

**THE IMPACT OF BRAND IMAGE ON CUSTOMER  
SATISFACTION AND LOYALTY (IN THE CASE OF  
COMMERCIAL BANK OF ETHIOPIA**



**WOLKITE UNIVERSTY**

**COLLEGE OF BUSINESS AND ECONOMICS**

**A RESEARCH PAPER SUBMITTED TO DEPARTMENT OF MARKETING  
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## **Endorsement**

This research paper has been submitted to Wolkite University, College of Business and Economics, Department of Marketing Management for the examination with my approval as advisor.

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Name of the advisor

Signature

Date

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## **ABSTRACT**

The purpose of this study is to examine the impact of brand image on customer satisfaction and loyalty in the case of commercial bank of Ethiopia (CBE) in gubre branches of customers. The study explained the relationship between brand image and customer satisfaction and its relationship with customer loyalty, the impact of brand image on customer satisfaction and customer loyalty in addition to customer satisfaction effects on customer loyalty. Brand image benefits (i.e. functional, experiential and symbolic benefits) are used as independent variables and customer satisfaction and customer loyalty as dependent variables. Besides, questionnaires are used as data collection instrument from respondents. descriptive analysis were used to analyze the descriptive statics variables were used to analyze the relationship between the variables based on the respondents average response in percentage analysis of brand image benefits variables with customer satisfaction and loyalty and to examine the effect of brand image on customer satisfaction and loyalty. The results showed that brand image benefits and customer satisfaction have positive relation, and customer satisfaction and customer loyalty are also significantly affected by brand image benefits with different degrees. Moreover, the effect of customer satisfaction in relationship to customer loyalty is found significant. In addition to this, CBE currently have greater brand image in the market in delivering holistic banking service in Ethiopia even if private banks are even more competent. Therefore financial sectors particularly CBE should take into account improving and/or building of brand image so that it can obtain more competitive advantage and have maintaining and increasing its market share by successfully achieving customer satisfaction and loyalty.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Brand could be defined as perceptual entity that leaves in the customer's mind. According to America Marketing Association brand is defined as a name, term, sign, symbol or any other feature that identifies one seller's product or service as distinct from those of other sellers (Keller, 2003). Currently the role of a brand is more than what is stated earlier. Globalization has made business to work under high level of competition making price based, service based, and other competitions difficult. This led businesses to focus highly on their brand image. As brand image is the favorable position that customers give to a particular brand as a result of its equity, it could be the major means of differentiation and competition. Moreover, building strong image could be considered as an asset which assists in attracting new customers as well as retaining existing ones. It is imperative to mention service quality and customer satisfaction when discussing about customer loyalty. Satisfaction plays an important role in influencing the overall consumer behavior and consumption pattern. As loyalty is the function of satisfaction, satisfied customers tend to stay loyal and show higher commitment (Sivadas & Baker, 2000). In recent years, researchers and practitioners in the field of marketing has paid great attention to brand. Nowadays, the brand is no longer an efficient tool in the managers' hands. Brand is a strategic necessity which helps companies to create more value to customers and also to develop sustainable competitive advantages. Successful brands was increase trust in products and intangible services, and customer was able to better visualize and identify their services. As well as, it was increase high rate of brand equity, customer satisfaction, reacquisition intention, and the level of loyalty. Nowadays, brand management is a significant area in the marketing management. One of the main problems that involve customers is choosing a valid brand product. In many markets, a brand was create an identity to a product and links them to a particular group of society. Psychologically, such type of commodities, in addition to appearance applications, was bring customers dignity and self-confidence, therefore customers was pay different prices. Once consumers experience using a brand and feel comfort with it, the tendency of re using it were increase in them. Organizations, in today's competitive environment, use each

instrument to be successful and to achieve ideal and attractive situations. Paying attention to marketing activities as an instrument to customers' mental preparation, and developing an intellectual property as brand, is a new perspective in the marketing science. Brand is considered as an intangible asset to companies and organizations. "Brand" is a symbol or a sign that was help customer to identify a product; a company that the brand of its product is better publicly, certainly was has better position in the market, as well as it maintain its competitive advantage and increase the value of market share. Some studies have found that, ideal brand image always contribute customer satisfaction, in order to develop loyal customers principle. Public image about a brand is a mental structure that is formulated and developed by customer, based on some particular interpretation on a particular branded product. According to Kotler public conception about a brand is a collection of beliefs, ideas and perceptions that a person pays attention it as an object, on the other hand, it is a collection of perceptions that a brand reflects in the mind. (Kotler, 2005). Brand image is indispensable for marketing where customers infer the quality of products by the brand image and are further stirred up the behavior of purchasing (Lin Chien-Hsiung, 2011).

## **1.2 Organizational background**

After the Ethiopian victory over Fascist Italy, the new government established the State Bank of Ethiopia with a proclamation issued in August 1942. State Bank of Ethiopia commenced full operations on 15 April 1943 with two branches and 43 staff. It served both as Ethiopia's central bank, with the power to issue banknotes and coins as the agent of the Ministry of Finance, and as the principal commercial bank in the country. In 1945 the Ethiopian government granted the bank the sole right of issuing currency. In 1958, the State Bank of Ethiopia established a branch in Khartoum, Sudan that the Sudanese government nationalized in 1970 which over time grew to number 21 branches.

The Ethiopian government merged into the Commercial Bank of Ethiopia in 1980 to make CBE the sole commercial bank in the country. The Commercial Bank of Ethiopia (CBE) is the largest commercial bank in Ethiopia. As of June 2018, it had about 565.5 billion Birr in assets and held approximately 67% of deposits and about 53% of all bank loans in the country. The net income of the bank is around 10.32 billion birrs as of June 2018.

### **1.3 Statement of the Problem**

As commercial bank of Ethiopia has more than 78 years of experience in banking industry in Ethiopia, it is expected that the bank has strong brand image. However, due to the nature of banking industry, there are a number of competitors exist in the market who is trying to compete in all aspects which may lead a company to lose its market share unless it takes care of its brand image for existing and potential customers in the future. A number of banks tries to compete through advertising and other marketing communications means and lots of incentives to attract those potential customers. Commercial bank of Ethiopia (CBE) still has the lion share of the industry but its market share in terms of profit has been decreasing (CBE document, 2018). According to the company report, the performance of profit in terms of its market share was reduced below 50% in 2018 which shows decreasing of customers' loyalty and satisfaction as they are shifting to other banks due to various reasons.

Therefore, this study designed to investigate the effect of brand image on customer satisfaction and loyalty of customers in the case of commercial bank of Ethiopia to fix the above challenges of the bank in the long run. The need for this research is, since both commercial bank and private banks in Ethiopia majorly focused on the service quality of their products and services they offers and investing more on sales promotion activities to their customers rather than of focusing on the brand image benefits building to satisfy their customers, so this study aims at showing the impact of brand image building role in the customer satisfaction and loyalty which in turn latter influence the market share of the bank and become a major competition winning tool through getting competitive advantage in the coming dynamic market environment. But, since currently brand image building is the major competing factor to obtain a greater competitive advantage over competitors, this study was direct commercial banks of Ethiopia to give emphasis on making strong brand image in the consumers mind than competitors through improving brand image benefits, in order to obtain more customer satisfaction and loyalty and to keep and raise its current market share in the industry.

In the previous researches undertaken by Churchill and Surprenant, (1982), Park, Jaworski, & MacInnis, (2015) and Co, 2003; Kandampully & Hartanto, 2000; Nguyen & LeBlanc, 1998) in the same area of study, there exist strong relationship between the brand image with customer

satisfaction and loyalty. But still in these researches undertaken, their findings was majorly on relating brand image with competitive advantage or market share or performance, purchase behavior or brand equity. For example Churchill and Surprenant, (1982), explained that Customer satisfaction is as expectation before purchase and perception about performance after purchase based on the expectancy paradigm. Here the researchers relate the customer satisfaction with perception and expectation but not explaining about the brand image benefits effect on competitive advantage, customer satisfaction and loyalty. Park, Jaworski, & MacInnis, (2015) found that A company or its product/services which constantly holds a favorable image by the public would definitely gain a better position in the market, sustainable competitive advantage, and increase market share or performance. Even if Park, Jaworski, MacInnis finding tells about the effect of the brand image on competitive advantage, and market share or performance, still it didn't explain to what extent the brand image benefits impact the customer satisfaction and relate it with brand image benefits effect on the company's competitive advantage and performance. Co, 2003;Kandampully &Suhartanto, 2000; Nguyen & LeBlanc, 1998), (Faircloth, Capella findings confirmed that favorable image was lead to loyalty, brand equity, purchase behavior and brand performance. Still this study also do not shows the brand image building power on winning the industry large market share and its effect on the competitive advantage. Therefore this study assess the impact of brand image buildings on customer satisfaction and loyalty, and then its indirect impact on competitive advantage, on purchase behavior, market share, expectation and perception, and brand equity and loyalty comprehensively. This study assessed all these issues comprehensively to show the greater effects of the brand image building benefits in the banking sector.

## **1.4 Research Questions**

The following basic research questions were answered in the course of the study.

### **1.4.1 Main Research Question**

- How does brand image affect customer satisfaction and locality?

### **1.4.2 Sub Research Question**

- Does brand image positively affect customer satisfaction?
- Does extent brand image positively affect customer locality?
- Does customer satisfaction has relationship with customer locality?

## **1.5 Objective of the Study's**

### General Objective

The general objective of this study is to examine the impact of brand image on customer Satisfaction and loyalty.

### Specific Objectives

The specific objectives include:

- To examine the cause-and-effect relationship between brand image and customer loyalty.
- To describe the relationship between brand image and customer satisfaction.
- Examining the role of customer satisfaction in customer Loyalty.

## **1.6 Significance of the Study**

The result of this study was having a lot for the current knowledge and trends in the market in relating to brand image impact with customer satisfaction and loyalty relationships. As the previous studies found that the brand image has a direct positive relation with customer satisfaction and loyalty in different issues. But this study justifies the relationships in the banking sector, where customer satisfaction is the most sensitive and loyalty is the point where lots of revenues was generated. With regard to these issues, this study was bring a great source and information.

This study was help bank managers and government policy makers to greatly consider brand image measurement points or checklists along with technological and economic development. Besides, the findings of the study help managers to train their employees on the significance of brand image dimensions for better quality service and customer satisfaction. This study may also help CBE to keep competition and counter their market share taken by the private companies in the industry and also gives managers insight and evidence to know the most important brand image parameter which is the base for its acceptance and enhance customer satisfaction and loyalty level.

Moreover, it may also help the researchers for enhancing their knowledge level and can be used for further researches as a stepping stone. This study was help every financial sector institution especially banks to major tries to work their brand image benefits as much as possible they can invest to achieve the customers satisfaction and loyalty plan of the company they desire.

As a result of this study, a lot of changes was expect to change. One of the major changes is, financial sectors especially banks was have greater insight with respect to impact of brand image

on customer satisfaction and loyalty, which in turn leads them to see it as a major competitive advantage gain factor in the market to win more market shares than their near competitors. , banks was start to improve those brand image benefits variables in order to get more customer service and start to focus on improving their brand image to be competent in the current dynamic market. Since currently companies are focusing on their product and service quality.

## **1.7 Scope of the Study**

It was better to study impact of brand image on customer satisfaction and loyalty throughout the country so as to get the complete picture. However, because of time and financial constraints this study is delimited to commercial banks of Ethiopia in Gubre branch. The study was concentrate on Gubre town. It was examine impact of brand image on consumer satisfaction and loyalty by using questioner. The primary reason to select these branches is since the branches are located in high traffic areas and number of customers are large and diversified from different areas of the city. The second reason is that, the branches' location is very accessible in relating to transportation and convenient to move easy. In addition to this, the similarity of products and services delivered by the bank and the near similarities of customers in town. The literatures reviewed is based on a specific issue that are directly related to the study that was undertaken. The researcher reviewed those literatures that are related to brand image impacts on customer satisfaction and loyalty in cases of financial sectors. Other literatures have done with related issues but in different functional areas. So here the researchers reviewed.

## **1.8 Limitation**

While conducting this study, the following limitations were considered as constraint.

- Negligence of respondents who carelessly not returned the questionnaires that distribute
- Using questionnaire only as a primary data collection instrument
- The limitations of questionnaire are respondents interpret each question in their own way, it is time consuming to process and analysis large sample data, and it is difficult motivating potential respondents to complete questionnaires.
- Offensive response to fill the questionnaires because of lack of awareness about the research activity.

- Respondents interpret some questions in their own way, and it is difficult to motivating potential respondents to complete questionnaires too.
- Getting permission to gather information from the bank were not possible because of time constrain. This constrains the researcher to collect the desired sample size at desired level.

However, the limitation of questionnaire can be overcome through its strength which encourages respondents to be open and honest, it can be collected relatively promptly, and it uses simple and familiar format that helps the respondents to complete on time.

### **1.9 Organization of the Study**

The research report was organized under five chapters as listed below: Chapter one: Introduction: This chapter contains background of the study, Statement of the Problem, research question, objectives of the study, significance of the study, and scope and the Chapter two: Review of related literature: This chapter deals with the literature relevant to the Study. It has an introduction, the theoretical and, empirical review. Chapter three: Research Methodology: This chapter describes the approaches and design of Research, population of the study, Sampling techniques, the sources of data, the data collection, Instruments, and the methods of data analysis used. Chapter four: Data presentation, analysis and interpretation: This chapter summarizes the Results/findings of the study; interpret and discuss the findings Chapter five: Summary, Conclusion and Recommendation: This chapter comprises four sections, which include summary of major findings, conclusions, recommendations and direction for future study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Theoretical literature review**

##### **2.1.1 Brand image**

Image is defined as the sum of all thoughts, associations of ideas which are connected with the person to a particular product, brand, company, and person. Brand image is the overall impression in consumers' mind that is formed from all sources. Consumers develop various associations with the brand. Based on these associations, they form brand image. An image is formed about the brand on the basis of subjective perceptions of association's bundle that the consumers have about the brand. Volvo is associated with safety. Toyota is associated with reliability. (Kotler et.al 2005).

Brand image is nothing but an organization's character. It is an accumulation of contact and observation by people external to an organization. It should highlight an organization's mission and vision to all. The main elements of a positive brand image are- unique logo reflect an organization's image, slogan describing the organization's business in brief and brand identifier supporting the key values (Kaplan & Nortan (1996).

##### **2.1.2. Customer Satisfaction**

Customer Satisfaction is a comparison of expectations versus perceptions of experience. Customer satisfaction is a measure of the degree to which a product or service meets the customer's expectations. Customer Satisfaction is a measurement or an indicator of the degree to which customers or users of an organization's product or services are pleased with those products or services. Customer satisfaction differs depending on the situation and the product or

service. A customer may be satisfied with a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute or any of these three.

### **2.1.3 Loyalty**

Customer loyalty is the key objective of customer relationship management and describes the loyalty which is established between a customer and companies, persons, products or brands. The individual market segments should be targeted in terms of developing customer loyalty. For different reasons for loyalty should be promoted: Psychological, Economic, Technical/functional, and Contractual.

## **2. Empirical review**

Kumar, Kee and Manshor (2009) explored that high quality of service can result in high customer satisfaction and increases customer loyalty. Thus, customer satisfaction is the outcome of service quality (Parasuraman, Zeithaml & Berry 1988, Naeem & Saif 2009).

Experiential and symbolic benefits. Park, Jaworski, & MacInnis, (1986) found that A company or its product/services which constantly holds a favorable image by the public would definitely gain a better position in the market, sustainable competitive advantage, and increase market share or performance. In addition, several empirical study findings confirmed that favorable image was lead to loyalty, brand equity (e.g., Co, 2003; Kandampully &Suhartanto, 2000; Nguyen & LeBlanc, 1998), purchase behavior and brand performance (Faircloth, Capella, &Alford, 2001; Hsiehet al., 2004).

Churchill and Surprenant, (1982), explained that Customer satisfaction is as expectation before purchase and perception about performance after purchase, The expectancy disconfirmation paradigm suggests that consumers are satisfied when the product perform better than expected (positive disconfirmation), dissatisfied when consumers' expectations exceeded from actual product performance (negative disconfirmation), and neutral satisfaction when the product performance matches expectations (zero disconfirmation/confirmation) (Oliver, 1980; Churchill & Surprenant, 1982; Oliver & Sarbo, 1988; Bearden & Teel, 1983).Oliver (1980) identified that satisfaction and dissatisfaction in terms of the disconfirmation of consumer expectation. A

positive disconfirmation leads to customer satisfaction and a negative disconfirmation leads to customer dissatisfaction.

Vazquez-Carrasco and Foxall (2006) found that the social, confident and special brand/ product image has a positive impact on loyalty intention, if the customer received high social benefit from the salesperson, then he was more loyal with a salesperson.

Na, Marshall, and Keller (1999) explored that the image cannot be measured, for the measurement of image must include the measurement of customer perception about the product image and brand image this implies the importance of brand image on customer satisfaction. Reynolds and Beatty (1999) summarized that customer may be more satisfied with the salesperson if he received high social and functional benefit from the salesperson's side.

Number of authors has revealed in this study that there is positive relationship between customer satisfaction and loyalty intention (e.g., Ismail, Hasnah, Ibrahim, & Isa, 2006; Da Silva & Syed Alwi, 2006; Anderson & Sullivan, 1993; Chiou et al.

2002; Bloemer & Ruyter, 1998; Yang & Peterson, 2004). If the customers are satisfied with the product, then he was repurchase intention (Bennett & Rundle-Thiele, 2004).

Na, Marshall, and Keller (1999) explored that the image cannot be measured, for the measurement of image must include the measurement of customer perception about the product image and brand image this implies the importance of brand image on customer satisfaction.

## **2.5 Conceptual Framework**

Some researchers' findings in their research pointed out that there is relationship among brand image, customer satisfaction and customer loyalty. Chao, Wu, & Yen (2015) and Chung et al. (2015) state that brand image has positively influences customer loyalty. Chien-Hsiung (2011) and Yulianti& Tung (2013) mentioned that brand image had positive influence to customer satisfaction. Besides, based on the findings of Chao, Wu, & Yen (2015), customer satisfaction has mediating role for the relationship between service quality, customer loyalty and brand image. All Msallan (2015) and Upamannyu&Sankpal (2014) discussed that customers' overall satisfaction does significantly influence customers' loyalty which implies that marketers should focus on brand image benefits to achieve customer loyalty.

## CHAPTER THREE

### RESEARCH METHODOLOGY

This chapter was covering description of study area research, type and source of data, target population of the study, sampling technique, data collection method and method of data analyses and interpretation.

#### 3.1 Description of study area

Wolkite town administration is the capital of Gurage zone. It located in southern nation nationalities and people region. The distance of town from Addis Ababa in 152 km. According to the traditional climate condition of Wolkite is classification, as a result of effect of altitude, the climatic condition of Wolkite is classified under kola, June, July, August are those the coldest month. The dominant types of economics activity that are practiced by people include commerce, civil servant.

#### 3.2 Research approach

*Research method are generalized and established ways of approaching research are classified as*

qualitative research, quantitative research and mixed methods research. “Qualitative research is a means for exploring and understanding the meaning individuals or groups as sign to a social or human problem. While Quantitative research is a means for testing objective theories by examining the relationship among variables. On the other hand mixed methods research is an approach to inquiry that combines or associates both qualitative and quantitative forms”

To achieve their search objective, quantitative research method was used it allow researcher to investigate the study.

### **3.3 Research design**

According to Creswell (2014) “Research designs are plans and the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis. It is known that the selection of a research design is based on the nature of the research problem or issues being addressed, the researchers’ personal experiences, and the audiences for the study. As this study investigate the effect of brand image on customer satisfaction and loyalty, the researcher was use quantitative research design According to Creswell (2003), the quantitative research is critical to show the cause-and-effect relationship between dependent and independent variables. In support of this concept, Christensen et al. (1985) noted that to illustrate the relationship between the variables, quantitative survey approach is suitable.

### **3.4. Data Type and Source**

The type of data that this study used are primary and secondary data. The primarily data was gathered by using structured questionnaire that would answered by respondents who are the customers of CBE in Gubre branches.

### **3.5 Population and Sampling**

#### **3.5.1. Population Characteristics**

The study targeted majorly on those CBE customers who have active bank accounts in commercial banks of Ethiopia. Since gathering data from all customers of CBE in Gubre. Here the assumption was that, all customers of CBE branches have relatively similar distribution in terms of behavior, demography, etc. from one branch to another. This means, testing customers of the above listed branches customers (those samples) would represent the total populations of the customers of CBE in Gubre branch. In addition to this, the selected branch’s location was the other reason to be chosen by the study. i.e., the branches are located in high traffic areas having daily customers from different parts of the city.

The target populations were those who have bank account in CBE as stated above. It’s clearly noted that, not all bank account holders are active in the banking service. But the study gathered data directly at the bank’s door or inside, a place where customers are getting service either depositing or withdrawing their money or else. So, this signify that, respondents were customers of the bank and their response is significant and representative since they are active bank account holders.

#### **3.5.2. Sample Size**

From the total population of more than 2.5 million (CBE annual report, 2018/19) at various branches in Gubre, sample size of 208 customers is chosen to this study.

### 3.5.3. Sampling Techniques

Sampling techniques provide a range of methods that enable one to reduce the amount of data needed for a study by considering only data from a sub-group (Saunders, 2009). To determine the sample size of this study, it's possible to use both the formula or use the **table** developed by (Krejcie & Morgan, 1970). In order to using the formula for sample size determination when the population size is known, it is easy to use the following one.

$$S = \frac{X^2NP(1-P)}{d^2(N-1)+X^2P(1-P)}$$

Where:

S = Required Sample size

X = Z value (e.g., 1.96 for 95% confidence level)

N = Population Size (i.e., 2.3 million above)

P = Population proportion (expressed as decimal) (assumed to be 0.5 (50%))

d = Degree of accuracy (5%), expressed as a proportion (.05); It is margin of error

In this research, the researcher uses 95% confidence interval with 5% margin of error. As Krejcie & Morgan (1970) table (**see appendix 1**) shows that for more than 1 million population size the sample size will be 384; for 30,000 the sample size was 379. Therefore, the sample size for the population of 2.3 million approximately (Company report, 2018/19) was 384 but the researcher takes 200 because of difficulty to collect that amount of data from respondent. However, as the researchers guess that some questionnaire was not be returned due to unknown reason. The researchers add 5% extra questionnaire for incomplete or missing questionnaire. Therefore, the sample sizes were 210 respondents and questionnaires were distributed through convenience sampling methods. But 2 questionnaires were not returned and as a result 208 samples were taken as sample size. According to Kothari (2004)" technically, the sample size should be large enough to give a confidence interval of desired width".

### 3.5.4 Sampling Method

The sample size was 208 respondents and questionnaires distribute through convenience sampling methods which is one of the non-probability sampling methods. The reason why convenience sampling chosen is that, since it is very cost effective, speed, and ease of availability of the sample. Since convenience sampling participants are selected based on

availability and willingness to take part, a useful result was obtained. In addition to that, this method is the easiest one from non-probability sampling methods and can be done with a little investment. According to Kothari (2004) "technically, the sample size should be large enough to give a confidence interval of desired width".

### **3.6. Data Collection Instrument and Tools**

This study was using questionnaires to gather original primary data from the respondents and reviewed secondary data such as books, articles and journals related, newspapers, and online available information related to this study. In this study the researcher used questionnaire that was developed earlier by Del Rio, Vazquez and Iglesias (2001) and Cho (2011) was adjusted to fit for the context of the study and some of the questions will self- developed. The questionnaire was 23 items under five categories like functional (four items), symbolic (five items), and experiential (four items) brand image benefits as well as overall customer satisfaction (four items) and customer loyalty (five items). Using questionnaire as a primary data gathering tool is very essential for this study. Because, the sample size of this study is 208, it's not possible to use interview or other means of primary data collection method. To gather the required data from respondents, structured questionnaire was used. On the other hand, different secondary information regarding to do this study were referred from books, articles, journals, literatures, and other online available information. The questionnaires had two parts. The first part was prepare to gather general information about the respondent's gender, age, type of occupation and the length of time as customer. The second part also ask respondents about the effects of brand image benefits on customer satisfaction and customer loyalty. The questions under this part were arranged in a five-point Likert Scale, going through strongly disagree (measured as 1), disagree (measured as 2), no opinion (measured as 3), agree (measured as 4), and strongly agree (measured as 5).

### **3.7. Method of Data Analysis**

Data analysis is the process of evaluating data using the logical and analytical reasoning to carefully examine each component of the data collected or provide. Also is one of the many steps that are taken when a research experiment is conducted. Among the two methods of data analysis methods, this study uses quantitative data analysis. This is because since the study uses a questionnaire was to gather or collect data. The data's were analyzed numerically using different

statistical approaches such as mean, hypothesis testing and sample size determination to interpret the result.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1. Introduction

In this chapter, the data collected from respondents has been analyzed and interpreted. It Comprises general characteristics of the respondents, brand image benefits impact on customer satisfaction analysis respectively of the study variables. The analysis and interpretation were carried out based on the data collected through questionnaire from customers of the company.

#### 4.2. Overall response rate

From the total of 210 questionnaires distributed 2 missed and only 208 were returned from which 0 were not correctly filled and rejected. Therefore, 208 were effectively used for analysis that shows response rate of 99.04%.

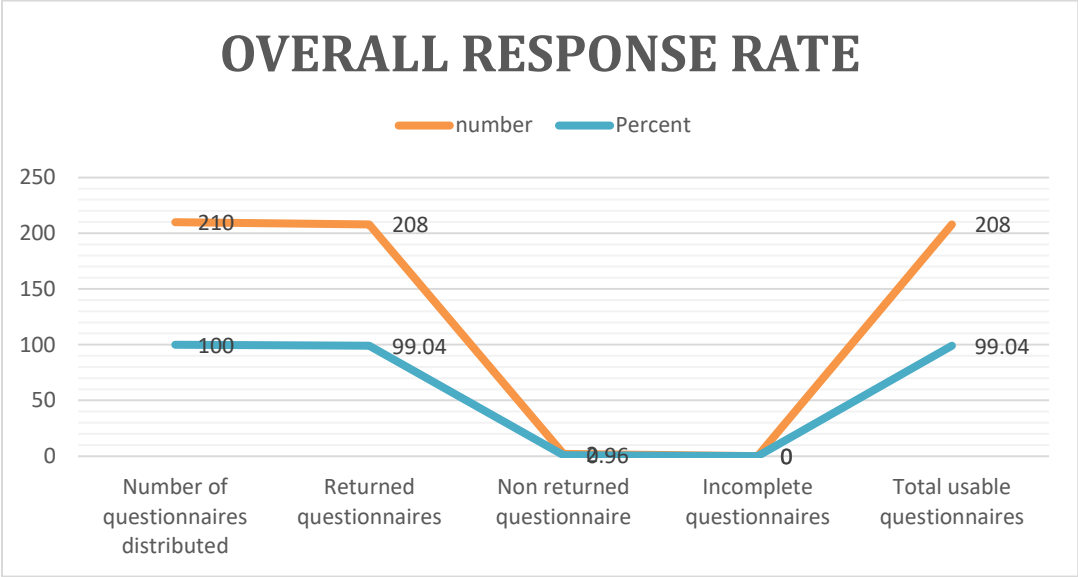
**Table 1- Overall Response Rate**

<b>Sample</b>	<b>number</b>	<b>Percent</b>
Number of questionnaires distributed	210	100
Returned questionnaires	208	99.04

Non returned questionnaire	2	0.96
Incomplete questionnaires	0	0
Total usable questionnaires	208	99.04

Source: Survey result of 2023

Figure 1- Overall Response Rate



**4.3. General Characteristics of the Respondents**

The general characteristic of the respondents (table 4.2) discussed gender, age, occupation, and years of experience as customer of the respondents.

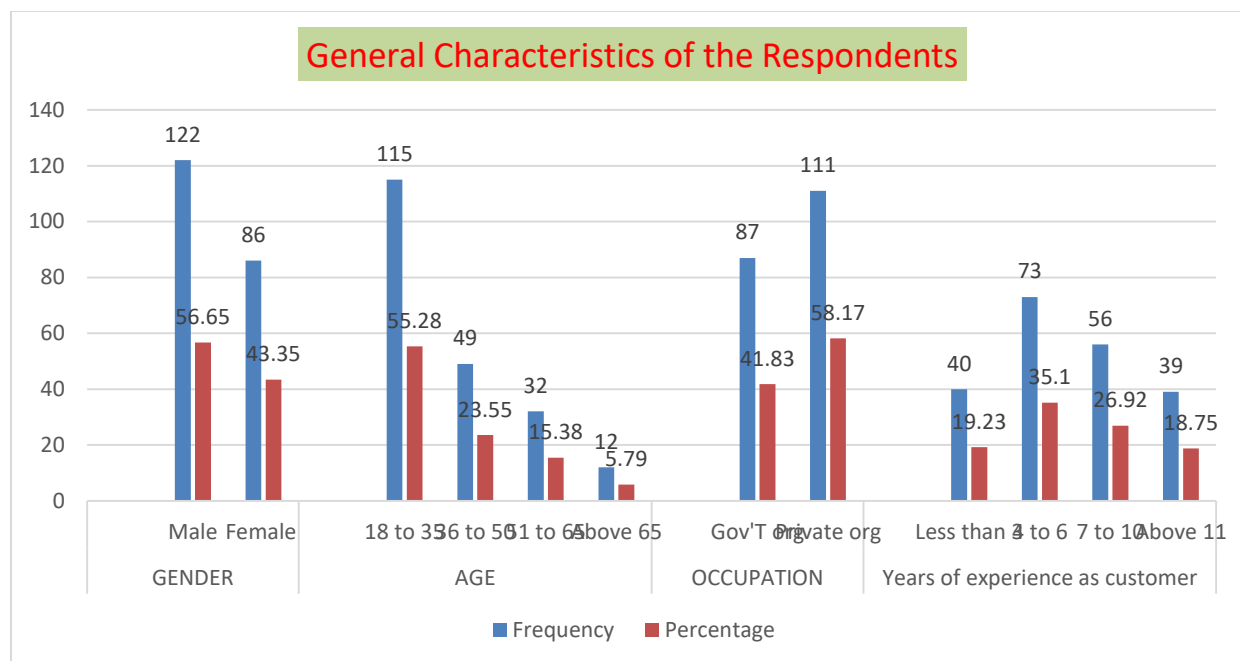
According the result of the study, the majority of the respondents i.e. 122 (56.65%) were male and the rest 86 (43.36%) were female, and 23.5% of the respondents’ age is between 36 and 50 and the first highest age category is between 18 and 35 which comprises 55.28% of the respondents. Besides, the majority (58.17%) of the respondents’ occupation were private organization and the respondents were asked for how long they had been as CBE customer. Most of the respondents (35.10%) were customers who have an experience of four to six years, and 19.23% who have an experience of less than three years, 26.92% of those seven to ten, and 18.75% of those greater than eleven years as customers do not have significance different among themselves.

**Table 2- General Characteristics of the Respondents**

Personal Profile	Frequency	Percentage
Gender		
Male	122	56.65
Female	86	43.35
Age		
18 to 35	115	55.28
36 to 50	49	23.55
51 to 65	32	15.38
Above 65	12	5.79
Occupation		
Government organization	87	41.83
Private organization	111	58.17
Years of experience as customer		
Less than 3	40	19.23
4 to 6	73	35.10
7 to 10	56	26.92
Above 11	39	18.75

Source: Survey result

**Figure 2- General Characteristics of the Respondents**



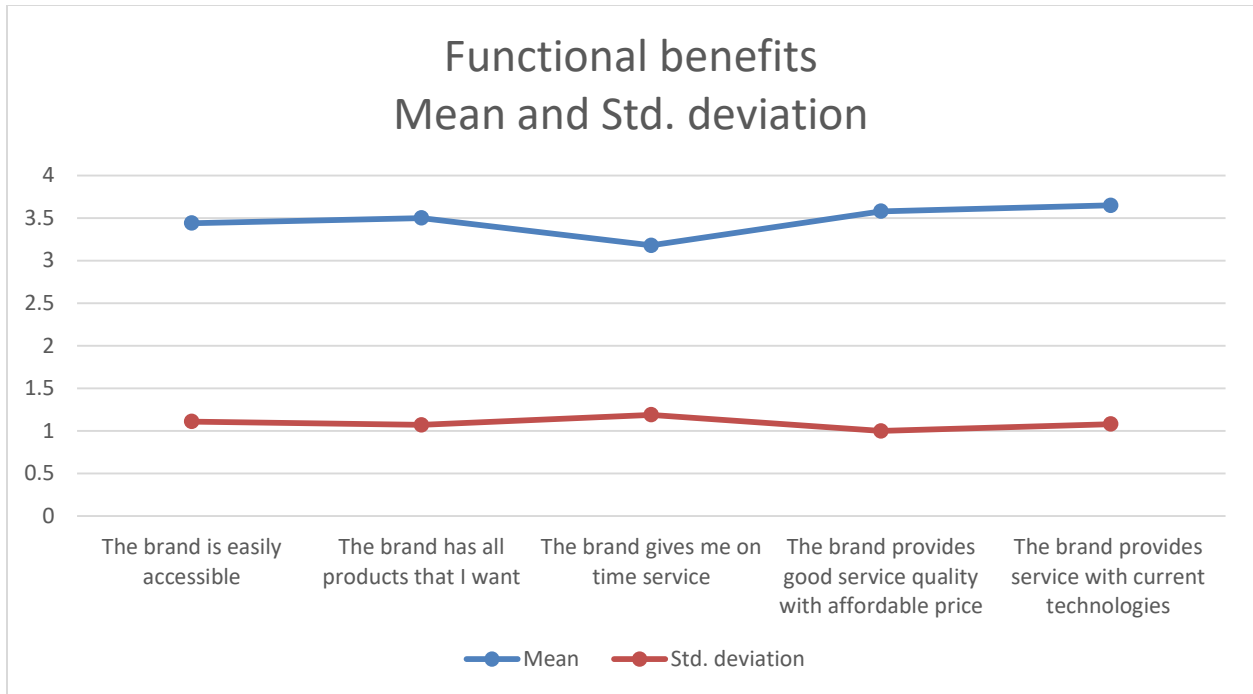
#### 4.4. Descriptive Analysis

**Table 3- Frequency of Functional Benefits**

Functional benefits	Mean	Std. deviation
The Brand is easily accessible	3.44	1.11
The brand has all products that I want	3.5	1.07
The brand gives me on time service	3.18	1.19
The brand provides good service quality with affordable price	3.58	1.0
The brand provides service with current technologies	3.65	1.08

Source: Survey Result

**Figure 3 - Functional Benefits Mean and Standard Deviation**



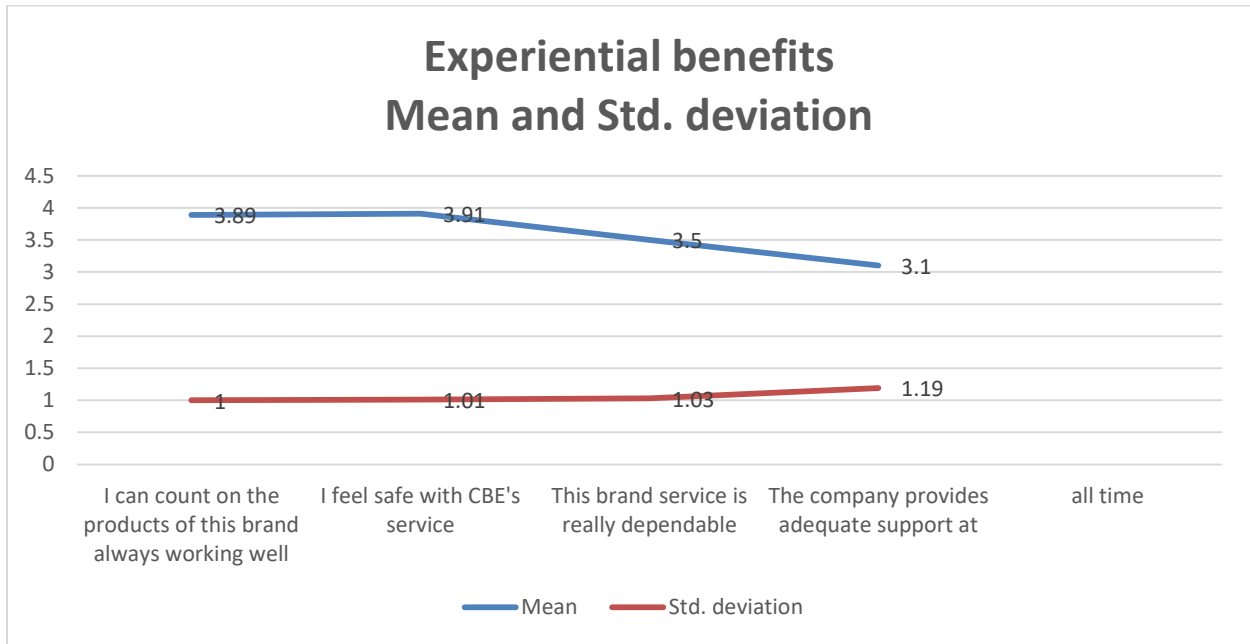
As the mean scores of the four dimensions of functional benefits fall within the range of 3.18 to 3.65, the brand has positive functional benefits. This means that the respondents feeling towards The given three dimensions of functional benefits almost 'agree', but the respondents 'disagree' With the dimension 'The brand gives me on-time service'.

**Table 4 - Frequency of Experiential Benefits**

Experiential benefits	Mean	Std. deviation
I can count on the products of this brand always working well	3.89	1.0
I feel safe with CBE's service	3.91	1.01
This brand service is really dependable	3.50	1.03
The company provides adequate support at all time	3.10	1.19

Source: Survey Result

**Figure 4- Experiential Benefits Mean and Standard Deviation**



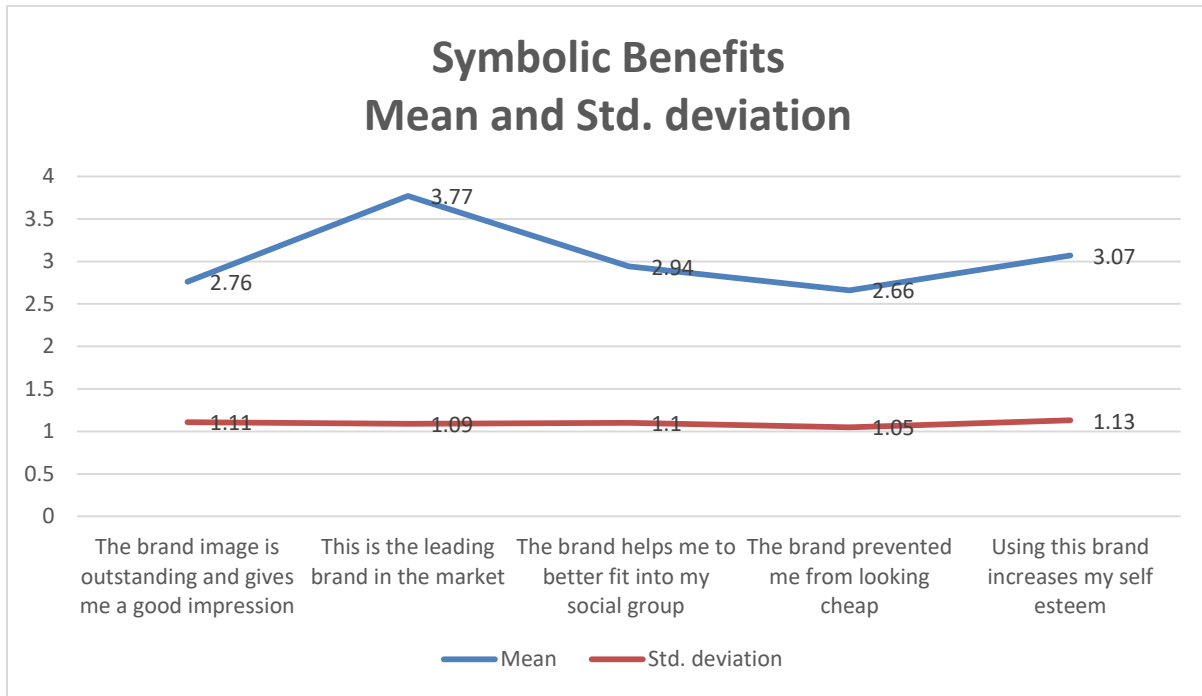
The experiential benefit of brand image was also measured in a four measure items. The mean score was between 3.10 and 3.91. Thus, the results of the respondents indicate that, the respondents have good experience with the brand. This means that the respondents feeling towards the given four dimensions of experiential benefits almost ‘agree’.

**Table 5 - Frequency of Symbolic Benefits**

Symbolic benefits	Mean	Std. deviation
The brand image is outstanding and gives me a good impression	2.76	1.11
This is the leading brand in the market	3.77	1.09
The brand helps me to better fit into my social group	2.94	1.10
The brand prevented me from looking cheap	2.66	1.05
Using this brand increases my self esteem	3.07	1.13

Source: Survey Result

Figure 5- Symbolic Benefits Mean And Standard Deviation



Like other benefits of brand image, symbolic benefits were also measured in a five measure items. The mean score was between 2.66 and 3.77. This means that the respondents feeling towards the given four dimensions of symbolic benefits almost 'agree', but the respondents 'Agree' with the dimension 'EIC is the leading brand in the market'.

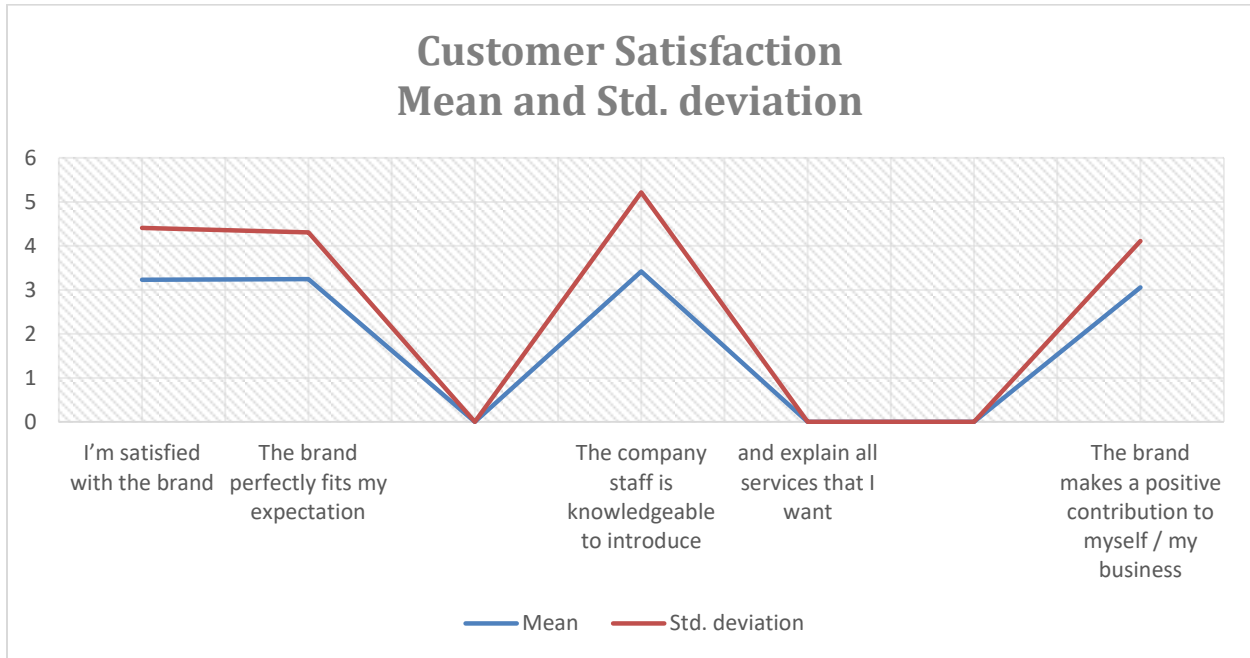
**Table 6 - Frequency of Customer Satisfaction**

Customer satisfaction	Mean	Std. deviation
I'm satisfied with the brand	3.23	1.18
The brand perfectly fits my expectation	3.25	1.06
The company staff is knowledgeable to introduce and explain all services that I want	3.42	1.8

The brand makes a positive contribution to myself / my business	3.06	1.05

Source: Survey Result

Figure 6- Customer Satisfaction Mean And Standard Deviation



The frequency of table that shows the mean score of each measure items of customer satisfaction did not have significance different as compare to the three brand image benefits. The mean score was fallen into a range 3.06 to 3.42. This means that the respondents feeling towards the given four dimensions of customer satisfaction almost 'agree'.

**Table 7 - Frequency of Customer Loyalty**

Customer Loyalty	Mean	Std. Deviation
I often tell positive things about the brand to other People	3.03	1.13

I am pleased to repurchase this brand	2.79	1.17
This brand is my first choice	3.14	1.26
I will purchase if EIC launches new product	3.45	3.43
I shall continue to use the brand in the future even no advertisement	3.32	1.17
I don't think that any bank can provide holistic banking service than CBE	2.88	1.23

Source: Survey Result

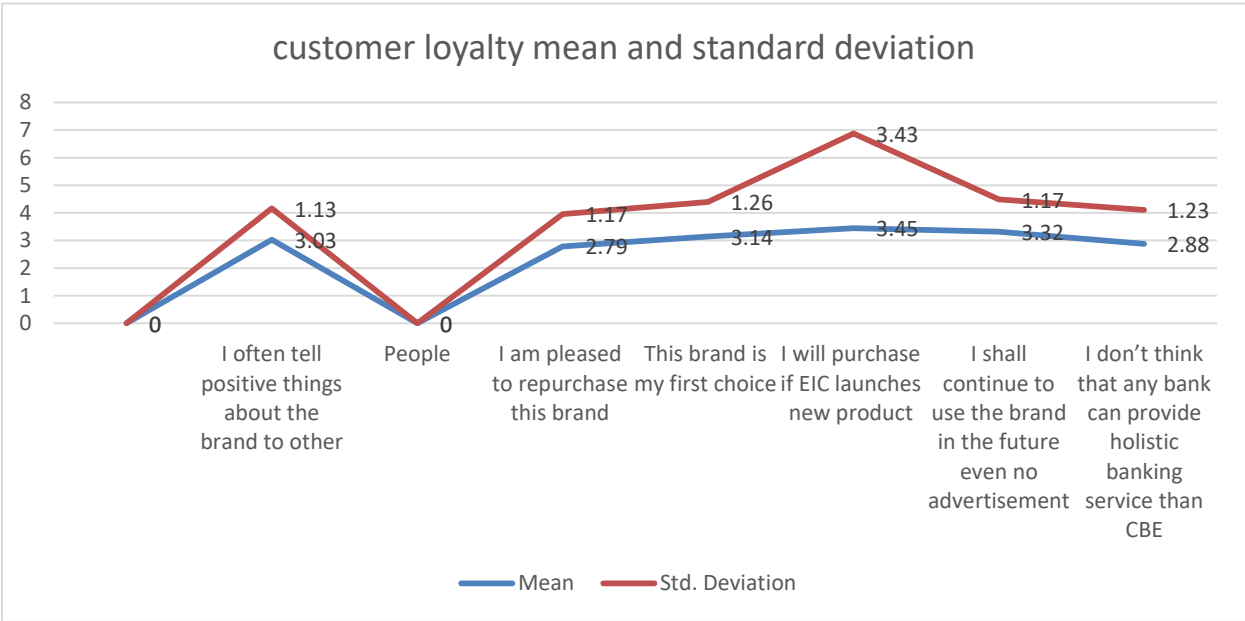


Figure 7- Customer Loyalty Mean And Standard Deviation

Finally, five dimensions' measurement items were used to find the mean score of customer loyalty. As the table shows the lowest mean score was 2.79 and the largest was 3.45. Thus, the results indicate that the respondents were almost neither agree nor disagree towards each dimension of customer loyalty.

#### 4.5. Normality Test

According to Brown (2017), a normal distribution of data's skewness and excess kurtosis is 0. As explained the way to interpreting the value: if skewness is less than -1 or greater than +1, the distribution is highly skewed, or if skewness is between -1 and -0.5 or between 0.5 and 1, the distribution is moderately skewed, or if skewness is between -0.5 and +0.5, the distribution is approximately symmetric. Besides, if the kurtosis is close to 0, then a normal distribution is assumed, or if the kurtosis is less than 0, then the distribution is light tail, or if the kurtosis is greater than 0, then the distribution has heavier tails.

**Table 8 - Skewness and Kurtosis**

	Mean functional	Mean experiential	Mean symbolic	Mean satisfaction	Mean loyalty
--	-----------------	-------------------	---------------	-------------------	--------------

Skewness	-0.556	-0.749	-0.106	-0.322	-0.111
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Kurtosis	-0.421	0.224	-0.570	-0.663	-0.858
----------	--------	-------	--------	--------	--------

As per the results from above table obtained from collected data, the skewness for mean functional benefits is lies between -1 and -0.5, and for this reason the distribution is moderately skewed to the left from the normal distribution by -0.556. For mean experiential benefits, it lies still between -1 and -0.5, and for this reason the distribution is moderately skewed to the left from the normal distribution by -0.749. For mean symbolic benefits, it lies between -0.5 and 0.5, and the distribution is approximately symmetric. For mean customer satisfaction, it lies between -0.5 and 0.5, and the distribution is approximately symmetric. And finally for the mean customer loyalty, it lies between -0.5 and 0.5, and the distribution is approximately symmetric. This implies table 4.3 shows that the skewness of the data is, since its mean is around -0.493,

approximately symmetric and the kurtosis of the data is, since its mean is around -0.458, then the distribution is light tail distribution.

#### 4.6 Analysis of the impact of brand image on customer satisfaction and loyalty

##### 4.6.1 Analysis of Customers responses in percentage

**Table 9 - Analysis of Customers Responses in Percentage**

<b>Functional benefits</b>						
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	The brand is easily accessible	4. 81	19 .7 1	16. 35	44 .7 1	14 .4 2
2	The brand has all products that I want	4. 81	15 .8 7	18. 27	46 .6 3	14 .4 2
3	The brand gives me on time service	9. 61	22 .1 1	21. 63	33 .6 5	12 .9 8
4	The brand provides good service quality with affordable price	2. 40	15 .3 8	19. 23	47 .5 9	15 .3 8
5	The brand provides service with current technologies	5. 77	9. 13	19. 71	44 .2 3	21 .1 5
<b>Experiential benefits</b>						
5	I can count on the products of this brand	4. 33	5. 29	13. 94	49 .0	27 .4

	always working well				4	
6	I feel safe with CBE's service	3.37	8.65	9.62	49.52	28.85
7	This brand service is really dependable	3.37	15.38	23.56	42.31	15.38
8	The company provides adequate support at all time	12.2	19.23	25.96	31.73	11.06
<b>Symbolic benefits</b>						
9	The brand image is outstanding and gives me a good impression	13.94	28.37	30.29	21.63	5.77
10	This is the leading brand in the market	4.33	9.62	18.75	38.46	28.85
11	The brand helps me to better fit into my social group	12.2	21.63	32.21	28.37	5.77
12	The brand prevented me from looking cheap	11.6	39.42	26.44	17.78	5.29
13	Using this brand	9.	23	29.	27	10

	increases my self esteem	13	.08	80	.40	.58
<b>Customer satisfaction</b>						
14	I'm satisfied with the brand	6.25	.229	25	34.13	12.02
15	The brand perfectly fits my expectation	5.29	.2019	29.81	33.65	11.06
16	The company staff is knowledgeable to introduce and explain all services that I want	8.65	.1346	23.08	36.54	18.27
17	The brand makes a positive contribution to myself / my business	9.13	.1971	31.73	34.13	5.29
<b>Customer loyalty</b>						
18	I often tell positive things about the brand to other People	11.6	.2259	24.52	35.09	6.73
19	I am pleased to repurchase this brand	12.8	.3269	25.48	19.71	9.13

20	This brand is my first choice	12 .2	22 .1 2	20. 19	30 .2 9	15 .3 8
21	I will purchase if EIC launches new product	8. 65	16 .3 5	26. 92	36 .0 6	12 .0 2
22	I shall continue to use the brand in the future even no advertisement	7. 69	18 .2 7	23. 56	34 .6 2	15 .8 7
23	I don't think that any bank can provide holistic banking service than CBE	12 .2	33 .1 7	22. 12	19 .7 1	12 .9 8

#### 4.6.2 Analysis of the independent variables

From the distributed 210 questionnaire, 208 respondents fill their response on the gives table as per the setted Likert scale 1-5. From the total 208 active respondents of CBE customers taken, below the number of respondents who choose agree, disagree, strongly agree, strongly disagree and indifferent in each the five categories of distributed questionnaires in percent. Under the category of functional benefits, 43.36% of respondents on average responds agree and 15.67% of respondents choose strongly agree. Under the functional benefits of brand image 5.48% of respondents choose strongly disagree and 16.44% of respondents choose disagree. From the total respondents of CBE customers on functional benefits of brand image category, 19.03% of respondents choose indifferent. As it's clearly show that, 59.03% of customers or respondents are agree with the functional benefits of the commercial bank of Ethiopia brand image. Off course 21.92% of customers were not agree with the functional benefits of the bank and 19.03% of customers are indifferent. But from the results above, it indicates that the functional benefits of the bank is satisfactory and most of the respondents agree with the functional benefits of the bank. Even if the banks functional benefits of the brand image is looking positive in majority of the respondents, but 31.73% of customers complain on the bank gives me on time service item

under the functional benefits. This result indicates that there is a problem in delivering service timely.

Under the category of experiential benefits of brand image, from the total respondents, 43.14% of customers choose agree and 20.67% of customers choose strongly agree. On the other hand, from the total respondents 5.77% of respondents choose strongly disagree and 12.13% of respondents choose disagree. In addition to this 18.26% of respondents of the total respondent choose indifferent. As it's clearly show above, from the total respondents, 63.81% of customers or respondents are agree with the experiential benefits of the commercial bank of Ethiopia brand image. On the other hand 17.9% of customers were not agree with the experiential benefits of the bank and 18.26% of customers are indifferent. This result indicates that the experiential benefits of the bank is satisfactory and supported by majority of respondents and most of the respondents agree with the experiential benefits of the bank. This implies that customers of CBEs have very good experience with the brand. Even if the banks experiential benefits of the brand image is looking positive in majority of the respondents, but 31.25% of customers complain on the bank gives provides adequate support items of experiential benefits of the total respondents under this item. This result is an indicator that there is a problem in in providing adequate service at all time.

Under the category of symbolic benefits of brand image, from the total respondents, 26.73% of customers choose agree on average and 11.25% of customers choose strongly agree. On the other hand, from the total respondents 10.01% of respondents choose strongly disagree and 24.24% of respondents choose disagree on average. In addition to this 27.5% of respondents of the total respondent choose indifferent. As it's clearly show above, from the total respondents, 37.98% of customers or respondents are agree with the symbolic benefits of the commercial bank of Ethiopia brand image. On the other hand 34.25% of customers were not agree with the symbolic benefits of the bank and 27.5% of customers are indifferent. This result indicates that the symbolic benefits of the bank is somehow satisfactory and supported by majority of respondents and most of the respondents agree with the symbolic benefits of the bank. This implies that customers of CBEs have good feeling with the brand. Even if the banks symbolic benefits of the brand image is looking positive in majority of the respondents, but on the 12<sup>th</sup> items of symbolic benefits 50.48% of customers complain on the brand prevented me from looking cheap item of

symbolic benefits of the total respondents under this item. This result is an indicator that the brand do not prevented its customers from looking cheap.

#### **4.6.3 Analysis of the Dependent Variables**

Under the category of customer satisfaction, from the total respondents, 34.62% of respondents choose agree and 11.66% of customers choose strongly agree. On the other hand, from the total respondents 7.33% of respondents choose strongly disagree and 18.99% of respondents choose disagree. In addition to this 27.40% of respondents of the total respondent choose indifferent. As it's clearly show above, from the total respondents, 46.28% of customers or respondents are agree and satisfied by the commercial bank of Ethiopia. On the other hand 26.32% of customers were not satisfied by the brand and 27.4% of customers are indifferent. This result indicates that majority of customers of the bank is satisfied and supported by majority of respondents and majority of the respondents are satisfied by the bank. This implies that customers of CBEs are satisfied with the brand. Even if the banks customer satisfaction is looking positive in majority of the respondents, on the 14<sup>th</sup> and 17<sup>th</sup> items of customer satisfaction were 28.84% and 28.84% respectively. Customers complain on an item of overall I am satisfied with the service and the brand makes a positive contribution to myself/business items under customer satisfaction categories of the total respondents. This result is an indicator that the brand do not satisfy its customers fully with its services i.e. there is dissatisfaction in some of its brand image and the bank does not contribute to its customers business as desired level as it can. This result shows that the bank should still have to invest more to satisfy more customers and it should contribute a lot to its customers to win more market shares.

At last, under the category of symbolic benefits of brand image, from the total respondents, 29.25% of customers choose agree and 12.02% of customers choose strongly agree. On the other hand, from the total respondents 10.74% of respondents choose strongly disagree and 24.19% of respondents choose disagree. In addition to this 23.79% of respondents of the total respondent choose indifferent. As it's clearly show above, from the total respondents, 41.27% of customers or respondents are loyal to the commercial bank of Ethiopia. On the other hand 34.93% of customers were not loyal to the brand and 23.79% of customers are indifferent. This result indicates that majority of customers of the bank are loyal to the bank. This implies that majority of respondents or customers of CBEs are satisfied and loyal to the brand. Even if the banks

majority customers are loyal to the brand, but on the 19<sup>th</sup>, 20<sup>th</sup> and 23<sup>th</sup> items of customer loyalty i.e. am pleased to be purchased this brand, this brand is my first choice and I don't think that if there is any bank in Ethiopia better than CBE, strong opposition is observed which is reflected by 45.67%, 34.13% and 45.19% respectively from customer loyalty groups. This result is an indicator that 45.67% of respondents were not pleased to be purchased this brand and customers of the bank shows switch to other banks for some reasons. In addition to this 34.13% of respondents do not choose the brand as their first choice and 45.19% of respondents do not think if there is any bank better than CBE. This implies that respondents were not happy in some cases with the brand even if they are satisfied as general. The bank should keep positioning itself as number one in the banking industry in the country.

#### **4.6.4 Analysis of the impact of brand image benefits on customer satisfaction**

Based on the respondent's response above, the effect of each brand image benefits variables on customer satisfaction and customer loyalty analyzed below. First analyses the functional benefits of brand image on customer satisfaction based on the responses collected from 208 respondents. As per the responses, average functional benefits of brand image responses is 69.4%. And the average responses of customer satisfaction was 64.8%. Based on this results, it's easy to know that, functional benefits of the brand image of CBE is positively related with customer satisfaction of the respondents. So this relationship shows, there is strong positive relationship between functional benefits and customer satisfaction.

Secondly, analyses the experiential benefits of brand image on customer satisfaction based on the responses collected from 208 respondents. As per the responses, average experiential benefits of brand image is 72% and the average responses of customer satisfaction was 64.8%. Based on this results, it's easy to know that, functional benefits of the brand image of CBE is positively related with customer satisfaction of the respondents. So this relationship shows, as there is strong positive relationship between experiential benefits and customer satisfaction.

Thirdly, analyses the symbolic benefits of brand image on customer satisfaction based on the responses collected from 208 respondents. As per the responses, average symbolic benefits of brand image is 61% and the average responses of customer satisfaction was 64.8%. As a result of this it's easy to know that, symbolic benefits of the brand image of CBE is positively related with

customer satisfaction of the respondents. So this relationship shows as there is strong positive relationship between symbolic benefits and customer satisfaction.

Fourthly, analyses the customer satisfaction with customer loyalty of active respondents according to responses collected from 208 respondents. As per the responses, average customer satisfaction is 61% and the average responses of customer loyalty is 61.6%. As a result of this, it's easy to know that, customer satisfaction of the respondents is positively related with customer loyalty of the respondents. So this relationship shows that, as there is strong positive relationship between experiential benefits and customer loyalty.

#### **4.6.5 Analysis of the impact of brand image benefits on customer loyalty**

First, analyses the functional benefits of brand image on customer loyalty based on the responses collected from 208 respondents. As per the responses, average functional benefits of brand image is 69.4% and the average responses of customer loyalty was 61.6%. Based on this results, it's easy to know that, functional benefits of the brand image of CBE is positively related with customer loyalty of the respondents. So this relationship shows, there is strong positive relationship between functional benefits and customer loyalty.

Secondly, analyses the experiential benefits of brand image on customer loyalty based on the responses collected from 208 respondents. As per the responses, average experiential benefits of brand image is 72% and the average responses of customer loyalty was 61.6%. Based on this results, it's easy to know that, functional benefits of the brand image of CBE is positively related with customer loyalty of the respondents. So this relationship shows, as there is strong positive relationship between experiential benefits and customer loyalty.

Thirdly, analyses the symbolic benefits of brand image on customer loyalty according to responses collected from 208 respondents. As per the responses, average symbolic benefits of brand image is 61% and the average responses of customer loyalty was 61.6%. As a result of this, it's easy to know that, symbolic benefits of the brand image of CBE is positively related with customer loyalty of the respondents. So this relationship shows, as there is strong positive relationship between experiential benefits and customer loyalty.

Therefore, according to the above analysis results, there is strong positive relation between functional benefits and customer satisfaction, experiential benefits and customer satisfaction, and

symbolic benefits and customer satisfaction. in addition to that, there is strong positive relation for both between functional benefits and customer loyalty and experiential benefits and customer loyalty, and strong positive relation between symbolic benefits and customer loyalty. Finally it's clearly revealed that there is strong positive relationship between customer satisfaction and customer loyalty.

#### 4.7. Hypothesis testing

The result shows that brand image benefits significantly related and effect on customer Satisfaction and customer loyalty. Neupane (2015) stated in his findings there is positive Relationship among brand image, customer satisfaction and customer loyalty and brand image has Significant effects on customer satisfaction.

**Table 10 - Hypothesis Testing**

Statement of the hypothesis	Result
There is no significant relationship between brand image benefits and customer satisfaction	Not Supported
There is no significant relationship between brand image benefits and customer loyalty.	Not Supported
customer satisfaction has significant effect on customer loyalty	Supported

Source: Survey Result

#### **4.8. Discussion of Result**

The objective of the study is to examine the effects of brand image on customer satisfaction and Loyalty in CBE by analyzing the relationship of every construct in the theoretical framework. This result and discussion of the study is using 208 respondents' questionnaire and shows general Characteristics of the respondents, and percentage analysis of the variables. General characteristics of the respondents such as gender, age, occupation, experience of respondents as customer, and which organization represents for have been considered. The research took 59.6% male and 40.4% of female respondents. In terms of age, the majority (54.3 %) of the respondents are found to be between 18 – 35 years of age. The second larger (23.5%) respondents' age categorized a range of 36 to 50. With regard to occupation of the respondents, majorities (58.2%) of the respondents are private business owners and 41.8% of the respondents are government organization. Besides, the study shows 35% of the respondents have 4-6 years' experience as customer, 27% of the respondents have 7-10 years' experience as customer and 18.7% of respondents have greater than 11 years' experience as customer.

In this study the mean value of each dimension is also analyzed. Almost all dimensions mean value are greater than three and less four, but five dimensions of functional benefits mean value is 2.76, 2.94, 2.66, 2.79, and 2.88. On the other hand no dimensions of brand image benefits mean value is greater than 4.

Based on the results of the brand image benefits impact on customer satisfaction and loyalty analysis, functional benefits are positively related with customers' satisfaction, experiential benefits are positively related with customer satisfaction, and symbolic benefits is also positively related with customer satisfaction . Moreover, the study shows relation of independent variables and customer loyalty. Functional benefits are positively related with customer loyalty, experiential benefits is positively related with customer loyalty, and symbolic benefits is also positively related with customer loyalty. This implies that all independents variables directly influence customer satisfaction and loyalty. In light of this some researchers assured the relationship between brand image and customer satisfaction and loyalty in their findings. Nazir, Ali & Jamil (2016) stated customer satisfaction is linked with brand image and positively related with each other. Liao (2012) described brand image has a direct relation with customer loyalty.

Besides, the effect of each dimension of brand image on customer satisfaction and loyalty was also analyzed in this study. 41%, 44% and 31% of customer satisfaction is significantly affected by functional benefits, experiential benefits and symbolic benefits respectively. And 28%, 32% and 16% of customer loyalty is significantly affected by functional benefits, experiential benefits and symbolic benefits respectively. This shows that the effect of brand image benefits individually more affect customer satisfaction than customer loyalty.

## **CHAPTER FIVE**

### **5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1. Introduction**

This chapter explained summary of the major findings of the study, conclusions based on the Findings and recommendations are also forwarded in line with the major findings of the study.

#### **5.2. Summary**

This study examines the impact of brand image on customer satisfaction and loyalty by collecting data through quantitative and analyze the data with the help of excel. The result shows that 56.65% the respondents were male and 43.35% were female. In terms of the age category of the respondents, 49% of respondents age categorized under a range of 36 to 50 years, 55.28% under a range of 18 to 35, 15.38% under a range of 51 to 65. In terms of occupation 58.17% and 41.83 % of the respondents were working in private and government organization respectively. In terms of experience of the respondents as customer, 35.1% range in four to six, 26.92% range in seven to ten, 18.75 % greater than 11 years.

The descriptive analysis of the study shows that the mean score of each dimensions of all variables were analyzed and demonstrated that the highest mean score (3.92; the dimension “This is the leading brand in the market”) was found in “experiential benefits” category and the lowest mean score (2.67; the dimension “The brand gives me on-time service”) was found in “symbolic benefits” category. Mean score of other dimensions were categorized under the range of 2.77 to 3.89. This is, therefore, indicates that the respondents’ perceptions were diverted to

‘agree’ for their positive response and ‘disagree’ for their negative response which means ‘strongly agree’ and ‘strongly disagree’ alternatives scale were also selected.

In regard to the analysis of the relationships among variables, each independent variable against each dependent variable was analyzed. These analysis result shows that all independent variables individually have strong positive relation with customer satisfaction. Functional and experiential benefits have also strong positive relation with customer loyalty, but symbolic benefits and customer loyalty do have moderate positive relation.

### **5.3. Conclusion**

The study tried to examine the effect of brand image on customer satisfaction and loyalty. The reason why the researcher wanted to conduct this study was due to the declining of market share of the corporation. Three research questions were also raised to be answered with this study by setting the general objective and specific objectives. The specific objectives were to examine the relationship between brand image and customer satisfaction, to discuss the relation between brand image and customer loyalty and to check the role of customer satisfaction on the customer loyalty. Besides, conceptual framework and hypothesis were also derived from theoretical and empirical reviews of literature.

Moreover, the researcher prepared questionnaire for the sample of 210 respondents, but the research analysis and interpretation of the study was conducted using 208 completed questionnaires that were filled by sample population. The sample population characteristics of the study was government and private customers which were selected non probability sampling through convenience sampling method. The researcher also used descriptive analysis to analyses descriptive statistics variables and used excel to analysis the relationship between brand image benefits and customer loyalty and customer satisfaction. In addition to this the role of customer satisfaction on customer loyalty were analyzed based on the respondents response obtained from questionnaire in percentage to answer research questions and to accept or reject the hypothesis.

The descriptive analysis results showed that the respondents were positive for almost all dimensions of the variables and the finding of the study demonstrated that there is positive relationship among the measures used and support the assumption that brand image dimensions

can enhance customer satisfaction and loyalty. All the three benefits of brand image (i.e., Functional, Experiential, and Symbolic) are positively perceived by most respondents.

In regard to the analysis of the relationships among independent variables with dependent variables, all variables do have strong and positive relation between each other. This means the relationships of independent variables against each other and independent variables against dependent variables were strong and positive. Finally, the analysis of the role of customer satisfaction on customer loyalty shows that brand image is significantly influence on customer satisfaction and loyalty, and customer satisfaction has impacts on customer loyalty.

#### **5.4. Recommendations**

Based on the findings of the study and conclusions made, the following points are forwarded as recommendations so that the banking industry can enhance the return it gains from brand image practices it experiences to improve customer satisfaction and loyalty.

- ❖ The bank needs to improve and mobilize its banking system to give on time service as customer's time and energy will be saved. It should implement technologies to provide quick and efficient service.
- ❖ The bank better to work with innovators and entrepreneurs who have ideas to solve such timely services with technology. This is also have great role in contribution to employment opportunities.
- ❖ The company should provide adequate support at all time in order to increase the experiential benefits of its brand image. The bank should devise system strategies to address its customers need such as house credit, credit card and loan for business investments especially at micro level that support customers of the bank.
- ❖ The bank need to emphasis the improvement of brand image which was help building and supporting positive relationships with its customers and segment customers by their economic status and targeting as per their capital.
- ❖ The bank better to modernize its buildings with tangible cues from security, front line employer's customer handling to the manager's office set up and displays to have very good experience with the brand.
- ❖ The bank should build its market status by using mass advertisement and need to focus on advertisement to convince the concept of using CBE bank can prevents anyone from

looking cheap and it should brand its premium services is in the minds of the customer to improve its symbolic benefits of the brand image to customers.

- ❖ The company has to give training especially those employees who have direct contact with customers because those employees have direct impact on the image of the company.
- ❖ The bank better to periodically review the status or the level of customer satisfaction and loyalty is advisable in order to be profitable and build its good brand image consistently.
- ❖ The bank needs to make sure that if its brand image is more familiar to existing customer and especially to new potential customers through different means of advertising.
- ❖ The bank can study the effect of brand image on customer satisfaction and loyalty based on all its customers throughout the country. As this study focused on all kinds of customers, the bank can conduct study the effect of brand image on customer satisfaction and loyalty at different economic class customers.
- ❖ As brand image, customer satisfaction and customer loyalty have strong relation among each other, it is advisable to work in it well, since they used for comparative advantage.
- ❖ As the effect of brand image on customer satisfaction and loyalty is positively significant, the company would strength the status of it brand in order to enhance its market share.

## **5.5. Limitation and Direction for Future Research**

### **5.5.2. Direction for Future Research**

As this research was confined customers of districts and branches of in wolkite, other interested researcher may conduct research on the impact of customer satisfaction and loyalty on market share. In addition, the future research may also be directed to analyze the effect of brand image on customer satisfaction and loyalty of manufacturing and service industries by adding other dimensions of brand image benefits to overcome the short coming of this study.

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Scale of measurement:  
 (1) Strongly Disagree (2) Disagree (3) Indifferent (4) Agree (5)  
 Strongly Agree

		Answer				
<b>Functional Benefits</b>						
1	The brand is easily accessible	1	2	3	4	5
2	The brand has all products that I want	1	2	3	4	5
3	The brand gives me on time service	1	2	3	4	5
4	The brand provides good service quality with affordable price	1	2	3	4	5
5	The brand moves better with technological changes	1	2	3	4	5
<b>Experiential Benefits</b>						
5	I can count on the services of this brand always working well	1	2	3	4	5
6	I feel safe with CBE's service	1	2	3	4	5
7	This brand service is really up to standard and organized	1	2	3	4	5
8	The company provides	1	2	3	4	5

	adequate support at all time					
<b>Symbolic Benefits</b>						
9	The brand image is outstanding and gives me a good impression	1	2	3	4	5
10	This is the leading brand in the market	1	2	3	4	5
11	The brand helps me to better fit in to my social Group	1	2	3	4	5
12	The brand prevented me from looking cheap	1	2	3	4	5
13	Using this brand increases myself-esteem	1	2	3	4	5
<b>Customer Satisfaction</b>						
14	Overall I am satisfied with the service	1	2	3	4	5
15	The brand perfectly fits my expectation	1	2	3	4	5
16	The company staff is knowledgeable to introduce and explain all services	1	2	3	4	5

	that I want					
17	The brand makes a positive contribution to my business/myself	1	2	3	4	5
<b>Customer Loyalty</b>						
18	I often tell positive things about the brand to other people	1	2	3	4	5
19	I am pleased to repurchase this brand	1	2	3	4	5
20	This brand is my first choice	1	2	3	4	5
21	I will purchase if CBE launches new product	1	2	3	4	5
22	I shall continue to use the brand in the future even no advertisement	1	2	3	4	5
23	I don't think that if there is any Bank in Ethiopia better than CBE	1	2	3	4	5

Please choose and rank your best 5 banks in giving holistic bank services among the listed banks in Ethiopia. (Rank as 1<sup>st</sup> 2<sup>nd</sup> 3<sup>rd</sup> 4<sup>th</sup> 5<sup>th</sup>)

1. Commercial bank of ethiopia
2. Nib international bank
3. Dashen bank
4. Hibret bank
5. Wegagen bank
6. Oromiya cooperation bank
7. Debub global bank
8. Buna international bank
9. Awash international bank
10. Abbysinia bank
11. Zemen bank
12. oromiya international bank

