ST.MARRY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

THE EFFECT OF BRAND TRUST ON BRAND LOYALTY IN ABAY BANK S.C

BY:-NIGUSSIE ALEMU SHEWANTAD ID SGS/0140/2010B

JUNE 2020
ADDIS ABABA, ETHIOPIA

THE EFFECT OF BRAND TRUST ON BRAND LOYALTY IN ABAY BANK S.C

BY

NIGUSSIE ALEMU SHEWANTAD
ID SGS/0140/2010B

A THESIS SUBMITTED TO ST.MARRY'S UNIVERSITY SCHOOL OF GRADUATED STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER IN MARKETING MANAGEMENT

JUNE, 2020

ADDIS ABABA, ETHIOPIA
ST.MARRY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES FACULTY OF BUSINESS AND ECONOMICS

THE EFFECT OF BRAND TRUST ON BRAND LOYALTY IN ABAY BANK S.C

BY: - NIGUSSIE ALEMU SHEWANTAD

ID :- SGS/0140/2010B

APPROVAL BY BOARD OF EXAMINERS

…………………………………   …………………………..
Dean, Graduate studies   **signature and date**

 Dr Gashaw Tibebe
…………………………………………………………………………..   …………………………..
Advisor   **signature & Date**

 Dr Getie Andualem
…………………………………………………..   ………………………………….
External Examiner   **signature & Date**

 Dr. Mesfin Tesfaye   18/08/2020
…………………………………………………………   …….*mesfin*………………………….
Internal Examiner   **signature & Date**

ENDORSEMENT

I confirm that the thesis entitled "The Effect of Brand Trust on Brand Loyalty in Abay Bank S.C Has been supervised by me and forwarded for defense examination.

Gashaw Tibebe (PhD)

……………………………..   …………………………………

Advisor   signature

DECLARATION

I, the undersigned declare that this thesis entitled "The Effect of Brand Trust on Brand Loyalty in Abay Bank S.C'',in my original work prepared under the guidance of Gashaw Tibebe (PhD). All sources of materials used for the thesis have been acknowledged. I further confirm that this study has not been submitted in part or full for any degree completion to any university or college.

Nigussie Alemu   **signature…….………………………….**

ACKNOWLEDGEMENTS

ABSTRACT

Brand Loyalty is the only tool for any company to survive in a severe competition.

The main objective of the study is to determine the effect of brand trust and customer satisfaction on brand loyalty in Abay bank s.c

In this research that the question raised what are the factor that affect brand trust on brand loyalty in Abay bank s.c? Data analysis is the process of transforming raw data into useful output. The researcher adopted quantitative research design technique for the study .This makes statistical analysis imperative in this study.

Hence statistical package for social sciences (SPSS version 21) was adopted to regression analysis the field data. The field data was adequately validate to remove possible omissions, errors, inconsistencies, and non-response. Descriptive statistics was conduct. Namely; means, standard deviations, relative importance index and frequencies

In this research I study and investigated the effect of service quality, perceived quality, perceived value, and brand trust and customer satisfaction on brand loyalty.

This research uses non-random sampling methods (convenience sampling) in order to gain data. I collect 170 respondent, but only 150 questionnaires are complete. To analyze the data, this research uses regression analyses. The result shows that only to variables have significant effect to brand loyalty, they are consumer's trust in Abay bank Share Company and brand satisfaction. While, the hypotheses that trust in brand is a mediating variable is support.

This paper recommended the way of developing brand loyalty for the bank.

Bank must have to focus on promotion like media and advertising etc.

Therefore companies should focus on creating unique experiences between their consumers and brands.

Companies can induce consumer experience with brands through the appropriate coordination of marketing communication elements such as advertising, price, packaging, symbols, logos, slogans

Keywords: Brand Loyalty, Brand Trust, Brand

TABLE OF CONTENT

CHAPTER ONE

INTRODUCTION

This chapter of the study serves as the general introductory to the entire project. In specifics it focuses on the background, problem statement, objectives, research question and justification of the study. Furtherance from the above, it also covers the scope and limitation of the study. Finally, the chapter culminates with the organization of the study.

Background of the study

Brand is an important subject which creates positive image in eyes of customers to make itself different from the competitors(kotler,2004).Today in the age of globalization internet is now spreading in the world quickly as compared in the past due to this the competition among the products are more severe to survive.

This makes brand more important and uplift at high level. In the world of marketing and other businesses brand is growing up as an issue and become more important at international level. In the intensive competition to make the customers loyal to brand marketing strategies help to create positive image. An organization can determine its success by the degree of their brand rather than to build a new plant or technical innovation. Loyal customers even at toughest times purchase the product offering at high rate. In the process of product choice by the customers brand plays an important role.

The mean of this process is to create a link between the producer and consumer to provide them the functions that are promised by the product to meet his or her expectations. That's why customers consider brand in the product selection process when they intend to purchase.

If customers aware more about the role and importance of brand they would be more loyal to the customer.

They interlink consumer and the company that build customers trust and loyalty to the brand.

So that this loyalty brings greater market share when the product is purchase by the customers loyal to the brand (Assael 1998). 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. Furthermore brand creates a relationship with the customers either the relation is positive by continuing the brand or negative by moving to the other brand.

The committed consumers purchase the brand repeatedly.

The preference of a person is affected by the behavior of consumer that resulted in brand loyalty. There is a consistency in buying a product from the preferred brand class at any price. Different Marketing steps are taken by the companies to make the customers loyal.

They used different programs to attract the customers. In return they get the customers loyal to them and talked about the brand among friends positively.

This positive word of mouth is very effective for the company that helps them in gaining the great market share.

The understanding about the needs and wants of the customers is important but majority of the companies failed to do it. The power of the customers of understanding about the products in present day is more as compared in the past.

In this result customers remain unsatisfied. Thus not only credibility but loyalty of the brand is also affected directly and indirectly by this dissatisfaction of customers. In the beginning point, customer's satisfaction is built if the customer has full confidence or trust on the brand.

If brand fails to fulfil promises customer will move to the competitor brand product.

The research scholars have now complete understanding about brand loyalty that is of great advantage for the companies from past few years.

There are many studies about focus on advantages of customer loyalty to the brand and their strength to attain great outcomes (Oliver, 1999; Russell-Bennett et al., 2007).From the practical point of view, in order 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 connect the company, its employees and shareholders with the final consumer of the product.

Similarly brand is a main mean to understand the consumer brand link. Every of the firm want to attract the customers and they would have the high brand feeling about the product.

For this purpose customer satisfaction is necessary factor that can move the customers towards it.

From this point of view if the customers will satisfy with their specific brand they would make repeat purchases and show commitment.

Not only satisfaction various other factors affect the brand loyalty of consumer include trust, quality perceived value, equity.

These factors are helpful in creating the multidimensional construct of brand loyalty. In this research we are studying the variables including service quality, perceived quality, perceived value, customer satisfaction, brand trust and their effect of brand loyalty. These determinants are designed to know the effects on brand loyalty.

The loyal customers of specific brand probably willing to pay any price for the product (Jacoby and Chestnut 1998; Pessemier1959 ; Reicheld 1996).

All this is due to the communication of the brand, trust of the customer and better service quality offered by the brand make consumer attractive to use it. Companies achieve the great share in market if loyal consumers purchase the brand constantly (Assael 1998).

Moreover loyal consumers have a perfect image in their sights to use the product repeatedly overtime (Upshaw 1995).

Higher brand performance results and customer brand association may builds brand trust and loyalty that was a result of better communication and great service quality. Thus the loyalty to this brand can be understand through trustworthiness, service quality and perceived quality.

1.2 Statement of the Problem

In this research aimed to study the effect of brand trust on brand loyalty in abay bank s.c despite the remarkable development of the science of branding in the world and its role it increasing the loyalty of the bank, as a quick review of previous researches indicates that there are a lack of researches related to this topic.

The research would find the answer for the following questions.

1. Is there an effect of brand trust, service quality, perceived quality.percieved value, and customer satisfaction?

2. If there is an effect what is trust element having the major effect on brand loyalty.

Brand Loyalty is the only tool for any company to survive in a severe competition. Brand helps in creating relationship between consumer and producer. In this research we study and investigated the effect of service quality, perceived quality, perceived value, and brand trust and customer satisfaction on brand loyalty.

The service quality, perceived quality and value were determined to be input variables; brand trust and customer satisfaction were determined to be intervening variables; and brand loyalty was determined to be the output variable.

Conceptual model was designed to explain the factors on brand loyalty. Data were collected from the randomly selected 170 selected bank consumers.

Our study results provide a better understanding about brand loyalty among customers for banks to analyze and part played by each element in the progress of brand loyalty. Moreover it highlights the crucial role played by affective elements.

1.3 Objective of the study

The main objective of the study is to determine the effect of brand trust and customer satisfaction on brand loyalty in Abay bank s.c

Specific objectives

The specific objective are:-

Investigate the determinant that influence brand loyalty on the customer

- To find out the effect of brand loyalty and evaluate its effectiveness in Abay bank s.c
- To identify the determinant of customer retention
- To find out the challenge and provide of Abay bank s.c to improve brand loyalty level.

1.4. Research Questions

The study aims to find answers for the following research questions;

- What are the factor that affect brand trust on brand loyalty in Abay bank s.c?

The specific questions are:-

- What is the effect of brand trust on brand loyalty in Abay bank s.c?
- Is there an effect of brand trust, service quality, perceived quality.percieved value, and customer satisfaction?
- What are the effect of brand loyalty in Abay bank s.c?
- Does Brand trust effect on brand loyalty?

1.5 Significance of the Study

The outcome of this study will expect to contribute significantly towards Abay bank s.c on the effect of brand trust and customer satisfaction on brand loyalty. This is to regenerate and reminds Ethiopian banking industry about the perception and attitude of their target customers on the very branding strategies they have been deploying. Thus, there will be an insight into what product actually influences consumers of branded Ethiopian banking industry service to help them develop the best strategies in winning the heart of its consumers. This study will expect to contribute value towards existing knowledge on branding and banking business environment in Ethiopia and beyond.

1.6 Scope and Delimitations of the Study

The geographical scope of the study will limit to Abay bank s.c in Addis Ababa. Contextually, the study is to determine the effect of brand trust and customer satisfaction on brand loyalty in Abay bank s.c. In view of this the following specific Abay bank s.c branches. The time period for this study is cross sectional meaning data was taken once in the life time of the study. The target

respondents was limit to customers and service providers will constitute the dominant users of those bank services.

1.8 Organization of the Study

The section of the study outlines how the project is organize in this edition. The study was organize into five chapters. The Chapter One forms the introductory part of the study which set the precedence for the rest of the project. The Chapter Two is predominantly about literature review. The Chapter Three dwells on the research methodology, the Chapter Four and Five respectively look at analysis and discussions on one hand and conclusion and recommendations.

CHAPTER.TWO

LITERATURE REVIEW

This chapter organized of the theoretical back ground of brand loyalty and different articles on effect of brand loyalty.

2.1 **THEORITICALREVIEW**

Brand loyalty

Loyalty is a biased response towards a brand or product expressed over a period of time and is defined by the purchase pattern of a decision making unit which may be an individual, a household or a firm (Mellens, Dekimpe and Steenkamp, 1996).

Therefore loyalty implies consistent repurchase of a brand resulting from positive affinity of consumers towards the brand or the product. Jacoby and Chestnut (1978) argued that commitment is an essential element of loyalty and distinguishes between loyalty and repeat buying which is due to inertia.

Former Ford vice president, Basil Coughlan estimates that every percentage point of loyalty is worth 100 million dollars in profits to his company (Serafin and Horton, 1994).

Del Monte, Harley Davidson and General Motors spend large sums of money to induce brand loyalty (Mellens, Dekimpe and Steenkamp, 1996). Brand loyal consumers are willing to pay higher prices and are less price sensitive to price increases (Mellens et.al.).

Therefore loyalty is at the heart of a company's success. Researchers and marketers are keen to understand the variables that determine loyalty to a company or to a product and to distinguish between brand and customer loyalty, although there is not much difference between the two concepts.

The advantages enjoyed by a brand with strong and consistent customer loyalty include the ability to maintain premium pricing, greater bargaining power with channels of distribution, reduced costs, a strong barrier to potential new entries into the product or service in the same category (Reichfeld, 1996).

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 as a consequence 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 the summary by Smith brand loyalty as defined by Cunningham (1956), Day (1969) Buford, Enis and Paul (1971), Olson and Jacoby (1971) behavioral loyalty is 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 will 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 conceptualises 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 name has little influence over buying decisions.

The second level are those who are satisfied with the product or are at 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 who considers the brand as a friend.

The fifth level is the committed buyer or those who are extremely loyal to the brand. They comprise those who are proud users and will recommend the product to others (Aaker, 1991).

In recent days, it is not easy for the companies to develop brand loyalty level of the customers. It is highly important to improve customer's awareness level and make them extremely satisfied to get engaged with the company.

The significance of brand loyalty is very high among all the marketing strategies company implements on engaging customers within the organization. Most importantly, Brand loyalty draws the attention of the researcher from a long time before to maximize organizational profit and achieve competitive edge within the business environment.

This literature shows an evolutionary development in the market considering the brand loyalty in mind. Firstly it was behavioral approach but now emerge as a cognitive and attitude approach. Brand loyalty is the behavioral intention of the customer toward some definite brand.

Behavioral approaches operational loyalty in many ways initially by mean of real usage of the brand.

This approach measures the quantity and repeated purchasing of the brand (Lin et al., 2000; Veloutosou et al., 2004). Ehrenberg (1988) find out the specific pattern build by the frequent buying or heavy purchasing assist by marketers. It also measures the quantity of usage and the other products from the same retailers (Driver, 1996; East et al., 1995).

Brand loyalty can be measures with the help of these measurements. Another measurement technique is probability of repurchase. And technique used to measures the point when customer switched to another brand (Hsiu-Yuan and Li-Wei, 2005).

The researchers used these techniques to investigate the factor of brand loyalty brand knowledge is one of them (Dick et al., 1996; Wood, 2004, Felltham, 1998), ease and usage knowledge (Rowley, 2005; Lin et al., 2000), perceived value and satisfaction (Baltas, 1997; Ness et al., 2002; Wood, 2004) and the other tools to find the constructs of brand loyalty.

Best post purchase conclusion as a consequence of consumer satisfaction is customer's brand loyalty, notion of "loyalty" developed out of expression "insistence" authored by Copeland (1923). Insistence is final phase of customers' attitudes around interest for branded products; in this phase buyers don't acknowledge substitutes when they choose to buy a product or services.

Guest (1964) had defined brand loyalty as "an attitude behavior and a measured degree of preference consistency and purchasing behavior".

Actual purchasing behavior towards any brand is brand loyalty (Carman, 1970). Brand loyalty has significant effect on marketing costs since activities used to attract new customers, have more expensive than maintaining old customers (Burton, Easingwood, & Murphy, 2001).

Furthermore, loyal customers form competitive barrier, which makes it harder for rivals to enter in same market, well known and successful brands can pull consumers, create loyalty and detain their imagination (Keller, 1998).

Brand image is a significant factor of consumer's perception of products or services, particularly when tangible characteristics of products or services are not sufficient to make differentiation among competitors (Cretu & Brodie, 2007).

Nandan (2005) accepted that an association could enhance brand loyalty by guaranteeing consumers that its identity and brand image are appropriate. In addition, various studies have proved that brand image has positive effect on consumer brand loyalty (Zeithaml, 1988; Zins, 2001).

Greater constructive brand image leads to significant customer brand loyalty (Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001). As we have discussed in balance theory brand image has significant and positive effect on brand loyalty (Heider, 2013). Superior brand image increases brand loyalty (Dalakas & Levin, 2005).

A situation in which consumer purchase and uses the brands of their trust as compare to brand that they don't trust. In this way consumer shows a commitment to that brand.

Brand loyalty can be measured through positive word of mouth, satisfaction of customer, brand trust, sensitivity of price etc. A degree in which consumer consistently purchases the brand available in the product category. The loyalty to the specific brand of consumer will remain unchanged if the brand is as long available (Rizwan et al., 2013).

Today's customer has more power of understanding about the brand and they will buy the brand from specific product category if they feel that the product has right characteristics, quality and price.

Moreover they don't move towards other suppliers to purchase the product. Also if the other brands are available at low prices having higher quality, consumers will remain loyal to their specific brand.

If the company wants to achieve the profitability and compete with their rival products brand loyalty is condition for it (Aaker, 1995, 1997; Reichheld, Markey, and Hopton, 2000).Companies offer many brands to their customers but unfortunately not every brand attracts the customers. Only few brands give company higher loyalty customers.

Marketing strategies are the heart of company to build a customer brand relationship; particularly in intensive competition by reducing the product disparity (Fournier and Yao, 1997).

From the literature point of view brand loyalty in marketing has now great importance from last few decades (Howard and Sheth 1969). Due to the better perceived quality or positive image of brand the loyal consumers prefer to purchase the specific brand but not for the price (Chaudri, 1999).

Through the attributes and good quality habit brand can be identified (Jacoby and Kyner, 1973).In general the customer level of satisfaction can be identified either the brand fulfil their expectations or not through the means of brand loyalty (Bloemer and Kasper, 1995; Ballester and Aleman, 2001). The performance of the brand is recognized by higher customer's loyalty.

2.2 CONCEPTUAL REVIEW

Brand trust

Brand trust is viewed as central in many studies (Doney & Cannon, 1997; Moorman et al., 1992). It is conceptualized as a notable factor in the firm success (Morgan & Hunt, 1994). Chaudhuri and Holbrook (2001) define brand trust as "the willingness of the average consumer to rely on the ability of the brand to perform its stated function". Brand trust arises after consumers' evaluation of companies' offerings. If companies provide beliefs of safety, honesty and reliability about their brands to consumers, brand trust will be generated subsequently (Doney & Cannon, 1997). It can be interpreted that brand trust is created and developed by direct experiences of consumer via brands.

The main difference between brand trust and brand affect is; brand trust is viewed as a long process which can be occurred by thought and consideration of consumer experiences about store while brand affect is consisted of impulsive feelings which can be formed, spontaneously (Chaudhuri & Holbrook, 2001).

Therefore brand trust can be discussed as a cognitive component (Casalo et al., 2007) which may induce emotional response, namely brand affect. On the other hand, brand trust leads brand loyalty (Delgado-Ballester & Munuera-Alemán, 2001).

It is due to brand trust's ability for creating highly valued relationship (Chaudhuri & Holbrook, 2002).

It shows that brand loyalty is part of the continual process of valuable and notable relationship which is produced by brand trust. Moreover literature shows support that brand trust is a determinant of loyalty Wu et al., 2008; Berry, 1983).

Consumers' believes that brand will meet their hopes and expectations, those associated with brand performance as cognitive and brand honesty as affective, (Gurviez & Korchia, 2002).

Trust has gained significant attention of researchers in various disciplines, in applied sciences like marketing (Andaleeb, 1992; Morgan & Hunt, 1994), and management (Barney & Hansen, 1994), others are economics, sociology (Lewis & Weigert, 1985), and psychology (Rempel, Holmes, & Zanna, 1985).

Various studies discovered that trust is indispensable for developing brand loyalty (Chaudhuri & Holbrook, 2001; Morgan & Hunt, 1994). Deutsch (1977) has defined trust in following words "the confidence that one will find what is desired from another, rather than what is feared".

Agustin and Singh (2005) argued brand trust is level of confidence of consumer that he believe and rely on seller will deliver the promised product and services.

Both trustworthy parties are connected on the grounds of responsibility, benevolence, honesty, fairness, and helpfulness (Morgan & Hunt, 1994).

Consumer improves trust in a brand depending upon positive convictions related to their expectation for performance of brand and behavior of organization (Ashley & Leonard, 2009; Zehir, Şahin, Kitapçı, & Özşahin, 2011).

On one hand, Morgan and Hunt (1994) and Moorman, Zaltman, and Deshpande (1992) proved through their studies that brand trust always leads to brand loyalty.

On other hand this create a positive image of brand in the minds of customers, empirical relationship is associated with three elements of brand, brand satisfaction, brand trust and brand image in consumer minds (Dalakas & Levin, 2005).

Brand image is one of the antecedents to brand satisfaction and trust, both elements required brand awareness and positive brand image, without positive brand image one cannot be satisfied from brand and one should not have trust in brand (Dalakas & Levin, 2005; Esch, Langner, Schmitt, & Geus, 2006).

It is a promise of brand with their customers to fulfil their expectations. Brand trust is an important item that helps customer loyal to the brand. Without the trust on brand customer can't enter in loyalty set.

To build a trust it's important for the Consumer to take and asses the information from the product. Companies can build emotional trust if they can prove that the brand is only for the customers and meet their expectations (e.g. brand is trustworthiness and friendly for the family use).Consistent brand demonstrate this specific behaviour.

The customers trust on specified brand functions and willingness to purchase the brand from the product class (Moormal et al 1993). The vagueness in the situation can be diminishes by the trust through which customer can rely on the specific trusted brand product.

Brand loyalty is a result of brand trust or promises that build the highly valued connections Morgan and Hunt 1994, Chaudhuri and Holbrook, 2001).

Some scholars defined commitment as "an enduring desire to maintain a valued relationship" (Moorman, Zaltman, and Deshpande 1992).So promises are the cause of constant on going and retaining a relationship build between company and consumer.

The concept of trust has been defined in different disciplines: from psychology to economics; from sociology to administrative sciences34.

Needless to say, these dis-ciplines have different points of view concerning the concept of trust. Nevertheless, there is a common point among these differences: the importance of trust in human relations and its effects on human behaviour.

Marketing considers trust as a bond which could be the relationship that occurs between a consumer and a firm.

The relationship of trust between a brand and its consumer affects the consumer's buying decisions35. Likewise, consumers are constantly in a relationship with various brands in their daily lives36.

This type of relationship could be defined as a combination of cognitive, emotional and behavioral processes occurring between the brand and its consumers37.

As mentioned, brand experience is a subjective notion. Internal consumer responses include: Sensations, feelings, cognitions and behavioral responses.

 Therefore, it is evident that brand experience is clearly a part of the relationship that occurs between a brand and its consumer.

Moreover, consumer satisfaction is one of the basic components of trust38 and trust establishes a bridge between consumer satisfaction and brand loyalty39. Therefore, for a firm to build brand trust and brand loyalty, consumer satisfaction is the first step.

2.3 THEORITICAL REVIEW LITERATURE

Service quality

Service quality was explained by Zeithaml (1988) as "the opinion of customers about the generally dominance of goods." Gronroos (1988) explained that apparent quality is considered good when the skilled quality of customers meets the predictable quality from the brand.

The literature considers apparent service quality as a "center/prime" phase across customer based brand equity landmark frameworks (Farquhar, 1989; Keller, 1993; Aaker, 1996; Dyson et al., 1996). It provides customers with a reason to purchase and enhances customer value by equipping the brand with separation and prominent positioning among competitor's brands. The most famous model of service quality was projected by Parasuraman et al. (1985, 1988).

It had four dimensions and can be explained as: Conflicting findings regarding the relationships between service quality and brand loyalty are also found in observed studies in the market. Kandampullys and Hub (2007) and Kim et al. (2008) did not find a considerable relationship between service quality and brand loyalty.

Lai et al. (2009) create indirect relationships between service quality and brand loyalty through apparent value. Kayaman and Arasli (2007) reported that only touchable and responsiveness dimension has momentous effect on brand loyalty.

Others report indirect relationship between service quality and brand loyalty through apparent value and customer satisfaction (Chitty et al., 2007).

Suhartanto (2011) reported that there are a number of studies examining service quality as the determinant of brand loyalty in the hotel industry, mostly conducted in developed countries. Sometimes these studies are vicariate studies in that they examine brand loyalty with service quality (Alexandris et al., 2002; Juwaheer, 2004).

Cretu and Brodie (2007), Michell et al., (2001) and Jones et al., (2002) also found momentous and positive association among perceived service quality with brand loyalty.

Service quality can be defined as the observation of customer about service items that include quality of physical atmosphere, resulted quality, and interfaced quality.

Furthermore these service items can also be estimated on the basis of detailed dimensions of quality, awareness, consistency and promises. In addition to this, service quality contains the exchange of relationships between salesperson and the purchasers.

Due to the better services provided customer wants to avail the services at shop.

This resulted in the extensive coordination between salesperson and consumer. Service quality can be defined as the divergence between customer image about the service presentation and his/her expectations for services.

Service quality is an essential item in building the brand trust and defined in other words as the decisions that are resultant from estimation process in which customers differentiate the service provided to them and the services they perceived (Parasuraman et al, 1988) Gronroos (1984).

The customer's decision about the whole performance of the service product (Zeithaml 1988). If the quality experienced by the customer is according to the quality they expect about the brand this resulted in a better service and perceived quality Gronroos (1988). The model of service quality that got fame was presented by Parasuraman et al. (1985, 1988).

There is a major effect of service quality on the loyalty of customer (Bolton and Drew 1991). Some scholars suggested that only those elements have major effect on brand loyalty that is not intangible but gives response (Kayaman and Arasli 2007).

The quality perceived by the customer and their satisfaction level the indirect link among brand loyalty and service quality can be defined (Chitty et al., 2007).

In service organizations they must have to facilitate the customer with their consistent and best service qualities that can make them at the top in the competition of services provided.

The point to keep in mind while in competition is to provide customers with their consistent and best products, loyalty of customers with brand and mitigating cost (Rusta, 2008). Practical research also clearly defined the relationship between the service quality, brand trust and loyalty of customers towards the brand.

The behaviour of the customer and intention towards the services and its multidimensional structure was proposed by the scholar (Zeithaml et at. 1996).

Positive word of mouth, intention of customers towards the brand, sensitivity in price and behaviours of complaining about it are the main four measurements that completely described the multidimensional framework.

Independent variables	Dependent variable
Brand Trust	
Service quality	
Perceived value	**Brand Loyalty**
Perceived quality	
Customer satisfaction	
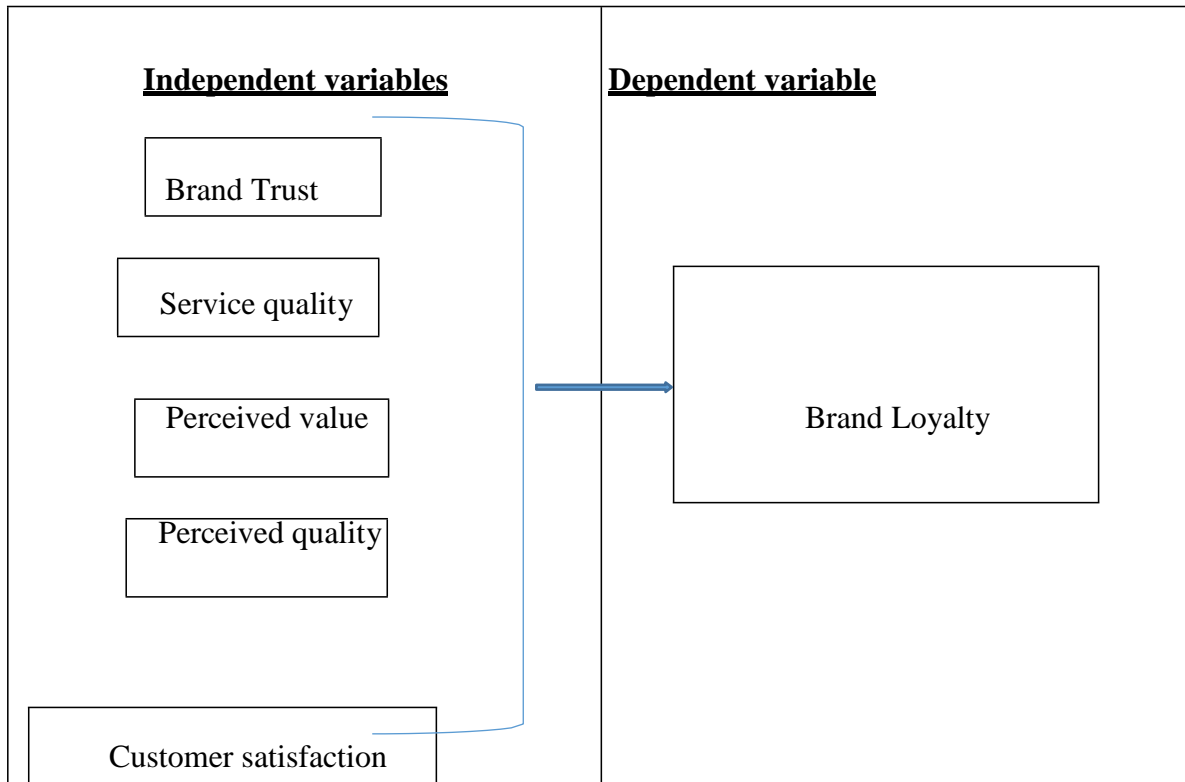
Study conceptual framework

In this research i study and investigate the effect of service quality, perceived quality, perceived value, and brand trust and customer satisfaction on brand loyalty. The service quality, perceived quality and value were determined to be input variables; brand trust and customer satisfaction were determined to be dominant variables; and brand loyalty was determined to be the output variable. Conceptual model was designed to explain the factors on brand loyalty

2.4 Customer satisfaction

Customer satisfaction has various impacts in an organization like it benefits the organization to develop a wide variety of customer base. Moreover, the brand image of the organization gets enhanced and company could increase profit by positively influence customers buying behavior.

When the gap exists between customer's expectation and perception then the company needs to minimize those gaps as the requirement of customers satisfaction is the perception needs to be higher than customer expectation or at least equal.

Customer pleasure and positive attitude result of consumption experience of brand is known as satisfaction. Customer satisfaction is ancestor of consumer brand loyalty; consumer post purchase behavior is depending on the level of satisfaction from brand (Kasmer, 2005).

Giese and Cote (2000) defined the phenomenon of satisfaction in most excellent way as "a summary affective response of varying intensity with a time-specific point of determination and limited duration directed toward focal points of product acquisition and consumption". Satisfaction is consumer's evaluation of products and services whether meeting their expectations (Ha et al., 2011). Satisfaction is consumer judgment based on his evaluation of last purchase and on encounters with provider in case of services.

Overall satisfaction is one of the significant indicator of future brand loyalty and performance of corporation (Fornell, Johnson, Anderson, Cha, & Bryant, 1996; Johnson et al., 2001).

Therefore, satisfaction is consumer's emotional responses to particular brand based on previous experienced. Suh and Han (2003) argued that satisfactoriness, compassion and truthfulness are the factors that indicate brand trust in consumers.

Since trust creates an essential bond between customers and brand, it becomes one of the indicators of brand loyalty (Morgan & Hunt, 1994). Brand managers are facing relatively difficult job to satisfy customer before developing trust, in such context, trust can influence customer satisfaction.

Chaudhuri and Holbrook (2001) investigated that many studies in literature foresee trust as main predictor of brand loyalty. Brand trust is very vital for consumer satisfaction, more the brand is trusted; more will be the customer satisfaction and more favorable customer purchase decision (Anantharanthan Parasuraman et al., 1985).

Furthermore, customer satisfaction is antecedent to brand trust (Geyskens, Steenkamp, & Kumar, 1999; Ha et al., 2011). A number of researches found significant relationship between customer satisfaction and brand trust.

It can be defined as the degree to which customers are happy with the use of products that are provided to them by the companies.

To achieve the level of satisfaction companies must have to keep in mind the needs and wants of customers and supply them outstanding products and services.

Any business can move on to the upper level of advantage by achieving customer satisfaction in intensive competitive market. It is a feeling of any consumer post purchases and uses of the product, regardless that product and services meet the expectations or not.

Originally customers make their expectation and perception about the brand product by means of positive word of mouth from the friends and family, the selling and promotion activities by using the market strategies.

If the customers found unsatisfied from the product and services it is possibility that they can tell others about such practice.

It is commonly used in studies. Basically satisfaction is a speedy or quick experience of the customers after using the product through which the overall satisfaction can be assessed (Lam, et al, 2004; Tian, 1998; Yang, 2004; Li and Vogelsong, 2003).

Various studies tells that the loyalty is affected by the satisfaction through the satisfaction level we can predict the purchase intentions and behaviour of consumer towards the brand product (Eggert, A. &Ulaga, 2002).

In making a decision to purchase the product past experiences of using that product affects the intention of consumer decision process. From the past few decades many marketers and research scholars define customer satisfaction.

In the words of (Oliver 1997) satisfaction is defined as "the summary psychological state resulting when the emotion surrounding disconfirmed expectation is coupled with prior feelings about the customer experience". Practical studies illustrate that satisfaction is the predecessor of brand

loyalty, intention to rebuy the product and behavior of brand towards its customers (Oliver, 1980; Pritchard et al., 1999; Russell- Bennett et al., 2007).

Brand loyalty can increased by the satisfaction of customer and repeat the purchase of the same product services (LaBarbera and Mazursky, 1983).

In the research repurchase and consumption of the product leads to the two phases of loyalty that are as, loyalty to purchase and loyalty towards attitude or behavior through which it can be determined either consumers will purchase those services or move to other that are more preferable (Bennett, Härtel, and McColl- Kennedy, 2005; Chaudhuri and Holbrook, 2001)

2.5 Perceived brand quality

Perceived quality is described as consumer's assessment of product's communal excellence (Grewal, Monroe, & Krishnan, 1998; Zeithaml, 1988). Perceived quality implies a purchaser's elusive perception of entire quality or prevalence of a product or service, their general feeling about brand (Ramaseshan & Tsao, 2007).

Informative content about innate signs (e.g. brand characteristics) and other outward signs, for example brand name, country of origin image, brand image and cost of promotional activities can impact perceived quality (Ahmed, Johnson, Pei Ling, Wai Fang, & Kah Hui, 2002; Speece & Phung Nguyen, 2005).

The brand, which is normally associated with quality, can develop image in the customer's mind and could be cause to purchase specific product (Vraneševic & Stančec, 2003).

Hankinson (2005) has researched brand image from the viewpoint of a consumer and has recognized three extents: pre-purchase knowledge, usage experience and post purchase behavior and these extents are connected to perceived quality.

Scholars have investigated a significant positive relationship between brand image and perceived quality in both qualitative researches and quantitative researches (Bloemer, De Ruyter, & Peeters, 1998; Cretu & Brodie, 2007).

As per balance theory (Heider, 2013), a customer's perceived quality of a brand with a negative image, will enhance after it fuses with a brand with a positive image, and vice versa. In addition, dominance of brand image they obtain is connected to perceived quality of brand (Dalakas & Levin, 2005).

The customer's perception about the product and services quality. It is the perception of the customer created by the companies through the advertising publicities, and other social media intend to purchase the product. In general it is the feeling of customer about product quality and its features provided to them such a performance and reliability of the product. The promises made by the brand product to meet the expectations of the customers (Zenithal, 1988). Basically there are two phases of the quality objective and perceived quality.

According to, Zeithaml (1988) objective quality has no validity and valuations of the quality. Furthermore from this point of view perceived quality is significant among them which are also a second phase or part of the quality. The customer valuations for the product quality and services either product meets the expectations (Olsen, 2002).

It is a relative concept that can change the people's experiences and expectations of that product brand. Some researchers and practitioners had considered the relation of perceived quality and satisfaction by Olsen (2002), Darsono and Junaedi (2006). There are many models presented by the, Cronin and Taylor (1992) to examine the link of perceived quality and satisfaction.

Through Some practical researches it is also found that there is a supportive link between perceived quality and satisfaction Lee and Back (2008). In some other quality studies this link has been described (Brady and Robertson, 2001; Fornell, 1992; Tse and Wilton, 1988)

According to Gotlieb et al.'s (1994) there is a consistent relation between perceived quality and customer satisfaction. If the link of perceived quality and satisfaction become consistent then it is best for the brand loyalty.

Thus perceived quality has positive effect on brand satisfaction. Perceived quality has also an effect on the brand trust which suggested by many researchers Corritore et al., (2003).

Through this result it is generally came to knew that there is a positive effect of perceived quality on brand trust.

2.6 Perceived brand value

Perceived brand value is defined as the value of product according to its price in the mind of customers. Customer doesn't know the cost incurred on the products.

Customer just internally after using the product can analyse through feelings that either the price of the product is more than it's worth or not.

This is the point that makes customer willing to pay for the product or not. So in such situation manufacturers or producers apply marketing strategies to create high value of the product and services in the eyes of customer.

It also tells the post purchase intentions and feelings of the customers about the product worth. Furthermore customers then create an image of product in mind positive or may be negative. (Hellier et al., 2003) suggested that it's an observation of customers that the advantages are provided to them are according to price or they satisfy from that product or not.

When customer purchases a product he/she wants to get more value than its cost this is the level of satisfaction and expectations of customers for product. There is association between perceived value and satisfaction suggested by Cronin et al. (2000).

Moreover the outcomes told that a significant relationship is between perceived value and satisfaction.

The value of product in eyes of customer would be high if customer gets more satisfaction from the specific brand product. Some scholars studied that there is significant relationship between perceived value and brand trust Chaudhuri and Holbrook (2001). Product value in eyes of customer would increase if the trust of customer on brand is high.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the research methodology that determines the effect of brand on customer loyalty in the Ethiopian banking industry. Specifically, this chapter will provide the research paradigm, population of the study, sample size and sampling technique, sources of data, data collection instruments, data analysis as well as ethical considerations.

3.1 Research Design

Mixed method (descriptive-longitudinal) research design involves information collected without changing the environment. It is sometimes referred to as correlational or observational studies.

Research design would had been variously defined. In most instances research design is about data, sources of data, collection, data analysis, ethical considerations or combination of all the above that need to be duly observed in order to achieve the objectives of a study or answer series of research questions to draw a meaningful conclusion (Creswell, 2003; Sakaran, 2003; Wilson, 2014).

In this study the researcher would have adopted mixed method research design to enable the researcher accomplishes the objectives of the study. In this type of design, the reliability and validity of results is very high since one off set the weakness of the other. In other words, biases are reduced. Interviews was conducted.

3.2 Population of the study

The population of the study entails set of individuals who share or exhibit similar characteristics which is of great interest to the researcher (Creswell, 2003; Morgan, 1997).

Population may also imply the group of people living in a given geographical area and share common cultural characteristics. The population of this study encompasses all selected Abay bank service providers in the in Addis Ababa). These include customers and the service providers. But for efficiency in management,

3.3 Sample Size and Sample Technique

Sample is a portion of a population or universe. It is a normal jargon in research which state that the high the sampling size the higher the reliability and validity in the result and the vice visa (Creswell, 2003; Tailor, 2005). Since the population of the study would infinite the researcher was do not apply any statistical formula in the sampling size.

The researcher was decided to use (170) respondents as the targeted population made up of customers. The sample size of the study shall be taken from the aforementioned population.

The researcher will adopt convenient sampling technique for the study. Convenient Sampling refers to researching subjects of a population that are easily accessible to the researcher and it is affordable, easy, and the subjects are readily available (Sakaran, 2003).

The researcher also provides the needed assistance to the respondents in the completion of the questionnaires. These will in the form of explaining the study objects, and elucidating the individual question.

. To calculate a sample size of a large population whose degree of variability is not known infinite number of total population, the Cochran's formula has been used to calculating sample size: Thus, the formula used to calculate the sample size is:

$$n_0 = z^2 pq / e^2$$

Where:

n_O =the sample size, $z =$ is the selected critical value of desired confidence, p = is the estimated proportion of an attribute that is present in the population, $q = 1 - p$ and $e =$ is the desired level of precision. p =0.5 (50%) and taking 95% confidence level with ±5% precision, the calculation:

$p = 0.5$ and hence $q = 1-0.5 = 0.5; e = 0.05; z = 4.13$

Therefore: $n_0 = z^2 pq / e^2$ $n_0 = 4.13^2 (0.5*0.5)/0.05^2$ $n_0 = 17(0.025) / 0.0025$

Using the formula: $n_0 = \underline{170}$

3.4 Sources of Data

Data are information that has been translated into a form that is more convenient to move or process (Morgan, 1997). There are two main sources of data used in this study namely; primary and secondary

3.4.1 Primary Data

Primary data is original research that is obtained through first-hand investigation, and it includes information collected from interviews, experiments, surveys, questionnaires, focus groups and measurements (Sakaran, 2003). Primary data for this study will be through questionnaires.

3.4.2 Secondary Data

Secondary data is research that is widely available and obtained from another party. Secondary data can be found in publications, journals and newspapers (Sakaran, 2003). This study was not make any secondary data from the organization under study.

3.4.1 Method of Data Collection

The researcher was consider several data collection methods and but chosen structured questionnaires. This is because questionnaires have the tenden to cover a wider area within a short time. Moreover, it is preferred in studies which adopt the quantitative research design approach. And this study was not an exception.

The questionnaires was distribute to the targeted respondents of the study. These include; Customers, corporate officials and other bank users.

Two main measurement scales will adopt and use in the study. Namely; nominal and ordinal. In the nominal scale the variables that are affect include. Age group, gender, profession and education. In the ordinal scale, a five-point scale will use where 5-implies strongly agree and 1- plies strongly disagree. The questionnaires will further group according to the objectives of the study for easily validity and identification.

3.5 Data analysis technique

Data analysis is the process of transforming raw data into useful output. The researcher adopted quantitative research design technique for the study (Creswell, 2003; Tailor, 2005). This makes statistical analysis imperative in this study.

Hence statistical package for social sciences (SPSS version 21) was adopted to regression analysis the field data. The field data was adequately validate to remove possible omissions, errors, inconsistencies, and non-response. Descriptive statistics was conduct. Namely; means, standard deviations, relative importance index and frequencies.

3.6 Ethical Consideration

The study was observe several ethical issues need to complete the study. . Ethical issues are also address in this study. Notably, principles of dignity, justice and respect was observe. These are did to project the identity of the respondents and anonymity of information Morgan, 1997).

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

Procedure

The questionnaire was distributed among 170 respondents for collection of data in Abay bank s.c. From the above mentioned criteria the respondents were selected for this purpose. From the starting point or before giving the questionnaire the purpose of the research and study was described to them so that they can easily fill up the questionnaire with appropriate response answers. After the collection of data 150 questionnaires were collected and rest of the questionnaires were not including in the research due to invalid and incomplete questionnaires. The setting of the variables were according to the five point Likert scale (1= strongly agree, 2= agree; 3= neutral, 4= disagree; 5=strongly disagree). Data was coded in SPSS programme. To view the results regression analysis was used.

Reliability Analysis In this study of brand loyalty questionnaire we use 26 items in measurement of 6 variables and we came to know that the items in this study are more reliable than standard and suggested value 0.50 by Nunnally (1970) and 0.60 by Moss et al. (1998).So these 26 items shows that all these are reliable and valid to measure the opinions of consumers towards brand loyalty.

Reliability of items are shown in (Table 1)

scale	Item	Cronbach Alpha
Perceived Value	4	0.525
Brand Loyalty	6	0.721
Brand Trust	5	0.633
Customer Satisfaction	2	0.595
Perceived Quality	4	0.629
Service Quality	5	0.617

\

Hypothesis Testing Description of the Respondents

The respondents personal and demographic collected information such as gender, age, income, education and status are given in the following constructed table (Table 1)

Table 2: Description of the Respondents

	Category	frequency	percentage
Variable			
gender	Male	135	90
	Female		10
Age	18-20 year	41	27.3
	20-25 years	107	71.3
	25-30 years	2	1.4
Deposit	Below 15000	87	57
	15000-25000	23	15.3
	25000-35000	30	20
	35000-45000	10	7.7
Education	Diploma	34	22.7
	Bachelor	96	64
	Master	20	13.3
status	Student	1	0.7
	Employed	149	99.3

Table 3: Regression Analysis Table

Hypothesis	Model variables	S.E	β	C.R	significance P	Results
H1	brand-loy brand-t	.087	.510	6.495	***	Supported
H2	brand-t ser-qua	.080	.304	3.978	***	Supported
H3	brand-loycus-sat	.076	.132	1.682	.015	Supported
H4	cus-sat per-qua	.086	.389	4.697	***	Supported
H5	brand-t per-qua	.073	.362	4.771	***	Supported
H6	Cus-sat per-val	.099	.073	.932	.353	Not Supported
H7	brand-t per-val	.073	.146	2.186	.030	Supported

Field survey 2020

Regression   Hypothesis Testing

Regression I, Brand trust, Customer satisfaction and brand loyalty

In this research study the variables investigated and have a significant positive relationship between brand trust and brand loyalty. Furthermore brand trust has a positive effect on brand loyalty with (β=.510) and ($p<0.01$). This represents that brand trust contribute 51% to brand loyalty. So, this regression analysis shows that brand trust has positive impact on brand loyalty and which confirm the hypothesis H1. Regression outcome tells that there is positive significant relationship between customer satisfaction and brand loyalty with (β=.132) and ($p<0.05$). This means that customer satisfaction helps more than 13% in building brand loyalty. On the basis of this result we can say that there is a relationship between customer satisfaction and brand loyalty which is significant and positive from the regression analysis. This research verify hypothesis H3.

Regression ii, Service quality, perceived quality, perceived value and brand trust

In order to understand the model of brand loyalty regression results show that there is significant positive relationship between service quality and brand trust with (β=.304) and (p<0.01). This means that service quality helps more than 30% to create brand trust among customers. Our study validates the hypothesis H2.

The regression analysis of the study shows that there is a positive significant relationship between perceived quality and brand trust with (β=.362) and (p<0.01).

Through this result we came to know that perceived quality contribute more than 36% to create brand trust. From this result we can say that our study supported the hypothesis H5.

Furthermore the relationship between perceived value and brand trust is significant and positive with (β=.146) and (p<0.05). According to this regression analysis result we came to know that perceived value contribute more than14% in creating brand trust among customers.

So this result gives validation in favour of hypothesis H7.

Regression iii, Perceived quality, perceived value and customer satisfaction

Regression analysis of my research shows that there is a positive and significant relationship between perceived quality and customer satisfaction with (β=.389) and (p<0.01).

This outcome tells that perceived quality contribute more than 38% in customer satisfaction. Hypothesis H4 authenticates through this regression outcome.

So a relationship between perceived quality and customer satisfaction is found. Based on the regression results we examine that there is insignificant relationship between perceived value and customer satisfaction with (β=.073) and (p>0.05). Younger respondents were focused mainly in this research and they were observed to the high perceived value with relative product if mainly sample consist of adults then results could be different about the relation of perceived value and customer satisfaction.

So, we conclude that there is no significant relationship between perceived value and customer satisfaction. From this outcome hypothesis H6 is rejected

Discussion of the findings

The purpose of this study is to examine the factors affecting brand loyalty. According to the results of study we came to know the loyalty for brand among customers in Abay Bank s.c service. The multidimensional construct of brand loyalty basically contains five factors; perceived quality, value, service quality, band trust and customer satisfaction. Previous researches found the significant effect of brand trust on loyalty of customers.

From the study, outcome tells that brand trust is the most important factor on brand loyalty having the regression weight 0.510 (p<0.01).

A highly significant positive effect is found between brand trust and brand loyalty. This result illustrates that promises of the product with the customers are fulfilled in return a trust on brand creates which is beneficial for the company in making loyal customers.

Brand loyalty is a result of brand trust or promises that build the highly valued connections with consumers Morgan and Hunt 1994, Chaudhuri and Holbrook, 2001).Customer satisfaction is found to be another very important aspect that also has significant effect on brand loyalty with regression weight to be 0.132 (p, 0.015).

To make customers loyal Companies keep the needs and wants of the customers in mind to satisfy and facilitate them by their best products and services.

The study affirmatively proved by this consequence that Brand loyalty can increased by the satisfaction of customer and repeat the purchase of the same product services (LaBarbera and Mazursky, 1983). From the investigation of study Purchase intentions and decision making of the customers are affected by their satisfaction level.

Service quality, perceived quality and value have a significant positive effect on intervening variables.

These inputs can bring changes in customers positively to make them loyal or negatively by losing them. From the study of (Olsen, 2002) the customer valuations for the product quality and services either product meets the expectations.

In predicting brand loyalty the link of customer satisfaction and perceived quality is found significant from the regression result of analysis to be (β=.389) and (p<0.01). From the results we can say that perceived quality has a positive effect in loyalty of customers.

Quality wise perception created in minds that help them in creating satisfaction level to increase

which then lead the consumers to brand loyalty.

Prior studies examine the relationship between brand trust and perceived quality.

This result was also found to be consistent by Corritore et al., (2003).

Regression analysis with (β=.362) and (p<0.01) as perceive quality is the antecedent of brand loyalty it supports our study that it effects the customers loyalty and trust. Our research tells and supports in form of positive significant relationship with brand trust that leads customer to loyalty of that brand.

From the past proved studies researchers and practitioners found that there is a major effect of service quality on the loyalty of customer (Bolton and Drew 1991).

The finding of this study also affirms by Parasuraman et al (1988) that service quality has positive effect on brand trust. Our study mentions a strong role of service quality in creating a profile of loyal customers with the regression weight being (β=.304) and (p<0.01).

Quality of the service give benefits not only to customers but more to the company in make themselves a market king so better service quality provides company with great market share. Our study gives a favour in this relationship of service quality and brand trust.

Perceived value is found to be another important factor that affects the brand trust in building brand loyalty. Basically it is the Customer evaluation of product according to the price. Some scholars studied that there is positive significant relationship between perceived value and brand trust Chaudhuri and Holbrook (2001).

My result is found to be consistent with it and gives the regression weight of (β=.146) and (p<0.05). Our study conclusions support that perceived value helps a lot in the foundation of brand trust that take customer towards loyalty.

Earlier researches affirms perceived value to be significant with customer satisfaction but our study investigates and discover the insignificant relationship between perceived value and customer satisfaction by regression analysis having weight (β=.073) and (p>0.05).

Younger respondents were focused mainly in this research and they were observed to the high perceived value with relative product if mainly sample consist of adults then results could be different for this relation. This research indicates some advices for the companies to follow for the foundation of brand loyalty. Companies must have to focus on the promotion means like media and advertising etc. but have to represent the actual picture of the product and stop in avoiding of the statements on that they can't justify.

Any company in the world If want to be successful, they should have to give numerous and affective details to their customer so that they buy their services and products. By this manner companies can get complete loyalty. Lastly, this paper recommended the ways of developing brand loyalty for the companies.

CHAPTER FIVE

5.1 Summary of Finding

The aim of the study was to the effect of brand trust on brand loyalty in Abay Bank s.c. On the review of theoretical and conceptual and related literature of the study. In this research I study and investigated the effect of service quality, perceived quality, perceived value, and brand trust and customer satisfaction on brand loyalty. The service quality, perceived quality and value were determined to be input variables; brand trust and customer satisfaction were determined to be intervening variables; and brand loyalty was determined to be the output variable. In conducting this study, the required data was obtained through questionnaires and interview. To check the validity and reliability of the adopted instruments Cronbach's alpha was carried out. To determine the sample size from the total population of the study, the researcher has used kreijcie and Morgan's formula for sample size determination. Researcher has employed Stratified sampling technique to select the respondent of questionnaire from total population and purposive sample method for interview. The effect of brand trust on brand loyalty was measured using the nine variables and the response of respondents was measured using a five point likert scale ranging from very low (1) to very high (5). Basically, a total of 170 questionnaires were distributed to the sampled respondents, among these 150 were returned 20 were not returned. Thus, 170 returned questionnaires are analyzed using statistical package for social science (IBM SPSS 24). In the analysis descriptive statistics, and multiple regressions analysis was performed. All the independent variables have a low mean value. The impact of independent variables on effect of brand trust on brand loyalty was measured by multiple linear regression models. The results indicate that there is a positive (p<0.01) relationship between them.

5.2 CONCLUSIONS

H1 brand trust has a positive effect on brand loyalty with (β=.510) and (p<0.01). This represents that

brand trust contribute 51% to brand loyalty. So, this regression analysis shows that brand trust has positive impact on brand loyalty and which confirm the hypothesis

H2. brand loyalty regression results show that there is significant positive relationship between service quality and brand trust with (β=.304) and (p<0.01). This means that service quality helps more than 30% to create brand trust among customers. Our study validates the hypothesis

H3 Regression outcome tells that there is positive significant relationship between customer satisfaction and brand loyalty with (β=.132) and (p<0.05). This means that customer satisfaction helps more than 13% in building brand loyalty

H4 Regression analysis of my research shows that there is a positive and significant relationship between perceived quality and customer satisfaction with (β=.389) and (p<0.01).

This outcome tells that perceived quality contribute more than 38% in customer satisfaction

H5 The regression analysis of the study shows that there is a positive significant relationship between perceived quality and brand trust with (β=.362) and (p<0.01).

Through this result we came to know that perceived quality contribute more than 36% to create brand trust.

H6 we conclude that there is no significant relationship between perceived value and customer satisfaction

H7 the relationship between perceived value and brand trust is significant and positive with (β=.146) and (p<0.05). According to this regression analysis result we came to know that perceived value contribute more than14% in creating brand trust among customers

Today a great majority of scholars, companies and consumers have noticed the power and importance of brands. From consumers' point of view, brands have moved to the center of consumers' behavior intention. Consumers use brand to create connection between their self concepts and brand image, this connection cause brand equity and long term consumer-brand relationship (Escalas & Bettman,

2003). From the companies' point of view, brand is an efficient way for companies to distinguish their selves from competitors and enhance the marketing effectiveness (Sung & Kim, 2010). Additionally, brand related outcomes such as market share and relative prices help them to differentiate their selves from their competitors and provide them competition advantages (Keller,

1993). It means that; brands which have high market share and acceptable relative price show a tendency to high levels of repurchase intention among their consumers (Ehrenberg et al.,2003). Large stream of literature underlines the importance of brand trust and brand affect impact by creating brand loyalty (Iglesias et al.,2011). In the similar vein our results show that brand trust and brand affect play a critical role in forming brand loyalty. Both of these constructs have an impact on consumers' brand loyalty.

5.3 RECOMMENDATIONS

 This paper recommended the way of developing brand loyalty for the bank.

 Bank must have to focus on promotion like media and advertising etc.

Brand trust and brand affect conducts a certain marketing advantages such as reducing marketing cost, gaining more new consumers, providing great trade leverage, performing favorable word of mouth and resisting among competitors marketing efforts. Therefore if marketing managers want to maintain continuity of both of these constructs, they can justify promotion expenditures. Moreover they can concentrate on their communication and merchandising strategy to create long term effects on their consumers to preserve brand trust, brand affect and brand loyalty. All of these critical constructs contribute to generate profitable brand outcomes. It is essential to understand that brand trust and brand affect is generated through consumers' experiences with brand. Consumers do not form any subjective perceptions about brands before consuming them.Therefore companies should focus on creating unique experiences between their consumers and brands.

 Companies can induce consumer experience with brands through the appropriate coordination of marketing communication elements such as advertising, price, packaging, symbols, logos, slogans, store location.

For the future researchers of related studies

Future researchers, the present study used only Abay Bank Share Company in Addis Ababa branch, future studies should consider expanding their scope to include the whole banking industry in Ethiopia. Furthermore the evaluation of effect of brand trust on brand loyalty is limited to Abay Bank therefore further studies should be conducted on other banking industry in Ethiopia..

 Limitations of the Study

The study has number of challenges which obstruct its smooth progression. Among them include; financial resources, time constrains, scope limitation, sample size issues, ethical issues as well as statically. The entire program is self-sponsored by the researcher himself. This made it very difficult to broaden the scope beyond the resource limit of the researcher.

REFERENCE

(1)Amine, A. (1998) "Consumers' True Brand Loyalty: The Central Role of Commitment", Journal of Strategic Marketing, Vol.6, pp.305-319.

(2)Anderson, R.E., &Srinivasan, S.S. (2003) "E-satisfaction and e-loyalty: A contingency framework", Psychology &Marketing, Vol.20, No.2, pp.123-138.

(3)Agustin, Clara and Singh Jagdip (2005) "Curvilinear Effects of Consumer Loyalty Determinants in Relational Exchanges", Journal of Marketing Research, XIII

(4)Ballester-Delgado Elena and Aleman-Munuera Jose (2001) "Brand Trust In the Context of Consumer Loyalty", European Journal of Marketing, Vol.35, No.11/2, pp.1238-1258.

(5)Bloemer, J. M. M. and Kasper, H. D. P. (1995) "The Complex Relationship between Consumer Satisfaction and Brand Loyalty", Journal of Economic Psychology, Vol.16, pp.311-329.

(6)Brown, G. (1952) "Brand Loyalty: Fact or Fiction?", Advertising Age, Vol.23, pp.53-55.

(7)Bitner, Mary Jo (1990), "Evaluating Service Encounters; The Effects of Physical Surroundings and Employee Responses", Journal of Marketing, Vo.54, April 1990, p.69-82

(8)Bennett R, Härtel C, McColl-Kennedy JR (2005). Experience of a moderator of involvement and satisfaction on brand loyalty in a business-to-business setting 02-314R. Indus. Mar. Manage., 34: 97- 107.

(9)Bloemer, J.M. and Kasper, H.D.P. (1995), "The complex relationship between customer satisfaction and brand loyalty", Journal of Economic Psychology, Vol. 16 No. 2, pp. 311-29.

(10)Bloemer, J.M. and Ruyter, K. (1998), "On the relationship between store image, store satisfaction and store loyalty", European Journal of Marketing, Vol. 32 Nos 5/6, pp. 499-513.

(11)Bennett, R., Rundle-Thiele, S. (2005) 'The brand loyalty life cycle: Implications for marketers', Journal of Brand Management, vol.12, no.4

(12)ChaudhuriArjun,HolbrookB.Moris, (2001), "The Chain Of Effects From Brand Trust And Brand Affects To Brand Performance: The Role of Brand Loyalty", Journal of Marketing Vol.65, p.81-93 (13)Caceres Ruben ChumpitazandPaparoidamis Nicholas G., (2007), "Service Quality, Relationship Satisfaction, Trust, Commitment and Business-T-Business Loyalty", European Journal of Marketing Vol.41 No. 7/8, 2007 p.836-867

(14)Caceres, Ruben Chumpitaz and Paparoidamis, Nicholas G. (2007) "Service Quality, Relationship Satisfaction, Trust, Commitment And Business-T-Business Loyalty", European Journal of Marketing Vol.41 No.7/8, pp.836-867

 (15)Cemal, Z, Azize S, Hakan K., Mehtap Ö. (2011) "The Effects of Brand Communication and Service Quality in Building Brand Loyalty Through Brand Trust; The Empirical Research On Global Brands ", Procedia Social and Behavioral Sciences, Vol.24, pp. 1218–1231.

(16)Chang, S.-C. (2005) "The Dimensions and Measurement Items of Perceived Value on Tourism Services", Service Industry Management Review, Vol.1, No.1, pp.105-28.

 (17)Chaudhuri, A. & Holbrook, M. B. (2001) "The chain of effects from brand trust and brand affect to brand performance: The role of brand loyalty", Journal of Marketing, Vol.65, No.2, pp.81-93. (18)Caruana A (2002). Service loyalty: the effects of service quality and the mediating role of customer satisfaction. Eur. J. Mar., 36(7/8): 811-828.

 (19)Chaudhuri A, Holbrook MB (2001). The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. J. Mar., 65(2): 81-93.

 (20)Chaudhuri, A., & Holbrook, M.B. (2001). The chain of effects from brand trust and brand affect to brand performance: The role of brand loyalty Journal of Marketing, 65(2), 81-93.

 (21)Cronin, J.J., Brady, M.K.., &Hult, G.T.M. (2000). Assessing the Effects of Quality, Value and Customer Satisfaction on Consumer Behavioural Intentions in Service Environment, Journal of Retailing, 76 (2), 193

(22)Chaudhuri, A. and Holbrook, M.B. (2001), "The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty", Journal of Marketing, Vol. 65 No. 2, pp. 81-93.

(23)Dick, Alan S. and KunalBasu (1994), "Customer Loyalty: Toward an Integrated Conceptual Framework," Journal of the Academy of Marketing Science, 22 (Spring), 99-113.

(24)Day, G.S. (1969), "A two-dimensional concept of brand loyalty", Journal of Marketing Research, Vol. 9, pp. 29-36.

(25)Darsono, L.I, &Junaedi, C.M. (2006), An examination of perceived quality, satisfaction and loyaltyrelationship GadjahMada International Journal of Business, 8 (3), 323-42.

(26)Fournier Susan & Mick Glen David, (1999), Rediscoandring Satisfaction, Journal of Marketing Vol.63 (October 1999), 5-23 CemalZehir et al. / Procedia Social and Behavioral Sciences 24 (2011) 1218–1231 1229

(27)Gustafsson Anders, Johnson Michael D.,RoosInger, (2005), The Effects Of Customer Satisfaction, Relationship Commitment Dimensions, And Triggers On Customer Retention, Journal Of Marketing 69,210-218

(28)Garbarino& Johnson S.Mark, 1999, the Different Roles of Satisfaction, Trust, and Commitment in Customer Relationships, Journal of Marketing Vol.63 (April 1999), 70-87

(29) Grace, Debra and O'Cass, Aron (2005), "Examining the effects of service brand communications on brand evaluation", The Journal of Product and Brand Management. Santa Barbara: 2005. Vol. 14, Iss. 2/3; pg. 106, 11 pgs

(30)González MEA, Comesaña LR, Brea JAF (2007).Assessing tourist behavioural intentions through perceived service quality and customer satisfaction. J. Bus. Res., 60: 153-160.

(31)Gotlieb JB, Grewal D, Brown SW (1994). Consumer satisfaction and perceived quality: complementary or divergent constructs? J. App Psychol., 79(6): 875-885.

(32)Giese, J.L. and Cote, J.A. (2000), "Defining customer satisfaction", Academy of Marketing Science Review, Vol. 20 No. 1, pp. 1-27.Gommans, M., Krishnan, K.S. and Scheffold, K.B. (2001), "From brand loyalty to e-loyalty: a conceptual framework", Journal of Economic and Social Research, Vol. 3 No. 1, pp. 43-58.

(33)Getty, J. M., & Thompson, K. N., (1994).The relationship between quality, satisfaction, and recommending behavior in lodging decision. Journal of Hospitality and Leisure Marketing, 2(3), 3–22. (34)Gronroos, C., (1988). Service quality: The six criteria of good perceived service quality. Review of Business, 9(3), 10–13.

(35)Hsteh, Yi-ChingandHiangShu-Ting, (2004), A Study of The Impacts of Service Quality On Relationship Quality In Search Experince Credence Sevices, Total Quality Management, Vol.15, No.1, 43-48 (36)Hennig-ThurauThorstenand Klee Alexander, (1997), The Impact of Customer Satisfaction and Relationship Quality On Customer Retention: A Critical Reassessment and Model Deandlopment, Psyhology&MarketingVol.14(8):737-764 (December 1997)

(37) Ha Youl-Hong, Perks Helen, (2005), "Effects of Consumer Perceptions of Brand Experience On The Web: Brand Familiarity, Satisfaction and Brand Trust", Journal of Consumer Behaviour Vol. 4,6, 438-42

(38) Hess Jeff, Story John, (2005), "Trust-Based Commitment: Multidimensional Consumer-Brand Relationships", Journal of Consumer Marketing 22/6 313-322

(39)Ha H, Janda S, Park S (2009). Role of satisfaction in an integrative model of brand loyalty: evidence from China and South Korea. Int. Mar. Rev., 26(2): 198-220.

(40)Hsteh, Yi-ChingandHiangShu-Ting (2004), "A Study of The Impacts of Service Quality On Relationship Quality In Search Experience Credence Services, Total Quality Management , Vol.15, No.1, pp.43-48.

(41) Jacoby, Jacob, Chestnut, Robet W. and Fisher, William, A., (1978), "A Behavioral Process Approach to Information Acquisition in Nondurable Purchasing", Journal of Marketing Research, Vol.XV, s.532-544

(42) Jacoby, Jacob and D.B. Kyner (1973), "Brand Loyalty Versus Repeat Purchasing," Journal of Marketing Research, l0 (February), 1-9.

(43)Jacoby, J. and Chestnut, R.W. (1978), Brand Loyalty: Measurement and Management, Wiley, New York, NY.

(44)Jacoby, J. and Kyner, D.B. (1973), "Brand loyalty versus repeat purchasing", Journal of Marketing Research, Vol. 10, pp. 1-9.

(45)Jacoby, W and. Chestnut. R. (1978) Brand Loyalty: measurement and management, John Wiley and Sons, New York.

(46)Knox Simon, Walker David, (2001),"Measuring and Managing Brand Loyalty", Journal of Strategic Marketing 9 111- 128

(47) Morgan M.Robert& Hunt D. Shelby, (1994), "The Commitment-Trust Theory of Relationships Marketing", Journal of Marketing, Vol.58 (July 1994), 20-38

(48) Moorman, Christine, Deshpande, Rohit and Zaltman, Gerald, (1993), "Factors Affecting Trust In Market Research Relationships", Journal of Marketing, Vol.57, S.81-101

(49)Moorman, C., Deshapande R., & G. Zaltman (1992), Factors affecting trust in market research relationships, Journal of Marketing, 57, 1: 81-101

(50)Moorthy, S. and Zhao, H. (2000), "Advertising spending and perceived quality", Marketing Letters, Vol. 11 No. 3, pp. 221-33.

(51)Oliver, R.L. (1997), Satisfaction: A Behavioral Perspective on the Consumer, McGraw-Hill, New York, NY.

(52)Olsen SO (2002).Comparative evaluation and the relationship between quality, satisfaction, and repurchase loyalty. J. Acad. Mar. Sci., 30(3): 240-249.

(53)O'Mally, L. (1998) "Can Loyalty Schemes Really Build Loyalty?", Marketing Intelligence and Planning , Vol.16, No.1, p.49.

(54)Olsen, S.O. (2002), "Comparative evaluation and the relationship between quality, satisfaction, and repurchase loyalty", Journal of the Academy of Marketing Science, Vol. 30 No. 3, pp. 240-9.

(55)Parasuraman A., Zeithaml A. Valarie & Berry L.Leonard, (1985), "A Conceptual Model of Service Quality and Its Implications for Future Research", Journal of Marketing Vol.49 (Fall1985) 41-50

(56)Parasuraman, A., Zeithaml, Valarie Al., and Berry Leonard L., (1988), "Servqual; A Multiple-Item Scale For Measuring Consumer Perceptions of Service Quality", Journal of Retailing, Vol.64, p.12-40

(57)Parasuraman, A. and Grewal, D. (2000), "The impact of technology on the quality-value-loyalty chain: a research Agenda", Journal of the Academy of Marketing Science, Vol. 28 No. 1, pp. 168-74. (58)Parasuraman, A. and Grewal, D. (2000), "The impact of technology on the quality-value-loyalty chain: a research Agenda", Journal of the Academy of Marketing Science, Vol. 28 No. 1, pp. 168-74. (59)Patterson, P.G. &Spreng, R.A. (1997) "Modeling the relationship between perceived value, satisfaction and repurchase intentions in a business-business, services", Industry Management, Vol.8, No.5.

(60)Petrick, J. F. (2002) "Development of a Multi-Dimensional Scale for Measuring the Perceived Value of a Service", Journal of Leisure Research, Vol.34, No.2, pp.119-34.

(61)Petrick, J. F. (2004b) "First Timers' and Repeaters' Perceived Value", Journal of Travel Research , Vol.43, No.1, pp.29-38.

(62) Rizwan, M., Akbar, I., Muqtadir, A., Shafique, U., Zia, H., Naseer, W. and Amin, S. A. (2013) Impact of Brand Switching, Brand Credibility, Customer Satisfaction and Service Quality on Brand Loyalty, IOSR Journal of Business and Management, Vol. 1 (special issue), 12-20 Rizwan, M., Usman, A., Hussain, T., Shafiq, A., Rauf, S. & Ayaz, Q., (2013) The Impact of the Perceived Quality, Customer Satisfaction, Brand Trust and Contextual Factors on Brand Loyalty,

International Journal of Research in Commerce and Management, 4(3), 83-89 Ribbink, Diana, C.R.Allard Van Riel, LiljanderAndronica and Strewkens, Sandra, (2004), "Comfort Your Online Customer; Quality, Trust and Loyalty On The Internet, Managing Service Quality', Vol 14, p.446-456

(63)Sheth, Jagdish N, (1968), "A Factor Analytical Model of Brand Loyalty", Journal of Marketing Research (JMR), Nov68, Vol. 5 Issue 4, p395-404, 10p

 (64)Sheth, Jagdish N.; Park, C. Whan , (1974), "A Theory of Multidimensional Brand Loyalty.", Advances in Consumer Research, 1974, Vol. 1 Issue 1, p449-459, 11p

(65)Selnes Fred, (1993), "An Examination of the Effect of Product Performance on Brand Reputation Satisfaction and Loyalty", European Journal of Marketing Vol.27 No.9 Pp.19-35

(66)Syzmanski, D. M., &Henard, D. H. (2001), Customer Satisfaction: A Meta-Analysis of the Empirical Evidence, Journal of the Academy of Marketing Science, 29 (1), 16-35.

(67)Saleh, F., & Ryan, C. (1991).Analyzing service quality in the hospitality industry using the SERVQUAL model. The Service Industries Journal, 11(3), 324–343.

(68)Suhartanto, D. (2011), "An Examination of Brand Loyalty in the Indonesian Hotel Industry", Lincoln University Digital Thesis, Christchurch New Zealand

(69)Terblanche, N.S. and Boshoff, C., (2001), "Measuring Customer Satisfaction With The Controllable Elements of The In- Store Shopping Experience", S.Afr.Bus.Manage., 32, p.8-18

(70)TePeci, M. (1999) "Increasing brand loyalty in the hospitality industry", International Journal of Contemporary Hospitality Management , Vol.11, No.5, pp.223-229.

(71)Tellis, G.J. (1988), "Advertising exposure, loyalty, and brand purchase: a two-stage model of choice", Journal of Marketing Research, Vol. 25 No. 2, pp. 134-44.

(72)Wheatley, J.J. and Chiu, J.S. (1977), "The effects of price, store image, and product and respondent characteristics on perceptions of quality", Journal of Marketing Research, Vol. 14, May, pp. 181-6.

(73)Wilkins, H., Merrilees, B., & Herington, C. (2007).Towards an understanding of total service quality in hotels. Hospitality Management, 26(4), 840-853.

 (74) Yi Youjae and Suna La, (2004), "What Influences the Relationship Between Customer Satisfaction and Repurchase Intention? Investigating the Effects of Adjusted Expectations and Customer Loyalty", Psychology & Marketing Vol. 21(5): p.351- 373 (May 2004).

(75) Yang Zhilin, Peterson T. Robin, (2004), "Customer Perceived Value, Satisfaction, and Loyalty: The Role of Switching Costs", Psychology& Marketing Vol.21 (10): p. 799-822 (October 2004) (76)Zeithaml, Valarie A.; Berry, Leonard L. and Parasuraman A., (1996), "The Behavioral Consequences of Service Quality", Journal of Marketing, Vol.60, p.31-46.

(77)Zeithaml, V.A. (1988), perceptions of price, quality, and value: A meansend model and synthesis of evidence, Journal of Marketing, 52 (July), 2-22

(79)Zeithaml, V. A., Berry, L. L. &Parasuraman, A. (1996) "The behavioral consequences of service quality. Journal of Marketing , Vol.60, No.4, pp.31-46.

(80)Zeithaml, V.A. (1988) "Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence", Journal of Marketing, Vol.52, No.3, pp.2-22.

 (81)Zeithaml, V., Berry, L.L. and Parasuraman, A. (1996), "The behavioral consequences of service quality", Journal of Marketing, Vol. 60, April, pp. 31-46.

(82)Zeithaml, V.A. (1988). Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence. Journal of Marketing, 52, 2-22, July.

.

Appendix

Questionnaire

St'marry's University Graduate program Department of marketing

The following questionnaire forms part of a study being undertaken on the Effect of brand trust and customer satisfaction on brand loyalty in Abay Bank s.c. This is purely an academic exercise and your anonymity is guaranteed.

In this research, success is related to those key factors that will help the brand loyality. Thus the researcher would like to invite you who are in a position to provide valuable information which will help the researcher to achieve the desired fulfillment of the research in progress. Thus, the return of the survey form will constitute your consent to participate in the study.

Thank you in the anticipation of your involvement

Sincerely

Nigussie Alemu

Tel: +251-989737099

Email: nigussiealemu@gmail.com

Questionnaire and Scales

There are two major purposes of the survey instrument: first to investigate the relationship of different variables in foundation of brand loyalty and secondary, to gather the information about the respondents of different characteristics that can be used to understand the variations in different classes.

They are variables that are under study. These variables include perceived value, brand loyalty, brand trust, customer satisfaction, perceived quality and service quality.

The setting of the variables were according to the five point Likert scale (1= strongly agree, 2= agree; 3= neutral, 4= disagree; 5=strongly disagree)

No	variables	items	1	2	3	4	5
1	Perceived value	1. The service itself is worthy.					
		2. This bank has reasonably interest.					
		3. This bank offers value for the money					
		4. This bank is a good service for the price					
2	Brand Loyalty	1. This bank would be my first choice					
		2. I consider myself to be loyal to this bank					
		3. I will not buy other service bank If the same service is available.					
		4. I recommend this bank to someone who seeks my advice					
		5. I get good value for my money.					
		6. I say positive things about this Bank to other people.					
3	Brand Trust	1. I trust on this bank.					
		2. I rely on this bank					
		3. This is an honest bank					
		4. This bank meets my expectations					
		5. This bank is safe.					
4	Perceived quality	1. This bank is of high quality.					
		2. It is likely that the bank is very high quality					
		3. It is likely that bank is of very Consistent quality.					
		4. It is likely that the bank offer excellent features.					

5	Customer satisfaction	1. Overall I am satisfied with specific experience with the bank					
		2.I am satisfied with my decision to purchase service from this bank					
6	Service quality	1.Thisbank provides superior service					
		2.This bank offers excellent service					
		3.I have always excellent experience when I use this bank					
		4.I feel good about what this bank offers to its customers					
		5.This bank has fair system for the handling of complaints					