most significant drivers of customer satisfaction in measuring CBBE in Ethiopian commercial banks.

#### **4.7. Validating the Proposed Hypothesis**

First hypothesis: Customer satisfaction with private commercial banks in Ethiopia is significantly impacted and positively affected by perceived quality. A multiple regression analysis was carried out using SPSS to ascertain the effect of perceived quality on customer satisfaction in private commercial banks in Ethiopia. The analysis's findings revealed the model's overall fitness, which was discussed in the paragraphs before, as well as the importance of each independent variable in connection to the dependent variable.

According to the tables and reasons in the paragraphs before, it was discovered that customer satisfaction and perceived quality have a positive and significant association ( $r=.754$ ). Accordingly, if banks can raise the perceived quality of their customers, they will be able to raise their level of satisfaction, all other things being equal.

As a result, Hypothesis One is confirmed. This research emphasizes the significance of perceived quality in Ethiopia's private banking sector and advises that banks should concentrate on raising perceived quality to increase customer satisfaction.

The second hypothesis holds that customer satisfaction with private commercial banks in Ethiopia is significantly and favorably impacted by brand awareness. Customer satisfaction and brand recognition correlate positively and significantly, with a  $r=.724$  correlation coefficient. The results of the second hypothesis test show that, while holding other variables constant, a change in brand awareness directly affects consumer satisfaction. The acceptance of Hypothesis two is based on the positive and statistically significant association between brand awareness and customer satisfaction.

In simpler terms, this hypothesis suggests that customers are more satisfied with banks that have a strong brand awareness. The research study found that improving brand awareness can directly lead to an increase in customer satisfaction. This highlights the importance of building a strong brand image for private banks in Ethiopia to enhance customer satisfaction and loyalty.

Third hypothesis: The impact of brand associations on customer satisfaction with private commercial banks in Ethiopia is large and favorable. According to the study's findings, brand

association and customer satisfaction have a significant and positive link, with a calculated  $r$ -value of .662. This shows that, when all other things are held constant, a rise in brand association immediately results in a comparable increase in customer satisfaction.

Furthermore, the analysis reveals that the relationship between the independent variable of brand association and the dependent variable of customer satisfaction is not only positive but also statistically significant. As a result, we can confidently accept Hypothesis Three.

In conclusion, the study highlights the importance of brand associations in shaping customer satisfaction levels in the Ethiopian private banking industry. By leveraging this knowledge, banks can enhance their brand image and ultimately improve customer satisfaction, leading to increased loyalty and profitability.

Fourth hypothesis: In Ethiopia, private commercial banks' customer satisfaction scores are significantly and favorably impacted by brand loyalty. With a correlation coefficient of  $r=.723$ , the correlation study showed a significant positive association between brand loyalty and consumer satisfaction. This suggests that, while keeping other factors constant, a rise in brand loyalty results in a proportional increase in customer satisfaction.

The statistical significance of this relationship is noteworthy, and it ropes the acceptance of Hypothesis four. Therefore, it can be concluded that brand loyalty is a key driver of customer satisfaction in the Ethiopian private banking industry. This finding underscores the importance of cultivating brand loyalty as a strategic commanding for private commercial banks seeking to enhance customer satisfaction and loyalty.

An important element in the success of Ethiopia's private commercial banks is the relationship between total brand equity and customer satisfaction. A strong correlation coefficient of  $r=.799$  from the investigation showed a clear and significant relationship between brand equity and customer satisfaction. In other words, a bank is more likely to please its clients if it invests more in establishing and preserving its brand equity. In order to secure customer satisfaction and long-term profitability, private commercial banks in Ethiopia must prioritize their brand equity efforts.

#### **4.8. Discussion of Results**

In this section, the study's main conclusions are summarized together with comparisons to other, comparable studies from throughout the globe, including those carried out in Ethiopia.

According to the study, customers have a high level of brand awareness, which is demonstrated by their knowledge and understanding of the bank's logo design, symbols, or text, their ability to distinguish between the brands of different banks, and their awareness of the key characteristics of successful brands, particularly in the banking sector.

Perceived quality most of the customers of the studied commercial banks have expressed their agreement for the presence of positive working environment in the studied banks, formulates service delivery standards to define what a customer can expect and how it should be delivered by its team, the presence of proper treatment of customers complaints, the presence of excellent customer service as well as provision of service better than competitor banks. Most customers think a trustworthy brand lives up to its promises and goes above and beyond expectations, that the bank and the people who support it are very reliable, that they have the necessary professionalism to provide the service, that the bank has a distinctive image from other competing banks, and that it fits their personality and other characteristics that define them.

Brand Loyalty refers to the attachment a customer a brand. (Aaker, 1991). Brand loyalty is considered a repeated purchasing behavior under conditions of strong sensitivity. (Qasempour et al, 2013). Brand equity stems from the greater confidence that consumers place in a brand than in its competitor. This confidence translates into consumer loyalty and willingness to pay a premium price for the brand. (Qasempour et al, 2013). For the firm, brand loyalty secures future demand, and for other firms, it creates entry barriers to the market. Manufacturing and product designs may easily be duplicated, but lasting impressions in the minds of individuals and organizations from years of marketing activity and product experience cannot be easily reproduced. (Keller, 2004). Loyalty begins when customers become aware of a product. (Qasempour et al, 2013).

Hussien (2012) studied customer based brand equity in Iranian chocolate industry through the application of Aaker's model of customer based brand equity. Accordingly, the research found that brand equity of chocolate products in Iran is directly related to two dimensions of brand equity: brand loyalty and brand image. Other dimensions of brand equity have a small and indirect impact on the chocolate industry in Iran.

According to the results of this study, brand loyalty is ensured by customer service quality. They consistently choose their bank for all of their banking requirements and enthusiastically endorse it to others, and brand loyalty is when a customer remains with a brand and has a favorable perception of the brand of the studied commercial banks. The study shows the presence of a high level of brand equity among the studied customers in selected commercial banks, which involves the preference of the bank despite the presence of other similar and equitable services with relatively similar price levels.

The correlational results showed a positive and significant correlation between the independent variables and the dependent variable (customer satisfaction). More specifically, brand awareness ( $r = .724$ ), perceived quality ( $r = .754$ ), brand association ( $r = .662$ ), brand loyalty ( $r = .723$ ) and overall brand equity ( $r = .799$ ) were positively and significantly correlated with the customer satisfaction of selected banks.

The regression model was significant in predicting customer satisfaction, and it was interpreted as 75.9% of the variance in customer satisfaction because of the independent variables (overall brand equity, brand loyalty, perceived quality, brand awareness, brand association) ( $p$  value  $< 0.05$ ). The remaining variability was unexplained and can be explained by adding other variables that were not included in this model. Therefore, the  $p$ -value test table shows that the model worked well. Brand loyalty, Perceived Quality and Overall brand equity were found to have significant and positive effects on customer satisfaction with the studied banks. However, Brand awareness and association do not have a significant effect.

Similarly, Tang and Hawley (2008) conducted a study focusing on sportswear in China, which measured customer-based brand equity through the application of Aaker's model of customer based-brand equity and investigated the relationship between the four dimensions of brand equity and overall brand equity. Thus, this research suggests that brand association and brand loyalty are influential dimensions of brand equity in the sportswear market in China. The perceived quality and brand awareness dimensions of brand equity have weak support for sportswear in china. Therefore, the study recommends that managers and marketers focus their efforts on building brand loyalty and image.

Cerri (2001) also studied banks that represent 98 per cent of the banking sector in Albania covered in the study. Brand equity is an important concept in service-branding. This study was undertaken with the goal of measuring brand equity in the banking sector. The banking sector employs hundreds of employees and plays an important role in Albania's economy. The study deployed seven measures of service brand equity: brand recall, brand familiarity, quality of brand name, likelihood of changing service provider, number of brand associations, and brand uniqueness. The study concludes that banks with a higher market share have higher customer-based brand equity.

Sileshi (2015) studied the effect of customer based brand equity dimensions on service quality in the case of Commercial Bank Ethiopia. This study examines the relationship between service quality and brand equity dimensions. The research was conducted with 384 respondents from various customers of the Commercial Bank of Ethiopia. The results revealed that service quality is a significant instrument for differentiating CBE from their competitors. Thus, effective implementation of its service quality dimensions contributes to building brand equity.

Another study examined the brand equity and resonance of banking services in Bangladesh using Keller's model of CBBE. This research was conducted by Nadia Farhana and Shohana Islam in 2012. Using a structured questionnaire, 300 respondents were asked to analyze their views. The findings suggest that brand feeling and brand being the choice of customers (brand judgment) lead to strong customers' association with a brand. Brand recognition and brand recall do not contribute not significantly to creating strong brand associations in Bangladesh.

**Perceived Quality:** This refers to the consumer's judgment of the overall excellence or superiority of a service or, in other words, the brand's image. (Qasempour et al, 2013). Perceived quality differentiates the brand of one seller from that of others. It is an important dimension that drives financial performance through the premium price that customers are willing to pay. (Klopper, 2011)

**Brand Awareness:** Brand awareness refers to a buyer's ability to recognize or recall a brand as a member of a certain product. (Qasempour et al, 2013). Brand recall and recognition are two representatives of brand awareness. (Keller, 2003). Brand recognition is the customers' ability to pick the brand when a cue is given, and brand recall is picking out the brand without cues.

Consumers' brand awareness is likely to be high when they perceive the brand's quality to be high. (Qasempour et al, 2013).

Brand Association: It widely accepted dimension of brand equity. Brand associations construct purchase decisions and brand loyalty. (Aaker, 1991). According to Keller and Kotler (2006) brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attributes, and memory linkages to the brand constitutes brand associations. Chen (2001) identified product and organizational associations as two types of brand association.

According to Keller (1993), customers loyalty lies not in products, but with brands. We find several studies on customer-based brand equity that focus on different products. To mention some of them, Abad et al (2012) undertook a study of customer based brand equity focusing on the banking sector in Iran to identify the impact of customer based brand equity in financial sector on brand perception using Aaker's model of customer based brand equity. The study revealed that perceived quality, brand awareness, brand association, and brand loyalty are influential criteria for brand equity that enhance the perception of brand equity in the financial sector. He identified that, among the dimensions of brand equity, brand association is powerful.

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATION**

#### **5.1. Conclusions**

The objective of this study is to measure the impact of customer-based brand equity and its dimensions on the satisfaction of customers of selected private commercial banks in Ethiopia. Based on the foregoing analysis, the following conclusions were drawn:

The dimensions of customer-based brand equity include brand awareness, brand association, brand loyalty, and perceived quality. These variables along with overall brand equity were utilized as explanatory factors for the tenacity of this research work, with a focus on measuring the impact of these variables on the customer satisfaction of selected private commercial banks in Ethiopia. To achieve this goal, 384 questionnaires were distributed to customers of the four selected private commercial banks.

To better understand the relationship between these variables and customer satisfaction, it is important to investigate each dimension of customer-based brand equity profoundly. Brand awareness refers to the degree to which customers are familiar with a certain brand, whereas brand association refers to the mental connections that customers make between a brand and certain characteristics. Brand loyalty, on the other hand, is the degree to which customers remain devoted to a particular brand for a long time, while perceived quality refers to customers' perceptions of a brand's overall quality.

Of the questionnaires that were distributed, a total of 367 were reasoned to be workable and consequently entered into the SPSS program. Descriptive analysis was used to categorize the data based on respondents' gender, age, monthly net income, and educational level.

The reliability of the variables used to explain the dependent variable, customer satisfaction, was measured using the coefficient alpha. The results showed a high level of reliability well above the threshold level of 0.7. To further test the hypotheses put forward in this research, regression analysis and an independent t-test were conducted. These tests aimed to determine whether the hypotheses were acceptable or rejected. Overall, the results of this research work suggest that the variables used to explain customer satisfaction are reliable and that the hypotheses put forward are worthy of further investigation.

- ✓ The study has found that customers have high level of brand awareness which can be expressed by the presence of higher knowledge and understanding about logo design, symbol or text used by the bank, differentiation of various banks' brands, as well as understanding the important identifiers that makes a good brand especially in the private banking industry.
- ✓ Regarding the perceived quality most of the customers of the studied private commercial banks have expressed their agreement for the presence of positive working environment in the studied banks, formulates service delivery standards to define what a customer can expect and how it should be delivered by its team, the presence of proper treatment of customers complaints, the presence of excellent customer service as well as provision of service better than competitor banks.
- ✓ Most customers think a trustworthy brand lives up to its promises and goes above and beyond expectations, that the bank and the people who support it are very reliable, that they have the necessary professionalism to provide the service, that the bank has a distinctive image from other competing banks, and that it fits their personality and other characteristics that define customers.
- ✓ According to the results of this study, brand loyalty is ensured by customer service quality. They consistently choose their bank for all of their banking requirements, they enthusiastically endorse it to others, and brand loyalty is when a customer remains with a brand and has a favorable perception of the brand of the studied private commercial banks.
- ✓ The study showed the presence of high level of brand equity among the studied customers in selected private commercial banks which involves the preference of the bank despite the presence of other similar and equitable services with relatively similar price level.
- ✓ The correlational results showed a positive and significant correlation between the independent variables and the dependent variable (customer satisfaction). More specifically, brand awareness ( $r = .724$ ), perceived Quality ( $r = .754$ ), brand association ( $r = .662$ ), brand loyalty ( $r = .723$ ) and overall brand equity ( $r = .799$ ) were positively and significantly correlated with the customer satisfaction of selected private commercial banks.

- ✓ The regression model was significant in predicting customer satisfaction, and it was interpreted as 75.9% of the variance in customer satisfaction is because of the independent variables (overall brand equity, brand loyalty, perceived Quality, Brand awareness, brand association) (p value < 0.05). The remaining variability was unexplained and can be explained by adding other variables that were not included in this model. Therefore, p-value test table shows that model is working well.
- ✓ Brand loyalty, Perceived Quality and Overall brand equity were found to have significant and positive effects on customer satisfaction with the studied banks. However, Brand awareness and association did not have a significant effect.

## **5.2. Recommendations**

Based on the findings and conclusions of this study, the research work forwards the following recommendations were made.

- Commercial banks should focus on brand loyalty, perceived quality, and overall brand equity as they have a strong and significant impact on customer satisfaction. By focusing on these factors, banks are able to identify circles of improvement and enhance their performance. It is crucial for banks to understand the importance of building a strong brand image and delivering high-quality services to satisfy customers. Therefore, investing in these areas can lead to long-term success and profitability for private commercial banks in Ethiopia.
- The banking sector currently has a high level of competitions. Brand equity has a significant impact on banks' service quality. This implies that powerful brands provide long-term security and growth, higher sustainable profits, and increased bank asset values.
- The research work suggests that private commercial banks should implement customer based brand equity strategy to advance customer satisfaction. Without such a strategy, commercial banks may be challenged in the future. It is crucial for banks to prioritize customer based brand equity to remain competitive in the market and retain their customer base. By focusing on building a strong brand image that resonates with their customers, banks can institute a loyal customer base and increase their market share.

Therefore, it is imperative for banks to invest in developing a robust brand equity strategy that prioritizes customer satisfaction.

- Commercial banks must focus on services quality and customers satisfaction in a competitive environment. As noted in the foregoing discussion, brand awareness, brand association, perceived quality, brand loyalty, and overall brand equity are linked to customer satisfaction directly and strongly. Thus, strategically focusing on them can lead to increased sales and revenue, reduce the risk of losing market share, and customers are less likely to switch to competitors.
- The bank industry give high attention to expanding their branch in different part of the country but it gives less attention to measuring consumers based brand equity. Strong brands enjoy high brand equity that can help managers to relish higher margins, greater customer loyalty, less vulnerability to competitive attacks. In the same token, strategically positioning the brand image will enhance and support the activities of outlets in resource mobilization and expanding customer base.
- In order to leverage the power of their brand image, banks can invest in creating a welcoming and comfortable office environment that encourages customers to return for additional services. Additionally, offering gift packages that are engraved with brand elements can support to reinforce brand recognition and make it easier for customers to recall the banks' logo and other brand elements. Prioritizing the customer experience and investing in the physical space and branding efforts, banks can produce a more memorable and positive impression on their customers. This can prime to augmented loyalty and repeat business, eventually driving growth and realization of the objectives of private commercial banks.

### **5.3. Limitations and Areas for Future Study**

It is important to acknowledge the limitations of this research work and identify areas for future study. The primary limitation of the research work is that it only focuses on customers of some selected private commercial banks in Addis Ababa. The sample was taken from residents of Addis Ababa who bank with Bank of Abyssinia, Dashen Bank, Hibret Bank, and Awash Bank during the data collection period. Therefore, the findings may not be applicable to other sectors

of the financial industry in Ethiopia. Conducting the research in different cities may yield different results.

To address this limitation, future studies could consider selecting respondents from other cities in Ethiopia. This would provide a more comprehensive understanding of the banking industry in the country. Additionally, future research could explore other factors that influence customer satisfaction.

By acknowledging the limitations of this research work and identifying areas for future study, the research work can continue to improve understanding of the private banking industry in Ethiopia and provide valuable insights for private banks and policymakers.

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**APPENDIX**  
**QUESTIONNAIRE IN ENGLISH**

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

**Dear Respondents,**

First and foremost, I would like to express my warmth appreciation for your consent to cooperate in filling out the questionnaire. The purpose of this questionnaire is to gather data from customers of banks as input for research study under the title of “The Role of Customer Based Brand Equity on Customer Satisfaction of Private Commercial Banks in Ethiopia”. The questionnaire is developed and brought to you for the purpose of capturing your perception, knowledge, feelings, and attitudes as primary data for research study under the title of “Measuring Customer Based Brand Equity of Some Selected Commercial Banks in Ethiopia” as a partial fulfillment of MA degree in Marketing Management in Addis Ababa University- School of Commerce. The objective of the questionnaire is to measure customer based brand equity in some selected commercial banks and its impact on customer satisfaction. Those selected banks are Bank of Abyssinia, Dashen Bank, Hibret Bank and Awash Bank. Your humble cooperation in this regard is highly appreciated. Your response will be kept confidential and the use of the information is restricted to this research study only for academic purpose.

**N.B.**

- Please put “√” mark in the box to the point which highly reflect your idea,
- Your genuine and unbiased response positively contribute for the success of the study, and
- There is no need to write your name.

I thank you in advance!

Aklilu Beyene

C: +251 955 33 39 92

E: [akush932@gmail.com](mailto:akush932@gmail.com)

**I. General/Demographic Information (Please do not include your name).**

Direction: Please mark the box (√) of your correct answer.

1. Gender: Male  Female
2. Age: 18-30  31-40  41-50  More than 50
3. Monthly Net Income: up to 5,000  5,001-10,000  10,001-20,000   
More than 20,000
4. Educational Level: Up to Diploma  Degree  Master  PHD
5. Marital Status Single  Married  Divorced  Widowed
6. What type of work are you engaged in? Self Employed   
Private Organization Employee  Government Organization Employee   
Others
7. Which bank do you serve?  
Bank of Abyssinia  Dashen Bank  Hibret Bank  Awash Bank
8. How long have you been customer of this bank?  
Less than 1 year  1 – 4 year  5 – 7 year   
8 – 10 year  More than 10 year

**II. Research Questions**

Based on the Bank type you chose under question number 7, please put a check mark (√) among the five alternatives for each of the sentences stated in the box below.

**Key:** 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4= Agree, 5=Strongly Agree

No.	Statements	Level of Agreement				
		1	2	3	4	5
1.1	Logo is a design, symbol or text used by an organization on its products, materials, and advertisements. I know the symbol or logo of this Bank.					
1.2	There exist various banks operating in Ethiopia and I can recognize the bank among brands of competing banks.					
1.3	This is the bank that comes to my mind quickly when I think of banking service.					
1.4	Service quality is about how much delivery of service by the organization meets your expectation. The service quality of the bank is high.					
2.1	Positive working environment refers to having a friendly,					

	safe, comfortable place to conduct business. The bank has attractive and conducive atmosphere.					
2.2	The Company formulates service delivery standards to define what a customer can expect and how it should be delivered by its team. The bank delivers services as per the standard it has set.					
2.3	Customer complains may arise anytime, it should be well recognized and handled so the issue resolved and everyone benefited. The bank handles customer complaints properly, when there is.					
2.4	The bank has courteous and experienced staff.					
2.5	Customer service is a direct interaction between customer and company team that ensure customer satisfaction and encourage repeated purchase. In overall the bank provides excellent customer service.					
2.6	Your bank is providing you better service than other banks that is devoted to service quality and customer satisfaction.					
3.1	A brand is reliable if it fulfills what it claims and exceed expectation. The brand of the bank is reliable.					
3.2	I consider the bank and people who stand behind the brand are very trustworthy.					
3.3	Professionalism is the conduct, behavior and attitude of company team that adheres to a set of standards. I consider the bank and people who stand behind the brand have the required professionalism to deliver the service.					
3.4	The bank is known for providing best quality service.					
3.5	The bank has unique image than others competing banks.					
3.6	The bank meets my personality, distinctive character that defines me.					
4.1	Customer service is quality of service that ensures brand loyalty. This bank is my number one choice.					
4.2	While a customer perceived the quality of service, he sticks to the same brand. The bank is my regular choice for all my banking needs.					
4.3	This is the bank that I positively recommend to others					
4.4	Brand loyalty is when customer sticks to a brand and perceived positive feeling towards the brand. I consider myself loyal customer of the bank.					
5.1	Even if other banks have the same level of service, I would prefer this bank.					
5.2	Even if other banks have the same level of price, I would prefer this bank.					
6.1	Customer satisfaction is an outcome resulting from the consumption experience. The bank satisfied me with its					

	range of services.					
6.2	Customer satisfaction is evaluation of consumption experience by the customer with what is perceived. I am satisfied with the performance of the bank.					
6.3	I am proud customer of the bank.					
6.4	The professional competency of the employee is to better satisfaction of me.					
6.5	I am satisfied with effective and efficient service of the bank.					
6.6	I am satisfied with the respectful behavior of employees.					

**I thank you for your kind cooperation!**

**አዲስ አበባ ዩኒቨርሲቲ**  
**የንግድ ስራ ትምህርት ቤት**  
**የገበያ አመራር ትምህርት ክፍል**

**የተከበሩ ምላሽ ሰጭ፤**

ከሁሉ አስቀድሜ፤ ይህን መጠይቅ ለመሙላት ፍቃደኛ በመሆንዎ ከልብ ላመሰግን እወዳለሁ። ይህ መጠይቅ የተዘጋጀው በኢትዮጵያ ደንበኛን መሰረት ያደረገ የብራንድ አመራር በደንበኛ እርካታ የሚያሳድረውን ተፅዕኖ ለመለካት ለሚደረግ የምርምር ጥናት መረጃ ለመሰብሰብ ነው። መጠይቁ የተዘጋጀው የደንበኛን ግንዛቤ፤ ተዛምዶና ልምድ በተመለከተ መረጃ ለመሰብሰብ ነው። መረጃው ጥቅም ላይ የሚውለው ደንበኛ ተኮር የብራንድ አመራር ከደንበኛ እርካታ አንጻር በኢትዮጵያ ባንክ ኢንዱስትሪ ላይ አተኩሮ ለሚደረግ የጥናት ምርምር በግብዓትነት ነው።

የምርምር ጥናቱ አላማ እኔ፤ አክሊሉ በየነ በአዲስ አበባ ዩኒቨርሲቲ የንግድ ስራ ትምህርት ቤት በገበያ አመራር ትምህርት ክፍል ለሁለተኛ ዲግሪ ተማሪ ስሆን የማግያ ጥናት ነው። የምርምር ጥናቱ የሚያተኩረው በአቢሲኒያ ባንክ፤ ዳቨን ባንክ፤ ሕብረት ባንክ እና አዋሽ ባንክ ሲሆን ደንበኛ የሆኑትን ባንክ መሰረት አርገው ትክክለኛና አስተማማኝ ምላሽዎን እንዲሰጡ በአክብሮት እጠይቃለሁ። ምላሽዎ በሚስጥር የሚያዝና ለተጠቀሰው የምርምር ጥናት ብቻ ፍጆታ የሚውል መሆኑን አሳውቃለሁ።

**መግለጫ፤**

- እባክዎ የሚስማሙበትን ነጥብ “√” ምልክት በማረግ ያሳውቁ።
- ስምዎን እንዲገልጹ አይጠየቁም።

ልባዊ ምስጋናዬ ይድረስዎ!

አክሊሉ በየነ።

ስልክ፤ +251 955 33 39 92

ኢሜል፤ [akush932@gmail.com](mailto:akush932@gmail.com)

**ክፍል እንድ**

**ከዚህ በታች ለቀረቡት ጠቅላላ ጥያቄዎች ይህን ምልክት “√” በማስቀመጥ እባክዎ ይተባበሩ።**

1. የታ።                      ወንድ                                       ሴት
2. እድሜ፤                      ከ18 – 30 አመት                       ከ31 – 40 አመት                       ከ41 – 50 አመት                       ከ50 አመት በላይ
3. ወርሃዊ የገቢ መጠን እስከ 5,000 ብር                       ከ5,001-10,000 ብር                       ከ10,001 - 20,000 ብር                       ከ20,000 ብር በላይ
4. የትምህርት ደረጃ፤                      እስከ ዲፕሎማ                       ዲግሪ                       ማስተር                       ዶክትሬት
5. የጋብቻ ሁኔታ፤ የላገባ                       ያገባ                       አግብቶ የፈታ                       ሌላ
6. የተሰማሩበት የስራ መስክ፤ የግል ስራ                       የግል ድርጅት ተቀጣሪ                       የመንግስት ሰራተኛ                       ሌላ
7. የየትኛው ባንክ ደንበኛ ናት፤                      አቢሲኒያ ባንክ                       ዳቨን ባንክ                       ሕብረት ባንክ                       አዋሽ ባንክ
8. በደንበኝነት ምን ያህል ጊዜ ሁነዎት፤                      ከአንድ አመት በታች                       ከ1 – 4 አመት                       ከ5 – 7 አመት                       ከ8 – 10 አመት                       ከ10 አመት በላይ

**ክፍል ሁለት**

**የምርምር ጥያቄዎች**

ከላይ በተራ ቁጥር 7 የመረጡትን ደንበኛዎ ባንክ መሰረት በማድረግ፤ ከዚህ በታች ለቀረቡት አረፍተ ነገሮች በጎን ካሉት አምስት አማራጮች የሚሰማማዎትን ይህን ምልክት “√” በማኖር ነጥብ ይሰጡ።

**መግለጫ፤**

**1= በጣም አልሰማማም 2= አልሰማማም 3= ገለልተኛ 4= እስማማለሁ 5= በጣም እስማማለሁ**

ቁ.	መለኪያ	ነጥብ				
		1	2	3	4	5
1.1	አርማ ወይም መለያ አንድ ድርጅት በምርቶቹ፤ በመገልገያቸው እና በማስታወቂያ በመለያነት በብቸኝነት የሚገለገልበት ነው። የባንኩን መለያና አርማ በትክክል አውቀዋለሁ።					
1.2	የባንኩን አርማና መለያ ከሌሎች ላይ ጭቅጭቅ አውቀዋለሁ።					
1.3	በርካታ ባንኮች አገልግሎት የሚሰጡ ቢሆንም፤ ባንኩ የባንክ አገልግሎት ባስፈለግኝ ጊዜ ቀድሞ ወደ አገልግሎቱ መጣል።					
1.4	አገልግሎት ጥራት አንዱ መለኪያ የዘገልግሎት አሰጣጥ ምን ያህል የደንበኛን መሻት ያሟላል የሚለው ነው። የባንኩን የአገልግሎት ጥራት ከፍተኛ ነው።					
2.1	ወዳጅነትን የሚያጠነክር፤ አስተማማኝና ምቹ የስራ ስፍራ የደንበኛን ፍላጎት ይሰባል፤ ያጠነክራል። የባንኩ የስራ አካባቢ የሚሰጠው አመቺ ነው።					
2.2	ድርጅቶች ደንበኞች ምን መጠበቅ እንዳለባቸውና ሰራተኞች እንዴት ደንበኞችን ማስተናገድ እንዳለባቸው የሚያመለክት የአገልግሎት አሰጣጥ					

	መመሪያ ይተገብራሉ። ባንኩባስቀመጠው መስፈርት መሰረት አገልግሎት ይሰጣል።					
2.3	የደንበኞች ቅሬታን በአግባቡ መረዳት፤ ግንኙነትን በሚያስቀጥልና የጋራ ተጠቃሚ በሚያደርግ መልኩ መፍታት ይጠይቃል። ባንኩ የደንበኛን ቅሬታ በአግባቡ ያስተናግዳል።					
2.4	ባንኩት ሁትና ልምድ ያላቸው ሰራተኞች አሉት።					
2.5	የደንበኛ አገልግሎት የአገልግሎ ሰጭና የደንበኛ መስተጋብር ሲሆን ለደንበኛ እርካታና ዘላቂ ግንኙነት ወሳኝ ሚና ይኖረዋል። በአጠቃላይ ባንኩ አስደሳች የደንበኞች አገልግሎት ይሰጣል።					
2.6	ከሌሎች ባንኮች አንጻር ባንኩ ጥሩ አገልግሎት ይሰጣል።					
3.1	ሆኖ መገኘት እንዲሁም ከደንበኛ እሳቤ ልቆ መገኘት እንድን ብራንድ አስተማማኝ ያደርገዋል። የባንኩ ብራንድ አስተማማኝነው።					
3.2	ባንኩና ሰራተኞቹ የብራንዱን አርማ የሚገልጽ ታማኝነትን የተጎናጸፉ ናቸው።					
3.3	የሙያ ደንበና ሕጎች፤ መመሪያዎች የተከተለ ባህሪ፤ አመለካከትና ድርጊት የሙያ ብቃት መገለጫ ነው። ባንኩ የሙያ መርህን በተጎናጸፉ ሰራተኞች አገልግሎት ይሰጣል።					
3.4	ባንኩን ጎረቤት ያለው አገልግሎት በመስጠት አውቀዋለሁ።					
3.5	ከሌሎች ባንኮች አንጻር ባንኩ የተለየ ምስል መፍፀር ችላል።					
3.6	ባንኩ የኔን የግል ምርጫ ያሳያል።					
4.1	ባንኩ ቀዳሚ ምርጫ ይኖራል።					
4.2	ደንበኛ አገልግሎት አሰጣጡ ጥራትን ያሟላ መሆኑን በተረዳ መጠን ከድራንድ ጋር ያለው ትስስር ያጠነክራል። ለአጠቃላይ የባንክ አገልግሎት የዘውትር ምርጫ ይኖራል።					
4.3	የባንኩ ታማኝ ደንበኛነት።					
4.4	ባንኩ ሌሎች እንዲጠቀሙ በትየም መክረው ባንክ ነው።					
5.1	ተመሳሳይ አገልግሎት ከሚሰጡ ባንኮች ቀዳሚ ምርጫ ይኖራል።					
5.2	በአገልግሎት ተመሳሳይ ከሚያስከፍሉ ባንኮች የምርጫ ጠውባንክ ነው።					
6.1	የደንበኛ እርካታ ደንበኛ አገልግሎቱን ተጠቅሞ ምን ያህል እርካታን አረኝቷል የሚለው ነው። የባንኩ አገልግሎት አሰጣጥ ለእኔ አስደሳች ነው።					
6.2	የደንበኛ እርካታ አገልግሎት አሰጣጥ ምን ያህል ከደንበኛ ፍላጎት ጋር ይጣጣማል የሚል ነው። የባንኩ አፈጻጸም ለእኔ አስደሳች ነው።					
6.3	በደንበኝነቴ የምኮራ በት ባንክ ነው።					
6.4	የሰራተኞቹ የሙያ ብቃት እኔን ያስደስተኛል።					
6.5	ብቁና አስተማማኝ የሆነው የባንኩ አገልግሎት ያረካኛል።					
6.6	የባንኩ ሰራተኞች አክብሮትን የተሞላ ባህሪ ያከካኛል።					

ልባዊ ምስጋናዬ ይድረስዎ!