



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDENT
MBA GENERAL MANAGEMENT PROGRAM**

**AN INVESTIGATION ON THE RELATIONSHIP BETWEEN BRAND
EQUITY AND CUSTOMER LOYALTY: THE CASE OF ZEMEN BANK
S.C**

BY: - DESTA NEGUSSIE

ID NO: - SGS/0116/2010A

**THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE
MASTERS DEGREE IN BUSINESS ADMINISTRATION.**

**MAY, 2019
ADDIS ABABA ETHIOPIA**

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DECLARATION OF ORIGINALITY

The Researcher, conform that the paper entitled “**An Investigation on the Relationship between Brand Equity and Customer Loyalty: The Case of Zemen Bank S.C** is my original work and is being submitted for the award of Master’s Degree in Business Administration from Saint Mary University. This Paper has not been submitted earlier either to this University or to any other University/Institution for the fulfillment of the requirement of a course of study.

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Date: **May, 2019**

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

Advisor: - Getachew Habtamu (Phd)

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Date: May, 2019

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LIST OF ABBREVIATIONS

SPSS - Statistical Package for Social Science

ZB - Zemen Bank S.C.

WOM - Word of Mouth

PR - Public Relations

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ABSTRACT

Zemen Bank plays a significant role in the economy, making up one of the big financial services provider in Ethiopian economy and introducing the new era of banking. Hence, providing better quality is vital as banks have to compete for customers. The general objective of the study was to investigate the relationship between brand equity and customer loyalty the case of Zemen Bank S.Co. Primary data was obtained through structured questionnaire from customers of three branches namely (Main Branch, Bole Banking Center and CMC Banking Center). Simple random sampling technique was used to sample branches. The researcher proportionally distributed 384 questionnaires to customers of the three selected branches and 303 of the questionnaires were returned, properly filled. The questionnaires were analyzed using SPSS version 20. Pearson Correlation and multiple regressions were used to establish the relationship between the independent and dependent constructs of the research. The findings revealed that the four independent variables (i.e. Customer Experience with company, External Brand Communications, Company's Presented Brand and Brand Awareness) are statistically important determinants of customer loyalty in Zemen Bank whereas Brand Meaning had no impact on customer loyalty of the bank. But has a strong positive relationship with customer loyalty. A conclusion was drawn to the effect that since factor influencing customer loyalty have been established, the bank have to note these and emphasize them in their marketing strategy.

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

CHAPTER ONE

INTRODUCTION

1.1. Background

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

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

Likewise, Customer loyalty has considered as a critical factor which leads to pick up competitive advantage over other firms under extremely competitive and energetic environment. It could be a multi-dimensional construct that's built on two components, attitude and behavior. Oliver (1999) defined customer loyalty as a guarantee of buyers to buy specific products, services and brands of an organization over a reliable period of time, independent of competitor’s modern product and innovations and these clients are not compelled to switch. Loyal customers positively see the organization, support the organization to others, and would engage in repurchase (Dimitriades, 2006). Similarly, Lam et al. (2004) defined customer loyalty as an evidence of the repeated support of a service provider and the suggestions of a service provider to other clients.

Brand equity from the customer perspective suggests that positive brand equity occurs when the customer responds more favorably to a marketing activity (e.g., advertising and promotion) for the

brand than they do to the same activity for an unbranded product or service from the same category, Conceptualizing brand equity from this perspective is useful: it gives both specific guidelines for marketing strategies and tactics and areas where research can be useful in assisting managerial decision making (Keller, 1993).

In Ethiopian banking industry there is rapid technological advancement, improved communication systems, growing in size, resources and capabilities and each bank is trying to improve its competitive position by offering a variety of services to meet customer needs and expectations. In the highly competitive, complex and dynamic environment of the banking industry, the very slight differences which exist in financial services and products together with an increasingly demanding customer, brands become a key differentiator to enable the bank to gain a competitive advantage in the industry. Therefore, it has become increasingly important for the banks to identify the factors that keep their customers loyal to them.

In this regard, Zemen's brand appears to be a strong intangible asset that can advance its performance. The bank is being considered as a pioneer innovative bank with cutting edge technologies and high standards of customer service. There has been a good record in the production of marketing materials and logos. Strong attention to quality assurance has helped maintain standards in various facilities and in different aspects of the bank's operations. However, it is still unclear if the bank is truly aware of the fact that choosing the brand it is currently using is influencing the market well, it is competitive and attractive enough for the customers to be loyal. This study was to investigate the relationship between brand equity and customer loyalty in the case of Zemen Bank by considering Brand awareness, Brand meaning, Company's presented brand, External brand communications, Customer experience with company as independent variable and customer loyalty as a dependent variable.

1.2. Statement of the Problem

Brand equity is regarded as a very important concept in business practice as well as in academic research because marketers can gain competitive advantage through successful brands. The competitive advantage of firms that have brands with high equity includes the opportunity for

successful extensions, flexibility against competitors’ promotional pressures, and creation of barriers to competitive entry (Farguhar, 1991).

Empirical research showed that firm value is positively related to branding strategy (Rao et al., 2004) and brand portfolio strategy (Morgan & Rego 2009; Bharadwaj et al., 2011). Also, customer mindset brand equity has a positive effect on performance or profitability (Mizik, 2014). Furthermore Simon & Sullivan, (1993) demonstrated that using their own metrics for measuring brand equity comprises a large percentage (more than 151%) of the replacement value of many firms. According to Chen & Myagmarsuren (2011), Brand equity leads to customer loyalty which develops long-term and profitable relationship.

The development of new banks in the banking industry makes competition intense. However, in the Ethiopian banking industry, there appears to be limited effort to engage in brand-building activities as a tool for securing long-term growth and profitability. Various aspects of brand-building, for instance, are given limited attention: the overall ambiance and atmosphere of physical branches is often not attractive; service quality is weak; advertising and promotional budgets are very minimum and banks do not seem to make efforts to distinguish their brand quality from that of their competitors.

In Zemen Bank, brand appears to be a strong intangible asset that can advance its performance. There has been a good record in the production of marketing materials and logos. Strong attention to quality assurance has helped maintain standards in various facilities and in different aspects of the bank’s operations. However, it is still unclear if the bank is truly aware of the fact that choosing the brand it is currently using is influencing the market well, it is competitive and attractive enough for the customers to be loyal and if investment to build a high level of brand equity really pays off. For this reason, a study is needed in order to investigate the relationship between brand equity and customer loyalty in case of Zemen Bank. This study, therefore, seeks to empirically validate a service brand equity dimensions that provides such insight to Zemen bank.

1.3. Research Questions

The study was guided by the following key research questions.

- ❖ What is the relationship between brand equity and customer loyalty?
- ❖ Which brand equity dimensions is the most influence imposer in Zemen Bank?

1.4. Objective of the Study

This section deals with the general and specific objectives of the study, which deals with the research topic and research questions respectively.

1.4.1. General Objective

The general objective of this study was to investigate the relationship between brand equity and customer loyalty in case of Zemen Bank.

1.4.2. Specific Objective

- ✓ To identify whether Brand awareness have a significant positive effect on customer loyalty in Zemen Bank.
- ✓ To identify Brand meaning have a significant positive effect on customer loyalty in Zemen Bank.
- ✓ To identify Company's Presented Brand have a significant positive effect on customer loyalty in Zemen Bank.
- ✓ To identify External Brand Communications have a significant positive effect on customer loyalty in Zemen Bank.
- ✓ To identify Customer Experience with Company have a significant positive effect on customer loyalty in Zemen Bank.
- ✓ To identify the major influence imposer among the five brand equity dimensions.

1.5. Hypotheses

H1: There is a significant and positive relationship between brand awareness and customer loyalty.

H2: There is a significant and positive relationship between brand meaning and customer loyalty.

H3: There is a significant and positive relationship between company's presented brand and customer loyalty.

H4: There is a significant and positive relationship between external Brand communications and customer loyalty.

H5: There is a significant and positive relationship between customer experience with company and customer loyalty.

1.6. Definition of terms

Brand: is a name, term, sign, symbol, or design or a combination of these, which identify the products or services of one seller or group of sellers and to differentiate them from those of competitor Kotler and Armstrong (2012).

Branding: is the process involved in creating a unique name and image for a product in the consumers' mind, mainly through advertising campaigns with a consistent theme.

Brand equity: is a set of assets and liabilities linked to a brand, its name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm's customers Aaker (1991).

Customer Loyalty: exists when a person regularly patronizes a particular (store or non-store) that he or she knows, likes and trusts Khan and Khan (2006).

Service brand equity model: measure refers to the model that used for measuring the effect of brand equity on customer loyalty.

Brand Awareness: is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category (Aaker 1991; Keller 1993).

Brand Meaning: is what immediately comes into the customer's mind when exposed to a brand Berry (2000).

Company's Presented Brand: is the communication that the company controls and that is intended for the customers to see Berry (2000).

External Brand Communications: is referring to the information about the service company that is uncontrolled by the company itself Berry (2000).

Customer Experience with Company: is the actual experience of the customer with the service firm Berry (2000).

1.7. Significant of the Study

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

1.8. Scope of the Study

This research paper investigate the possible relationship between brand equity and customer loyalty in Zemen Bank by evaluating the bank's brand equity dimensions. This study was delimited to only three branches of the bank in Addis Ababa which have been providing banking service for longer period of time. The researcher believed that, in order to properly address the subject matter, using service year as a main criterion to filter the branch's been useful to explore the issue. Based on the above assumption, the three branches' selected were Main Branch, Bole Banking Center, CMC Banking Center as they meet the criteria.

1.9. Limitation of the Study

Due to the limited scope of this research, the regional branches were not included as a target population. So that, it makes some gaps on the research findings that requires further study.

1.10. Organization of the Research Report

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

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Theoretical Literature

2.1.1. Branding

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

Nowadays, branding is such a solid drive that barely anything goes unbranded (Choudhury & Kakati, 2014) and it is additionally effective implies of differentiation (Pappu et al., 2005). There are numerous elective product and services and, in this way, much vulnerability. Be that as it may, customers cannot spend much time on comparing the choices. Indeed in case they have the time, they are not able to choose the appropriate product and services with certainty. This is often brand that conveys certainty and confidence. The genuine esteem is not within a product or service, but within the mind of the potential and genuine clients. It is brand that makes genuine esteem within the minds of clients (Kapferer, 2008). Financial professionals have developed the notion that a brand has an equity that may exceed its conventional asset value (Kim and Kim 2005).

2.1.2. The Concept of Brand Equity

Aaker (1991) and Aaker and Biel (1993) say that the concept of brand equity has gotten to be one of the most hottest subjects within the marketing literature and it is simple to see why, when noticing that there is prove that a product's brand equity positively influences future benefits, long-term cash flow and buyer eagerness to pay premium costs, (Yoo and Donthu, 2001). Furthermore, Broadbent (2000) emphasizes this point by showing that "for numerous producers, brand equity is their most valuable and possibly longest enduring property." Brand equity is the finical value of a brand which gives capital/value to products and services. Brand equity is related to future returns that clients create to the product or services. Created brand assets within the past, empower the

brand to use quality and ought to provide future value to the brand. Consequently brand equity fulfils a bridging part where it interfaces the past to long run.

2.1.3. Service Branding

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

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

Blankson and Kalafatis (1999) recommend that service brands are especially diverse in that service characteristics are diverse from those of physical goods which they depend on employees’ activities and attitude. This distinction is seen to center around the conviction that services are conceptually diverse from products in that a services are seen to have a number of interesting characteristics including intangibility, inseparability of production and consumption, heterogeneity of quality and perishability (de Chernatoy & Segal-Horn, 2003; Kayaman & Arasli, 2007). Banking industry too offers the same characteristics pertinent to the services.

Branding a service can offer assistance consumers by making a difference to guarantee them of a uniform level of service quality (Berry, 2000). It too helps the service provider by lifting the service above the product level to distinguish the service relative to competing brands. Bharadwaj et al., (1993) have moreover contended that branding may be more imperative for services than goods due to the complexity confronted by customers within the buy of services. According to Nelson (1970) due to the interesting characteristics of services, buyers have a difficult time assessing the substance and quality of a service earlier to, during, and after the utilization of the service. As a result, brand names can offer assistance to diminish the risks related with the purchase and consumption of many services (Bharadwaj et al., 1993).

Strong service brands are as it were realized, in any case, when the communicated brand guarantee is reliable to the brand experience delivered. Consumer's perception of the service brand, whereas at first shaped by the marketing division within the frame of external communication, depend on customer interaction and the consistency of service delivery (McDonald et al., 2001).

2.1.4. Customer-Based Brand Equity

Brand equity from the customer perspective suggests that positive brand equity occurs when the customer responds more favorably to a marketing activity (e.g., advertising and promotion) for the brand than they do to the same activity for an unbranded product or service from the same category (Keller 1993). Conceptualizing brand equity from this perspective is useful: it gives both specific guidelines for marketing strategies and tactics and areas where research can be useful in assisting managerial decision making (Keller, 1993). For example, measuring customer brand equity overtime allows managers to understand how the firm's marketing activities affect brand knowledge held by customers, and how changes in such knowledge affect performance. To realize such important insight, a number of brand models have been developed for the distinct purpose of understanding the elements of customer-based brand equity (e.g., Aaker 1991; Keller 1998).

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

2.1.5. Customer Loyalty

Customer loyalty has considered as a critical factor which leads to pick up competitive advantage over other firms under extremely competitive and energetic environment. It could be a multi-

dimensional construct that's built on two components, attitude and behavior. Oliver (1999) defined customer loyalty as a guarantee of buyers to buy specific products, services and brands of an organization over a reliable period of time, independent of competitor's modern product and innovations and these clients are not compelled to switch. Loyal customers positively see the organization, support the organization to others, and would engage in repurchase (Dimitriades, 2006). Similarly, Lam et al. (2004) defined customer loyalty as an evidence of the repeated support of a service provider and the suggestions of a service provider to other clients.

Loyalty has been widely researched in the domain of marketing (Bose & Rao, 2011). Past research recognized that certain predictors of levels of loyalty could exist. It has been suggested that various constructs are likely to influence the development of a loyal customer base (Veloutsou et al., 2004). Customer Loyalty as defined by Khan (2006) reads “... *exists when a person regularly patronizes a particular (store or non-store) that he or she knows, likes and trusts*”. Zeithaml et al.,(1996) opine that a loyal customer will result in repeat purchase; increase in purchase value and volume over time and in spreading positive word of mouth (WOM) which in turn will bring newer customers to the business.

2.1.6. Brand equity research in services

The modern business environment has progressed the significance of intangible firm resources as a maintainable firm advantage. This incorporates brands and brand equity. Branding and brand equity have been topics of interest to marketing researchers for many years and also brand equity continues to be a popular research topic (Huang & Sarigollu, 2014). The concept of brand equity has been debated both within the accounting and marketing literatures, and has highlighted the significance of having a long-term center inside brand management (Wood, 2000). Whereas brand equity related with tangible products has received an extraordinary bargain of consideration within the literature, a fundamental understanding of the nature of brand equity for services has however to rise. Most of what is known almost brand equity for services is based on hypothetical or recounted proves (Krishnan & Hartline, 2001).

There are various definitions of brand equity, but the part of brand equity in service firms has not however been completely investigated. Farquhar, (1989) provided the wide meaning joined to the term “brand equity” in branding literature is comparative to the definition given by (Kayaman & Arslı ,2007) as the value endowed by the brand to the product. Brand equity is the result of add up to brand-building endeavors over time, which includes the everyday execution of the marketing message through service, product, price, and promotion decision (Allaway et al., 2011).

Considerations of brand equity have regularly taken one of two viewpoints. On the one hand there are customers' cognitive and full of feeling reactions to the brand and on the other there are ‘hard’ measures such as the brand-owner's ensuing financial performance (Baumgarth & Schmidt, 2010). Two frequently cited creators inside the field of branding and brand equity are David Aaker and Kevin Keller.

According to Aaker (1991), brand equity is “...a set of brand assets and liabilities connected to a brand, its name and symbol, that add to or subtracts from the esteem given by a product or service to a firm and/or to that firm’s customers”. Aaker (1991) says that brand equity is based on brand loyalty, brand awareness, perceived quality, brand associations and other proprietary brand assets. As the definition shows, all of these assets are planning to make esteem to both the client and the firm. The client can be helped by the diverse resources within the way that they can make him or her feel surer in the purchase decision. The interpretation and storage of data around the brand can be encouraged, and the customer’s experience with the product can be improved. The firm’s included esteem is given essentially by producing additional cash flows. Brand equity requests a part of consideration and has to be kept up over time in arrange to not scatter. To do so the firm has to contribute in each of the basic resources of brand equity (Aaker, 1991).

Keller (1993) characterizes brand equity as “the differential effect brand knowledge has on response to a marketing program”. Agreeing to this viewpoint, a brand is considered to have positive brand equity to the degree that customer’s react more favorably to marketing activities when the brand is distinguished, compared to when it isn't (Hoeffler & Keller, 2003). Brand knowledge consists of brand awareness and brand image. This definition of brand equity is from the customer’s perspective, and is additionally indicated to as customer-based brand equity. And

also suggests that by examining brand equity from this point of view, an understanding of the customer's reaction to certain marketing activities can improve the marketing actions of a firm. This strategy-based viewpoint gives the managers with rules for strategies and a better basis for making decisions (Keller, 1993).

In spite of the fact that Aaker (1991) and Keller (1993) conceptualized brand equity in an unexpected way, both characterized brand equity from a customer viewpoint and emphasize that customer based brand equity gives esteem to the firm and to the client. In exploring the similarities between these two fundamental brand equity conceptualizations, both approaches too incorporate comparable measurements (Kayaman & Arasli, 2007)

Over the years, researchers have inspected brand equity utilizing distinctive models/theories by consolidating different brand equity dimensions/elements (Jung & Sung, 2008). Within the past service brand studies, Aaker's (1991) model was the most commonly adopted framework. In differentiate to other models, he demonstrate summarizes diverse viewpoints of brands into a small number of quantifiable measurements, which streamline the method of measuring the concept of brand equity. Whereas Aaker (1991) contends that the model can be connected to both goods and services, the effect of marketing mix components, other than advertising, on brand equity is not mentioned (Shocker, 1993). Further questions may well be postured. For illustration, what can enhance brand awareness and brand associations? Why does brand loyalty exist?

From this point of view, Aaker's, (1991) model is more a result degree, as restricted to process and outcome. From a viable point of see, the model gives negligible sign to brand directors as to what marketing strategies (e.g., advertising, promotion, publicity or improving customer services) should be adopted to cultivate brand equity.

Whereas Keller's (1998) model addresses this scarcity, it's claimed applicability to clarify client brand knowledge relating to both goods and services is watched to be one-sided towards physical goods. For case, advocates that tools and objectives, such as bundling, distribution channels and nation of root, are components that contribute to brand knowledge, which is the key to brand equity. In spite of the fact that these components are imperative to manufactured goods, they may

not be as relevant within the case of service. As such, it shows up that the establishment of the model is more manufacture-based, as opposed to services.

The centrality of this oversight is that, in reality, the inborn characteristics of services can result in service brand managers having to confront uncommon challenges requiring an adjustment of branding and marketing strategies usually applied connected to physical products (de Chernatony & Dall'Olmo Riley, 1999). The coordinate application of branding standards created for tangible goods to services may not as it were be improper, but it might too disregard zones requiring consideration. It is for this reason and in light of the significance of brand equity to bank managers that a more context particular (i.e., services) brand equity model is investigated.

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

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

2.1.7. Brand Awareness

Brand awareness is the capacity of a potential buyer to recognize or review that a brand could be a part of a certain item category. Rossiter and Percy (1987) characterized brand awareness as the consumers’ capacity to distinguish or recognize the brand, while Keller conceptualized brand awareness as comprising of both brand recognition and brand recall.

Agreeing to Keller (1993), brand recall refers to consumers' capacity to recover the brand from memory, for case, when the item category or the wants satisfied by the category are specified. Argued that "brand recognition may be more critical to the degree that product choices are made within the store". Thus, within the display think about, brand awareness is conceptualized as comprising of both brand recognition and brand recall.

Brand awareness acts as a strong flag of item quality and provider commitment (Hoyer and Brown 1990) since high levels of supplier investment (e.g., in exhibitions, or promoting) are ordinarily fundamental to construct high brand awareness. Hence, the provider right now spends cash anticipating to recover it within the future (Kirmani and Rao, 2000).

Brand awareness decreases both the individual chance of the decision-makers within the buying center and the organizational risk for the buying firm itself (Mitchell, 1995). The individual risk may relate to work security, career progression, or status and appreciation inside the company (Anderson and Chambers, 1985). The part of brand awareness in decreasing the individual chance for individuals of a buying center is well depicted within the well-known saying that "nobody ever got fired for buying IBM." It is likely that decision-makers incline toward to purchase a brand related with high awareness levels since it diminishes the hazard of their being faulted in the event that the choice turns out to have been a mistake. Moreover, high-level brand awareness may moreover diminish seen organizational risk (Dawar and Parker, 1994; Mitchell 1995). In specific, organizations may accept that the brands they know well are likely to be acquired by numerous other firms (Aaker, 1991). Hence, they have reason to anticipate that the buy of a well-known brand will not result in any competitive disadvantage. At the same time, brand awareness signals a high-product quality (Dawar and Parker, 1994); Rao and Monroe, 1989). Thus, purchasing high awareness brands is additionally related with decreased functional risk for the organization, which encourage impacts brand choice (Homburg et al., 2010).

Riezebos (2003) characterizes brand awareness may be a component of the brand that can include to its value. The value is based on how simple the brand comes to a customer's mind .according to him there are four distinctive levels that appear how aware a client is of a certain brand: unawareness, passive awareness, active awareness and top-of-the-mind awareness. Keller's (1993)

too depict the higher the level of brand awareness, the higher the probability to create a buy choice in favor of that specific brand. Passive awareness is comparative to brand recognition meaning that the brand title is recognized by clients, but Riezebos (2003) argue that the brand name does not suddenly come to mind. When the level of brand name awareness has come to dynamic awareness, or brand recall (Keller, 1993), the client can recover the brand name when a prompt such as the product group is given. Top-of-the- mind awareness is the level that's the foremost attractive and is attributable to the brand that to begin with comes to mind when a client is displayed with a certain item group (Riezebos, 2003).

2.1.8. Brand Meaning

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

2.1.9. Company's Presented Brand

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

2.1.9.1. Name

The brand name can help reduce the customers' experienced risk of buying a service since external signs are the only thing they can rely on when the offering is intangible (Krishnan and Hartline, 2001; Dall'Olmo Riley & de Chernatony, 2000). When selecting a brand name for a service there are many things to take into consideration. Keller (1993) lists criteria such as simplicity, familiarity and distinctiveness as prominent to create a successful brand name. Through the brand name, enhancements of brand image, loyalty and perceived quality should also be made (Yoo & et al., 2000).

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

2.1.9.2. Advertising

Extant literature emphasizes the need for further research identifying marketing activities that can build brand equity (Keller & Lehmann 2006; Yoo et al., 2000). It is commonly accepted that advertising is useful in building brand equity (Spry et al., 2011). Advertising plays a key role in communicating product availability, features, and benefits and in building a firm's image. Brand image generated by advertising in turn contributes to brand value by improving brand awareness (Ailawadi et al., 2003; Keller 1998; Peterson & Jeong, 2010)

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

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

2.1.9.3. *Symbolic Associations*

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

2.1.10. External Brand Communications

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

2.1.10.1. *Word-of-Mouth (WOM)*

According to Berry (2000) WOM is common in services due to the service characteristic of intangibility. Wirtz and Chew, (2002) support this by claiming that WOM is indeed more critical

in a service setting. Both authors argue that since services are harder than items to assess some time recently the real buy, the client is more likely to depend on involvement based data from other clients. Moreover, Grönroos, (2004) proceeds by saying that to a potential client, an individual who has experienced the service is regarded as a more objective source of data. As a result, in the event that there's a conflict between an advertising message and WOM, the advertising will lose. This illustrates that the marketing effect of WOM is greater than the arranged communication. The thought that satisfied clients produce WOM is for the most part accepted (Grönroos 2004); Gremler et al., 2001). According to Wirtz and Chew, (2002) numerous studies have appeared a positive relationship between satisfied clients and WOM, whereas a few have appeared a negative relationship. They show that this will be clarified by an asymmetric U-shape relationship between client satisfaction and WOM. This tells us that WOM is more visit when the client is either exceptionally satisfied or exceptionally disappointed. WOM can be either positive or negative. Negative WOM is created when the client has had as well numerous negative experiences. This comes about in less compelling promoting campaigns and the company should contribute more in making positive communications. In any case emphasize that on the off chance that the WOM is as well negative, no increment in marketing communications will be sufficient to spare the circumstance. Positive WOM will have the inverse impact; consequently diminish the need of investing a lot on marketing communications. The client takes on the part as an advertiser without any extra taken cost for the firm (Grönroos, 2004).

According to Grönroos (2004) prescribes references and compliments as one way of effectively utilize WOM within the company's promoting. Additionally, Gremler et al., (2001) there are diverse ways of influencing and empowering positive WOM. And he argues that positive WOM can be energized through the advancement of interpersonal bonds between employees and clients. The positive WOM is upgraded through creating a more prominent believe within the relationship between the employee and the customer. The degree of believe is impacted by familiarity, care and individual connections. Define familiarity as "...the customer's perception that the employee has personal recognition of the customer and knows specific details about his/her service needs". The familiarity is assumed to increase with the frequency of interactions. Care is defined as "...the customer's perception of the employee having genuine concern for the customer's wellbeing", and personal connection is defined as "...a strong sense of affiliation or bond based on some tie" The

personal association is related to individual chemistry. A few individuals fair interface based on same personalities, interests, attitudes or other common attributes. By promoting the relationship between employees and clients and making greater trust utilizing familiarity, care and personal association, outline that positive WOM will be energized (Gremler et al., 2001). In any case, Wirtz & Chew, (2002) on the other hand propose motivating forces for creating positive WOM.

Through their study about it is appeared that motivations were found to be a successful way of making WOM. The probability of the client to create a suggestion expanded in conjunction with expanded motivations. The authors indicate that for the WOM to be positive, it is not sufficient with as it were motivations, the clients must also be satisfied. Wirtz and Chew (2002) hence suggest that the manager's to first goal should be to keep the clients satisfied so that incentives can be utilized in a next step to extend the spread of positive WOM.

2.1.10.2. Publicity

According to Marconi (2004) publicity is exceptionally critical as: “A better-known company is perceived to be a better company, and publicity is about becoming better known”. A common understanding in publicity is the same as public relations (PR). Instep publicity could be a portion of PR together with for case promotions, community relations, media relations etc. In expansion to this Marconi (1999) Publicity is about managing information intended for one or more audiences with the purpose of influencing their opinions or decisions. The word Publicity is regularly related with positive consideration. In any case, he stresses that it is imperative to realize that there's moreover such a thing as terrible publicity. Indeed in spite of the fact that Berry (2000) states that publicity is basically uncontrolled, there are ways of affecting it and attempting to oversee it. In comparison to promoting, publicity is moderately cheap (Marconi 1999; 2004).

Publicity is regularly a portion of a bigger marketing effort, and under those circumstances it is important to coordinated publicity as a portion. Marconi (1999) argues that the publicity is frequently handled under a separate department from marketing, and so frequently comes about in conflicting messages to the client. To maintain a strategic distance from this it is vital that the marketing and publicity divisions are working closely together and share information. If a publicist

for example is publishing a subject, he or she should be aware of what other related activities are undertaken at the same time in order to best publish the subject.

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

2.1.11. Customer Experience with Company

The customer experience with the company has the foremost persuasive affect and can be influenced by a few variables. The components most frequently brought up as affecting the experience are the employees and the customers, and the relationship between the two (de Chernatony & McDonald 2003; Ind 2007; McDonald et al., 2001). Bateson and Hui, (1991) say that it is the service experience that produces up the service involvement in which customer's needs and wants are fulfilled. By service experience the authors refer to interactions between employees and clients, customer-to-customer interaction and the service environment. It is the customer's psychological responses to the service experience that is the service experience. Further, Dall'Olmo and de Chernatony, (2000) suggest that the service brand is a complete process that starts with the relationship between the firm and the employees, to later become realized in the interaction between the customer and the service provider. Since the Brand delivery through staff and Customer participation are important parts of the customer experience, they will be discussed below.

2.1.11.1. Brand Delivery through Staff

Agreeing to de Chernatony and McDonald, (2003) the representatives are regularly pointed out as being a great determinant of the customer's experience in services, and are frequently related with

the consistency of the service quality delivered and also the consistency of quality is straight forwardly related to the heterogeneity of services, which was already discussed about as one of the service characteristics. The authors argue that indeed in case a company has created a service picture of the brand, this may effectively be crushed in the event that no consideration is being given to the part of the staff. Service marketing hence must center more on the inside promoting of the brand than within the case of product marketing. Dall’Olmo & de Chernatony, (2000) support this due to the vital part of the employees. Inner marketing is utilized to induce the representatives to share the firm’s values, in arrange to communicate these to the clients. For this reason the authors claim that the communication with the representatives may be indeed more critical than the one with the clients. Studies have shown that the client satisfaction is subordinate on staff satisfaction. Therefore firms should motivate their employees and encourage them to be customer-oriented. Important factors in the motivation and management of the employees are recruitment, training and appraisal (de Chernatony & McDonald 2003; Ind 2007). Besides, Ind (2007) argues that each of these components are vital independently, but it is indeed more critical that they are connected together and are based on the same values and share the same logic. De Chernatony & McDonald, (2003) show that by tending to these issues, a customer centered culture can be built up, which in turn could be a condition for delivering reliable service quality and building a strong service brand.

Ind (2007) state that the branding handle begins with enrollment of the correct individuals. The point is to utilize individuals that share the same values as the firm that is to say with the brand. In arrange to do so the values of the brand got to be accurately communicated in all recruitment messages. This can be regularly not the case as numerous firms have a tendency to depict themselves as having values they really do not, but perhaps wish to have.

The following step is training of the individuals employed. This training ought to be carried out in a way that the values of the firm are implanted within the employees. It is an opportunity to form an understanding of the brand and bring the representatives into line with its standards (Ind, 2007). Grönroos (2004) accepts that the foremost vital portion of the training is to provide the employees with a complete view of the marketing process. They got to be able to see the complete prepare and their individual role, as well as the part of each person in connection to other persons, both inside the firm and with its customers.

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

2.1.11.2. Customer Participation

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

When the customer plays the role as a productive resource, it is seen as a partial employee that performs the same kind of tasks and contributes with the same kind of information to the firm (Bitner et al. 1997; de Chernatony & McDonald 2003). Bitner et al., (1997) present different views on how to deal with the customer as a productive resource. (Bitner et al. 1997; de Chernatony & McDonald, 2003) they claim that some experts want to isolate the service delivery system as much as possible to reduce the uncertainty that comes from the customer's input, while others believe that the most efficient strategy is to regard the customer as an integrated part of the value delivery system and therefore the company should design the customer's role in the most effective way.

When the customers are involved in the production of the service, they are also affecting the quality and hence their evaluation of the service brand. The customer's role as a contributor to quality, satisfaction and values is all about the customer itself influencing how its own needs are fulfilled. This is especially apparent in services where the outcome is highly dependent on customer participation. The authors also claim that in addition to contributing to their own satisfaction, some customers enjoy participating in the service delivery for several reasons.

The notions of the customer as a competitor is linked to the fact that the customer often has the choice of performing the service itself or have someone else perform it. This implies that the company competes against the customer for the distribution of the service (Bitner et al., 1997). Some examples where the customer clearly can be seen as a competitor can be for organizations be payroll, research or accounting. Effective customer participation may call for recruiting, educating and rewarding customers through a similar process that employees undergo (de Chernatony & McDonald 2003; Grönroos, 2004). Targeting is the most important feature in the recruitment process. A firm should target those customers who has a need that the firm's offerings can satisfy, whether this need is yet recognized or not by the customer. After being recruited, the customer often needs to be educated and trained this can for example represent providing the customers with more information so that they know exactly what their roles are (Grönroos, 2004). The customer can be rewarded for playing its role correctly by for example getting access to faster service. However, claim that the service brand can be strengthened by managing the customer mix effectively since customers often simultaneously experience the service. There can be different degrees to which customers come in contact with other customers. For example in restaurants or on airplanes there is a high customer-to-customer contact, while in legal or consultancy services the degree of contact is low (de Chernatony & McDonald, 2003).

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

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

2.2. Empirical Literature

Table 2.1. Summary of Empirical Review

Researchers	Variable of research	Result of research
Farbod Souri. (2017)	Investigate The Relationship Between Brand Equity, Brand Loyalty and Customer Satisfaction	The results of the analysis showing the existence of a significant and positive relationship of brand equity on customer satisfaction and loyalty.
Samuel H.(2017)	The Effect of Brand Image on Customer Satisfaction and Loyalty	The results showed that brand image benefits and customer satisfaction are positively correlated, and customer satisfaction and customer loyalty are also significantly affected by brand image
Hanna K. (2016)	The effect of brand equity on consumer purchase intention.	The study finding indicates there is positive significance relationship between Brand awareness, brand association, perceived quality and brand loyalty with purchase intention.
Agyei& Kilika (2014)	Relationship between corporate image and customer loyalty in the mobile telecommunication market in Kenya	The result of the analysis showing that brand image significantly forecast customer loyalty.
Latwal & Sharm (2012)	The Effect of Brand Equity on Purchase Intention:	The finding reveals there is direct causal relationship between that brand equity dimensions and purchase intention.
Sven Kuenzel, and Sue Halliday, (2008)	Investigating antecedents and consequences of brand identification	The result shows that prestige, satisfaction, communication effect brand identification. The study identification results in word of mouth about the brand and intentions repurchase the brand. Furthermore, it was found that brand identification fully mediates the influences of prestige, satisfaction, and communication on word of mouth and brand repurchase.

2.3. Conceptual Framework

In this study the customer loyalty effect is assessed using five brand equity dimensions, i.e. Brand Awareness, Brand Meaning, Company’s presented band, External brand communication and Customer experience with company.

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

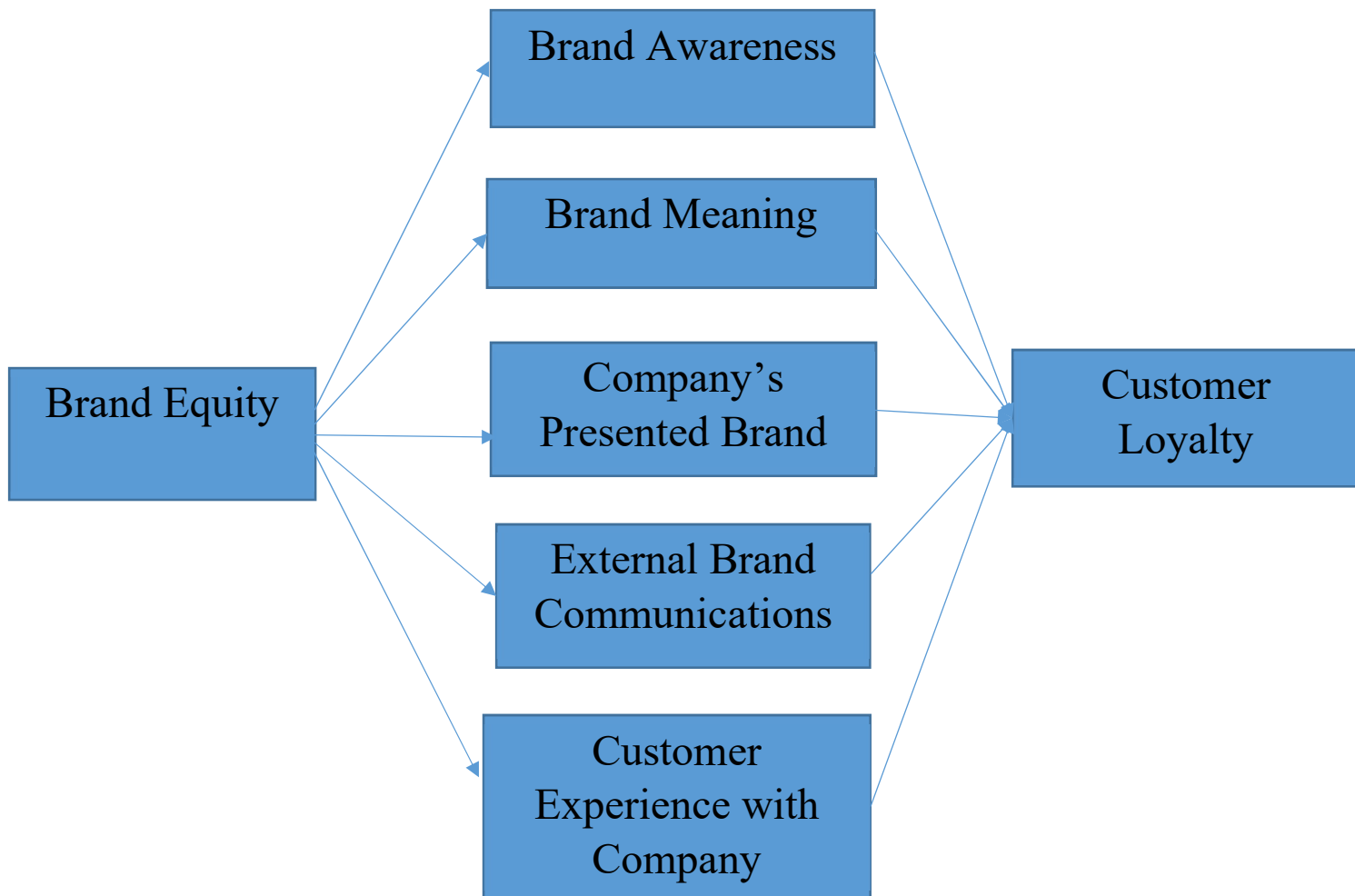


Figure 1: Conceptual framework of the study
Source: Berry (2000)

CHAPTER THREE

RESEARCH METHODOLOGY

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

3.1. Research Approach and Design

Since the objective of this study was to test the relationships among different variables, the study followed quantitative approach. Quantitative studies deal with amounts of something, the occurrence or frequency and answer what questions. The studies deal with a few variables which are measured in numbers or translated into numbers and analyzed statistically after the data collection has been made. The results are then used to make generalizations over a large, representative population even though the complete population has not been studied. The research design followed in this study was a combination of explanatory and descriptive designs. The study was explanatory as the research seeks to discover relationship between the variables under consideration. It is also descriptive as the research describes respondents and their perception on variables identified.

3.2. Source of Data and Data Collection

In this study, both primary and secondary data sources were used. The primary data sources were 303 customers selected from the three branches and managers of the bank. Secondary sources consulted were documents like published and unpublished survey reports, books, and journals to supplement the literature and other key areas of this paper.

The data collection instruments that the researcher used were questionnaire. The research questionnaire was consisted of three sections. The first section was about respondents profile like age, gender, education, service years. The second section was about the banks offerings and the third section was about the research variables using a five - point Likert scale, ranging from “1 =strongly disagree” to “5 = strongly agree”. The questionnaire was distributed to 303 sample

customers selected for the three branches. The questionnaire was a self-administered questionnaire and the average time taken to complete the survey was approximately 10 minutes. The questionnaire was distributed to the sample respondents for three weeks on daily basis and collected on the spot so as to appreciate the positive response rate. The developed questionnaire was pilot tested to refine the questions and for clarity of in the questions so that to identify and eliminate errors. Based on feedback, the questionnaire was refined for clarity.

3.3. Sampling Design

Zemen Bank has 16 branches in Addis Ababa different years of providing the service. For this study, branches that provided services for more than three years were included because brand equity bears a positive impact in the long-term. Accordingly, branches with less than three years of services were excluded from this study. Because the main branch provided the service for more than 10 years, it was automatically taken as a sample. Among the other branches that provided bank service for three or more years, two, namely Bole Banking center and CMC Banking center, were randomly selected.

Regarding customer respondents, the formula shown below was used to determine sample size since the customer population is very larger and the sampling frame is unknown (Krejcie & Morgan, 1970).

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

Where:

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

P = the population proportion (assumed to be 0.5)

Since this would provide the maximum sample size)

q = 1 – p (0.5)

e = the desire level of precision (0.05)

Therefore,

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

Accordingly, 384 customer respondents from the three branches were chosen for data collection. And also customers of these branches were the respondents for this study. To get a representative sample, the distribution of questionnaire was based on time interval for those customers appear every 10 minutes at the selected branches of the banks after approving their willingness.

Table 3.1: Questionnaire Distributed and its Response Rate

S.N	Name of Branches	Year Established	Service Year	Distribution Questionnaire		Returned Questionnaire	
				No.	%	No.	%
1	Main Branch	2008/9	11	222	57.89	178	46.35
2	Bole Banking Center	2014	5	101	26.32	79	20.57
3	CMC Banking Center	2016	3	61	15.79	46	11.98
Total				384	100	303	78.90%

Source: Own Survey and ZB Company profile

The above table 3.1 shows that the distribution of the questionnaire for the respected banks was proportional base on their service, 11 years services (57.89%), 5 years services (26.32 %) and 3 years services (15.79%).

3.4. Method of Data Analysis and Presentation

Because the purpose of this study was examining the relationships between different variables, multiple regression analysis was used to explain the significance impacts of the independent variable on the dependent variable using the following regression equation. In addition to this the regression analysis was processed through software called SPSS version 20. Pearson correlation analysis (r) was also used to determine the linearity problem. Correlation analyses are used to explore the relationship between brand equity dimensions and customers loyalty.

According to Hair et al. (2002, p.568) the Pearson correlation coefficient measures the degree of linear association between two variables. It varies between -1.00 and $+1.00$, with 0 representing absolutely no association between two variables, and -1.00 or $+1.00$ representing a perfect link between two variables. The level of association between the brand equity dimension variables will

be stronger if the correlation coefficient is higher or vice versa. The data was presented and discussed based on the regression analysis results and through descriptive statistics.

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

Where:

y = Customer Loyalty

b₁ = beta weigh or regression coefficient of brand awareness

x₁ = Brand awareness

b₂ = beta weigh or regression coefficient of brand meaning

x₂ = Brand meaning

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

x₃ = Company's presented brand

b₄ = beta weigh or regression coefficient of external brand communications

x₄ = External brand communications

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

x₅ = Customer experience with company

3.5. Research Quality

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

3.5.1. Reliability

Reliability is the degree to which what researchers measure is free from random error (Mooi & Sarstedt, 2011) and it is concerned with the consistency or stability of the score obtained from a measure or assessment over time and across settings or conditions. If the measurement is reliable, then there is less chance that the obtained score is due to random factors and measurement error (Marczyk et al., 2005). In this study, Chrombach's alpha (α) was used to test the reliability of the measure. As a result, Cronbach's alpha of the questionnaire revealed 0.874 score. Usually,

reliability coefficients should be at least ‘.70’ and the higher is the better. Therefore the reliability of the response was accepted & assured.

3.5.2. Validity

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

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

Table 3.2: Reliability Coefficients of Research Measures (Cronbach’s Alpha)

S.N.	Items	Numbers of item	Cronbach alpha value
1	Brand Awareness	5	.815
2	Brand Meaning	9	.848
3	Presented Brand	8	.838
4	External Brand Communications	10	.924
5	Customer Experience with Company	15	.930
6	Customer Loyalty	8	.863
	Overall Reliability	55	.874

Source: Own survey (2019)

Table 3.2 above shows Cronbach’s alpha coefficients of the major research measures. Subjects to the specific and unusual limitations associated with this type of research, the research instrument appears reliable and valid.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter presents the analysis of the survey questionnaire as well as results of the data analysis in order to realize the ultimate objective of the study. The target population of this study was customers of selected branches of Zemen Bank. Questionnaires have been collected at the last Three weeks of March 2019. Out of 384 questionnaires dispersed to customers of the selected three branches, 311 responses were returned. Out of these, 8 were incomplete and were not used for further analysis. Thus, 303 questionnaires were eventually used for the study with a response rate of 78.90%. According to (Saunders, 2002), a response rate of 70% and above for questionnaire survey is sufficient to carry out the analysis.

4.1. Descriptive Analysis

4.1.1. Demographic profile of respondents

As can be seen in Table 4.1 below, the sample consisted of 303 customer respondents and in terms of gender, respondents were roughly proportionate between male and female, even though the numbers of male respondents were a bit higher (male 52.8% and female 47.2%). regarding the age of respondents, the sample population was largely dominated by the age group of 25-35 (38.6%) followed by the group between the age of 36-45 (28.4%). The rest of the respondents consisted, 59 (19.5 %) with the age of 46 and 55, 28(9.2%) in between the age of 25 and below and 13 (4.3 %) with the age of 56 and above. the largest group of the sample population comprised first-degree holders, which is 39.9% of the total respondents; followed by College diploma which comprised 34.0%. This shows that the majority of the respondents were with sufficient educational background. the highest numbers of the respondents are employed in private organizations (60.4%) and followed by government organizations (16.5 %), and Self-employment (12.9 %), students (5.9 %) and trader (4.3 %) respectively. Concerning the customers' service period, the sample populations was mainly dominated by a service years of 3-5 years, which is 30.7% and followed by 1-3 years of services (27.4%). This implies that, over 78.6% of the respondents have more than one years of relationship with their respective banks.

Table 4.1: Demographic profile of respondents

Characteristics	Frequency	Percentage
Gender		
Female	143	47.2
Male	160	52.8
Age		
Below 25	28	9.2
25-35	117	38.6
36-45	86	28.4
46-55	59	19.5
Above 56	13	4.3
Academic Qualification		
Below high school	13	4.3
High school complete	20	6.6
College diploma	103	34.0
First degree	121	39.9
Second degree and above	43	14.2
Other	3	1.0
Occupational Status		
Government Employee	50	16.5
Private Employee	183	60.4
Self –Employee	39	12.9
Student	18	5.9
Trader	13	4.3
Service Years		
Below 1 year	65	21.5
1-3 Years	83	27.4
3-5 Years	93	30.7
Over 5 years	62	20.5

Source: Own survey (2019)

4.1.2. Type of service respondents often use

As displayed in table 4.2 below, 66 % of respondents use deposit and withdrawal services often times and 16.5 % use foreign transfer whereas 9.9 % of the respondents are using loan, local transfer 7.6 %. Therefore, ZB needs to focus on both saving and deposit since both are important to the Bank. Most of its customers are using deposit and withdrawal services as well that the bank needs to focus on this area hence deposit mobilization is key to bank's performance.

Table 4.2: Summary of respondents' types of service often use

		Frequency	Percent
Valid	Deposit and withdrawal	200	66.0
	Local Transfer	23	7.6
	Foreign Transfer	50	16.5
	Loan	30	9.9
	Total	303	100.0

Source: Own survey (2019)

4.1.3. Respondents best word that describe services of Zemen Bank

Respondents were asked to select the best word that describes Zemen Bank services. The analysis in Table 4.3 below shows that 38.9%, 23.4% and 22.4% of the respondents described Zemen Bank's service as a Bank with modern services, Technology driven Bank, and a Bank with Trained staff, respectively. The remaining (15.2%) of the respondents described it as a Reliable Bank. Thus, though the comparative importance placed by customers was different, the all over rating was positive.

Table 4.3: Summary of respondents' best word that describe Zemen Bank

		Frequency	Percent
Valid	Technology driven bank	71	23.4
	Reliable Bank	46	15.2
	Bank with trained staff	68	22.4
	Bank with modern service	118	38.9
	Total	303	100.0

Source: Own survey (2019)

4.1.4. Most Important Feature Respondents Want in Zemen Bank Services

In Table 4.4 below, 37.6% of respondents want Accessibility feature of services from ZB and followed by service quality (31.4%), Service efficiency (16.8%), and Reliability (13.9 %) respectively. Analysis also shows that 0.3 percent of respondents want others or a combination of the above services

Table 4.4: Summary of respondents' the most important feature they wants from the Bank

		Frequency	Percent
Valid	Accessibility	114	37.6
	Reliability	42	13.9
	Service efficiency	51	16.8
	Service Quality	95	31.4
	Others	1	.3
	Total	303	100.0

Source: Own survey (2019)

Most of the respondents has agreed that it has limited accessibility compare to that of other banks in Ethiopia.so the bank advised to improve at this matter to meet the need and wants of its customer.

4.1.5. Analysis of Service Quality

Respondents were asked to rate the overall service quality of ZB. The overall quality of the banking service on a five point Likert-type scale (5 being strongly agreed and 1 being strongly disagreed) was rated by the respondents in terms of its excellence. As shown in Table 4.6, more than half of the respondents (52.8%) were strongly agreed and 39.6% of respondents' also agreed, while 5.6 % of the respondent's opinion was neither agreed nor disagreed with ZB's service quality excellence. The remaining 2.0% of the respondents were strongly disagreed, forming a total of only 2.0% who reported to be disagreeing with quality banking service of ZB. In general, the overall service quality of ZB is found to be very good.

Table 4.5: Summary of respondents’ the overall quality of the bank

		Frequency	Percent	Mean	Std. dev.
Valid	Strongly disagree	6	2.0		
	Neutral	17	5.6		
	agree	120	39.6	4.41	.771
	strongly agree	160	52.8		
	Total	303	100.0		

Source: Own survey (2019)

Using descriptive statistics, the mean value of service quality was computed. The mean value of SQ was found to be 4.41 which is above the average (3.0 over a 5-point scale) service quality level. Therefore, ZB needs to improve its service quality in order to provide excellent services to enhance customers’ satisfaction, as based on the above analysis, in general, the overall service quality of ZB is found to be very good.

4.1.6. Analysis of Customer Satisfaction

The purpose of analyzing customer satisfaction in this study is to confirm the degree of satisfaction or dissatisfaction as a result of superior or inferior service quality level that ultimately represents the performance of the brand. The respondents were asked to rate statements based on their level of satisfaction; from 1 to 5 where 1= highly dissatisfied, 2= dissatisfied, 3= neutral, 4= satisfied and 5= highly satisfied.

Table 4.6: Summary of respondents’ the degree of satisfaction from services of the bank

		Frequency	Percent	Mean	Std. dev.
Valid	Highly Dissatisfied	2	.7		
	Dissatisfied	7	2.3		
	Neutral	9	3.0	4.33	.707
	Satisfied	156	51.5		
	Highly Satisfied	129	42.6		
	Total	303	100.0		

Source: Own survey (2019)

As shown in Table 4.6, more than half of the respondents (51.5 %) were satisfied and 42.6 % also found highly satisfied, while 3.0 % of the respondent’s opinion was neither satisfied nor

dissatisfied. The remaining 0.7% and 2.3% of the respondents were highly dissatisfied and dissatisfied respectively.

Using descriptive statistics, the mean value of customer satisfaction was computed. The mean value of CS was found to be 4.33 which are above the average (3.0 over a 5-point scale) of the customer satisfaction level.

Therefore, ZB needs to have some improvement on its service quality in order to enhance customers’ satisfaction or to make them delighted, so that the customers will maintain using ZB services. As based on the above analysis, in general, the overall customers’ satisfaction on the service of ZB is found to be satisfied.

4.2. Descriptive Statistics of Study Variables

The descriptive statistics (mean and standard deviation) in respect of each variable is shown in Table 4.7. The mean indicates to what extent the sample group on average agrees or does not agree with the different statement. The lower the mean, the more the respondents disagree with the statement. The higher the mean, the more the respondents agree with the statement. The interpretation was made based on the following measurement scale intervals or range: Mean scores 4.51-5.00 excellent or very good, 3.51- 4.50 good, 2.51-3.50 moderate, 1.51-2.50 fair and 1.00-1.50 poor (Btawee, 1987, as cited by Sidie, 2015).

Table 4.7: Descriptive Statistics of variables

	Mean	Std. Deviation	N
Brand Awareness	4.2152	.59793	303
Brand Meaning	4.3162	.50455	303
Presented Brand	3.5895	.65899	303
External Brand Communications	3.7162	.72338	303
Customer Experience with Company	4.4273	.52481	303
Customer Loyalty	3.9983	.64037	303

Source: Own survey (2019)

Based on table 4.7 above, Customer Experience with Company has the highest mean score of 4.4273 followed by Brand Meaning and Brand Awareness with a mean score of 4.3162 and 4.2152, respectively. Customer Loyalty stood at fourth level with a mean value of 3.9983. External Brand Communications has an average mean of 3.7162. Company's Presented Brand was the least variable rated with a mean score of 3.5895.

Accordingly, all the variables lie in the category between 3.51 and 4.50 which means respondents have good perception on each of the variables under consideration. On the other hand, the standard deviation shown on each variable was relatively low. Low standard deviation means that the data are narrow spread, which tells that customers gave close opinion on each variable.

4.3. Correlation analysis

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

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

Table 4.8: Correlation between independent and dependent variables

		Brand Awareness	Brand Meaning	Presented Brand	External Brand Communication	Customer Experience with Company	Customer Loyalty
Brand awareness	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	303					
Brand Meaning	Pearson Correlation	.658**	1				
	Sig. (2-tailed)	0					
	N	303	303				
Presented Brand	Pearson Correlation	.524**	.543**	1			
	Sig. (2-tailed)	0	0				
	N	303	303	303			
External Brand Communication	Pearson Correlation	.367**	.425**	.478**	1		
	Sig. (2-tailed)	0	0	0			
	N	303	303	303	303		
Customer Experience with Company	Pearson Correlation	.570**	.678**	.449**	.601**	1	
	Sig. (2-tailed)	0	0	0	0		
	N	303	303	303	303	303	
Customer Loyalty	Pearson Correlation	.582**	.603**	.516**	.611**	.716**	1
	Sig. (2-tailed)	0	0	0	0	0	
	N	303	303	303	303	303	303

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

Source: Own survey (2019)

From the results shown in table 4.8 above, each variable correlated perfectly with itself with coefficients value of +1.00. The correlation matrix shows that there is a strong, positive and significant relationship between customer experience with company and customer loyalty with a value of $r=0.716$ at 0.01 significant level.

The results of Pearson correlation matrix also show that there is a strong positive relationship, between External brand communication and customer loyalty, between brand meaning and customer loyalty, between brand awareness and customer loyalty; between company's presented brand and customer loyalty; with a value of $r=0.611$, $r=0.603$, $r=0.582$, $r=0.516$, respectively. The correlation between all the independent variables and dependent variable is proved to be positive

and significant, which means the improvement in any or all of the independent variables results in improvement in customer loyalty.

4.4. Multiple Regression Analysis

In order to determine the explanatory power of the independent variables in the variance of the dependent variable, multiple linear regression analysis was employed. In other words, regression was conducted in order to see contribution of factors that consumers perceive to be important in affecting their loyalty in ZB.

Before the regression analysis, the four major assumptions of variables were tested for checking errors. These are Homoscedacity, Normality, Independency and multicollinearity and all the assumptions were satisfied. The result charts of the assumptions are annexed with this paper (see annexes C-D) and the multicollinearity and normality result tables are presented as follows in table 4.9 and 4.10 respectively.

Table 4.9: Multicollinearity statistics

Model	Collinearity Statistics	
	Tolerance	VIF
1		
(Constant)		
Brand Awareness	.506	1.976
Brand Meaning	.405	2.469
Presented Brand	.592	1.689
External Brand Communications	.579	1.726
Customer Experience with Company	.404	2.476

a. Dependent Variable: Customer Loyalty

Source: Own survey (2019)

Multicollinearity occurs when there are high intercorrelations among some set of the predictor variables. The rule is that when tolerance value is less than 0.2 and the VIF exceeds 10; it is a signal of multicollinearity, which could lead to misleading and/or inaccurate results. Refer to

collinearity Statistics shown above in table 4.9, the tolerance and VIF showed that there was no multicollinearity between the study predictors.

Table 4.10: Normality statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Brand Awareness	303	4.2152	.59793	-.978	.140	1.519	.279
Brand Meaning	303	4.3162	.50455	-.791	.140	.688	.279
Presented Brand	303	3.5895	.65899	-.047	.140	-.499	.279
External Brand Communication	303	3.7162	.72338	-.907	.140	1.398	.279
Customer Experience with Company	303	4.4273	.52481	-1.131	.140	3.809	.279
Customer Loyalty	303	3.9983	.64037	-1.351	.140	3.892	.279
Valid N (listwise)	303						

Source: Own survey (2019)

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

The regression model presents how much of the variance in the measure of customer loyalty is explained by the underlying dimensions of brand equity (the model). Adjusted R square was used to measure the percentage of variance in the customer loyalty explained by the brand awareness, brand meaning, company’s presented brand, external brand communications and customer experience with company. Based on table 4.11 below, the model or the predictor variables have accounted for 61% (adjusted R square of 60.0% with estimated standard deviation 0.40036) of the variance in the criterion variable (customer loyalty). The other variables that were not considered in this study contribute about 39% of the variability of customer loyalty.

Similarly, the ANOVA table 4.12 shows the overall significance/acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value of 95.122 and p-value (.000), which is less than $p < 0.05$, the model is significant. This indicates the variation explained by the model is not due to chance.

Table 4.11: Regression Analysis between Independent and Dependent Variable
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785 ^a	.616	.609	.40036

- a. Predictors: (Constant), Customer Experience with Company, Presented Brand, Brand awareness, External Brand Communication, Brand Meaning
- b. Dependent variable ; customer loyalty

Source: Own survey (2019)

Table 4.12: ANOVA of customer loyalty

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	76.236	5	15.247	95.122	.000 ^b
	Residual	47.606	297	.160		
	Total	123.843	302			
a. Dependent Variable: Customer Loyalty						
b. Predictors: (Constant), Customer Experience with Company, Presented Brand, Brand awareness, External Brand Communication, Brand Meaning						

Source: Own survey (2019)

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

as the more important determinant in predicting the dependent variable. Tables 4.13 provide the results of the multiple regression analysis.

Table 4.13: Regression for Customer Loyalty

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.380	.217		-1.754	.081
	Brand_awareness	.191	.054	.179	3.533	.000
	Brand Meaning	.098	.072	.078	1.373	.171
	Presented_Brand	.095	.045	.097	2.081	.038
	External Brand Communication	.215	.042	.243	5.148	.000
	Customer Experience with Company	.453	.069	.371	6.561	.000

a. Dependent Variable: Customer Loyalty

Source: Own survey (2019)

According to Table 4.13 above, the regression standardized coefficients for the four independent variables, i.e. Brand Awareness, Company's Present Brand, External Band Communication and Customer Experience with Company are 0.179, 0.097, 0.243 and 0.371 respectively. Their significance levels are 0.000, 0.038, 0.000 and 0.000 respectively, which are less than 0.05. This indicates significant relationship between them and the dependent variable (customer loyalty). Since, coefficients of the predictor variables are statistically significant at less than five percent; alternative hypotheses related with brand awareness, company's present brand, External brand - communication and customer experience with company, are supported and the remaining one alternative hypotheses (which are related with brand meaning) are not supported since their p values are > 0.05 . The hypotheses testing are summarized in table 4.14 below. The result also indicated that customer experience with company is the most important factor influencing customer loyalty of Zemen Bank followed by External Brand Communication, Brand Awareness and Company presented brand.

Table 4.14: Summary of the Hypotheses Testing

S.N.	Hypothesis	R-value	Relationship	Beta	Sig.	Result
1	H1: Significant and positive relationship between Brand Awareness and customer loyalty	.582 ^{**}	Positive	0.179	0.000	Supported
2	H2: Significant and positive relationship between Brand Meaning and customer loyalty	.603 ^{**}	Positive	0.078	0.171	Not supported
3	H3: Significant and positive relationship between Company's Presented brand and customer loyalty	.516 ^{**}	Positive	0.097	0.038	Supported
4	H4: Significant and positive relationship between External Brand Communication and customer loyalty	.611 ^{**}	Positive	0.243	0.000	Supported
5	H5: Significant and positive relationship between Customer Experience with company and customer loyalty	.716 ^{**}	Positive	0.371	0.000	Supported

Source: Own survey (2019)

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary of the Major Findings

The purpose of the study was to investigate the relationship between brand equity and customer loyalty of Zemen bank. Guided by the key research questions; - To what extent brand equity affects customer loyalty? , What brand strategies does Zemen bank follow to attract consumers and How does Zemen bank build its brand equity? Therefore, the major findings of the study are summarized below.

From the demographic characteristics of respondents, male and female respondents were roughly proportionate. Besides, respondents participated in the survey were middle aged. Regarding educational back ground, majority have got first degree. About occupational status, majority are Private employee. In terms of years of service experience, the majority have the experience between 3 to 5 years with their current banks.

The products and services which the respondent used mostly in ZB are deposit and withdrawal, Foreign Transfer and loan respectively.so, the bank has in good position in deposit mobilization. The overall assessment about the bank majority of the customers respond that ZB is bank with modern services, technological driven bank and Bank with trained staff. This implies the customers has good assumption about ZB. Customers’ responds to the most important features that want from the Banks is accessibility.

The satisfaction level of customers was measured using five point Likert scale ranging from highly dissatisfied (1) to highly satisfied (5). Ninety Four Point One percent (94.1%) of the respondents are satisfied and 3.0% are dissatisfied and the remaining 3 % are neither dissatisfied nor satisfied. There is also mean value 4.33 that shows the overall customer satisfaction is high. As a result, customer satisfaction explains that, more than 90% of bank customers are satisfied with the service provided by ZB. This indicates that customer’s feelings about overall service quality is high. Additionally, the overall service excellence level of ZB was measured using five point Likert scale ranging from strongly disagree (1) to strongly agree (5). Ninety Two Point Four percent (92.4%)

of the respondents are strongly agreed and 2.0% are strongly disagreed and the remaining 5.6% are neither disagreed nor agreed. There is also mean value 4.41 that shows overall service excellence of Zemen Bank as perceived by customers is above average. As a result, the overall service excellence explains that, more than 90% of bank customers are satisfied with the service excellence of ZB. This indicates that customer's perception about overall service is good.

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

The Pearson correlation coefficient revealed that Brand awareness ($r=.582$); Brand meaning ($r=.603$); Company's presented brand ($r=.516$); External brand communication ($r=0.611$) and Customer experience with company ($r=.716$) are all positively correlated with customer loyalty. The strength of correlation is highest for customer experience with company followed by external brand communication; brand meaning; brand awareness and company's presented brand. The correlation is also significant at .01 level two tailed.

The multiple regression result, estimate of regression weight showed that the four independent variables Customer Experience with Company ($\beta=.371$), External Brand Communications ($\beta=.243$), Brand Awareness ($\beta=.179$) and Company Presented Brand ($\beta=-.097$) significantly predict and explain customer loyalty, supporting H1, H3, H4 and H5. The remaining one independent variables Brand Meaning ($\beta=.078$) not significantly affect customer loyalty, not supporting H2. Customer Experience with Company and External Brand Communications are the most important service brand equity dimensions influencing customer loyalty of Zemen Bank.

5.2. Conclusion

The main objective of the research was to investigate the relationship between brand equity and customer loyalty in zemen bank. Accordingly, the study tried to test the relationship that exists between service brand equity dimensions' and customer loyalty.

Customer Experience with Company appeared to be the most correlated construct with customer loyalty and the most dominant factor in predicting customer loyalty, The implication is that as customers of banks has a good experience with their respective banks, customers tend to be loyal. Also, External Brand Communications is the second most correlated and dominant factor predicting customer loyalty. The implication is that customer's gives attention to Word of Mouth and publicity. The third most correlated construct with customer loyalty in Zemen Bank is Brand awareness. It is also the third most dominant factor in predicting customer loyalty, this implies that if the clients of the bank have a good awareness of its brand, they tend to be loyal. Furthermore, the fourth most correlated construct with customer loyalty in Zemen Bank is Company Presented Brand. It is also the fourth most dominant factor in predicting customer loyalty. This implies that as customers perceived the banks presented brand (eg. brand name and advertising) as valuable, they remain loyal to such banks. Contrary to that, Brand Meaning were found to be less considered in the loyalty of Zemen's customers; but Brand Meaning has a significant direct relation with customer loyalty This shows that bank consumers give less attention for Brand Meaning when they buy banking services.

In conclusion, Customer Experience with Company, External Brand Communications, Brand Awareness and Company Presented Brand appeared to be antecedents of loyalty in Zemen Bank. Therefore, the bank have to note the four dimensions of service brand equity that are found to predict loyalty and emphasize them in their marketing strategy.

5.3. Recommendations

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

Based on this result, the way customers evaluate a service greatly depends on the extent to which the customer experience in the delivery of the service and that experience of the customer is

important to bring out the long-term loyalty, customer actual experience with the banks is also an influential service brand equity dimension for loyalty of bank customers. Thus, bank managers should put efforts to create memorable experience through improving factors related to the core services, employee service deliver, and service scape. For example, up-to-date facilities, attractive service environments, quality services.

Since, External Brand Communications has a significant positive impact on the loyalty of banking customers, the bank manager should work on the aspect of External Brand Communication like building and delivering quality service to spread positive word of mouth, improving publicity by announcing through advertisement, social networks about the banks product and service it improves consumers know how about the bank.

Since Brand awareness has a significant positive impact on the loyalty of ZB customers, the bank managers should work on the aspects of the Brand awareness like building/improving promotion and advertisings that helps to recall and recognize the brand easily, so that to improve their awareness about the bank's brand.

Since company's presented brand has a significant positive impact on the loyalty of bank customers, the bank managers should work on the aspects of the company's presented brand like building/improving good brand name, improving promotion and advertisings of the bank by assessing the customers' reaction of current promotions campaigns so that to improve their presented brand.

The higher officials of ZB should direct their attention towards the improvements in advertisement & other promotional campaign attractiveness, and branch locations convenience and accessibility of a bank. In addition, the bank should expand additional branches in order to increase its accessibility.

The results of the research findings indicates that the brand equity values in ZB is high (above the average) and because of this reason the bank customers are satisfied with the services provided by ZB and rated its service excellence as good. Therefore, ZB is advised to keep it, even to make better than the current position to enhance brand equity effects to stay customers' loyal.

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Annexes

Annex-A
Saint Mary's University
Masters of Business Administration

Dear Participants,

This questionnaire is designed to collect primary data that supports my research on ‘**an investigation on the relationship between Brand Equity and Customer Loyalty**’ that I am conducting as a partial fulfillment of the requirements for the degree of Masters of Business Administration. The main objective of this particular research project is to investigate the possible relationship between brand equity and customer loyalty in Zemen Bank.

Hence, your response to the questionnaire has paramount importance to the success of this research. The findings of the research are will used only for academic purpose authorized by the Saint Mary's University.

Thank you for sharing your precious time from your eventful schedule and I appreciate your genuine and prompt response. If you have any clarification or query, please contact me at Tel. 0921-623517 or e-mail negussieze@gmail.com if you would like a summary of my research results in soft copy, please indicate your email address.

Sincerely

Desta Negussie

Direction: There is no need to write your name

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

Part - I: Profile of Respondents

- 1.1. Gender Male Female
- 1.2. Age Below 25 25-35 year 36-45 years 46-55 years
Above 56 years
- 1.3. Educational level
Below high school High school complete College Diploma
First Degree Second Degree & above other (specify)_____

1.4. Occupational status

Government Employee Private Employee Self employee Student
Trader Others _____

1.5. For how many year/s have you been as customer of ZB?

Below 1 year 1 - 3 years 3 - 5 years over 5 years

Part - II

General Questions

Please give your response for the questions below by putting a “□” mark in the boxes for each of the questions/statements.

1. The services you use most often _____

Deposit and Withdrawal Local Transfer Foreign Transfer
Loan Overdraft

2. In your opinion, Zemen Bank is _____

Technology driven Bank Reliable Bank
Bank with trained staff Bank with modern services Others _____

3. The most important feature you want from Zemen Bank

Accessibility Reliability Service Efficiency
Service Quality Others _____

4. The overall banking service quality of ZB is Excellent.

5. Strongly Agree 4. Agree 3. Neutral 2. Disagree 1. Strongly Disagree

5. The degree of your satisfaction from services of Zemen Bank _____

5. Highly Satisfied 4. Satisfied 3. Neutral 2. Dissatisfied 1. Highly Dissatisfied

Part – III

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

S. N.	Construct and Items	Scale				
		SD	D	N	A	SA
1	Brand Awareness					
	I am aware of this Bank					
	This Bank Comes to my mind when I need financial decision					
	I can recognize ZB’s brand among other competing Brands					
	ZB has better image ,compared to competing Banks					
	Some futures of Zemen Bank Brand come to my mind quickly					
2	Brand Meaning					
	The environment of the bank is conducive as compared to others					
	ZB’s logo colors (Red, Black, white) is attractive					
	ZB has a reliable brand, compared to competing Banks					
	The Bank has a personality					
	This Bank service is interesting					
	The bank portrays the image of customers it serves					
	I trust this Bank					
	I like the Bank					
	The Bank has credibility					
3	Presented Brand					
	Brand name					
	The Brand name tells me what to expect					
	I would not use the bank services if not “name”					
	The Brand name means a lot to me					
	I always remember the “name” to make a purchase decision					

S. N.	Construct and Items	Scale				
		SD	D	N	A	SA
	Advertising					
	I like the bank advertisings					
	I react favorably to this bank advertisings					
	I feel positive toward the advertisings					
	The Bank's advertisings are good					
4	External Brand Communications					
	Word Of Mouth (WOM)					
	Word of Mouth communication about this Bank affects my views					
	Word of Mouth communication reveals important message about the Bank					
	Word of Mouth communication provides some different ideas					
	WOM communication helps me to make better choice					
	It Influence my evaluation					
	Publicity					
	Publicity about this Bank affects my views					
	It reveals some things about the Bank					
	Publicity provides some different ideas					
	Publicity helps me formulate ideas					
	It influence my evaluation					
5	Customer Experience with Company					
	Core Service					
	This bank suits my needs					
	The Bank Service is reliable					
	There is speed in service performance					
	The Bank is dependable in handling customer service problem					

S. N.	Construct and Items	Scale				
		SD	D	N	A	SA
	Servicescapes					
	This Bank has up-to-date facilities					
	The Bank facilities are attractive					
	It has neat employees					
	The Bank facilities suit service type					
	Employee Service					
	The Bank Employees provide prompt service					
	The Employees are willing to help					
	They are never too busy for me					
	I can trust this Bank's employees					
	I feel safe in transactions					
	The Bank employees are polite					
	They gives personal attention					
6	Customer Loyalty					
	I am satisfied with this Bank's complete ranges of services					
	I usually use this Bank as my first choice					
	I do not consider other banks for my financial needs					
	I would recommend this Bank to others					
	I am not that much immersed by the message of competing banks.					
	I most often provide feedback for improvement.					
	I most often visit the bank for advice when I faced a problem.					
	I don't feel worried if the bank's service delay for reasonable time.					

Thank you again!

Annex-B

ቅድስት ማርያም ዩንቨርሲቲ የድህረ ምረቃ ጥናት ቢዝነስ አድሚኒስትሬሽን ፕሮግራም በደንበኞች የሚሞላ መጠይቅ

ይህ መጠይቅ የተዘጋጀው በንግድ ምልክት እና በደንበኛ ታማኝነት መካከል ያለውን ግንኙነት ለመፈተሽ ሲሆን ጥናቱም በዘመን ባንክ አ.ማ ያተኮራል። ጥናቱ የተዘጋጀው ለመመረቂያ ፅሁፍ ሲሆን በዚህ መጠይቅ ላይ የሚሰጡት መልስም ለትምርት ጉዳይ ብቻ የሚውል ይሆናል። በመሆኑም፤ የእርሶ ተሳታፊነት ለጥናቱ ውጤት ከፍተኛ ጠቀሜታ አለው።

ውድ ጊዜውን ሰውተው ይኼንን መጠይቅ ስለሞሉልኝ በቅድሚያ እያመሰገንኩ ለማንኛውም ተጨማሪ ጥያቄ ወይም ማብራሪያ በስልክ ቁጥር 0921-623517 ቢደውሉልኝ ወይም በnegussiezee@gmail.com አሜል ቢፅፉ ፈጣን ምላሽ እሠጣለሁ።

ጥናቱ በሚጠናቀቅበት ጊዜ የጥናቱን ጠቅላላ ያለ ውጤት በሶፍት ኮፒ እንድልክልዎ ከፈለጉ የአሜል አድራሻዎን እዚህ ላይ ይጻፉ።

ከምስጋና ጋር

ደስታ ንጉሴ

በሚሞሉበት ግዜ

- ስሞዎን መጻፍ የለብዎትም
- መልስዎ ላይ (□) ምልክት ያድርጉ

ክፍል -1 የግል መረጃ

- | | | |
|--------|-------------------------------------|---|
| 1. ጾታ | <input type="checkbox"/> ሴት | <input type="checkbox"/> ወንድ |
| 2. እድሜ | <input type="checkbox"/> ከ25 በታች | <input type="checkbox"/> ከ25 እስከ 35 <input type="checkbox"/> ከ36 እስከ 45 |
| | <input type="checkbox"/> ከ46 እስከ 55 | <input type="checkbox"/> ከ56 በላይ |

3. የትምህርት ደረጃ

- ከ12 በታች 12 ያጠናቀቀ
- የኮሌጅ ዲፕሎማ የመጀመሪያ ዲግሪ
- ሁለተኛ ዲግሪና ከዛ በላይ

ሌላ፤ ይግለጹ _____

4. የስራ ሁኔታ

- የመንግስት ሰራተኛ የግል ሰራተኛ የራስ ስራ ነጋዴ
- ተማሪ ሌላ ይግለጹ _____

5. በባንኩ መገልግል ከጀመሩ ስንት ጊዜ ሆነዎት

- ከ1 አመት በታች ከ1-3 አመት
- ከ3-5 አመት ከ5 አመት በላይ

ክፍል -2 አጠቃላይ መጠይቅ

1. አብዛኛውን ጊዜ የሚጠቀሟቸው አገልግሎቶች

- ገንዘብ ማስገባት እና ማውጣት የሀገር ውስጥ የገንዘብ ዝውውር
- የውጭ ሀገር የገንዘብ ዝውውር ብድር አሸርድፍት

2. እርስዎ እንደሚያምኑት ዘመን ባንክ ምን አይነት ባንክ ነው ብለው ያስባሉ

- ቴክኖሎጂ ላይ ተመስርቶ ስራውን የሚያከናውን ባንክ
- አስተማማኝ ባንክ ስልጡን ሰራተኛ ያሉት ባንክ
- ዘመናዊ አገልግሎት የሚሰጥ ባንክ ሌሎች _____

3. ከዘመን ባንክ በዋነኝነት የሚፈልጓቸው አገልግሎቶች

- ተደራሽነት አስተማማኝነት በቂ አገልግሎት
- የአገልግሎት ጥራት
- ሌሎች _____

4. የዘመን ባንክ አጠቃላይ የባንክ ስራ የአገልግሎት ደረጃ እጅግ የላቀ ጥራት ያለው ነው

- በጥብቅ እስማማለው እስማማለው ገለልተኛ
- አልስማማም በጥብቅ አልስማማም

5. ከዘመን ባንክ ያገኙትን አገልግሎት በተመለከተ ያለዎት እርካታ ምን ይመስላል

- ከፍተኛ እርካታ እርካታ አግኝቻለሁ ገለልተኛ
 እርካታ አላገኘሁም ከፍተኛ በሚባል ደረጃ እርካታ አላገኘሁም

ክፍል -3

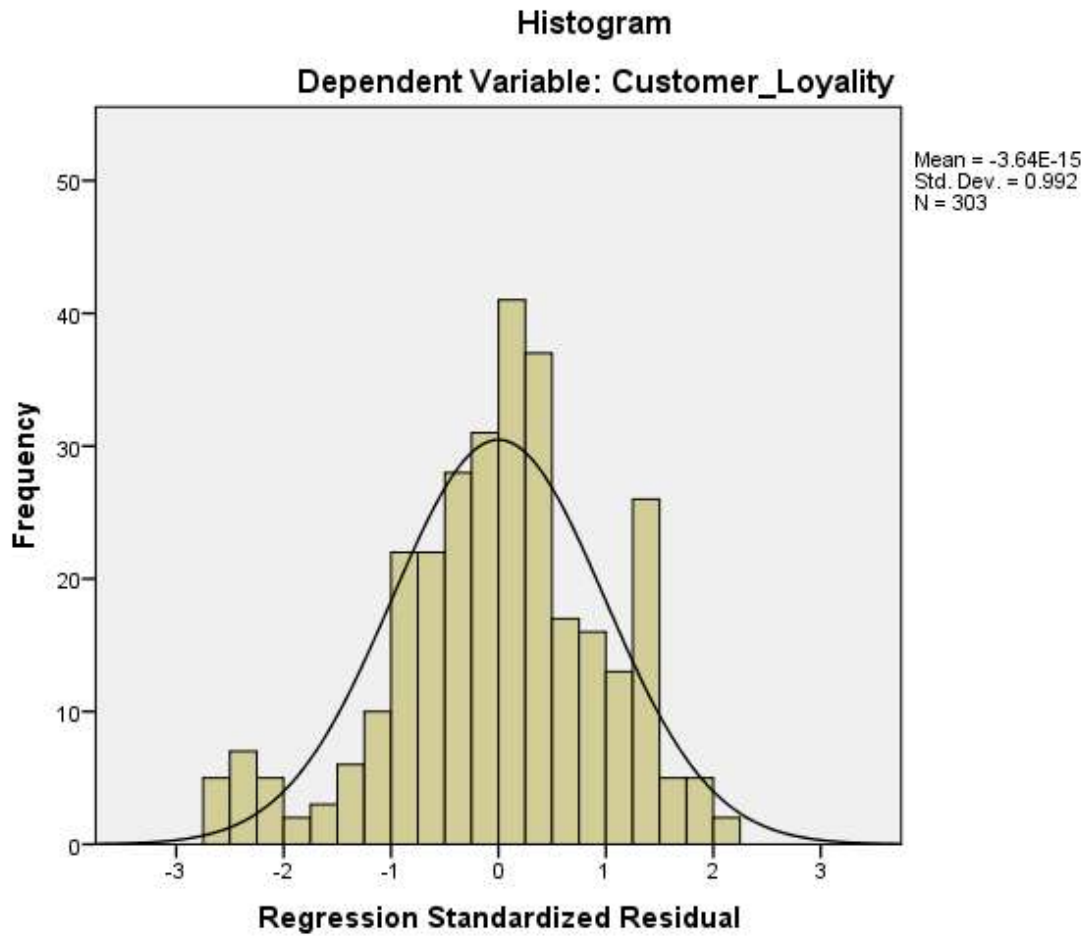
ተ. ቁ	ጥያቄዎች	መመዘኛ				
		በፍፁም	አልሰማማም	ገለልተኛ	ህይወት	በጣም
1.	የንግድ ምልክት ግንዛቤ					
	ስለዚህ ባንክ ግንዛቤ አለኝ					
	የባንክ አገልግሎት በሚያስፈልገኝ ጊዜ ቀድሞ በአዕምሮዬ የሚመጣው ይህ ባንክ ነው					
	የዚህን ባንክ ንግድ ምልክት ከሌሎች ተወዳዳሪ ባንኮች ንግድ ምልክት ይልቅ ለይቼ አውቀዋለሁ					
	ዘመን ባንክ ከሌሎች ተፎካካሪ ባንኮች ጋር ሲነፃፀር የተሻለ እና ጥሩ ምስል አለው					
	የተወሰኑት የዘመን ባንክ የንግድ ምልክት የአሰራር ዘዴዎችን ወዲያውኑ ማስታወስ እችላለሁ					
2.	የንግድ ምልክት ትርጉም					
	የዘመን ባንክ የስራ አካባቢ ከሌሎች ባንኮች በተሻለ ይማርክኛል					
	የዘመን ባንክ የንግድ ምልክት ቀለማቱ ይማርክኛል					
	ከሌሎች ባንኮች ጋር ሲነፃፀር ይህ ባንክ የተሻለ የምተማመነበት ባንክ ነው					
	ይህ ባንክ ህጋዊ ሰውነት አለው					
	የዚህ ባንክ አገልግሎት አስደሳች ነው					
	የዚህ ባንክ አገልግሎት የደንበኞች ነፃብራቅ ነው					
	በዚህ ባንክ ላይ እምነት አለኝ					
	ይህንን ባንክ እወደዋለሁ					
	ይህ ባንክ እምነት የሚጣልበት ነው					

3.	የንግድ ምልክት አቀራረብ				
	የንግድ ምልክት ስም				
	የንግድ ምልክቱ ስም ምን መጠበቅ እንዳለብኝ ይነግረኛል				
	ስሙን ካላወኩ በስተቀር የባንክ አገልግሎት አልጠቀምም				
	የንግድ ምልክቱ ስም ለእኔ ትልቅ ትርጉም አለው				
	ማንኛውንም ግዥ ስፈፅም የንግድ ምልክቱን መሠረት አድርጌ ነው				
	ማስታወቂያዎች				
	የባንኩን ማስታወቂያዎች እወዳቸዋለሁ				
	የባንኩን ማስታወቂያዎች ለእኔ ስሜት የሚሰጡ ናቸው				
	ለባንኩ ማስታወቂያዎች አዎንታዊ ስሜት አለኝ				
	የባንኩ ማስታወቂያዎች ጥሩ ናቸው				
4.	የውጭ ግንኙነቶች				
	አሉባልታዎች				
	አሉባልታዎች ለባንኩ በአለኝ አመለካከት ላይ ተፅዕኖ ይፈጥራሉ				
	አሉባልታዎች ስለባንኩ ጠቃሚ መልዕክት ያስተላልፋሉ				
	አሉባልታዎች የተለያዩ ሃሳቦችን ያንፀባርቃሉ				
	አሉባልታዎች ምርጫዬን የተሻለ ለማድረግ ይረዱኛል				
	አሉባልታዎች ለባንኩ በአለኝ ግምት ላይ ተጽዕኖ ያሳድራሉ				
	መግለጫ				
	መግለጫዎች ለባንኩ በአለኝ አመለካከት ላይ ተፅዕኖ ይፈጥራሉ				
	መግለጫዎች ስለባንኩ የሆነ መልክት ያስተላልፋሉ				
	መግለጫዎች የተለያዩ ሃሳቦችን ይጠቁማሉ				
	መግለጫዎ ሀሳቤን ለማሰባሰብ ይረዱኛል				
	መግለጫዎ ለባንኩ በአለኝ ግምት ላይ ተጽዕኖ ያሳድራሉ				
5.	የኩባንያው ደንበኞች ልምድ				
	አብይ አገልግሎት				
	ይህ ባንክ ፍላጎቴን ያሟላል				
	የባንኩ አገልግሎት አስተማማኝ ነው				

	አገልግሎት አሰጣጥ ስርአት ላይ ፍጥነት አለ				
	ባንኩ የአገልግሎት ችግር እንዳይፈጠር በጥንቃቄ ይሰራል				
	የአገልግሎት መስጫ ሥፍራ				
	ይህ ባንክ ዘመናዊ የአገልግሎት መስጫ ቁሶች አሉት				
	የባንኩ የአገልግሎት መስጫ ቁሶች ይማርካሉ				
	ባንኩ ንፁህ እና ጥሩ አለባበስ ያላቸው ሰራተኞች አሉት				
	የባንኩ የአገልግሎት መስጫ ቁሶች ለስራው አመቺ ናቸው				
	የሰራተኞች ብቃት				
	የባንኩ ሰራተኞች ቀልጣፍ አገልግሎት ይሰጣሉ				
	ሠራተኞቹ ደንበኛን ለመርዳት ፍላጎት አላቸው				
	ሠራተኞቹ ሁሌም በቅድሚያ ያስተናግዳኛል				
	የባንኩ ሰራተኞች እምነት የሚጣልባቸው ናቸው				
	ከባንኩ ጋር በማደርገው ሥራ አልሰጋም				
	የባንኩ ሠራተኞች ትሁት ናቸው				
	የባንኩ ሠራተኞች ለደንበኛ የተለየ ትኩረት ይሠጣሉ				
6	የደንበኛ ታማኝነት				
	በባንኩ የተሟላ አገልግሎት ደስተኛ ነኝ				
	ከሌሎች ባንኮች ጋር ሲነፃፀር ይህ ባንክ ሁሌም ቢሆን ተቀዳሚ ምርጫዬ ነው				
	የፋይናንስ ፍላጎቶቼን በተመለከተ ሌሎች ባንኮች መጠቀም አላስብም				
	ለሌሎች ሰዎች በዚህ ባንክ እንዲጠቀሙ አበረታታለሁ				
	ሌሎች ተፎካካሪ ባንኮች በጽሁፍ መልእክት ቢያጥለቀልቁኝም ያንን ያህል አልሳብም				
	የተሻሻሉ አሰራሮችን በተመለከተ አብዛኛውን ጊዜ ግብረ መልስ አገኛለሁ				
	ችግር በሚያጋጥመኝ ጊዜ ምክር ለማግኘት አዘውትራ ወደ ባንኩ እሄዳለሁ				
	ምክንያታዊ ለሆነ ጊዜ የባንኩ አገልግሎት ቢዘገይ እንኳን ስጋት አይገባኝም				

አመሰግናለሁ!!!!

Annex-C



Annex-D

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Customer_Loyalty

