

**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**



**DETERMINANT FACTORS ON BRAND LOYALTY THE CASE
OF AWASH BANK**

BY
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**JULY 2022
ADDIS ABABA, ETHIOPIA**

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ADVISOR: SHOA JEMAL (ASST PROF)

A THESIS SUBMITTED TO SCHOOL OF GRADUATE STUDIES OF ST. MARY'S UNIVERSITY IN
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ADDIS ABABA, ETHIOPIA

ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
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CERTIFICATION

I, Shoa Jemal (Asst Prof), certify that the research entitled “THE DETERMINANT FACTORS ON BRAND LAYALTY THE CASE OF AWASH BANK SC” is conducted by Anteneh Birega, under my supervision. The work is original in nature and is appropriate for submission for the award of the master’s degree in Business Administration (MBA).

SHOA JEMAL (ASST PROF)

Advisor’s Name

Signature July 2022
Date

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ABBREVIATIONS

WOM	Word of mouth
IV	Independent variable
DV	Dependent Variable
St. D	Standard Deviation
QDA	Qualitative Data Analysis
AB	Awash Bank
AA	Addis Abeba
PV	Perceived value
SQ	Quality of service
CS	Customer satisfactions
BL	Brand loyalty

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ABSTRACT

The main purpose of this research is to assess determinant factors affecting brand loyalty in case of Awash bank. Brands are considered as the more important assets of the company that make customers loyal and have value for the end consumer. This study used descriptive research design in a direction of investigating on both primary data and secondary data sources. From the population of 752,204 customers of Awash bank in A.A the study took 384 sample from those customers (agents) of Awash bank through using convenience sampling and drawing its analysis on 377 sample. The research included both an explanatory and a descriptive survey design. To describe what it is or how the situation seems, a descriptive research design was adopted, and correlation analysis was employed to demonstrate the relationship between dependent and independent. The finding of this study shows that all the three variables have positive and significant relationship with brand loyalty which led to the acceptance of the three hypotheses. According to this study, customer satisfaction has relatively had lower and insignificant effect on brand loyalty due to its lower mean and lower correlation statistics compared to perceived value which is moderate, and quality of service is significantly correlate with brand loyalty so that Awash bank should have to work well to meet customer satisfaction by meeting their promise through delivering efficient services more strive to meet customer satisfaction. The conclusion of the study revealed the bank relatively meets its promise in delivering efficient service quality, it has also a p-value less than 0.05 results the statistic is significant. Moreover, the regression analysis shows that a 77.3 % change in brand loyalty is due to quality custom operation whereas the rest is due to other factors.

Key Words: *Perceived value, service quality, customer satisfaction, Brand loyalty*

CHAPTER ONE

INTRODUCTION

The introductory part of the study presents background of the study, statement of the problem, research questions, and objectives of the study, significance of the study, scope of the study, limitation of the study, organization of the research paper and definition of terms.

1.1 Background of the Study

Awash Bank was established by 486 founding shareholders with a paid-up capital of Birr 24.2 million and started banking operations on Feb. 13, 1995. The number of shareholders and its paid-up capital increased to over 5400 and Birr 10 billion, respectively. Their total assets reached Birr 150 billion with over 660 banks found across the country, Awash Bank continues to be leading private commercial Bank in Ethiopia.

Having grown from humble beginnings with visionary intent, they are the first private bank in Ethiopia to exceed a billion-profit mark in the history of Ethiopian Private Banks in the financial year 2019 since inception; they have expanded through a combination of substantial organic growth and an enhanced customer service experience.

The banking business has undergone changes in the regulation of the sector, changes in consumers' demand for services and technological changes (Gardener et al., 1999) because of this delivering value to customers and their satisfaction is a subject needing more concern if we want to maintain loyal customers. According to Jacoby and Chestnut (1978), firms should strive to maintain long term relationships with their customers to obtain the advantages of a clientele loyal to the firm. Therefore, companies should strive to improve their customer satisfaction level consistently by gaining customer brand loyalty (Keinlinghan, Perkin, Akosoy, and Estrin, 2005). Awash Bank offers a unique bouquet of innovative products and services that help individuals manage their finances now and in the future.

The final objective of the marketing process is to hold existing customers, to gain new ones and turn these customers into loyal ones and to keep and cultivate these relationships. From several decades, researchers and practitioners have recognized the importance of brand loyalty in the marketing literature (Aaker, 1996).

Different authors have given different definitions of loyalty. The most comprehensive definition of loyalty is forwarded by Oliver (1999). He states that brand/customer loyalty is deeply held commitment or re buy or re patronizes a preferred product/service/brand consistently in the future,

thereby causing repetitive same brand or same brand set purchasing, despite situational influence and marketing efforts having the potential to cause switching behavior.

According to previous studies, Perceived value, service quality and customer satisfaction are some of the determinant variables that influence brand loyalty of customers in the banking industry. According to the definition by Zeithaml, (1988),

value for the consumer result from the personal comparison of the benefits obtained and sacrifices made. It is therefore conceived as a highly subjective and personal concept (Parasuraman et al., 1985).

Many researchers suggest that customer perceived value is strategic weapon in attracting and retaining customer and is one of the most significant factors in the success of service providers (Zeithaml et al., 1996; Woodruff, 1997). Service quality has a significant impact on business performance, business costs, customer satisfaction, customer loyalty and profitability (Seth et al., 2005). To gain brand loyal customer, it is necessary to achieve customer satisfaction as loyalty is consequences of consumers' satisfaction (Moliner, 2007) indeed, studies have found satisfaction to be a leading factor in determining loyalty (Anderson and Fornell, 1994). The relationship marketing literature indicated a positive relationship between satisfaction and loyalty. Higher satisfaction levels increase the attractiveness of a relationship with customers and hence, their commitment to the relationship (Morgan and Hunt, 1994).

Loyal brand users do not only spread positive word of mouth about their preferred brand as well as defending it in arguments and discussions, but also often talk competitive brands down. This suggests that brand loyalty to one brand not only influence the brand positively, but also possibly have negative effects on the competitive brands (Raju et al., 2009) and this is a significant issue for service providers such as banks in which, trading models for profitability depends on long-term relationships with customers. Loyalty to a bank can be thought of as continuing patronage over time.

Brand creates a relationship with the customers either the relation is positive by continuing the brand or negative by moving to the other brand. Different marketing steps are taken by banks to make customers loyal. They used different programs to attract customers. In return they get the customers to be loyal for them and talked about the brand among friends positively. This positive word of mouth is very effective for the banking sector as it helps them in gaining the great market share. Zeithaml, (1988),

There are many studies that focused on the advantages of customer loyalty to the brand and their

strength to attain great outcomes (Oliver, 1999). From the practical point of view, to enhance the brand experience, it's important to know how loyalty to the specific brand can be reinforced. In this observation loyalty of customer shows a wider role and connects the company, its employees, and shareholders with the final consumer of the product.

Cronin et al., (2000) conducted a study to examine the effects of service quality, value, and customer satisfaction on consumer behavioral intention in service environment. They found out that service is received primarily from perceptions of quality, so to have service value consumers must first view service quality of greater importance than the sacrifices they made. An important objective for delivering value to consumers is to develop brand loyal customers who can increase purchase frequency, purchase quantity, and avoid switching behavior (Rust et al., 2004).

The banking business has undergone changes in the regulation of the sector, changes in consumers' demand for services and technological changes (Gardener et al., 1999) because of this delivering value to customers and their satisfaction is a subject needing more concern if we want to maintain loyal customers. According to Jacoby and Chestnut (1978), firms should strive to maintain long term relationships with their customers to obtain the advantages of a clientele loyal to the firm. Therefore, companies should strive to improve their customer satisfaction level consistently by gaining customer brand loyalty (Keininninghan, Perkin, Akosoy, and Estrin, 2005). Awash Bank offers a unique bouquet of innovative products and services that help individuals manage their finances now and in the future.

Therefore, this research is aimed to know what determinant factors affecting on building brand loyalty in Awash bank in Ethiopia.

1.2 Statement of the Problem

The success of a firm performance is affected by the level of loyalty because acquiring new customers is far more expensive than maintaining existing ones (Carbaugh, 2011). Therefore, firms that desire to remain competitive, need to build and enhance relationships with loyal customer because of its benefits that include profitability, business referral and publicity, customer share and competitive positioning (Hennih Thureau et al., 2002). Given this it is increasingly becoming difficult to achieve brand loyal customer in competitive environment and that it remains ambiguous regarding its underlying determinants (Liang and Wang, 2005), researchers have attempted to develop models suited to investigate brand loyalty in variety of contexts. In reviewing these models, it has been established that

service quality, customer satisfaction, perceived value, trust, and commitment are the most critical variables in creating and maintaining loyalty (Kim and Cha, 2002).

However, there is little agreement about which determinants explain the most effective way of creating and maintaining brand loyalty among customers. Whilst there are several variables that could be useful as determinants of brand loyalty, researchers have considered service quality, customer satisfaction and perceived value as the cornerstones in relational exchange between service providers and customers (Liang and Wang, 2005 and Palmatier et al., 2006).

Despite the recognition that service quality, customer satisfaction and value are important determinants of customer brand loyalty, critical research gaps remain regarding their combined effect on brand loyalty of customer in commercial banking.

Even though the banking sector of Ethiopia is thriving radically, the service quality level, perceived value and customer satisfaction has not been thoroughly examined. Since 1991, when the Derge regime was overthrown, the banking sector has been growing in many dimensions. The total banks' number has gone up from about four to nineteen and the number of banks has grown up from about less than one hundred to more than a thousand. The growth has enabled different region of the country to get banking service through different approaches (Abiyot and Gemechu, 2016).

However, the increase in availability and accessibility does not guarantee competitiveness in the globalized business environment. Nowadays, perceived value, service quality and customers satisfactions are in haphazard manner the banking sector to survive and grow because of the existence of stiff competitions between the government owned commercial bank and the private owned commercial banks and since most banks in Ethiopia provides similar services; it is getting incredibly challenging for banks branch managers to obtain a brand loyal customer. In the same token, the growing demand for quality service and growing expectations from the domestic consumers because of improving educational background and burgeoning income, it is a must to gauge service quality, perceived value, and customer satisfaction to maintain brand loyal customers.

Hence the present study was attempted to investigate the determinates of brand loyalty of customers in Awash Bank within selected branches under the district of north, south, east, and west Addis Abeba districts.

1.3 Basic Research Questions

The basic research questions addressed in this study are the following.

Main Question

- How does perceived value, service quality and customer satisfaction significantly influence brand loyalty in Awash international bank?
- To what extent does perceived value, service quality and customer satisfaction influence brand loyalty in Awash Bank?
- What is the relationship between perceived value, service quality and customer satisfaction in Awash Bank?

According to previous studies, perceived value, service quality and customer satisfactions are some of the determinant variables that influence brand loyalty of customers in the banking industry. According to the definition by Zeithaml, (1988)

1.4 Objective of the Study

1.4.1 General Objective

- The general objective of this study was to investigate determinates of brand loyalty of customers in Awash bank.

1.4.2 Specific Objective

- To find out the extent in which perceived value, service quality and customer satisfaction influence brand loyalty of customers in Awash Bank.
- To investigate the relationship between customer perceived value, service quality and customers satisfaction in the two banks.
- To find out how satisfaction, service quality and perceived value can be improved to increase brand loyalty of customers in the two banks.

1.5 Significance of the study

In a service sector like banking industry, firms really need to be more alert of their customer needs and wants and to sustain competitiveness in the marketplace; each bank needs to provide excellent service towards the entire customer. If firms failed to maintain and enhance their service, it is impossible for them to achieve their target and maintain brand loyal customer.

- ❖ Therefore, it is important that each bank provide great service by fulfilling their entire customer

needs, increase customer satisfaction and ultimately gain brand loyalty customers.

- ❖ Therefore, the result of this study will be served as an input for the organization to assist in decision making, in identifying key variables to develop strategies to improve perceived value, service quality and customer satisfaction and by understanding these variables, the management of Awash Bank can derive ways to improve brand loyalty of customers.
- ❖ Furthermore, this study will be used as a baseline and serve as a reference for those who want to conduct further investigation in this area.

1.6 Scope of the study

This study is delimited conceptually, geographically methodologically and as well as timely.

Conceptually: this study focuses on the influence of perceived value, service quality, and customer satisfaction on brand loyalty in the case of Awash bank. The perceived value, service quality and customer satisfaction were determined to be the input and intervening variables and brand loyalty was determined to be the output variable.

Geographically: Awash bank has 172 branches in Addis Abeba, but since it is impractical and unmanageable to include all banks in Ethiopia because of time and resource limitations the study was delimited on the four district branches in Addis Abeba.

Methodologically: this research is sample survey research i.e., based on the representative sample conclusion for the population was made. Additionally, the main source of this data was questionnaires and secondary data.

Time: This study has limitations in the current budget year, 2021 GC.

1.7 Limitations of the study

The study is focusing only on Awash International bank particularly on the few banks under the four districts north, south, west, and east which exists in Addis Ababa and the result may not represent the whole population. Moreover, the finding of this study was limited by the weakness of the sampling technique employed because of simple random sampling method carries larger errors from the sample size than that are found in stratified sampling, the selection of samples become impossible if the unit or items are widely dispersed and it lacks the use of available knowledge concerning the population.

1.8 Definition of Terms

Service- is an intangible product involving a deed, performance, or an effort that cannot be physically possessed. <https://www.coursehero.com>

Customers are referring to individual or households that purchase goods and services generated within the company. <https://www.investopedia.com>

Quality of a product or service refers to the perception of the degree to which the product or service meet customer's satisfaction. <https://www.coursehero.com>

Customer service is providing a quality service that satisfies the needs or wants of a customer and keeps them coming back. <https://www.reference.com>

Good customer service means much continued success in increasing public satisfaction, higher job satisfaction improved organization morale better teamwork, decreasing waiting time to get any kind of service. <https://www.salesforce.com>

Brand loyalty- defined as a strong commitment to rebuy or re-patronize a preferred product or re-patronize a service consistently in the future, thereby causing repetitive same-brand or same-brand set purchasing. <https://www.salesforce.com>

Customer delivered value- can be defined as the total value offered to a customer less the total cost to the customer. <https://www.salesforce.com>

Customer satisfaction is providing quality service to customer according to their needs & wants by aiming for higher satisfaction. <https://www.salesforce.com>

1.9 Organizations of the Study

This thesis was be organized into five chapters. The first chapter included the introduction which consist background of the study, statement of problem, objectives, research questions, research hypothesis, and significance of the study, scope, and limitation of the study. The second chapter addresses the review of related literatures which consists of theoretical backgrounds, review of previous empirical studies and conceptual frameworks. The third chapter consists of the research methodologies which was be applied in the study. Chapter four focuses on the result and discussionof the study. Finally, chapter five focuses on conclusions and recommendations of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Review theoretical literature

A theoretical basis that explained those factors affecting brand loyalty in Awash bank and value was drawn from the social exchange theory. The theory attempts to explain the nature of the relationships between service quality, perceived value, satisfaction, and loyalty. The theoretical model adopted for this study was derived from the social exchange theory (Homans, 1958), which implied that all human relationships are formed using cost-benefit analysis and comparisons of alternatives. Homans, (1958) suggested that when an individual perceives the cost of a relationship outweighs the perceived benefits, then the person was chosen to leave the relationship. The theory further states that persons that give much to others try to get much from them, and persons that get much from others are under pressure to give much to them. The social exchange relationships between two parties develop through a series of mutual exchanges that yield a pattern of reciprocal obligations to each party.

Social exchange theory indicates that individuals are willing to maintain relationships because of the expectation that to do so be rewarding. Individuals voluntarily sacrifice their self-benefits and contribute these benefits to other individuals with the expectation for more future gains. Thibaut and Kelly (1959) proposed that whether an individual retains a relationship with another one depends on the comparison of current relationship, experience, and potential alternatives.

The constant comparison of social and economic outcomes between a series of interactions with current partners and available alternatives determines the degree of an individual's commitment to the current relationship. The theory was appropriate for this study because service encounters can be viewed as social exchanges with the interaction between service provider and customer being a crucial component of satisfaction and providing a strong reason for continuing a relationship (Barnes, 2007).

Social exchange theory attempts to account for the development, growth and even dissolution of social as well as business relationships. In other words, people (or business firms) evaluate their reward cost ratio when deciding whether to maintain a relationship. Rewards and costs have been defined in terms of interpersonal (e.g., liking, familiarity, influence), personal (gratification linked to self-esteem, ego, personality) and situational factors (aspects of the psychological environment such as a relationship formed to accomplish some task). In a services context, considering the level of interpersonal contact

needed to produce services, there is a range of psychological, relational, and financial considerations that might act as a disincentive for a hypothetical change of service providers

Service

A uniform definition of service has not been developed up to this day. Different scholars define service in different ways. According to Kotler (2009) service is an act or performance provided by one party to the other which fundamentally is not materialized and does not result in creating ownership over things. Its production is either connected to the physical product or not (Kotler, 1998). As per this definition there are five groups are clearly physical product (example, computer); Physical product with collateral services, where the services are connected to the materialized product (such as services connected to selling computers example maintenance warranty services); Hybrid offer, where the offer is a mixture of the physical product and the services (such as clothing store which offers alteration); material service with minor collateral services and physical products (such as wellness hotel service, containing the hotel service, physical products and other collateral services (catering and pool services) and Clearly service, such as consultancy.

The other scholars who define service was (Zeithaml, 2009), argued that services are deeds, performances and processes provided or coproduced by one entity or person for and with another entity or person. Service includes core service, products and product bundles provided a more inclusive definition of service with the derived service perspective, suggesting that all products and physical goods are valued for the inherent service they provide not the goods itself. Services differ from product due to their intangibility, heterogeneity, simultaneous production and consumption and perishability (Zeithaml, 2009).

The way in which services are created and delivered to customers is often hard to grasp since many inputs and outputs are intangible. Most people have little difficulty defining manufacturing or agriculture, but defining service can elude them (Christopher Lovelock, 1994). Though the definition is provided by many scholars, fundamentally, services are processes or experiences – you cannot own a bank account, a holiday, or a trip to the theatre in the same way as you can own a car, a computer, or a bag of groceries (Parasuraman, 1985).

Further elucidating the word, as cited in Christopher Lovelock (2011) in its book principle of services marketing and management, a service is an act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and

does not normally result in ownership of any of the factors of production.

Majority of the authors are agreed that service is a series of activities of more or less intangible nature that normally but not necessarily take place in interaction between customers and service employees and, or physical resource or goods and, or system of the service provider which are provided as solution to customer problems “most authorities consider the services sector to include all economic activities whose output is not physical product or construction is generally consumed at the time it is produced and provides added value in the form of convenience, amusement, timelines, comfort which are basically intangible concerns of its purchaser (Lovelock, 2011).

In previous decades, banks have provided a variety of savings accounts, debit, and credit card services, as well as loans and investment plans. Throughout the recent years, the banking industry has evolved in its scope responding to the changing nature of its environment. It has now transformed into the online banking era, where banks nowadays are exploring new methods of delivering their offered services to their customers (Ghaziri, 1998). Due to this, banks can serve their customers better without having to further expand their bank offices. With the advent of globalization, the banking sector has improved its services in response to the increase in competitive pressure and demand for economic growth.

Commercial banks play an important role in the financial system and the economy. Banks function as financial intermediaries that transform savings into investments, and deal with loans in an efficient manner, where stronger banks provide greater confidence (Rumler et al., 2010). Economic growth is highly dependent on the banking industry output (Berger & Humphrey, 1997; Dobbs & Hamilton, 2006; Abu-Alkheil, Burghof, & Khan, 2012). Efficiency of banks is noted in performance measurements to help bank management to improve operations, market position, and competitive advantage (Berger & Humphrey, 1997; Berger & Mester, 1997; Lin, 2010; Gallizo, Moreno, & Pop, 2011; Abu-Alkheil et al., 2012). Performance measurement has been defined as a process of quantifying the efficiency and effectiveness of an action by Neely, Bourne, & Kenerly (2000).

Commercial bank is a financial institution that grants loans, accepts deposits, and offers basic financial products such as savings accounts and certificates of deposit to businesses, as opposed to a retail bank that provides similar financial products to individuals. A commercial bank makes money primarily by providing different types of loans to customers and charging interest.

The bank's funds come from money deposited by the bank customers in saving accounts, checking

accounts, money market accounts, and certificates of deposit (CDs). The depositors earn interest on their deposits with the bank. However, the interest paid to depositors is less than the interest rate charged to borrowers. Some of the loans offered by a commercial bank include motor vehicle loans, mortgages, business loans, and personal loans.

Functions of Commercial Banks

The basic role of a commercial bank is to provide financial services to businesses and companies. Banks also ensure economic stability and the sustainable growth of a country's economy. To learn more about the different roles available in a commercial bank, see CFI's Careers in Commercial Banking course. A commercial bank performs the following functions: (www.preservearticles.com/economics)

Accepting Deposits

Accepting deposits is one of the oldest functions of a commercial bank. When banks started, they charged a commission for keeping money on behalf of the public. With the changes in the banking industry over the years and the profitability of the business, banks now pay a small amount of interest to the depositors who keep money with them. However, depositors also incur administrative fees to maintain their accounts. Banks accept three types of deposits. The first one is the savings deposit for small savers who are paid interest on their accounts. They can withdraw their money up to a limited amount by writing a cheque. (www.preservearticles.com/economics)

The second type of deposit is the current account for people in business who can withdraw their money at any time without notice. Banks do not typically pay interest on deposits held in current accounts. Instead, the account holders are charged a nominal fee for the services rendered. The last type of deposit is the term or fixed deposit. Customers who have money that they do not need for the next six months or more can save in the fixed account. The rate of interest paid increases with the length of the fixed deposit. Customers can only withdraw the money at the end of the agreed period by writing to the bank. <https://www.toppr.com>

Advancing Credit Facilities

Advancing loans is an essential function of banks since it accounts for the highest percentage of revenue earned annually. Banks mostly offer short-term and medium-term loans from a percentage of the cash

deposits at a high interest rate.

They do not provide long-term financing due to the need to maintain the liquidity of assets. Before advancing loans to customers, banks consider the borrower's financial status, business profitability, nature and size of the business, and ability to repay the loan without default. <https://www.toppr.com>

Credit Creation

While granting loans to customers, banks do not provide the loan in cash to the borrower. Instead, the bank creates a deposit account from which the borrower can draw funds. This allows the borrower to withdraw money by cheque according to his needs. By creating a demand deposit in the borrower's account without printing additional money, the bank increases the amount of money in circulation. <https://www.vedantu.com>

Agency Functions

Commercial banks serve as agents of their customers by helping them in collecting and paying cheques, dividends, interest warrants, and bills of exchange. Also, they pay insurance premiums, utility bills, rent, and other charges on behalf of their clients.

Banks also trade shares, securities, and debentures, and they provide advisory services for customers that want to buy or sell these investments. In property administration, commercial banks act as trustees and executors of the estate on behalf of their customers. Banks charge a nominal fee for the agency functions performed on behalf of their clients. (Berger & Humphrey, 1997; Berger & Mester, 1997; Lin, 2010; Gallizo, Moreno, & Pop, 2011; Abu-Alkheil et al., 2012).

2.1.1 Brand loyalty

Brands are considered as the more important assets of the company that make customers loyal and have value for the end consumer. Thus, the brand helps customers in purchase decision making. The terms "product" and "brand" used interchangeably (Myers, 2003). Distinguishing between the terms, Farquhar (1989) and Cobb-Walgren et al., (1995) addresses product as something that tends to offer a functional benefit, whereas a brand is a name, symbol, design, or mark that enhances the value of a particular product. Similarly, Bennett (1988) defined brand as a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers.

Brand loyalty defined as a strong commitment to rebuy or repatronize a preferred product or repatronize a service consistently in the future, thereby causing repetitive same-brand or same-brand set purchasing (Oliver, 1999; Denison & Knox, 1995). Emphasizing the importance of brand loyalty, Taylor et al., (2004) point. Out that loyalty can be spread across more than one brand. Consumers can, in effect, be loyal to a portfolio of brands across product categories, selecting from this portfolio at each purchase occasion.

Oliver (1999) further indicates that customer loyalty is a function of perceived product value superiority. Brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs when consumers perceive that the brand offers the right product features, images, or level of quality at the right price. This perception may translate into repeat purchase resulting in loyalty. Brand Loyalty is therefore related to a customer's preference and attachment to a brand. It may occur due to a long history of using a product and trust that has developed because of the long usage. One of the most comprehensive and most cited conceptual definitions of brand loyalty was forwarded by Jacoby and Chestnut (1978). Jacoby et al, defines brand loyalty as "the biased, behavioral response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological decision-making, evaluative processes." Cunningham (1956) identified three definitions of brand loyalty comprising; customers lost and gained over specific time periods; time sequences of individual purchases and share of the market (Smith).

Olsen and Jacoby (1971) used factor analysis to conceptualized brand loyalty and found that brand loyalty is related to; percentage of purchase devoted to the most purchased brand, number of different brand purchased over the past two years, number of times the favorite brand was purchased out of the last five purchases, three consecutive purchases out of the last five purchases and the actual number of consecutive purchases of favorite brand out of the last five purchases (Smith).

Based on Smith brand loyalty as behavioral loyalty are expressed in the form of 'repeated purchase' of the brand (Smith, 2003). David A. Aaker defines brand loyalty as the measure of attachment that a consumer has towards a brand. Brand loyalty according to him reflects how likely a consumer was be to switched brands when that brand makes a product change either in price or product features. Aaker states that the core of a brand's equity is based on customer loyalty.

Therefore, if customers buy with respect to features, price, and convenience with little concern to the brand name, there is perhaps little equity (Aaker, 1991). Aaker conceptualizes brand loyalty as a pyramid with five tiers. The bottom represents the non-loyal consumers who are indifferent to the brand and who perceived any brand as being adequate whereby the brand has little influence over buying decisions. The second layer are those who are satisfied with the product or are least not dissatisfied. The next level are the satisfied buyers with switching costs, those who do not want to risk changing product and may be termed habitual buyer. The next level are loyal buyers considers the brand as a friend. The fifth level is the committed buyers or those who are extremely loyal to the brand. They compromise those who are proud users and was recommend the product to others (Aaker, 1991).

Aaker cited that brand loyalty is at the core of brand equity. Brand loyalty he says is tied more closely to the use experience as it cannot exist without prior purchase and use experience. However, he says that loyalty is influenced by other major dimensions of brand equity, namely awareness, associations, and perceived quality. However, he says in many instances loyalty may be independent of other factors such as perceived quality or attribute associations as the nature of the relationship is unclear (Aaker, 1991). (Aaker, 1991) Committed Buyer Likes the brand the brand as a friend Satisfied buyer with switching costs. Habitual buyer with no reason can change Switchers/price sensitive/non-Loyal brand equity brand awareness.

2.1.2 Perceived value

Three of Aaker's dimensions namely, brand associations, perceived quality and brand loyalty have been accepted and delved into by many researchers. Of the three dimensions, brand loyalty according to Aaker is at the heart of a brand's value. It is the most important component of brand equity. The importance of brand loyalty has been accepted and acknowledged by researchers and people in marketing. Loyalty has been the subject of research delving into its relationship with variables including perceived quality and brand associations. Most operational measures in the study of loyalty are either behavioral or attitudinal depending on relative emphasis of the research. The popularity of the measurements used has varied over time and among researchers as both categories have their own strength and weaknesses (Abdullah, 2015).

Based on their definition brand loyalty may be divided into two broad categories of operational definitions. The first stresses the “behavioral response, expressed over time” and refers to a series of purchases or repeat purchases. Jacoby and Chestnut perfected the conceptual definition and developed a measure of brand loyalty into four categories (Abdullah, 2015).

1. Brand oriented attitudinal measures. It is measured by looking at the intention of customers who wish to buy the same product the next time. 2. Individual oriented attitudinal measures. 3. Brand oriented behavioral measures. 4. Individual oriented behavioral measures. Sheth and Park (1974) suggested that Brand Loyalty is multi-dimensional and comprise three dimensions namely, the emotive tendency towards the brand; the evaluative tendency towards the brand and third the behavioral tendency towards the brand. They theorized that all three dimensions are present in every situation where brand loyalty prevails (Sheth and Park, 1974). 191 (Sheth and Park, 1974).

Customer Loyalty Oliver defines customer loyalty as a deeply held commitment to re-buy or re-patronise a preferred product or service consistently in the future despite situational influences and marketing efforts having the potential to cause switching behavior. Oliver (1999) proposed four categories of customer loyalty based on the assumption that the consumers first process information to form beliefs, use those beliefs as the basis for attitudes and then make behavioral decisions based on relative attitude strengths. Dick and Basu define customer loyalty as the strength of the relationship between an individual’s relative attitude and repeat patronage.

2.1.3 Service quality

Researchers argue that the distinctive nature of services requires a distinctive approach to defining service and measuring service quality. As a result of the intangible, multifaceted nature of many services, it may be harder to evaluate the quality of service than a good because customers are often involved in service production particularly, in people processing services. The most cited definition offers by Zeithaml (1988) describe value as the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given. Similarly, Holbrook (1999) defined value as a ‘trade-Off’ between benefits and sacrifices. Value is indeed a unique construct from satisfaction and quality (Oliver, 1999; Day & Crask, 2000). In other noted, customer’s perceived value can be viewed from the perspectives of money, quality, benefit, and social psychology (Ying et al., 2009). Normally, from monetary aspect value is said to be generated when less is paid for goods (Bishop,

1984). Marketers must work hard creating added value that could satisfy customers to earn loyalty (Taylor et al., 2004).

Reichheld (1996) highlighted what keeps a customer loyal is the value they receive and one of the reasons so many businesses fail is that too much of their learning revolves around profit and too little around value creation. Literatures suggested perceived value could influence customer satisfaction (Lin and Wang, 2006; Wang and Yang 2004; Tung, 2004; Turel and Serenko, 2006). The relationship between perceived value and customer satisfaction being highlighted by Lin et al., (2006) that customer satisfaction is the result of a customer's perception of value received. Perceived value is considered a construct that captures any benefit-sacrifice discrepancy in the same way that disconfirmation does for variations between expectations and perceived performance.

Additionally, perceived value also capable influencing brand loyalty as suggested by literatures (Lin et al., 2006; Gronroos, 2000; Eggert and Ulaga, 2002; Petrick, 2002).

The word quality means different to people according to the context. User based definition starts with the premise that quality lies in the eyes of the beholder. These definitions equate quality with maximum satisfaction. This subjective, demand-oriented perspective recognizes that different customers have different wants and needs (Howcroft, 1991).

Customer delivered value can be defined as the total value offered to a customer less the total cost to the customer (Oliver, 1999; Day & Crask, 2000; Gronroos, 2000).

2.1.4 Customer satisfaction

Satisfaction is defined as an emotional post-consumption response that may occur as the result of comparing expected and actual performance (disconfirmation), or it can be an outcome that occurs without comparing expectations (Oliver, 1999). This definition is rooted in the disconfirmation paradigm, which suggests that satisfaction judgments are formed in a process of comparison of perceived performance with pre-experience expectations. Hence, satisfaction is said to result from positive disconfirmation such as product performances are greater than that initially expected. In the similar noted, Shukla (2004) proposed satisfaction is the results from positive disconfirmation, i.e., product performance is greater than that initial

expectation. Lin and Wang, (2006) revealed that customer satisfaction in the mobile context is a consumer's total response to the purchase experiences in a mobile context environment. On the relationship, literatures proposed direct influence of satisfaction on brand loyalty (Mittal & Lassar, 1998; Oliver, 1997; Mittal & Kamakura, 2001). The form of relationship between customer satisfaction and loyalty could be nonlinear (Kumar, 2002; Aaker, 1991; Mittal & Kamakura., 2001).

Additional explanation about their relationship offers by Heskett et al., (1997) suggesting that customer loyalty should increase rapidly after customer satisfaction passes a certain threshold that is, there are increasing returns to scale in the relationship between customer satisfaction and brand loyalty. A high level of customer satisfaction may have a positive impact on customer loyalty as suggested by Mittal et al., (1998). In other notes, customer satisfaction could produce partial and totally mediation effect on the relationship between perceived value and customer loyalty (Lin & Wang, 2006). Customer satisfaction is an indispensable aspect of bank survivability and success (Haron, Ahmed, & Planisek, 1994). The intense competition within the banking sector has driven banks to innovate, compete, and generate value for customers with long-term benefits (Ahmad, Humayoun, Nawaz, & Bashir, 2011).

2.2 Empirical Framework of the Study

Empirical research has shown that perceived value is a key determinant of repurchase intention (Cronin et al., 2000). Hu et al., (2009) performed a study to investigate the linkages among service quality, customer satisfaction and perceived value. The topic has attracted interest among managers and researchers because of the substantial effects customer perception of service quality have on satisfaction and loyalty of customer on brands.

Table 1: Summery of empirical studies on brand loyalty

	Author	Research Title	Result of Findings on service quality and customer satisfaction
1	Muhammed Wasim	The impact of service quality on brand loyalty	The researcher study showed that service quality is a major forecaster of brand loyalty.
2	Oswald A.Igau Abdul wahid Abdullah Kaid Amran Bin	The effect of perceived value on Brand loyalty and mediated by customer satisfaction	The result implied insignificant relationship between perceived value and customer satisfaction
3	ZhillinYangRobin T. Peterson	Customer perceived value, satisfaction, and loyalty	The primary determinants of online satisfaction are customer services, order fulfillment, ease of use, product portfolio and security.
4	Tsigab Aregawi	Factor affecting customer loyalty	Among the factors that have an impact on customer loyalty, service quality, satisfaction, and customer complaint handling found the higher contributor of all respectively.
5	Sao Mai Tri Cuong	Relationship between service quality brand image, customer satisfaction and customer loyalty	The study result revealed that service quality had a positive impact on brand image.

2.3 Research Gap

The researcher identifies the following gaps from the above literatures and personal observations.

- ❑ The review of the relevant research in the field shows that scholars focused either on impacts and conducted their analysis from a single perspective or investigate them by looking at only one of the aspects of their application – The impact of service quality on brand loyalty (Muhammed Waseen, 2016). The effect of perceived value on Brand loyalty and mediated by customer satisfaction (Oswald A Igau Abdul Wahid Abdullah Kaid Amran Bin, 2013).
- ❑ The previously studied research was only focused from customers side and didn't reflect Awash Bank employees' feedbacks through interview.

2.4 Conceptual Framework of the Study

A conceptual basis that explained the relationship between customer loyalty and service quality,

customer satisfaction and value is drawn from the social exchange theory. The theory attempts to explain the nature of those factors affecting brand loyalty in Awash bank. The theoretical model adopted for this study was derived from the social exchange theory (Homans, 1958), which implied that all human relationships are formed using cost-benefit analysis and comparisons of alternatives. Homans, (1958) suggested that when an individual perceives the cost of a relationship outweighs the perceived benefits, then the person was chosen to leave the relationship.

In a services context, considering the level of interpersonal contact needed to produce services, there is a range of psychological, relational, and financial considerations that might act as a disincentive for a hypothetical change of service providers.

Brand loyalty leads to bigger market share as the same brand is purchased continuously. As the loyal customers use the same brand, they are more confidential with it and as a result the level of trust on the brand is higher and the level of the risk of the loyal customers or other customer who they advise the service provider is reduced (Bowen and Shoemaker, 1998). Brand loyalty, as an important instrument of marketing strategy, leads to many advantages. According to Rowley (2005), some of the benefits of brand loyalty are lower customer price sensitivity, reduced expenditure on attracting new customers and improved organizational profitability.

2.5 Variables of the Study

2.5.1 The Dependent Variables

The dependent variables are brand loyalty

2.5.1 The Independent Variables

- Ha1- perceived value significantly influences brand loyalty.
- Ha2- service quality significantly influences brand loyalty
- Ha3- customer satisfaction significantly have an impact on brand loyalty

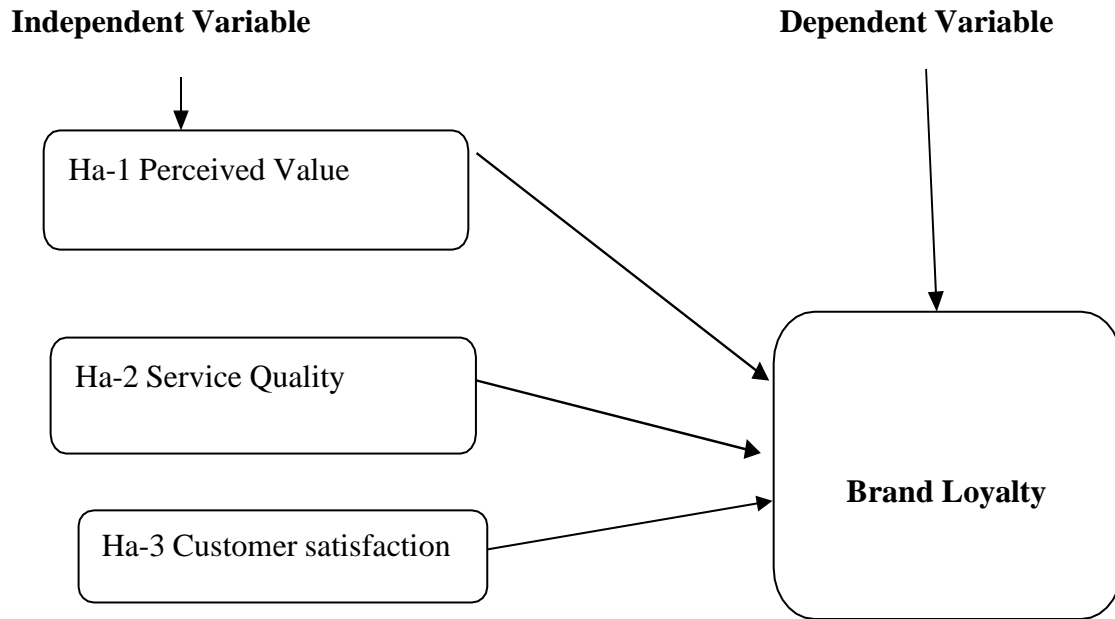


Figure 1: Conceptual framework

(Source: Service quality, customer satisfaction, perceived value, and loyalty model (Daniel Onwonga, 2012)).

This framework shows Awash bank brand loyalty effected by perceived value, service quality and customer satisfaction.

2.6 Hypothesis of the Study

From the above different literature and personal assessment, the researcher formulated the following three hypothesis which could be tested each of them on Chapter 04 during analysis. The following alternative hypothesis is also reflecting on the research questions and objectives of the research from chapter one.

HA-1 Perceived value significantly influences brand loyalty.

HA-2 Service quality significantly influences brand loyalty.

HA-3 customer satisfaction significantly influences brand loyalty.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter outlines the research framework and methodology use to collect the data to test the three hypotheses developed and satisfies the research objectives. The research plan includes research type, research design, research approach, sampling, data source, instrument design, reliability and validly test and the data analysis techniques used in this study.

3.1 Research Approach

Any kind of study may be conducted in one of three ways: qualitative, quantitative, or mixed methods. This study employed both qualitative and quantitative research methods which is the Mixed method approach & inductive approach is designated. According to Saunders et al. (2009), a mixed method approach refers to a study strategy that incorporates both qualitative and quantitative data gathering and analysis methodologies. In inductive approach the conclusion came from the fact (Zikmund, 2000). Because the conclusion has been concluded based on the results, which were found during the research.

Quantitative research answers questions through a controlled logical process, allowing for the collection of numerical data, the prediction, and the measurement of variables; qualitative approach is used to analyze open-ended questions and triangulate in explaining and interpreting quantitative study's findings. According to Creswell (2013), the mixed method approach is a relatively recent strategy that utilizes various forms of data to enable researchers to generate comprehensible designs from complex data and analysis.

3.2 Research Design

According to Cooper and Schindler (2014), A research design is a framework and structure used by researchers to investigate and obtain answers to research topics under consideration. A research design is a framework that researchers use to gather and analyze data. (Saunders, Lewis and 23 Thornhill, 2016). This research employed a descriptive and explanatory design. To define and be able to explain the features of the study's variables of interest, a descriptive study was conducted (Kohtari, 2004).

On the other hand, explanatory research was utilized to explain, comprehend, and forecast the cause-and-effect relationship between the variables (Neuman, 2014), namely perceived value (independent variables), Customer Satisfactions (independent Variable), quality of services (independent Variable), and brand loyalty (dependent variable).

3.3 Population and Sampling Technique

Awash International Bank has 446 banks with a total population of 2,395,384. The total number of customers listed AB in Addis Ababa are 752,204 which are gaining the service in its 266 branches including nearest Oromiya regions. Only banks in Addis Ababa were be selected in this study by using convenience sampling expecting that there researcher was get the necessary data and the researcher also uses cluster sampling to choose equal number of respondents from AB north, east, south, and west randomly through convenient sampling, when distributing the research questionnaires.

The representative sample size was be determined by using estimation method given by Cochran (1963) cited in Israel (2003) as:

$$n = Z^2pq/e^2$$

Where, n=stands for the sample size which was be drawn

e = level of precision or sometimes called sampling error (is ranges in which the true value of the population would be estimated).

P= population proportion

Z= level of confidence

The sample have been drawn from maximum variability of the population (P=0.5) with 95% level of confidence with 5% precision level.

Therefore

$$n = 1.96^2 \times 0.5 \times 0.5 / 0.05^2 = 384$$

Area	Branches	Contribution	Respondent
Addis West	67	25%	96
Addis North	66	25%	96
Addis East	66	25%	96
Addis South	67	25%	96
Total	266	100%	384

Table 2: Population and sample size

So, the researcher was taken 96 samples for each district in Addis Abeba. Furthermore, the researcher interview four district managers of the bank to assess examine those determinant factors brand loyalty.

3.4 Population and Sampling Technique

Primary Sources

The main source of primary data is questionnaire. The researcher used questionnaire to get reliable data from the customers of Awash bank to examine their reaction in building brand loyalty. Also, the researcher conducted an interview for the employee to investigate their effort in building brand loyalty.

Secondary Sources

The secondary data was be collected by reviewing previous research works, articles, journals, and online information available.

3.5 Methods of Data Collection

This study was using both primary and secondary data as its source of information. Primary data was collected based on structured questionnaire. In this study, the questionnaire comprises of 41 items and was divided into five parts. Part I comprises 7 items of demographic variables, part II comprises 9 items on perceived value, part III comprised 5 items on brand loyalty, part IV comprised 15 items on service quality and part V comprised 5 items on customer satisfaction. The questionnaires for this research were be gathered from the highly reliable and valid instrument work Roig et al. (2006) and Parasuraman et al. (1985).

The questionnaire was be distributed to 384 respondents from randomly selected banks of AB in Addis Ababa. From the starting point or before giving the questionnaire the purpose of the study is describing to them so that they can easily fill up the questionnaire with appropriate response answers. The setting of the variables was according to the five-point Likert scale (1= strongly disagree, 2= disagree; 3= neutral, 4= agree; 5=strongly agree) and according to Malhotra, (2007) this rating scale is easy to construct and administer and respondents readily understand how to use the scale (Malhotra et al., 2007). Data was be coded in SPSS programmed.

3.6 Methods of Data Analysis

Data analysis consists of examining, categorizing, tabulating, or otherwise recombining the evidence,

to address the initial proposition of a study (Yin, 1989: pp.105). Furthermore, Wolcott and Creswell (2012) suggested that qualitative research is fundamentally interpretative i.e., the researcher makes an interpretation of the data. Thus, the data that was be collected from the review documents were interpreted quantitatively and qualitatively. Those analysis methods are:

After collecting the data through questionnaire, the process of analysis begins. To analyze the gathered data, statistical tools like regression, correlation and descriptive analysis were used. Regressionanalyses were used to know by how much the independent variable i.e. perceived value, service quality and customer satisfaction influence the dependent variable which is brand loyalty of customers and correlation analysis were conducted to find out the existence and the nonexistence of the relationship between the examined variables and descriptive analysis was used for the demographic factors such as gender, age, education, occupation, monthly income and for how long the customers have been using the bank services.

Percentage (%): The percentage is important to know how many of the respondent (agents) gave answers. The researcher uses percentage to compute the demographic analysis (gender, age, education, occupation) and the kind of service provided by the bank.

Mean and Standard deviation: The mean score and standard deviation for each of the groups on the dependent variable must be reported, which helps the reader to interpret which group variable (perceived value, service quality and customer satisfaction) has the highest average on the dependent variable (Brand loyalty).

Regression: Regression shows the degree of relationship between dependent variable (Brand loyalty) and independent variables (perceived value, service quality and customer satisfaction). The variables the researcher want to conclude is called the dependent variable (Brand loyalty) whereas the variables we are using to predict the value of the dependent variable are called independent variable (perceived value, service quality and customer satisfaction).

Correlation: Correlation is a statistical technique which shows how strongly pair of variables are related. It works for quantifiable data in which numbers are meaningful usually quantities of some sort. The researcher computes correlation to analyze the relation among the pair of

Variables between the perceived value and brand loyalty, service quality and brand loyalty and customer satisfaction and brand loyalty.

ANOVA Table: ANOVA table lets the researcher to determine how well a regression model fits the data. The table shows that those independent variables (perceived value, service quality and customer satisfaction) are statistically significantly predict the dependent variable (Brand loyalty).

To sum, the analysis of quantitative data and interpretation of qualitative data combines to seek convergence among the result on the independent and dependent variables.

3.7 Validity

Validity is an important term in research that refers to the conceptual and scientific soundness of a research study. It is a very important and useful concept in all forms of research methodology. As the SERVEQUAL instrument had been subjected to verification and analysis and used as a very useful instrument in different settings in the research world it holds good instrument validity (Marczyk, 2005). The study address content validity through the review of literature and let to the researcher to check out the part of the miss leads. The researcher uses a secondary criterion, for each statement rated on five-point Likert scale to compare results of two or more independent methods.

3.8 Reliability

Reliability refers to the consistency or dependability of a measurement technique, 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,Matto, and estinger,2005).Reliability could be estimated mathematically or through pre-testing of the instruments.

Table 3: Reliability Test

Cronbach's Alpha	N of Items
.949	23

Source: own Survey (2022)

To prove the internal reliability of the model used, the researcher has performed the Cronbach's Alpha Test of Reliability. Reliability test was conducted to make sure the instrument used in the study was reliable. The elements under analysis are the twenty-two expectation and perception elements with the additional one customer satisfaction measurement instrument. Most of the scales have alpha greater than 0.70 indicating that the scales are internally consistent. (Nunnally, 1978; Phan and Matsui,

2012). The Cronbach alpha for the general instrument on this study is found to be 0.949 which is more than the acceptable range (Saunders, Lewis, and Thornhill, 2012).

3.9 Ethical Considerations

The study was ethically cleared from department of Business Management. Since the researcher used the data from customers which has been collected through questionnaire for customers and interview for district managers, permission was obtained from the customers first. To maintain the confidentiality of the information provided by the respondents, the respondents was instructed not to write their names on the questionnaire and assured of that the responses was used only for academic purpose and kept confidential. Brief description of the central objectives, purpose of the study and the potential benefit of the research outcome was given to respondents to participate in the study and provide pertinent information about the company under study. Finally, respondents were included in the study based on their free will.

CHAPTER FOUR

RESULT AND DISCUSSIONS

The primary focus of the study is to investigate those factors affecting brand loyalty in Awash bank. This chapter focuses on the results of analysis and the findings using descriptive and inferential statistics. In general, this chapter presents the responses that were received from the distributed questionnaires and shows the relevant data processing, analysis, and interpretation. The analysis bases the data that are collected through questionnaires from the customers of A.B.

The data analysis in which the collected data analyzes bases 384 samples responses from which 377 respondents are correctly reply and 7 are not. From not replied, 03 were not correctly filled and the rest 04 were not returned so the researcher draws its analysis on 377 samples. Therefore, it fit 96% with the total sample. Furthermore, the result of respondents was analyzed through percentage, mean and standard deviation, Pearson correlation, regression analysis and ANNOVA.

4.1 Demographic Variable Analysis

This research was enclosed the main demographic characteristics such as gender, age, and education status. Gender was considered to find out whether male or female consumers have been highly involved in the bank service. Age groups of respondents were considered to find out the age groups that were dominant in the service operation of the bank. Finally Educational level was considered to find out the customers level of professions that were mostly engaged so the findings were presented respectively below the table.

Table 4: Demographic Information

		Frequency	Percentage
Gender	Male	232	61.5
	Female	145	38.5
	Total	377	100.0
Age	18-25	22	5.8
	29-37	142	37.7
	38-48	183	48.5
	Above 49 years	30	8.0
	Total	377	100.0
Education	Below certificate	54	14.33
	Certificate	49	13
	Diploma	102	27.05
	First degree	172	45.62
	Total	377	100
Experience	<5 year	120	31.83
	5-10 year	205	54.38
	11-15 year	36	9.53
	16-20 year	14	3.72
	>20year	2	0.54
	Total	377	100

Own survey, 2022

From the data presented in table 4.2, the majorities (61.5%) of the respondents were male and the remaining 38.5 % of the respondents were female. This specified that out of 377 respondents 232 were male and the remaining 145 were female. Therefore, the study comprises both male and female customers of the bank. Likewise, as explained in the table below, the majorities (48.5%) of the respondents were under the age between 38 and 48 years old followed by age group between 29 and 37 years accounted for 37.7%. The remaining 8% and 5.8% were shows the age between >49 age and 18- and 25-years year group respectively. This implied that the majorities 48.5 % (between 38 and 48) age of the respondents were elder and economically the saving population. Moreover, regarding educational level of the respondents, the above table portray that the majority (45.62%) of the respondents were first degree holders, 27.05 % were diploma holders and 14.33% were

below certificate holders and the remaining 13% were certificate holders.

Therefore, the educational backgrounds of most respondents were first degree holders reflecting that the respondents have in a good position to understand and answer the research questions.

From the total population the majorities 54.38 % have (between 5 and 10) years of experience in the bank, 31.83 % of the respondents were <5 years' experience, 9.53% of the respondent have (between 11-15) years of experience, 3.72 % of the respondents were (between 16and 20) experience and the rest 0.54% of the respondent had >20years of experience in the bank as a result more of the customers had between 5 and 10 years' experience in the bank shows that relatively the customers have known how in the bank service.

Service		Frequency	Percent	Valid Percent
Valid	Deposit	212	56.23	56.23
	Credit creation	35	9.28	9.28
	Advancing Credit creation	5	1.33	1.33
	Transfer	125	33.16	33.16
	Total	377	100	100

Own survey, 2022

Majority of the respondents who were participated in the banking service which comprises 56.23% were gains deposit service, 33.16% of the respondents were get transfer service, 9.28 respondents gain credit creation service and the rest 1.33 % were gains advancing credit creation service, So the service operation of the bank demands higher service personnel much emphasis on the deposit service area to deliver majority of the service to customer.

Table 5: Descriptive statistics of perceived value

	Item	Mean	SD	N
Pv-1	This bank provides appropriate interest for you	3.685 2	.96183	377
Pv-2	Employees of this bank solve your problems	4.142 0	.91819	377
Pv-3	This bank provides services at the time it promises to do so.	4.123 5	.96372	377
Pv-4	The bank employees are fast enough in providing the services.	4.024 7	.92549	377
Pv-5	Employees of the bank pay special attention to you.	4.071 0	.92727	377

Source: own finding, 2022

Regarding perceived value dimension, as revealed in the above table,

Pv- 1 Awash bank provides appropriate interest for you: the mean values of the respondents were (Mean=3.6852, SD=0.91683) shows that the bank has given an individual attention to the agents, so it has a positive impact on brand loyalty.

Pv- 2 Employees of this bank solve your problems: the mean value of the respondents was (Mean=4.1420, SD=0.91819) reflect that employee of the bank solve customer problem as a result it has a higher mean and positive effect on brand loyalty.

Pv- 3 This bank provides services at the time it promises to do so: the mean (Mean=4.1235, SD=0.96372) shows that the bank keeps its promise so that it has a positive effect on brand loyalty.

Pv- 4 The bank employees are fast enough in providing the services: the mean (Mean=4.0247, SD=0.92549) refers that the staffs are providing the service as soon as possible and it has a positive impact on brand loyalty.

Pv- 5 Employees of the bank pay special attention to you: the mean (Mean=4.0710, SD=0.9272) shows that the staffs provide special attention to customers of the bank as a result it has a positive impact on customer satisfaction.

Table 6: Descriptive statistics of service quality

	Item	Mean	SD
Sq-1	The banks Physical facilities are attractive	4.17	.930
Sq-2	The banks Physical facilities are modern.	3.81	1.169
Sq-3	This bank's employees are tidy in appearance	4.09	.896
Sq-4	Materials associated with the services are enough	4.34	.839
Sq-5	The advertisement in broadcasts or relatives is effective for me to use the service of this bank	4.21	.902
Sq-6	The received interest from the bank is effective to continue my work with this bank	4.01	1.139

Source: own finding, 2022

According to service quality as revealed in the above table,

Sq – 1 the banks Physical facilities are attractive: the mean value of the respondents was (Mean=4.17, SD=0.930) shows that the bank tangibles have attractive, so it has a positive impact on brand loyalty.

Sq – 2 the banks Physical facilities are modern.: The mean value of the respondents was (Mean=3.81, SD= 1.169) reflect that the tangibles are modern as a result it has a positive effect on brand loyalty.

Sq – 3 this bank's employees are tidy in appearance: the mean (Mean=4.09, SD=0.896) shows that the bank employees are tidy, and it has a positive effect on brand loyalty.

Sq – 4 Materials associated with the services are enough: the mean (Mean=4.34, SD=0.839) refers that the bank offers full material as a result it has a higher mean and have a positive impact on brand loyalty.

Sq – 5 the advertisement in broadcasts or relatives is effective for me to use the service of this bank : The mean (Mean=4.21, SD=0.902) refers that the bank promotes well in advertisement as a result it has a positive impact on brand loyalty.

Sq – 6 The received interest from the bank is effective to continue my work with this bank: the mean (Mean=4.01, SD=1.139) refers that the customers are provided with enough interest as a result it has a positive impact on brand loyalty.

Table 7: Descriptive statistics of customer satisfaction

	Item	Mean	SD	N
Cs-1	This bank has met my expectations	4.20	.817	377
Cs-2	The bank I work with is far from my expectation of an ideal bank positively	3.71	1.096	377
Cs-3	According to my experiences, I get service delivered as promised	4.19	.836	377
Cs-4	In comparison to other banks, I consider this bank and its services successful.	3.64	1.137	377
Cs-5	I am satisfied with Awash bank services quality	3.63	.950	377

Source: own finding, 2022

According to customer satisfaction dimension, as revealed in the above table,

Cs – This bank has met my expectations: the mean value of the respondents was (Mean=4.20, SD=0.817) it has the higher mean and shows that the customer gets what they expect so it has a positive impact on brand loyalty

Cs - 2 The bank I work with is far from my expectation of an ideal bank positively: the mean value of the respondents was (Mean=3.71, SD=1.096) reflect that Awash bank is an ideal bank as a result it has a positive effect on brand loyalty.

Cs- 3 According to my experiences, I get service delivered as promised the mean (Mean=4.19, SD=0.836) shows that customer get the promised service and it has a positive impact on brand loyalty.

Cs - 4 In comparison to other banks, I consider this bank and its services successful.

: The mean (Mean=3.64, SD=1.137) refers that the bank provides efficient service as a result it has a positive impact on brand loyalty.

Cs - 5 I am satisfied with Awash bank services quality: the mean (Mean=3.63, SD=0.950) refers that in general the customers are satisfied with Awash bank service as a result it has a positive impact brand loyalty.

4.2 Descriptive Statistics of Brand Loyalty Dimensions

The descriptive scores on perceived value, service quality and customer satisfaction have been calculated by the mean of brand loyalty variables in each factor among the respondents.

Table 8: Summery of brand loyalty dimensions

Variables	Mean	Std.deviation
Perceived value	4.009	0.9393
Service quality	4.105	0.979
Customer satisfaction	3.874	0.967

Own survey, 2022

The segment trend in service quality dimension indicated the highest mean of 4.105, followed by perceived value 4.009, and customer satisfaction was 3.874. With this mean the result of this analysis, each dimension has an impact on brand loyalty during the delivery of service.

4.3 Correlation Analysis

The table below shows the Pearson ‘s correlation coefficient between the five service quality dimensions and customer satisfaction which is found using the SPSS 20. According to Field (2009)“the classification of the correlation coefficient (r) is as follows: if r is 0.1 – 0.29 is weak; if r is lie in between 0.3 – 0.49 is moderate; and if r > 0.5 is strong”. Strong positive value of coefficient of correlation shows that there is correlation between perceived value, service quality and customer satisfaction on brand loyalty.

Positive values of correlation coefficient indicate that increase in one variable causes increase in other variable and decrease in one variable cause decrease in the other.

Table 9: Correlation between the dependent variable and independent variables

1. Correlations Analysis

Item		PV	SQ	CS	BL
Perceived Value	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	377			
Service Quality	Pearson Correlation	.339**	1		
	Sig. (2-tailed)	.000			
	N	377	377		
Customer Satisfaction	Pearson Correlation	.495**	.657**	1	
	Sig. (2-tailed)	.000	.000		
	N	377	377	377	
Brand Loyalty	Pearson Correlation	.797**	.941**	.731**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	377	377	377	
Correlation is significant at the 0.01 level (2-tailed)					

Own survey, 2022

The above table indicated that the service quality dimension yielded the highest positive relationship with brand loyalty with coefficient of ($r=0.941$) which indicate that it has a strong relationship with brand loyalty, the perceived value dimension was the second highest positive regarding its association with brand loyalty ($r=0.797$). The last dimension which is customer satisfaction showed the weakest correlation effect among other variables with ($r=0.731$) shows that it has a lower relationship with brand loyalty in custom operation. In general, all variables have positive correlation effect on brand loyalty.

4.4 Test for assumptions of Multiple regression model

Regression analysis is a widely used and very flexible computer analysis technique. Using two or more IV to predict a dependent variable is called Multiple Regression. Since this research has 3 independent variables to predict the dependent variable it's a must to use Multiple Regression model. A preliminary analysis was performed to validate the assumptions of regressions such as Homoscedasticity (equal variance), linearity, and normality of the distribution before beginning the regression analysis to test the research hypotheses. Because we are using two or more independent variables in multiple regression, there are two additional assumptions we must assess Independent of residuals & Multicollinearity. This analysis was done before beginning the regression analysis to test the research hypotheses.

4.4.1 Independent of Residuals

Multiple regression assumes that the residual is independent. Residuals are the prediction errors or differences between the actual score for a case and the score estimated by the regression equation. The Durbin-Watson statistic is used to test for the presence of serial correlation among the residuals. The value of the Durbin-Watson statistic ranges from 0 to 4. As a rule, the residuals are not correlated if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.073 ^a	1.000	1.000	.00000	1.898

a. Predictors: (Constant), CS_Aggregate, SQ_Aggregate, PV_Aggregate

b. Dependent Variable: DV_Aggregate

Table 10: Durbin-Watson assumption test

Since the Durbin-Watson below 2.5 I can assume independence of residuals.

4.4.2 Multicollinearity

In regression it occurs when independent variable in the regression model are more highly correlated with each other than with the dependent variable, when two variables are highly correlated, they both convey essentially the same information. 47 If they are larger than .90, we would be concerned about multicollinearity, none of the coefficients are greater than .90 so we assume multicollinearity is not a problem.

Table 4.8: Multicollinearity test

Correlations^c

		PV_Mean	SQ_Mean	CS_Mean	BL_Aggregate
PV_Mean	Pearson Correlation	1			
	Sig. (2-tailed)				
SQ_Mean	Pearson Correlation	.551**	1		
	Sig. (2-tailed)	.000			
CS_Mean	Pearson Correlation	.593**	.591**	1	
	Sig. (2-tailed)	.000	.000		
BL_Aggregate	Pearson Correlation	.891**	.808**	.832**	1
	Sig. (2-tailed)	.000	.000	.000	

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

b. Listwise N=377

Table 11: Multicollinearity test by coefficients

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.730E-014	.000		.000	1.000		
	PV_Aggregate	1.000	.000	.485	180423540.646	.000	.586	1.705
	SQ_Aggregate	1.000	.000	.375	139784260.115	.000	.589	1.698
	CS_Aggregate	1.000	.000	.317	113909887.115	.000	.548	1.825

a. Dependent Variable: DV_Aggregate

Multicollinearity exists when Tolerance is below .10 and VIF is less than 2.5. In this case, all the tolerance values are greater than .10 and the VIF is less than 2.5. We will assume multicollinearity is not a problem.

4.4.3 Normality assumption test

Normality test was used to determine whether the error term is normally distributed. The Skewness and Kurtosis value will show us the normality of the variables. From below Table 10 the skewness statistics for all variables are within the acceptable range for normality (-1.0 to +1.0). However, the kurtosis statistic of -1.252, -1.434 & 1.154 for the variable of (perceive value, service quality & customer satisfactions) is outside the acceptable range, However, since the sample size for each of the groups in the comparison is more than 41, we can apply the central limit theorem which states that: the sampling distribution of statistics will follow a normal distribution, and the use of the statistical test with this variable is appropriate.

Table 12: Normality assumption test

Descriptive Statistics						
	N	Mean	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
PV_Mean	377	2.8053	-.246	.126	-1.370	.251
SQ_Mean	377	2.8621	.343	.126	-.961	.251
CS_Mean	377	2.4202	.416	.126	.155	.251
BL_Aggregate	377	2.6958	.040	.126	-1.239	.251
Valid N (listwise)	377					

Cation Note: the kurtosis value is outside the acceptable range, however the skewness for all variables and the kurtosis for one variable is in the accepted range.

4.4.4 Linearity assumption test

To test the linearity between the **IV** and **DV** scatterplot was used as like below figure.

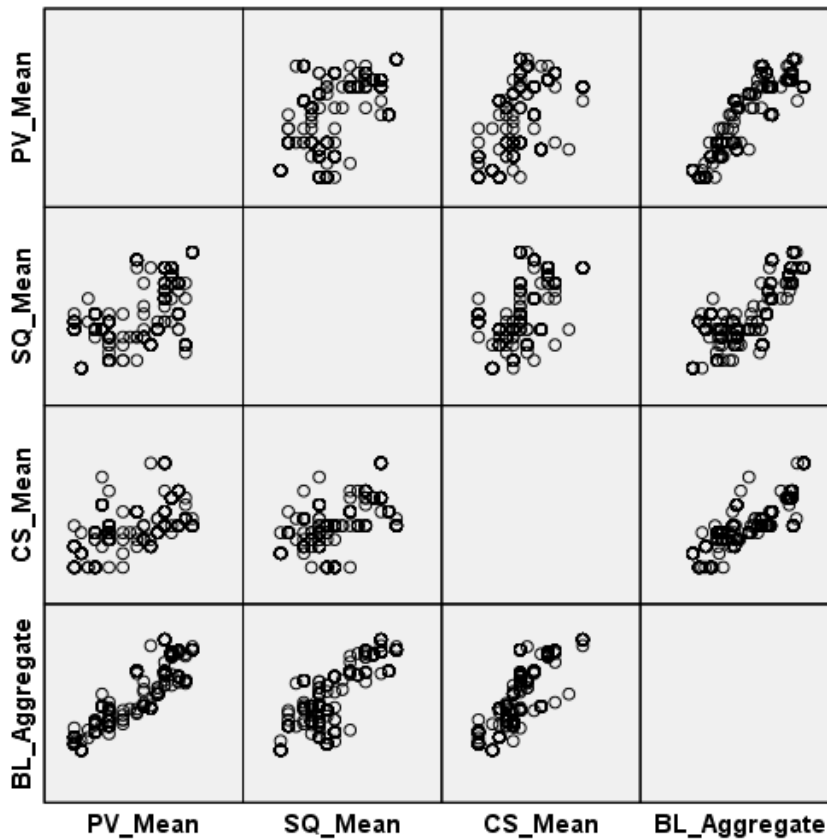


Figure 2: Linearity assumption test

A visual inspection suggests that the relationship is linear. We can assume the relationship is linear.

4.4.5 Homoscedasticity (equal variance) test

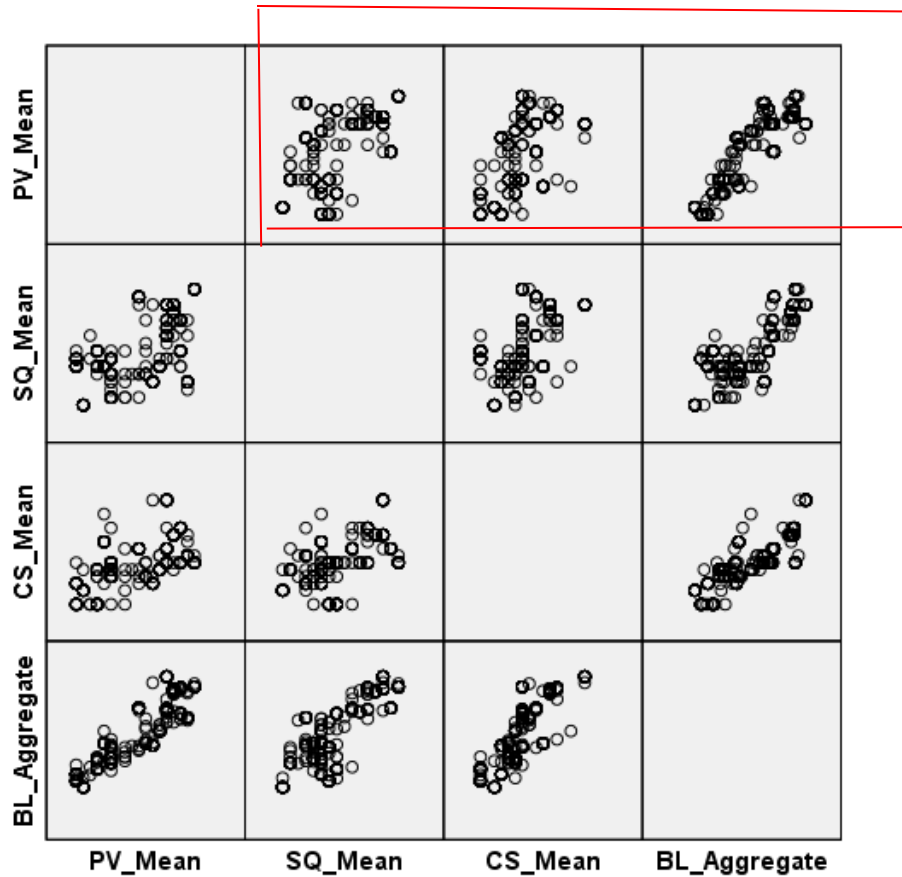


Figure 3: Homoscedasticity assumption test

Multiple regression assumes the range of variance for the DV is uniform for all values of the IV, the red line could show inspection of the plots shows good variability in the plots and I will proceed with the analysis assuming homoscedasticity is not a major problem.

4.4.6 Overall model fit test

Table 13: Overall model fit test

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	46837.130	3	15612.377	169.028.	.000
Residual	.000	373	.000		
Total	46837.130	376			

a. Dependent Variable: DV_Aggregate

b. Predictors: (Constant), CS_Aggregate, SQ_Aggregate, PV_Aggregate

When doing regression analysis, we determine whether there is a relationship between the IV and the DV by examining the ANOVA table. This can be thought of as the overall fit of the regression model. If the F statistic is significant, we can assume the IV, taken together, have a r/p with the DV. In this case, the probability of the F statistic for the regression analysis is 0.001, less than the level of significance of 0.05. We reject the null hypothesis that there is no relationship between the DVs and the DV.

Table 14: Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.773 ^a	.598	.589	.43045	.598	68.470	3

The above table shows that the Value of R is 0.773 for Service quality which shows that 77.3 % change in brand loyalty is due to perceived value, service quality and customer satisfaction effect and 0.227 which shows that 22.7 % of change in brand loyalty is due to other factors.

Table 15: Model Summery

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	VIF	Tolerance
	B	Std. Error	Beta				
Perceived value	.675	.045	.105	2.321	.022	3.601	.278
Service quality	.136	.036	.139	3.812	.000	2.345	.427
Customer satisfaction	.104	.036	.738	18.538	.000	2.806	.356

Based on multiple linear regression analysis, the above table 4.13 reveals the impact of each independent variables and their significance. The impact of perceived value, service quality and customers' satisfaction on brand loyalty in Awash bank are 0.675, 0.136 and .1040 respectively, in their descending order. By examining this beta weight of data analysis result the finding shown that perceived value followed by service quality and customer satisfaction was making relatively larger contribution to the prediction model.

This informed us the predicted change in the dependent variable (brand loyalty) for every unit increase in that predictor (perceived value, service quality and customer satisfaction dimension). This signifies that for every additional point or value in the perceived value one could predict a gain of 0.675 points on building brand loyalty provided that other variables being held constant the same are for service quality and customer satisfaction. Generally, brand loyalty has primarily predicted by higher level of perceived value in the bank.

According to (Greene, 2000), multi co-linearity is a high degree of correlation among several independent variables. This test was performed concerned on two values—Tolerance and VIF. In social sciences research, a VIF value as high as 10 and tolerance above 0.02 is acceptable (Field, 2009) Therefore, variables like perceived value, service quality and customer satisfaction were checked and tolerance resulted 0.278, 0.427 and 0.356 respectively which indicates that the variables are highly predicted. And VIF result is 3.601, 2.345 and 2.806 respectively which indicate a high degree of co-linearity among the independent variable. The p-value determines whether the differences between the groups are significant. If the p-value is less than 0.05 the difference is significant.

The interview conducted from the district managers shows that their reply was similar. They are experienced in the bank, their commission and their office materials were miscible, the ad the bank uses more professional, they provide efficient customer service, and it meets customer promise, the customers feedback are positive, and they were satisfied.

4.5 Qualitative data analysis (QDA)

Before defining the QDA let's define what is qualitative data means. Qualitative data refers to nonnumeric information such as interview transcripts, notes, video and audio recordings, images, and text documents. So, in short to analyze qualitative data qualitative data analysis method is used. For QDA the paper used thematic analysis.

Thematic analysis is a method for analyzing qualitative data that entails searching across a data set to identify, analyze, and report repeated patterns or themes (Braun and Clarke 2012). It is a method for describing data, but it also involves interpretation in the processes of selecting codes and constructing themes.

The study included qualitative data by using secondary data source and interview question from four Awash Bank district general managers. The interview data and secondary sources from different articles, journals and books analyzed by the QDA method thematic analysis. Because thematic analysis is an appropriate and powerful method to use when seeking to understand a set of experiences, thoughts, or behaviors across a data set (Braun and Clarke 2012). Asper this evidence since I have interviewed the general managers of the following district branches a certain them or understanding presented as below with accordance to the objective of the study.

4.6 Hypothesis testing

H1: There is a significant relationship between perceive value and brand loyalty.

As we see from result of the regression analysis, the relationship between Information Technology and organizational performance is positive and significant ($\beta=.474$, $p<0.05$). Thus, based on the result the p value is less than 0.05 **H1 is accepted.**

H2: There is a significant relationship between service quality and brand loyalty

As we see from result of the regression analysis, the relationship between service quality and brand loyalty is positive and significant ($\beta=.707$, $p<0.05$). This showed that for every single service quality usage, there would be 0.70% increases on performance in the organization keeping other variables constant. Thus, based on the result the p value is less than 0.05 **H2 is accepted.**

H3. There is a significant relationship between customer satisfactions and brand loyalty.

As we see from result of the regression analysis, the relationship between customer satisfactions and brand loyalty is positive and significant ($\beta=.936$, $p<0.05$). This showed that for every single unit increase in customer satisfactions, there would be 0.936% increase on firm performance pin the organization keeping other variables constant. Thus, based on the result the p value is less than 0,05 **H3 is accepted.**

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The specific objectives of this study were to assess each customer service quality effect on customer satisfaction using its five dimensions, in Awash bank. After result and discussion, summary of findings, conclusions and recommendations were discussed.

5.1 Summary of the Findings

After the data were collected, the researcher analyzed and reaches on the following findings.

- ❖ The mean analysis shows that all the independent variables have a positive effect on brand loyalty in which service quality has a higher mean and customer satisfaction have a lower mean. From those independent elements to build brand loyalty the bank must satisfy its customers and it has a lower mean and have positive effect on brand loyalty whereas the tidy appearance, enough display and good advertising display on the service quality dimension yields higher mean which results a higher and positive effect on brand loyalty.
- ❖ The correlation analysis shows that service quality dimension yields the highest positive and strong relationship with brand loyalty, the perceived value dimension was the second highest positive regarding its association with building brand loyalty and customer satisfaction have lower effect related to other variables which results lower relationship with brand loyalty.
- ❖ The degree of co-linearity on multiple regression shows that all independent variables of this study were checked, and their tolerance indicates that the variables are highly predicted as well as their VIF result indicate there was a high degree of co-linearity among them. Also, the beta weight of data analysis result on the finding shown that perceived value, service quality and customer satisfaction was making relatively larger contribution to the prediction model. Moreover, their p-value results their difference is significant.
- ❖ The regression analysis of adjusted R square shows that 77.3% change in Customer satisfaction is due to quality service quality, customer perceived value and their satisfaction and the rest due to other factors.

5.2 Conclusion

The perceived value, service quality and customer satisfaction are antecedents on building brand loyalty.

Service quality is concerned with factors such having enough attractive materials and tidy in appearance. Responses to this research suggest that service quality has a high positive relationship, highest mean, so it has significant effect on brand loyalty, and it is crucial in building brand loyalty in the bank.

Perceived value is a means total value offered to a customer less the total cost to the customer. Based on the finding, it has moderate mean results positive relationship with significant effect in building brand loyalty; the responses state that customers perceived value is being important for building brand loyalty, and it has larger contribution to the predication model.

Customer satisfaction is customer post purchase experience. It has lower mean and correlation so that it has positive relationship with significant effect with customer satisfaction. It encompasses customer reply on the service delivery. In general, the bank relatively meets its promise in delivering efficient service quality, it has also a p-value less than 0.05 results the statistic is significant. Moreover, the regression analysis shows that a 77.3 % change in brand loyalty is due to quality custom operation whereas the rest is due to other factors.

In general, all service quality variables have a positive correlation effect on building brand loyalty of the bank. They have an impact on building brand loyalty due to their high degree of co-linearity and highly predicted value.

Moreover, all service quality variables have a positive correlation effect on building brand loyalty of the bank. They have an impact on building brand loyalty due to their high degree of co-linearity and highly predicted value.

5.3 Recommendation

- ❖ This study has shown that, the significant effect of perceived value, service quality and customer satisfactions dimensions in building brand loyalty in Awash Bank. Since the study confirms that the independent dimensions (perceived value, service quality and customer satisfaction) are positively correlated with building brand loyalty, the bank should give strong emphasis to all the dimensions in building brand loyalty. Customer satisfaction has relatively had lower and insignificant effect on customer satisfaction due to its lower mean and lower correlation statistics so that Awash bank should have work well to meet customer satisfaction by meeting their promise through delivering efficient services more strive to meet customer satisfaction.
- ❖ Service quality have higher mean, positive correlation effect and largely predictor of the model and have a significant effect on building brand loyalty as a result the bank should have to provide more quality-oriented service.
- ❖ Perceived value also has moderate mean, positive correlation effect and largely predictor of brand loyalty as a result through improving employee knowledge of problem solving, giving special attention to customers, and providing fast service to the customers of the bank we can have positive perceived value in customer's mind.
- ❖ Therefore, all elements of have positive association the higher predictors of brand loyalty and have significantly affect brand loyalty on the service operation of the bank.
- ❖ The district managers forward positive responses regarding the brand loyalty effects on their bank as a result due to other factors customer satisfaction were low in the bank in relation to other brand loyalty factors as a result the bank should meet its customer promise through forwarding positive **WOM** and achieve brand loyalty.
- ❖ It is important for the bank managers to understand the relevant service quality dimensions in banking that could reinforce positive perceived value and customer satisfaction assessments. Managers of both banks need to develop systematic assessment programs to monitor service quality, perceived value, and customer satisfaction overtime. The banks staffs should also be kept informed of results and be encouraged to take part in formulating an effective loyalty strategy.
- ❖ Top management of both banks should ensure that whatever services they advertise,

should be available to the customers in every branch of the banks to increase their trust.

5.4 Recommendation for Future Work

Although data collection in this research was based on questionnaire and interviews which the bank customers responded and managers respectively, it is recommended that in future studies, other tools can be used such as structured interviews for customers, focused group discussion and observations to study and investigate the variables.

In general, this study focuses only on Awash bank, but further studies on other banks regarding any operational services could be significant. Because different banks in Ethiopia provide various services and it is essential to study on how other banks provide those different services. The sample size of 384 respondents is small to assess brand loyalty, so that another study may be designed with a larger sample size that can better generalize the sample. Further research should be conducted to determine the other factors that contribute to building brand loyalty.

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APPENDIX 1: Questionaries

ST. MARY'S UNIVERSITY

DEPARTMENT OF BUSINESS ADMINISTRATION

QUESTIONNAIRE TO BE FILLED BY THE CUSTOMER OF AWASH BANK

Dear respondents,

The purpose of this questionnaire is to collect primary data for the research entitled with Assessing factor affecting brand loyalty in the case of Awash bank factor the fulfillment of the Master of Business Administration St. Mary's University.

This questionnaire is provided to get real data about factors affecting brand loyalty in the bank and the reality of this study highly depends on the quality of your response. Therefore, I kindly request you to provide the reliable information. Your responses will be kept confidential. The study will use it purely only for academic purpose and thus, it doesn't affect you in any cases. Indeed, your undeserved cooperation is highly appreciated.

For further comments and information, you may contact me at: -

Email: - Antubir11@gmail.com

Phone number: +251-09-12-09-83-25

Yours sincerely

AntenehBirega

Please Put thick (√) mark on the box given

Part I: General Profile of the Respondents

1. Sex Male Female
2. Age 18-28 29- 37 38- 48 49 and above
3. Education status
Below Certificate Certificate Diploma Degree
4. For how many years, you became customers of this bank?
<5years 5-10 years 11-15 years 16-20 >20

Part two

Questions related with the research

1. What kind of services you get from the bank?

(You can thicken more than one answer)

Deposit Credit creation Advancing credit facilitation Transfer
Other

2. How do you rate the overall service delivery of the bank? (Put; √ marks as Per your perception of the service delivery system

Pv – stands for perceived value, Sq- stands for service quality and Cs- stands for Customer satisfaction

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

Addis Ababa Awash Bank SC District Branches

A. perceived value: total value offered to a customer less the total cost to the customer		1	2	3	4	5
Pv-1	This bank provides appropriate interest for you					
Pv -2	Employees of this bank solve your problems					
Pv -3	This bank provides services at the time it promises to do so.					
Pv -4	The bank employees are fast enough in providing the services.					
Pv -5	Employees of the bank pay special attention to you.					

B. Service quality: the difference between customer expectation of the service and perceived service		1	2	3	4	5
Sq-1	The banks Physical facilities are attractive					
Sq -2	The banks Physical facilities are modern.					
Sq -3	This bank's employees are tidy in appearance					
Sq -4	Materials associated with the services are enough					
Sq -5	The advertisement in broadcasts or relatives is effective for me to use the service of this bank					
Sq -6	The received interest from the bank is effective to continue my work with this bank					

C. Customer satisfaction: post purchase customer experience		1	2	3	4	5
Cs-1	This bank has met my expectations					
Cs-2	The bank I work with is far from my expectation of an ideal bank positively					
Cs-3	According to my experiences, I get service delivered as promised					
Cs-4	In comparison to other banks, I consider this bank and its services successful.					
Cs-5	I am satisfied with Awash bank services quality					

Thank you for taking time to complete this questionnaire!!!!

APPENDIX 2: Interview

ST. MARY'S UNIVERSITY

DEPARTMENT OF BUSINESS ADMINISTRATION

INTERVIEW QUESTION CONDUCTED ON AWASH BANK EMPLOYEE

Dear respondents,

The purpose of this interview is to acquire primary data for the research entitled with Assessing factor affecting brand loyalty in the case of Awash bank for the fulfillment of the Master of Business Administration St. Mary's University.

This interview will conduct to get real data about employee reaction in assessing factor affecting brand loyalty in the case of Awash bank and the reality of this study highly depends on the quality of your response.

For further comments and information, you may contact me at: -

Email: Antubir11@gmail.com

Phone number: +251-09-12-09-83-25

Yours sincerely

Anteneh Birega

Questions related with the research

1. For how many years, you work in this bank?
2. Are you happy, by being working in this bank?
3. Does the bank provide you with the appropriate motivation elements?
4. Do you believe that the bank provides appropriate interest for customers?
5. Does the bank physical facilities are attractive, modern and appearance?
6. Do you believe that the bank provides an appropriate advertisement for customers?
7. When you compare from other bank, the bank you working for provides efficient service for customers?
8. Do the feedbacks you gain from customers are positive?
9. Does the bank meet customer promises?
10. Do you believe that the bank service satisfies its customers?

APPENDIX 3: Statistical Outputs

Appendix 3.1 Background Information (Frequency Table)

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	232	61.5	61.5	61.5
	2	145	38.5	38.5	100.0
	Total	377	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	22	5.8	5.8	5.8
	2	142	37.7	37.7	43.5
	3	183	48.5	48.5	92.0
	4	30	8.0	8.0	100.0
	Total	377	100.0	100.0	

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	54	14.33	14.33	14.33
	2	49	13	13	27.33
	3	102	27.05	27.05	54.88
	4	172	45.62	45.62	100.0
	Total	377	100.0	100.0	

Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	120	31.83	31.83	31.83
	2	205	54.38	54.38	86.21
	3	36	9.53	9.53	95.74
	4	14	3.72	3.72	99.46
	5	2	0.54	0.54	100.0
	Total	377	100.0	100.0	

Kind of service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	212	56.23	56.23	56.23

	2	35	9.28	9.28	65.51
	3	5	1.33	1.33	66.84
	4	125	33.16	33.16	100.0
	Total	377	100.0	100.0	

Appendix 3.2 Descriptive Statistics of variables

Descriptive Statistics of Perceived Value

Item Statistics

Items	Mean	Std. Deviation	N
PV1	3.6852	.961	377
PV2	4.1420	.918	377
PV3	4.1235	.963	377
PV4	4.0247	.925	377
PV5	4.0710	.927	377

Descriptive of Statistics of Service quality

Item Statistics

Items	Mean	Std. Deviation	N
SQ1	4.17	.930	377
SQ2	3.81	1.169	377
SQ3	4.09	.896	377
SQ4	4.34	.839	377
SQ5	4.21	.902	377
SQ6	4.01	1.139	377

Descriptive of Statistics of Customer Satisfaction

Items	Mean	Std. Deviation	N
CS1	4.20	.817	377
CS2	3.71	1.096	377
CS3	4.19	.836	377
CS4	3.64	1.137	377
CS5	3.63	.950	377

Descriptive of Statistics of brand loyalty dimensions

Item Statistics

Items	Mean	Std. Deviation	N
PV	4.00	.939	377

SQ	4.10	.979	377
CS	3.87	.967	377

Appendix 3.3 Correlations Analysis

Item		PV	SQ	CS	BL
Perceived Value	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	377			
Service Quality	Pearson Correlation	.339**	1		
	Sig. (2-tailed)	.000			
	N	377	377		
Customer Satisfaction	Pearson Correlation	.495**	.657**	1	
	Sig. (2-tailed)	.000	.000		
	N	377	377	377	
Brand Loyalty	Pearson Correlation	.797**	.941**	.731**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	377	377	377	377

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

Appendix 3.4 Assumption Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.773 ^a	1.000	1.000	.00000	1.898

a. Predictors: (Constant), CS_Aggregate, SQ_Aggregate, PV_Aggregate

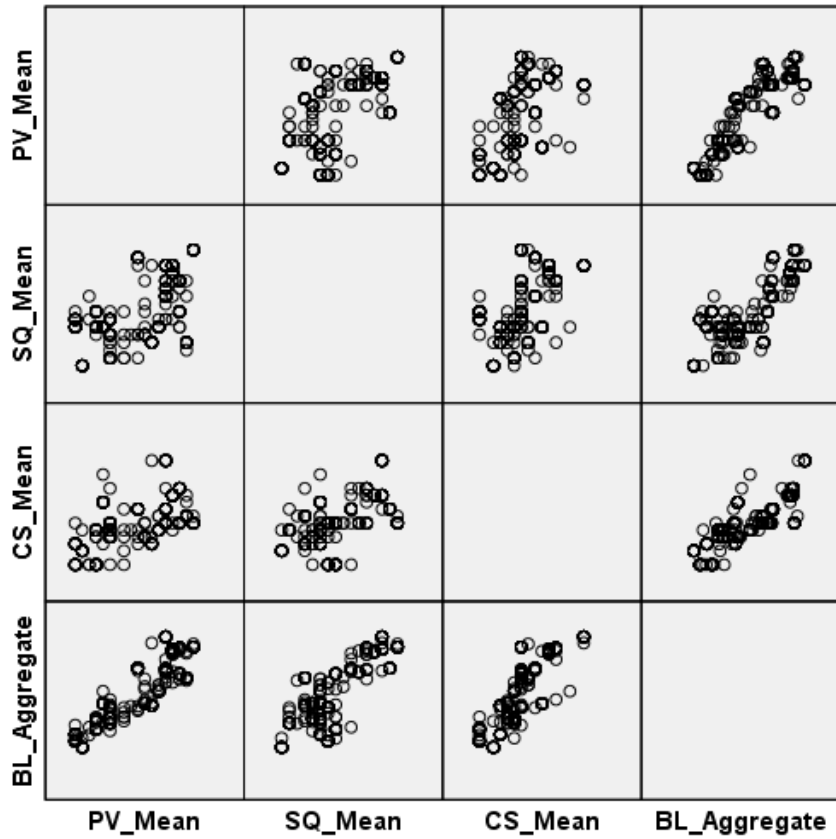
b. Dependent Variable: DV_Aggregate

Correlations^b

		PV_Mean	SQ_Mean	CS_Mean	BL_Aggregate
PV_Mean	Pearson Correlation	1			
	Sig. (2-tailed)				
SQ_Mean	Pearson Correlation	.551**	1		
	Sig. (2-tailed)	.000			
CS_Mean	Pearson Correlation	.593**	.591**	1	
	Sig. (2-tailed)	.000	.000		
BL_Aggregate	Pearson Correlation	.891**	.808**	.832**	1
	Sig. (2-tailed)	.000	.000	.000	

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

b. Listwise N=377



Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.773 ^a	1.000	1.000	.00000	1.996

a. Predictors: (Constant), CS_Mean, SQ_Mean, PV_Mean

b. Dependent Variable: BL_Aggregate

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	3.730E-014	.000		.000	1.000		
PV_Aggregate	1.000	.000	.485	180423540.646	.000	.586	1.705
SQ_Aggregate	1.000	.000	.375	139784260.115	.000	.589	1.698
CS_Aggregate	1.000	.000	.317	113909887.115	.000	.548	1.825

a. Dependent Variable: DV_Aggregate

Descriptive Statistics

	N	Mean	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
PV_Mean	377	2.8053	-.246	.126	-1.370	.251
SQ_Mean	377	2.8621	.343	.126	-.961	.251
CS_Mean	377	2.4202	.416	.126	.155	.251
BL_Aggregate	377	2.6958	.040	.126	-1.239	.251
Valid N (listwise)	377					

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	46837.130	3	15612.377	.	.000
Residual	.000	373	.000		
Total	46837.130	376			

a. Dependent Variable: DV_Aggregate

b. Predictors: (Constant), CS_Aggregate, SQ_Aggregate, PV_Aggregate

Appendix 3.5 Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.773 ^a	.598	.589	.43045	.598	68.470	3	368	.000	1.914

a. Predictors: (Constant), PV, SQ, CS

b. Dependent Variable: BL

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Co-linearity Statistics		
		B	Std. Error	Beta			Part	VIF	Tolerance
1	(Constant)	.829	.159		5.215	.000			
	PV	.675	.045	.105	2.321	.022	.278	3.601	.278
	SQ	.136	.036	.139	3.812	.000	.427	2.345	.427
	CS	.104	.036	.738	18.538	.000	.356	2.806	.356

DECLARATION

I, the undersigned, declare that the thesis entitled ‘assessing factor affecting brand loyalty
In the case of awash bank’ is my new and original work prepared under the advisor or direction of
Mr. Shoa Jemal (Asst Prof), submitted to ma degree in business administration. It has not been
offered to any other university for award of a degree, diploma, or certificate.

Name

Signature

St. Mary’s University, Addis Ababa, Ethiopia

July 2022

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

St. Mary's University, Addis Ababa, Ethiopia

Signature

may, 2022