Cardiff Metropolitan University

Cardiff School of Management – PhD. Programme

THE IMPACT OF MARKETING COMMUNICATION TOOLS ON BUILDING BRAND EQUITY IN THE EGYPTIAN BANKING SECTOR: A CUSTOMER PERSPECTIVE

Thesis Submitted in Fulfillment of the Requirements for the Degree of Doctor of Philosophy - 2015

Supervised By:

Dr. Andrew Thomas

Dr. Peter Redding

Dr. Passent Tantawi

Submitted By: Heba Hassan Sadek

DECLARATION

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

Signed: Heba Hassan Sadek (Candidate)

Date: 23/7/2015

STATEMENT 1

This thesis is the result of my own investigations, except where otherwise stated. Where correction services have been used, the extent and nature of the correction is clearly marked in a footnote(s).

Other sources are acknowledged by footnotes giving explicit references. A bibliography is appended.

Signed: Heba Hassan Sadek (Candidate)

Date: 23/7/2015

STATEMENT 2

I hereby give consent for my thesis, if accepted, to be available for photocopying and for inter-library loan, and for the title and summary to be made available to outside organisations.

Signed: Heba Hassan Sadek (Candidate)

Date: 23/7/2015

STATEMENT 3

I hereby give consent for my thesis, if accepted, to be available for photocopying and for inter-library loans **after expiry of a bar on access approved by Cardiff Metropolitan.**

Signed: Heba Hassan Sadek (Candidate)

Date: 23/7/2015

To my Mother,
To my Father,
To my baby Joudy

Acknowledgement

I would like to express my appreciation to my supervisors for all their useful remarks, time and effort during my thesis development. I am more than grateful to professor Doctor Eleri Jones for her great effort and dedication through out my thesis progress. I also like to thank all bankers and all participants who helped me develop this thesis. I do wish to express my deepest respect and appreciation to my mother and especially my father for helping me through all the phases of my thesis with a desire to accomplish my work successfully.

ABSTRACT

In today's competitive business environment, banks operate in a severe rivalry due to various factors, including globalisation, fast technological developments and homogeneous nature of banks services. For this reason, building valuable brands is crucial in differentiating banks and adding value to the banking services. The research problem that emerged was: investigating the major bank marketing communication tools to examine their impact on building bank brand equity. The researcher went about in achieving this purpose by: identifying the major marketing communication tools used by banks that help build bank brand equity via the customer-based brand equity (CBBE) dimensions from customers' perspective; and testing and analysing the hypotheses in order to develop the final research model. In order for this purpose to be attained, two research questions were answered: what are the major bank marketing communication tools that help build bank brand equity? Which hypotheses regarding the impact of the major bank marketing communication tools on building bank brand equity via the CBBE dimensions are supported in this study?

This research was carried out in the Egyptian banking sector from the customer perspective. Mixed-method research was used. The first phase was the qualitative research approach, which consists of conducting and analysing semi-structured interviews. These interviews were carried out with fifteen bank customers based on judgmental sampling technique. The purpose of these interviews were to identify the major bank marketing communication tools that help build bank brand equity via the CBBE dimensions; to help develop a proposed conceptual framework; to help develop the research hypotheses; and to help develop the intended questionnaire survey. According to the findings, advertising, personal selling and direct marketing were the most popular marketing communication tools in the Egyptian society for banks.

Once the needed insights were emerged, the second phase, the quantitative phase, was conducted. The researcher distributed and collected large-scale questionnaire survey. These questionnaires were carried out with 465 bank customers based on a quota sampling technique. These questionnaires were then analysed by using Structural Equation Modelling (SEM) to test and analyse the research hypotheses; and to help develop the final research model. Findings showed that the major bank marketing communication tools consist of personal selling, direct marketing and advertising respectively according to their importance on building bank brand equity. Given the fact that all CBBE dimensions are interrelated, not all of them directly impact bank brand equity. Only brand loyalty and brand perceived quality were found to have a significant positive direct effect on bank brand equity. When conducting this study, the researcher faced several limitations. The data were collected only in Cairo and Alexandria; only the major controllable marketing communication tools were assessed, and non-probability sampling was used.

Keywords: brand equity, overall brand equity, CBBE dimensions, marketing communication tools, banking sector, customer perspective.

TABLE OF CONTENTS

List of tables

List of figures

List of abbreviations

1- Gross domestic product	GDP
2- Information technology	IT
3- Customer-based brand equity	CBBE
4- Customer relationship management	CRM
5- Integrated marketing communications	IMC
6- Structural Equation Modeling	SEM
7- National Bank of Egypt	NBE
8- Commercial International Bank	CIB
9- Qatar National Bank	QNB
10-Hong Kong and Shanghai Banking Corporation	HSBC
11-Arab African International Bank	AAIB
12- Average Variance Extracted	AVE
13- The Goodness of Fit Index	GFI
14- Adjusted Goodness of Fit Index	AGFI
15- Root Mean Square Error of Approximation	RMSEA
16- Standard error	SE
17- Critical ratio	CR
18- The Square Multiple Correlation	R2
19- Brand awareness	A
20- Brand perceived quality	Q
21- Brand associations	ASS
22- Brand loyalty	L
23- Brand Trust	T
24- Overall brand equity	OVB

CHAPTER 1
INTRODUCTION

This chapter presents the background of the research, its purpose, and problem. It also highlights the researcher's choice of topic. Moreover, it identifies the research academic and practical importance, aim, objectives and questions; and finally it presents an overview of the thesis structure.

1.1 Research background

In today's marketplace, the size of the service sector is increasing all over the world, in both developed and emerging countries (Lovelock and Wirtz, 2010). This sector constitutes 40% of gross domestic product (GDP) in some emerging countries to more than 70% in some developed countries (Ghoneim, 2007). In Egypt, the service sector is the largest and fastest-growing economic sector and accounts for almost 51% of GDP (Encyclopedia of the Nations, 2012). The banking sector constitutes one of the main sources of service sector revenue in Egypt (Encyclopedia of the Nations, 2012). Therefore, financial stability is important, as this sector is responsible for the savings of communities (Rootman *et al.,* 2008; Ennew and Waite, 2013). Furthermore, the banking sector in Egypt represents a cornerstone of Egypt's financial architecture and plays a crucial role in overall economic development and growth (American Chamber of Commerce Egypt, 2008).

Over the recent years, the Egyptian banking sector has witnessed important changes, such as: privatisation, bank mergers and acquisitions (the largest number of mergers and acquisitions took place between 2004 and 2007). Thus, these changes provide a golden opportunity for the entry of more foreign banks that have perceived Egypt as a lucrative market (American Chamber of Commerce Egypt, 2008). The appearance of new leading partners (for example from bank mergers) and the globalisation of international markets are both the result of technological developments and the loosening of administrative and monetary interventions that have led to the severe market competition and the risk of declining market shares for each banking institution (Kokkomelis, 1995). This competitive and global banking era has encouraged institutions to focus on branding strategies (Lambkin and Muzellec, 2008).

Branding allows institutions to compete on features other than price alone (Aaker, 1991). Branding is crucial when taking the service marketing into consideration, particularly in financial services where customers find it hard to differentiate between banking services (Knisely, 1979; Berry *et al.,* 1988; Dobree and Page, 1990; Peklo, 1995; Berry, 2000), since banks provide more or less identical services for almost the same price. Additionally, banks lack their significant technological edge, since hardware and software programmes have generally been acquired from external vendors or outsourced (Moutinho *et al.,* 1997; Wright, 2002; Quelch, 2003). This is a particularly important challenge in the context of banking, in which quality standards and overhead costs are converging between banks, due to similar bank services and information technology (IT) solutions (Durkin and Howcroft, 2003).

Furthermore, service offerings are often associated with higher perceived risk than manufactured goods (Murray and Schlacter, 1990; Mitchell and Greatorex, 1993). This is mainly due to the unique features of services like perishability, inseparability, intangibility and heterogeneity (Kapferer, 2004). Thus, the potentially high risk associated with banking services highlights the brand's role in reassuring the customers by acting as a risk-reducing tool (De Chernatony and Dall'Olmo Riley, 1999; De

Chernatony and Cottam, 2006). The bank brand is considered to be a strategic tool that banks can practice to attract new customers, develop and maintain strong relationships to attain sustainable competitive advantage (De Chernatony and McDonald, 2003; Devlin, 2004; De Chernatony and Cottam, 2006). Hence, building, enhancing and maintaining brands is of high importance in order to achieve a sustainable competitive advantage in the marketplace and to stand high in the crowd (Kim *et al.,* 2003).

Thus, the emergence of brand equity has risen in importance for both academics and practitioners (Keller, 2003). Brand equity has been defined in different ways and for different purposes, yet till now no common agreement has emerged (Vazquez *et al.,* 2002; Keller, 2003). For example, from the financial perspective, brand equity has been defined as the incremental cash flows, which accrue to branded products over unbranded products (Simon and Sullivan, 1993); and as the total value of a brand, which is a separable asset when sold or included in a balance sheet (Feldwick, 1996). Additionally, from the marketing perspective, brand equity has been defined as customer-based brand equity (CBBE). This perspective has many definitions relying on different CBBE dimensions (e.g., Aaker, 1991; Keller, 1993; Lasser *et al.,* 1995; Netemeyer *et al.,* 2004).

In this research, the brand equity is perceived based on the marketing perspective but as a separate construct. It is defined as the value added to a product (goods or services) virtue by its brand name (Farquhar *et al.,* 1991). Setting a separate brand equity construct (separate from its dimensions) will help to recognise the contribution and the importance of each CBBE dimension in the overall brand equity assessment (Yoo *et al.,* 2000).

Understanding the dimensions of CBBE, then investing to grow these dimensions will lead to brand equity (Yoo *et al.,* 2000; Yacout and Elsahn, 2011). Over the years, a range of CBBE dimensions that can be linked to a brand have been identified. However, the common dimensions in all models are the use of one or more dimensions of the Aaker model (1991). Since then, various researchers have adopted and selected various dimensions to be used in their studies, such as: Motameni and Shahrokhi (1998), Yoo *et al.* (2000), Yoo and Donthu (2001), Kim *et al.* (2003), Lambkin and Muzellec (2008), Ohnemus (2009), Pinar *et al*. (2012), and Phan and Ghantous (2013). In particular, the widespread dimensions based on Aaker model (1991) include brand awareness, brand perceived quality, brand associations, and brand loyalty.

The present study examines the effect of these dimensions on overall brand equity as a separate construct. In addition, brand trust will be added due to the high-perceived risk associated with banking services. Brand trust is a part of customers' relationship with the brand. It has been conceptualised as a dimension of CBBE, affecting overall brand equity (Blackston, 1992; Lassar *et al.,* 1995; Chaudhuri and Holbrook, 2001; Rios and Riquelme, 2008; Atilgan *et al.,* 2009; Burmann *et al.,* 2009; Rauyruen *et al.,* 2009).

There are many antecedents of the CBBE dimensions. For example, any marketing mix elements could contribute to the creation of CBBE dimensions (Yoo *et al.,* 2000; Buil *et al.,* 2013). In this research, the use of the promotional mix (one of the marketing mix elements) is examined. The promotional mix represents the marketing communication tools, which present brands and organisations to their audiences in order to achieve success in business (Fill, 2002). These tools have a fast and direct impact on the target market (Herrera *et al.,* 2002). Thus, the use of a variety of marketing communication tools plays a crucial role to organisations. Hence, the selection of these tools is a critical decision, since the customer's behaviour is clearly determined by them (Herrera *et al.,* 2002). Therefore, this study identifies the major bank marketing communication tools perceived by customers and assesses their impact on the CBBE dimensions. Then, it assesses the impact of these dimensions on overall brand equity in the Egyptian banking sector.

1.2 Research purpose

The purpose of this research is to examine the impact of the major bank marketing communication tools identified by customers on the CBBE dimensions to assess the impacts of these dimensions on overall brand equity (as a separate construct) from a customer's perspective in the Egyptian banking sector. Thus, improved and better decision-making related to the usage of the marketing communication tools can be recognised and practiced to stand high in the crowd with high bank brand equity.

1.3 Research problem

Currently in the market, customers find it hard to distinguish between banks (Rambocas *et al.,* 2014). Therefore, building brands is vital in differentiating banks and adding value to the banking services (Harris, 2002). However, the branding of banks found in the literature is comparatively weak and lacks true brand equity based on the customer perspective (Devlin and Azhar, 2004; Phan and Ghantous, 2013). Thus, this study focuses on the banking sector when investing brand equity.

Brand equity can be created by strengthening on the CBBE dimensions. The CBBE dimensions act as sources of brand equity (Yoo *et al.,* 2000; Yacout and Elsahn, 2011). However, few studies separate the brand equity from its dimensions (e.g., Yoo *et al.,* 2000; Rajh and Dosen, 2009; Yacout and Elsahn, 2011; Chahal and Bala, 2012), and even those who separate the brand equity from its dimensions did not take into consideration five CBBE dimensions, they considered two or maximum three dimensions. Thus, this study separates the brand equity from its dimensions to know the contribution and the importance of each CBBE dimension in the overall brand equity assessment. Besides, the researcher considers five CBBE dimensions due to their importance in building bank brand equity.

With the help of the marketing communication tools, brand equity can be achieved through strengthening on the CBBE dimensions (Buil *et al.,* 2013). Scholars have highlighted the need to further examine the impact of the marketing communication tools due to their great importance on building brand equity (Netemeyer *et al.,* 2004; Chu and Keh, 2006; Buil *et al.,* 2013; Davcik *et al.,* 2015). For this reason, the researcher focuses on the marketing communication tools. As a result, the research problem can be expressed as follows: investigate the major bank marketing communication tools as perceived by customers on building bank brand equity via five CBBE dimensions.

1.4 Researcher's choice of topic

The researcher developed a great interest in the banking field after graduating from college. After graduation (2006), the researcher worked for one year at Barclays Bank as a customer advisor. The researcher enjoyed this experience because of dealing face-to-face with the bank customers to provide them with the best services appropriate to their needs; to solve their problems; and to give them an immediate response.

The researcher's great interest in the banking field has led the researcher to read in depth in the area of the banking sector. According to the researcher's readings, it has been found that banks are perceived to be similar since they provide identical services with no major differences (Cohen *et al.,* 2007), particularly, in the Egyptian banking sector, where there is a severe market competition (Elsharnouby and Parsons, 2010). Additionally, banks lack their significant technological edge since hardware and software programmes have generally been acquired from external vendors or outsourced (Moutinho *et al.,* 1997; Wright, 2002; Quelch, 2003; Pinar *et al.,* 2012).

The researcher wanted to share the insights developed and teach others about the banking field based on the marketing perspective. Thus, later in 2007, the researcher decided to enter the academic career and work at the Arab Academy for Science, Technology and Maritime Transport as an assistant lecturer. Further, interest was developed towards the field. The researcher started the Master thesis in the banking sector, which was titled "investigating the customer relationship management (CRM) components and their effect on customer loyalty in the Egyptian banking sector." The researcher prepared three papers related to the CRM and the Egyptian banking sector and participated in three different conferences, one in Greece (May 2011), one in Turkey (September 2011) and the last one in London (November 2011). In the London conference, the researcher received the award for the best paper's presentation (see appendix A).

According to the researcher's studies, papers and readings, the major element that can differentiate one bank from another is building brand equity. The marketing communication tools as one of the marketing mix elements have a crucial role on building brand equity (Kotler and Keller, 2012; Davcick *et al*., 2015). For this reason, the researcher focuses on the brand equity and the marketing communication tools in the PhD. due to their great importance in distinguishing between facilities particularly in financial services organisations where customers find it hard to differentiate between banking services (Dobree and Page, 1990; Peklo, 1995; Berry, 2000; Howcroft and Durkin, 2003; Rambocas *et al.,* 2014).

The researcher focuses on the customer perspective instead of any other perspectives because the significance of a brand is originated in the marketplace based on customers' perspective. For a brand to have value, customers must value it (Keller, 2003; Broyles *et al.,* 2009). The power of a brand depends on what customers have learned, felt, seen and heard about the brand based on their experiences over time and what other people tell them (Keller, 2003). If the brand is not significant for the customer, none of the other perspectives (such as managers' perspective) is significant (Keller, 1993; Cobb-Walgren *et al.,* 1995; Rio *et al.,* 2001a). The benefits of the customer perspective rely on its usefulness in helping managers to evaluate the outcomes of their efforts by receiving feedback from customers; and to identify any problem that can appear in the service delivery process (Ambler *et al.,* 2002; Leone *et al.,* 2006; Sinha *et al.,* 2008; Kartono and Rao, 2009 a).

During the PhD. process, the researcher prepared a paper from the thesis, which was titled "investigating the major marketing communication tools and their impact on building bank brand equity in the Egyptian context: a customer perspective." This paper was presented in Cambridge conference organised by the academy of business and retail management in UK (June, 2014) (see appendix B) and the paper has been selected as one of the best papers to be published in the journal of business and retail management research, volume 10, issue 1, end of October 2015.

1.5 Research importance

Brand equity is regarded as a vital concept which has interested both academics and practitioners for more than a decade primarily due to the importance of building, improving and maintaining brands in today's marketplace in order to obtain a sustainable competitive advantage (Erdem *et al.,* 1999; Keller and Lehmann, 2006; Brunello, 2014). Hence, the research is of academic and practical importance.

1.5.1 Academic importance

This research is academically important according to previous studies and literature. Firstly, a review of literature shows that the developed branding models pay little attention to the branding of services, despite the increasing role of services (Brodie *et al.,* 2002; O'Cass and Grace, 2004; Brady *et al.,* 2005; Wilson *et al.,* 2012), while the brand equity related to tangible goods has received great care (Krishnan and Hartline, 2001). Furthermore, in the literature of services' marketing, few authors have recommended new approaches to build a brand in the service sector (Cobb-Walgren *et al.,* 1995; Muller, 1998; De Chernatony and Dall'Olmo Riley, 1999; Berry, 2000; De Chernatony, 2002). Thus, this research helps to understand the nature of service brand equity, CBBE dimensions and their importance that holds meaning to customers.

Secondly, few studies have addressed branding issues and challenges faced by financial services organisations (e.g., Lambkin and Muzellec, 2008; Ohnemus, 2009; Yacout and Elsahn, 2011; Pinar *et al.,* 2012; Phan and Ghantous, 2013). Additionally, it has been indicated that the branding of financial services is relatively weak and lacks true CBBE (Devlin and Azhar, 2004; Phan and Ghantous, 2013). Therefore, this research represents the first attempt to examine bank brand equity in the Egyptian market based on the major bank marketing communication tools perceived by customers.

Thirdly, marketing mix elements are key variables in building brand equity (e.g., Yoo *et al.,* 2000). However, few studies have examined the impact of selected marketing mix elements on building brand equity (e.g., Yoo *et al.,* 2000; Rajh and Dosen, 2009). Therefore, this research focuses on one of the most important marketing mix elements compared to other elements, which is the promotional mix. The promotional mix is a combination of the marketing communication tools that help reach targeted customers and persuade them to buy (Kotler and Keller, 2012). Despite its importance, the individual contributions of the marketing communication tools to brand equity remain unclear and scholars have highlighted the need to further examine the impact of these tools on brand equity (Netemeyer *et al.,* 2004; Chu and Keh, 2006; Davcik *et al.,* 2015). Therefore, this study helps develop a model that fills the previously discussed gaps by examining the impact of the major bank marketing communication tools, identified by customers, on building bank brand equity in the Egyptian banking sector through five CBBE dimensions.

1.5.2 Practical importance

This research helps banks to recognise the importance of building and managing brand equity (Rajh and Dosen, 2009). For service marketers, brand equity should be managed as an asset due to its great importance (Keller, 2001; Keller, 2003). Brand equity represents a central priority in order to achieve a sustainable competitive advantage (Baldauf *et al*., 2009; Valette-Florence *et al*., 2011). Thus, this research supports banks in identifying the major bank marketing communication tools that help build bank brand equity. This study provides valuable insights about how each of the major bank marketing communication tools as one of the marketing mix elements can be controlled to build bank brand equity through five CBBE dimensions. Thus, marketing managers will be able to promote brand-building activities, and to evaluate marketing strategies and programmes effectively (Atilgan *et al.,* 2005).

Additionally, this research supports marketing managers in considering the relative importance of each CBBE dimension in their overall brand equity assessments. Subsequently, this customer-based research is useful in helping managers to evaluate the outcomes of their efforts by receiving feedback from customers, and to identify any problems that may appear during the service delivery process (Ambler *et al.,* 2002).

1.6 Research aim and objectives

The Egyptian banking sector has witnessed considerable amount of entry of foreign banks (American Chamber of Commerce Egypt, 2008). This crowded and competitive banking era has encouraged institutions to focus on branding strategies (Lambkin and Muzellec, 2008). Branding is crucial when taking the financial service into consideration (Rambocas *et al.,* 2014). Therefore, this study decides to examine the research problem, which is: investigating the impact of the major bank marketing communication tools identified by customers on building bank brand equity in the Egyptian banking sector through five CBBE dimensions. This research problem reflects the main aim of the research, which is divided in two main objectives as follows:

1. Identify the major marketing communication tools used by banks that help build bank brand equity through five CBBE dimensions from customers' perspective and develop a series of hypotheses.
2. Test and analyse the hypotheses in order to develop the final research model.

1.7 Research questions

In order to achieve the two main research objectives, two main research questions are needed to be answered. These questions are:

1. What are the major bank marketing communication tools as perceived by customers that are beneficial on building bank brand equity through five CBBE dimensions?
2. Which hypotheses regarding the impact of the major bank marketing communication tools on building bank brand equity through five CBBE dimensions are supported in this study?

1.8 Structure of the thesis

This first chapter has presented the introduction to this research. It will be followed by the following chapters:

Chapter two: Literature review

This chapter consists of two main parts. The first part provides an overview of branding and its benefits. In addition, it focuses on branding services, branding banks particularly in the Egyptian banking sector. Furthermore, it presents the development of brand equity concept, mainly the customer-based brand equity (CBBE), its dimensions and the overall brand equity as a separate construct. The second part presents the marketing communication tools and pinpoints their benefits. Additionally, it focuses on the impact of the marketing communication tools on building brand equity and highlights the importance of the integrated marketing communications (IMC).

Chapter three: Research methodology

This chapter provides an explanation of the research philosophy, design methods, data collection and analysis techniques, population and sampling procedures. Moreover, it focuses on the first phase of this study, which is the qualitative phase that includes the semi-structured interviews' topics and procedures. Then, it focuses on the second phase, which is the quantitative phase that comprises the measurement scales, the research variables, and the research hypotheses.

Chapter four: Qualitative findings

This chapter presents the qualitative phase of the research. It includes the qualitative analysis, which consists of the descriptive and the detailed analysis of the semi-structured interviews.

Chapter five: Quantitative findings

This chapter presents the quantitative findings of the research. It discusses the research quantitative findings in two parts. The first part includes descriptive statistics and tests of validity and reliability. As for the second part, the model fit Indices and the hypotheses testing are presented by using Structural Equation Modelling (SEM).

Chapter six: Discussion

This chapter provides an overview of the study. Additionally, it discusses the findings of the qualitative and quantitative sections in comparison with that of the previous studies. Moreover, it highlights the research implications and proposes several recommendations for banks.

Chapter seven: Conclusion

This chapter provides the contribution of the present study to both literature and practice. In addition, it outlines the research limitations and suggests different directions for future research and finally presents a conclusion. To summarise, the following table (1-1) presents briefly the main purpose of each chapter.

Table (1-1): The main purpose of each chapter

Chapter two	Critically review relevant literature on overall brand equity, CBBE dimensions and marketing communication tools and synthesis a conceptual framework to provide an understanding.
Chapter three	Develop an appropriate research methodology for data collection and analysis.
Chapter four	Identify the major marketing communication tools used by banks that help build bank brand equity through five CBBE dimensions from customers' perspective and develop a series of hypotheses.
Chapter five	Test and analyse the hypotheses in order to develop the final research model.
Chapter six	Discuss the findings in light of the literature.
Chapter seven	Conclude and suggest different directions for future research.

CHAPTER 2
LITERATURE REVIEW

This chapter consists of two main parts. The first part provides an overview of branding and its benefits. In addition, it focuses on branding services, branding banks particularly in the Egyptian banking sector. Furthermore, it presents the development of brand equity concept, mainly the customer-based brand equity (CBBE), its dimensions and the overall brand equity as a separate construct. The second part presents the marketing communication tools and pinpoints their benefits. Additionally, it focuses on the impact of the marketing communication tools on building brand equity and highlights the importance of the integrated marketing communications (IMC).

Part one: Branding

2.1 Scope of branding

Branding is an extremely old concept that has been around for centuries. It was first discovered in Europe during the medieval years (Moore and Reid, 2008). During this period, the medieval guilds' request that crafts people and any producers of merchandises put trademarks on their products to protect themselves and their customers against inferior quality (Moore and Reid, 2008; Hakala *et al.,* 2012). Likewise, during the fine arts era, branding began with artists signing their works (Kotler and Keller, 2012). This concept has been known as being a method to distinguish the goods or services of one producer from those of another (Rooney, 1995; Chen, 2008). The purpose of branding is providing goods or services with the power of a brand. It is all about creating differences between goods or services (Aaker, 1991; Davcik and Sharma, 2015).

Although the branding concept is very old, there is confusion and misperception about this concept (Schultz, 2003; Blumenthal, 2004). There is misunderstanding between simple names and true brands (Blumenthal, 2004). True brands have a set of values that describe the brand and are different from the other products that have simple names (Devlin and Azhar, 2004). True brands present clues to the customers to differentiate the products (goods or services) during the decision-making process (Chen, 2008; Chung *et al.,* 2013). A successful brand is mirrored in all its dealings with the customer, providing various values (De Chernatony and Cottam, 2006; Davcik *et al.,* 2015).

For brand values to be developed and branding strategies to be effective, the organisation must convince customers that there are meaningful differences among brands (Aaker, 1991; Brunello, 2014). Brand differences are related to attributes or benefits of the product itself (rational) or related to non-product related means (hedonic) (Farquhar, 1989; Aaker, 1991; Davcik *et al.,* 2015). Thus, brand values could be developed through the use of a mixture of messages (hedonic and rational), demanding a significant contribution from marketing communication tools to deliver the message to the customer and to reflect the brand benefits (Yoo *et al.*, 2000; Davcik and Sharma, 2015). Consequently, effective branding strategies lead to the development of appreciated brands (Yoo *et al.,* 2000).

According to the American Marketing Association, a brand is defined as *"a name, term, sign, symbol, or design or a combination of them intended to identify the goods or services of one seller or group of sellers and differentiate them from those of competitors."* This definition is based on the usage of brand names, signs and symbols to distinguish a good or a service from its rivals. Brand names can provide information about content, taste, durability, quality, price and performance, without allowing customers to conduct time-consuming comparisons with similar offerings or approaches (Fill, 2002; Keller, 2010). However, this definition does not reflect the complexity of contemporary branding (Lury, 2001). To explain this, it is very important to review in details the differences between a product and a brand. A product is everything that can be presented to a market for purchase, use or consumption that could satisfy a need or want. Products can take many forms, such as physical goods, services, experiences, events, persons, places, properties, organisations, information and ideas (Kotler and Armstrong, 2012). A product has a functional purpose (Jones and Slater, 2003).

On the other hand, a brand consists of two main types of attributes: intrinsic and extrinsic. Intrinsic attributes indicate the functional characteristics of the product (such as its shape, performance and physical capacity) (De Chernatony and McDonald, 2003). Extrinsic attributes pinpoint the exterior elements (such as brand name and packaging) that enable customers to form associations that give meaning to the brand (De Chernatony and McDonald, 2003; Keller, 2010). Buyers often use the extrinsic attributes to help them distinguish one brand from another (Keller, 2010). This classification is very helpful in certain categories in which it is difficult for customers to make decisions based on the intrinsic attributes alone (Doyle, 2002).

Thus, a brand should be more than its physical components and should provide additional attributes for the purchaser or user (Davcik *et al.,* 2015). These additional attributes may be intangible with high importance to the customer. It is these additional attributes, or added values, that distinguish a brand from a product (Doyle, 2002; De Chernatony and McDonald, 2003; Jones and Slater, 2003; Rambocas *et al.,* 2014). Added values play a crucial role in the purchase decision of many customers, as brands are bought for emotional motives as well as purely functional motives (Doyle, 2002). These added values come from many aspects, for example from brand experience, such as familiarity, consistency and reduction of risks; others come from the people that use the brand, related to associations customers have with the brand; others that come from a belief that the brand is effective; and others from the appearance of the brand (Jones and Slater, 2003).

Many researchers have sought to integrate the added value concept into their brand definitions. For example, De Chernatony and McDonald (2003) developed the following definition: an identifiable good, service, person or place that the buyer or user perceives relevant with unique added values that match their needs most closely. Based on Doyle (2002), De Chernatony and McDonald (2003), and Jones and Slater (2003) the success of the brand results from being able to maintain these added values in the face of competition. As a result, these researchers mentioned that each organisation should enhance their products with values and associations that are important and meaningful mainly to customers. Particularly, in today's market place where customers are concerned more with values in their consumption of services due to the alternative choices (Cohen *et al.,* 2007).

Hence, branding allows customers to recognise goods or services by giving a name, other brand elements, and added values to identify them. It creates mental structures that help customers organise their knowledge about goods or services in a way that clarifies their decision-making and provides value to the firm (Yoo *et al.,* 2000; Fill, 2002). Reducing the amount of decision-making time is one of the branding benefits (Fill, 2002; Chung *et al.,* 2013).

2.2 Benefits of branding

Building brands are critical in the marketplace. A successful brand creates and sustains a strong, positive and lasting impression in the mind of a buyer (Brunello, 2014). Brands identify the source of the good or the service. This allows customers to assign responsibility for its performance to a particular manufacturer (Krishnan and Hartline, 2001). A successful brand also allows the customers to evaluate the identical product differently depending on how it is branded because brand acts as an indicator of a certain level of quality (Tong and Hawley, 2009).

In general, customers learn about brands through their past experiences with the brand and its marketing programmes (Ramos and Franco, 2005; Davcik *et al.,* 2015). Nowadays, people's lives are complex, dynamic, and filled with choices. Therefore, the ability of a brand to simplify decision-making and reduce risk is valuable (Surri and Monroe, 2003; Cohen *et al.,* 2007).

Brands not only provide benefits to the customers but also provide valuable functions and offer a lot of added values for firms, such as protecting the brand name through registered trademarks; generating customer loyalty to the brand; having less vulnerability to the marketing actions of competitors; increasing effectiveness of marketing communication activity; achieving greater profit margins than competitors; creating licensing opportunities; and additional brand extension opportunities (Keller, 2001; Keller, 2002; Allaway *et al.,* 2011). Hence, brands today improve customer lives and enhance the financial values of firms (kim and Kim, 2004). These benefits assure that the firm can safely invest in the brand and gain benefits (Kotler and Keller, 2012). In the market, competitors can imitate and duplicate the manufacturing processes and product designs.

However, they cannot easily match permanent impressions left in the minds of individuals and organisations by years of experience and marketing activities (Davcik and Sharma, 2015). In more details and according to Fill (2002) there are three broad aspects of branding, which enable the achievement of these benefits and advantages. These aspects are differentiation, added value and integration. The first broad aspect of branding is differentiation. This concept indicates that brands provide the means for product to be seen differently from a competitor's product (Aaker, 1991; Chung *et al.,* 2013). Branding helps the separation and positioning of various products. It allows customers to recognise and understand what a brand stands for (Davcik and Sharma, 2015).

The second broad aspect of branding is added value. This factor refers to brands providing various perceived benefits and advantages to the customers (Keller, 2010). These positive aspects might be in the form of rational based or emotionally based advantages derived through the extra aspects of the products (Doyle, 2002). The final aspect of branding is integration. This concept refers to the essence of integrated marketing communications (IMC). This means that all the tools used to support a brand and the messages must be consistent, uniform and reinforcing (Brunello, 2013).

Successful branding is partially the result of effective marketing efforts (Yoo *et al.,* 2000; Ramos and Franco, 2005; Brunello, 2013). Branding in the service sector is more challenging than branding physical goods (Phan and Ghantous, 2013). The role of branding is very crucial in the service sector due to the unique features of services and the dominance of experience (Kapferer, 2004; Mourad *et al.,* 2011; Valos *et al.,* 2016).

2.3 Branding services

Branding plays an important role in service organisations because strong brands increase customers' trust of the invisible; helping them to better visualise and understand the intangible; and decrease customers' perceived financial, social or safety risk (Simoes and Dibb, 2001; Rambocas *et al.,* 2014). The vital role of branding in services is due to the distinctive characteristics of services, including intangibility, inseparability of production and consumption, heterogeneity of quality and perishability (De Chernatony *et al.,* 2003; Kapferer, 2004; Lovelock and Wirtz, 2010; Mann and Kaur, 2013).

The first challenging aspect associated with services is that customers have to deal with intangible offerings. The intangible nature of services makes it difficult for customers to assess their quality (Krishnan and Hartline, 2001). Therefore, branding services help to differentiate the brand from the other competing brands; and also help customers to assure a uniform level of service quality (Berry, 2000). De Chernatony and Dall'Olmo Riley (1999) mentioned that to overcome the intangible offerings, branding helps to offer tangible aspects to provide customers with well-defined reference points. To make the brand tangible, organisations provide physical elements that can be associated with the brand, such as staff uniforms, office décor (the design of the physical facilities), brochures, and the type of music played to customers waiting on telephone (Berry, 2000).

Moreover, the way employees dress, and the interactions between staff and customers are valuable elements for providing tangible aspects (King and Grace, 2012). Thus, physical symbols and staff representations are useful for providing tangibility. These aspects may be used to differentiate the service brand from its competitors (Krishnan and Hartline, 2001; Rajh and Dosen, 2009). Tangible aspects represent a two edged weapon. Customer behaviour can be encouraged or discouraged by these tangible elements. The tangibility approach adopted must be consistent with the service and should not promise more than the service will actually deliver (De Chernatony and McDonald, 2003).

The second challenging aspect associated with service brands is the inseparability of production and consumption. In any service organisation, customers are involved in the production (Solomon *et al.,* 1985; Kotler and Armstrong, 2012). Since they interact with different service providers, their expectations may vary between service encounters (De Chernatony and McDonald, 2003). Therefore, satisfaction with a service brand is affected by the closeness between expected and perceived behaviour by players (De Chernatony and McDonald, 2003; Rajh and Dosen, 2009).

To overcome this challenging aspect, De Chernatony and Dall'Olmo Riley (1999) focused on the role of corporate branding in order to build a favourable customer view towards particular organisation. Corporate branding allows employees to respect standards, and values set in the corporate branding strategy (Mann and Kaur, 2013). Based on this perspective, the brand provides consistency among employees' behaviour, particularly when dealing with customers (Knisely, 1979; Dobree and Page, 1990; Peklo, 1995; Wallace *et al.,* 2013). Berry (1980) views the concurrent production and consumption of services as an opportunity for customising the service brand to better serve the needs of customers; hence, making the practice of marketing the duty of every employee (Fitzgerald, 1988; King and Grace, 2012). As a result, it is critical to provide a degree of service customisation towards particular customers and also to develop corporate branding that confirms consistency across time and different situations (De Chernatony and Dall'Olmo Riley, 1999; Pina *et al.,* 2006).

The third challenging aspect associated with service brands is the heterogeneity of quality. In the service delivery process, the human element (the employee) cannot be exposed to quality control measures as a factory product (Berry, 1980). Thus, every service experience is probably unique, genuine, but consistency may be difficult to attain (Lewis, 1989; Brunello, 2013). To overcome heterogeneity and quality control difficulties, it is recommended to focus on the internal branding. The notion of internal branding has received great care in recent years as a mean of creating a cohesive, consistent, and reliable organisational culture (George, 1990; Rajh and Dosen, 2009). Building the brand concept internally is the best approach for establishing and maintaining a service orientation within the organisation and to achieve consistency (George, 1990; Wallace *et al.,* 2013). Besides, it is important to select and train frontline employees in order to deliver a more homogeneous service (Berry, 1980; Rajh and Dosen, 2009). In addition, it is suggested to use careful planning, control, and regular evaluations of performance improvement to ensure good service quality (Levitt, 1972; Baumgarth and Binckebanck, 2011).

The fourth challenging aspect associated with service brands is perishability. Services cannot be stored (Bateson, 1995; Kotler and Armstrong, 2012) and usually the service encounter does not involve any transfer of ownership (Wyckham *et al.,* 1975; Kotler and Bloom, 1984; Fitzgerald, 1988; Bateson, 1995; Lovelock and Wirtz, 2010). In service sectors, such as financial services, the service is bought before the benefit is received and assessed (Ohnemus, 2009). Therefore, the challenges embedded in service brands are not only of developing an image and reputation to attract customers, but also of avoiding competitors' promises from gaining their interest, even before the service has been experienced (Phan and Ghantous, 2013). Another problem resulting from the characteristic of perishability is the difficulty in harmonising supply and demand (Zeithaml *et al.,* 1985). Service organisations will face financial and branding problems if they cannot develop strategies to handle customer demand or if they cannot make corrections to match the organisation capacity with customer demands (Zeithaml and Bitner, 1998; De Chernatony and Cottam, 2006). To overcome the perishability problems, De Chernatony and Dall'Olmo Riley (1999) explained that it is crucial to build upon the company's image and reputation. The brand, as perceived by customers, summarises both the quality of the service and the efficiency with which the service is provided.

De Chernatony and Dall'Olmo (1999), and Rajh and Dosen (2009) mentioned that brand image is affected mainly by the price and the speed of the service (the duration customers can take from entering the store till the exit of the store). For example: long waits at counters might negatively affect the brand image. For this reason, organisations should find ways to either speed up the queues or to invite customers to visit during off-peak times. In this case, efficient procedures to distract customers from waiting become an important part of the branding process, which enables the delivery of promises with regards to service quality, speed and efficiency (De Chernatony and Dall'Olmo Riley, 1999; Cohen *et al.,* 2007).

Thus, services are not like goods. They require much effort to satisfy customers (Xu and Chan, 2010). Marketers should place a lot of emphasis on the service delivery, which occurs through numerous interactions between customers and staff (Bitner *et al.,* 1994; Rajh and Dosen, 2009; Dmour *et al.,* 2013). For this reason, employees are the most important element in service brands (King and Grace, 2012). Organisations rely largely on employees' actions and attitudes (Blankson and Kalafatis, 1999; Wallace *et al.,* 2013).

During the service encounter, customers experience the service brand. Hence, customer experience during a service encounter becomes a critical tool in determining both opinions and future associations between the customer and the brand (Bitner, 1990; Berry, 2000; Dmour *et al.,* 2013).

Authors who focus on branding services highlight the employees' ability to deliver the brand values in order to build a particular meaning to the brands (Parasuraman *et al.,* 1988; Bitner *et al.,* 1990; Zeithaml and Bitner, 1998; De Chernatony and Horn, 2003). Thus, internal communication must be highlighted to be sure that all employees are committed to deliver the brand promise (Harris and De Chernatony, 2001; Kimpakorn and Tocquer, 2010), which is vital to find a balance between internal and external perspectives (Schneider and Bowen, 1993; De Chernatony and Harris, 2000; De Chernatony *et al.,* 2003). For this reason, successful service brands depend mainly on the delivery of promises through personal interactions particularly, in the financial services such as banks (De Chernatony and Cottam, 2006; Rajh and Dosen, 2009; Rambocas *et al.,* 2014).

2.3.1 Branding banks

This study focuses on the banking services particularly in Egypt. Banks play a crucial role in financial intermediation, which is done through mobilising savings to fuel investments and growth. Individuals, corporations and governments' economic activities are mostly financed by the banking sector (Harvey, 2010). Banks now operate in high and intense competition due to various factors, including financial liberalisation, deregulation, increasing globalisation of markets, rapid technological advancements, improvement in communication systems, and homogenous nature of banks' products (Howcroft and Durkin, 2003; Rambocas *et al*., 2014).

Particularly, banks do not have major differences from one another (Quelch, 2003; Piason *et al.,* 2013). The technologies used among banks are similar since hardware and software programmes are acquired from external vendors or outsourced. Thus, there is no significant technological edge (Moutinho *et al.,* 1997; Wright, 2002; Quelch, 2003; Cohen *et al.,* 2007).

Customers view bank services to be similar. The genuine product differentiation is declining and many new products are being copied (Griffin, 2003; Ohnemus, 2009). As a result, banks should develop customer-oriented approach to compete and to stand high in the competitive banking environment (Piason *et al.,* 2013). Abratt and Russell (1999) mentioned that the main elements affecting customers' selection of a bank involve the variety of services, interest rates, fees, and prices charged. However, Piason *et al*. (2013), and Rambocas *et al*. (2014) stated that theses elements are very similar between banks.

Conversely, there is a study conducted by Boyd *et al*. (1994) in the financial services sector showed that customers' knowledge towards specific banking product is minimal and that they often lack the desire to know more based on their assumptions that the best-known banks have the best financial products. This further complicates the problem of service branding. Boyd's study showed that reputation is the initial criterion for customers in selecting a bank; followed by the interest on savings accounts. In response to these changes, banks are adopting branding strategies (Bravo *et al.,* 2010; Cohen and Mazzeo, 2010; Tallon, 2010).

Branding is significant in distinguishing banks and adding value to the service. Thus, the development of valuable brands is vital (Aaker and Joachimsthaler, 2000; Ambler, 2002).

A valuable brand can reduce customers' perceived risk, overcoming their low levels of trust and simplify product choice (Mitchell and Greatorex, 1993; Rambocas *et al.,* 2014). Furthermore, it acts as a differentiator for customer without competing on price (Berry, 2000).

Brands with a differentiated position tend more to be successful. Therefore, the basis for differentiation must be unique, genuine, relevant and appreciated by customers (Berry, 2000). Bank brand tends to be more emotional in nature and it is linked to reputation, trust, and quality of a bank. This reflects the view that brand is what a person feels after numerous bank interactions (Harris, 2002; Phan and Ghantous, 2013). Thus, the brand represents a promising experience that the firm makes with its customers. This will lead to a sustainable competitive advantage and a crucial success factor (Saunders and Watters, 1993; Harris, 2002). Branding establishes a unique competitive edge, since it assists in building trust and minimising perceived transaction risk between a customer and a bank (Harris, 2002; Phan and Ghantous, 2013).

The significant part of what is sold in the financial services is the overall position of the bank (Knisely, 1979; Cohen, 2007), which leads customers to perceive all bank products as components of a single brand (Berry *et al.,* 1988; Phan and Ghantous, 2013). For this reason, Knisely (1979), Berry *et al.* (1988), and Rambocas *et al.* (2014) argued that services are not treated as individual branding, like tangible goods. However, Milligan (1995, p. 39) clarified this in the context of bank branding as follows: *"basic banking products like checking accounts, credit and debit cards, mortgages and certificates of deposit have become so ubiquitous that it is hard to sell them apart. Your brand identity is what differentiates you and makes you special."* Successful financial services brands adopt a sophisticated branding approach in which the brand is more than just a logo (Aaker and Joachimsthaler, 2000; Schmidt and Ludlow, 2002). This approach includes a group of functional and emotional values, which promise a particular, and unique experience for stakeholders (De Chernatony *et al.*, 2003).

In services, branding corporate culture plays a vital role through its potential to impact staff behaviour (Rajh and Dosen, 2009). The perceived brand values are reliant on the behaviour of employees (Ind, 2001; Nguyen and Leblanc, 2002; Rajh and Dosen, 2009). Since values drive behaviour (Schiffman and Kanuk, 1991; Wallace *et al.,* 2013), it is essential that the desired brand values be internalised by employees to confirm suitable brand supporting behaviour (Gotsi and Wilson, 2001; Ind, 2001; Nguyen and Leblanc, 2002; Rajh and Dosen, 2009). Despite the importance of branding banks, few studies have focused on branding in the banking sector (e.g., Lambikin and Muzellec, 2008; Ohnemus, 2009; Pinar *et al.,* 2012; Phan and Ghantous, 2013; Rambocas *et al.,* 2014). In addition, these studies were conducted in Western countries.

Therefore, this study is one of a few that examined brand equity in the banking sector, a sector classified as complex with high consumer involvement and environmental uncertainty (Aldlaigan and Buttle, 2001; Ennew and Waite, 2013) particularly in one of the developing countries such as Egypt.

2.3.2 The Egyptian banking sector

The banking sector in Egypt is one of the most important service sectors (Elsharnouby and Parsons, 2010). The nexus of the financial system is its banking sector (American Chambre of Commerce, 2008). Algarhi and El-Din (2005) indicated in their study that the link between banking sector development and economic growth is distinctive. Without investment, economic growth cannot be achieved and without the mobilisation of savings, investment cannot be realised. That is why a reliable banking sector is essential for carrying out government economic policies in order to have low inflation, high employability level and sustainable growth.

The Egyptian banking sector has witnessed fast changes, especially during the past years such as bank mergers and acquisitions (Elsharnouby and Parsons, 2010). The effect of these changes has led to a banking industry, which is characterised by rapid technological changes and the appearance of multinational financial institutions in the Egyptian banking scene (American Chambre of Commerce, 2008). These changes contribute towards extreme competition between different players in the market (Elsharnouby and Parsons, 2010). The Egyptian banking sector represents a fruitful environment where to explore service branding (Elsharnouby and Parsons, 2010). Egypt's banking sector serves as an entry point to the Middle East for many western companies (Parnell and Crandall, 2003).

The Egyptian financial sector is moving steadily towards becoming the biggest financial centre in the region (Hatem, 1994; Algarhi and El-Din, 2005). Thus, it represents a suitable laboratory for a study of customer perceptions towards service branding, particularly financial institutions (Elsharnouby and Parsons, 2010).

Based on the Central Bank of Egypt (CBE) (2012) the number of banks operating in Egypt is 40 (see appendix C). These banks can be classified as public and private banks according to ownership. In practice, these banks offer to great extent similar services. As a result, the banking industry is concentrated and segmented, and this has a close effect on competition (Rambocas *et al*., 2014). Based on the Central Bank of Egypt (CBE) (2012) the volume of business in the public banks constitutes a significant share in total bank transactions. They are the largest operating banks in terms of balance-sheet size (nearly 50 % of total bank assets). According to Elsharnouby and Parsons (2010) these banks have a significant market share in retail and corporate banking services. This is accomplished due to large branch networks and close relationship with state-owned companies. Public commercial banks are also major participants in the equity capital of most private banks.

Private banks are registered as business and investment banks (American Chambre of Commerce, 2008). The reports based on American Chambre of Commerce (2008) indicated that these banks play the role to raise long-term funds on the international financial markets and to promote investment. They focus on trade-related financial services to the private business sector. Private banks provide finance working capital and trade activities. These activities transactions normally require short-term credit and result in quicker returns. These banks extended their retail base to meet their clients' demand for personal loans, mortgages, insurance products, individual retirement plans, and credit cards (Elsharnouby and Parsons, 2010).

This study focuses on the Egyptian banking sector, which includes public and private banks. The selected banks in this study were chosen according to the highest market share in terms of customers' deposits. According to the CBE (2012) there are a total of eight major banks that cover 70 % of the total Egyptian banking sector in terms of customers' deposits. The following points focus on the concept of brand equity, mainly the CBBE, its dimensions and the overall brand equity as a separate construct.

2.4 The development of brand equity concept

The origin and development of brand equity concept provide useful background to current meanings (Riezebos, 2003). According to Barwise (1993), and Riezebos (2003) the brand equity concept originated in the early 1980s and it became popular as a financially oriented term that emerged when various companies were bought and sold for amounts significantly in excess of the company's net assets (which reflects the difference between the assets and the liabilities of a company). As noted by Feldwick (2002) the difference between price paid and net assets became explained as brand equity. Thus, the brand became something that worth money.

During the late 1980s, brand equity was adopted by marketers to understand the benefits customers seek from brands; the influence of branding on customers' perceptions and behaviours; and the marketing roles towards branding (Aaker, 1991; Riezebos, 2003). It has since been proposed that brand equity is a valuable company intangible asset that should be carefully and continuously managed and invested in to optimise its value (Aaker, 1991, 1996; Kapferer, 1997; Keller, 1998; Yoo *et al.,* 2000). Its popularity is due to its strategic and crucial role in gaining competitive advantage (Keller, 1998; Davcik *et al.,* 2015). Brand equity represents the suitable measurement, when properly and objectively measured, to evaluate the long run impact of strategic management decisions (Simon and Sullivan, 1993; Kotler and Keller, 2012).

As a result, the brand equity can be discussed from two main perspectives, depending on its purpose, the financial and the marketing perspectives. The financial perspective provides monetary value for the brand (Kartono and Rao, 2009b). Such monetary benefits could be measured per year based on the incremental profit achieved by the brand compared to another brand with the same product and price but with minimal brand building efforts (Simon and Sullivan, 1993). On the other hand, the marketing perspective expresses the term brand equity as customer-based brand equity (CBBE) (Wood, 2000). The CBBE is based on customers' perspective. It explains how customers process brand information; how they perceive the brand; and how it shapes their behaviour towards the brand (Kartono and Rao, 2009b).

Despite the fact that brand equity is one of the most popular concepts, which has been discussed by both academics and practitioners over the past decade, there is no common agreement on its conceptualisation, definition or management (Keller, 1998; Yoo and Donthu, 2001; Vazquez *et al.,* 2002; Keller, 2003; Davcick *et al.,* 2015). This is due to the variety of definitions and diverse approaches adopted to measure this concept from both financial and marketing perspectives (Christodoulides and De Chernatony, 2010). Although the diverse approaches and definitions, there is an agreement that brand equity reflects some value added that is uniquely attributable to the brand (Keller, 1993; Mackay *et al.,* 1997; Netemeyer *et al.,* 2004; Bick, 2009; Kartono and Rao, 2009b).

This research focuses on brand equity based on the marketing perspective because the financial perspective did not take into consideration that brand equity can vary when customers' perceptions towards the brand change (Kartono and Rao, 2009b). Additionally, the financial value of a brand is the result of customer reactions and responses to brands (Christodoulides and De Chernatony, 2010). The power of a brand depends on what customers have learned, felt, seen and heard about the brand based on their experiences over time and what other people tell them (Keller, 2003). In other words, the brand's power is included in the feelings, judgments, images, thoughts, and experiences in the customers' mind (Farhana and Islam, 2012). If the brand has no importance to the customer, none of the other definitions is significant (Keller, 1993; Cobb-Walgren *et al.,* 1995; Rio *et al.,* 2001a). For a brand to have value, customers should value it (Keller, 2003). This perspective provides benefits to both customers and firms. First, it provides value to the customer by building their confidence in the purchase decision; reducing their perceived risk associated with the brand; and leading to customer satisfaction.

Second, it provides value to the firm by helping managers to evaluate the outcomes of their efforts by receiving feedback from customers; to identify any problem that may appear during the service delivery process; and to evaluate their marketing strategies and programmes effectively (Ambler *et al.,* 2002; Leone *et al.,* 2006; Sinha *et al.,* 2008; Kartono and Rao, 2009b). In addition, it boosts profits, trade leverage and competitive advantage (Aaker, 1991). Thus, enhancing CBBE leads to larger margins from customers, marketing communication effectiveness, licensing opportunities and customers' responsiveness to brand extensions (Keller, 1993; Kotler and Keller, 2012). Therefore, it is critical to understand the various CBBE definitions that relying on diverse dimensions.

2.5 Customer-Based Brand Equity (CBBE)

Scholars created CBBE to encourage the use of customer-based measures (Keller, 1993). However, they have disagreed on its dimensions and gave it various definitions (Chahal and Bala, 2012). Thus, till now the concept of CBBE remains vague (Punj and Hillyer, 2004). In other words, there is a debate on the concept of CBBE and it is still evolving over time (Taylor *et al.,* 2007).

The original model of Aaker (1991) defined CBBE based on a set of dimensions linked to the brand. The main dimensions include brand awareness, brand associations, brand perceived quality, and brand loyalty. These dimensions have been used in other studies, such as Washburn and Plank (2002), Atilgan *et al.* (2005), Pappu *et al.* (2005, 2006), and Buil *et al*. (2013). Keller (1993) simplified Aaker's model and defined CBBE in terms of brand knowledge, consisting of brand awareness and brand image. Conversely, Park and Srinivasan (1994) identified the CBBE based on brand associations (attributes and non-attributes components).

However, Lassar *et al.* (1995) link CBBE with five dimensions, performance, social image, value, attachment, and trustworthiness. Keller (2003) asserts for a six-factor model of CBBE that includes brand salience, brand performance, brand imagery, brand judgments, feelings and resonance towards the brand. Kim *et al.* (2003), and Kayaman and Arasli (2007) propose a CBBE model based on four dimensions, brand loyalty, brand awareness, brand perceived quality, and brand image. Netemeyer *et al*. (2004) suggest a model that combined three main CBBE dimensions include perceived quality, perceived value and uniqueness.

Only a limited number of studies included trust in their CBBE dimensions. For example, Atilgan *et al.* (2009) integrated trust as possible CBBE dimension. Their model includes brand associations, perceived quality, loyalty and trust. Moreover, Kimpakorn and Tocquer (2010) mentioned that CBBE dimensions include brand awareness, brand perceived quality, brand differentiation, brand associations, brand trust, and brand relationships. To summarise, the various dimensions mentioned above have been used to explain the concept of CBBE. Various researchers have tested these dimensions on several products and limited services (Jahanzeb *et al.,* 2013). The most commonly cited CBBE studies are briefly reviewed in the following table (Table 2-1)

Table (2-1): The most commonly cited CBBE studies

Studies	**CBBE dimensions**
Aaker (1991)	Brand awareness, brand associations, brand perceived quality, and brand loyalty.
Keller (1993)	Brand knowledge, which consists of two components: brand awareness and brand image.
Park and Srinivasan, (1994)	Brand associations (attributes and non-attributes components).
Lassar *et al.* (1995)	Performance, social image, value, attachment, and trustworthiness
Keller (2003)	Brand salience, brand performance, brand imagery, brand judgments, feelings and resonance toward the brand.
Kim *et al.* (2003)	Brand loyalty, brand awareness, brand perceived quality, and brand image.
Netemeyer *et al.* (2004)	Perceived quality, perceived value, uniqueness and willingness to pay a price premium.
Atilgan *et al.* (2009)	Brand associations, perceived quality, loyalty and trust.
Kimpakorn and Tocquer (2010)	Brand awareness, brand perceived quality, brand differentiation, brand associations, brand trust and brand relationships.
Buil *et al.* (2013)	Brand perceived quality, brand awareness, brand associations, and brand loyalty.

From the above table, it has been shown that various researchers have focused on CBBE concept and suggested different dimensions that can be linked to a brand. However, the common dimensions in all models are the use of one or more dimensions of Aaker's model (1991). Particularly, the widespread dimensions include brand awareness, brand perceived quality, brand associations, and brand loyalty. Thus, the researcher focused on these dimensions (brand awareness, brand perceived quality, brand associations and brand loyalty) in addition to brand trust.

Brand trust dimension is chosen because it is critical due to the high-perceived risk associated with the banking services. As mentioned by De Chernatony and Dall'Olmo Riley (1999), and De Chernatony and Cottam (2006) trust acts as a risk-reducing tool that helps reassure customers. Trust is subjective, since it depends on customers' beliefs and perceptions rather than on solid facts (Yannopoulou *et al.,* 2011). Subramaniam *et al.* (2014) stated that when customers trust a brand and find it suitable, they might chose the offerings related with that brand over those of competitors even at a high price. Additionally, Rambocas *et al.* (2014) highlighted the great importance of customer's confidence and trust towards the brand particularly in the banking sector. For these reasons, the researcher takes into consideration five CBBE dimensions.

2.6 Customer-Based Brand Equity (CBBE) dimensions

In this research, the CBBE dimensions include brand awareness, brand associations, brand perceived quality, brand loyalty and brand trust. These dimensions are presented as follows:

2.6.1 Brand awareness

Brand awareness is one of the CBBE dimensions. It refers to the customer ability to recognise or recall that a brand is a member of a certain product category (Aaker, 1991). Hence, brand awareness consists of both brand recognition and brand recall (Rossiter and Percy, 1987; Keller, 1993). Brand recognition and brand recall are vital in evaluating brand equity since it measures the customer's top of mind awareness of a particular good or service. Without high top of mind awareness, it is difficult to build brand equity (Pinar *et al.,* 2012). A brand with high top of mind awareness has the capacity to influence customer choice towards a specific goods or services (Kimpakorn and Tocquer, 2010).

Brands have different amount of power and value in the marketplace. There are brands that are not well known by the majority of users. However, there are brands that have a high degree of brand awareness (Atilgan *et al.,* 2005). Brand awareness helps customers to become acquainted with a brand and assists them to choose the brand at the point of purchase (Tong and Hawley, 2009). Therefore, brand equity increases when the customer has a high level of brand awareness and familiarity with the brand (Keller, 1993; Yoo *et al.,* 2000; Atilgan *et al.,* 2005; Rajh and Dosen, 2009; Tong and Hawley, 2009; Kumar *et al.,* 2013; Sasmita and Suki, 2015).

2.6.2 Brand perceived quality

Brand perceived quality is considered to be a main CBBE dimension (Farquhar, 1989; Aaker, 1991; Keller, 1993; Dyson *et al.,* 1996; Yacout and Elsahn, 2011). Brand perceived quality is defined as: *"the customer's subjective judgment about a product's overall excellence or superiority"* (Zeithaml, 1988; Yoo *et al.,* 2000; Yacout and Elsahn, 2011). Thus, it is based on customers' or users' not managers' or experts' subjective assessments of product quality (Yoo and Donthu, 2001).

Many aspects can affect the customer's subjective judgment of quality such as personal product experiences, unique needs, and consumption situations (Zeithaml, 1988; Aaker, 1991). In other words, brand perceived quality is the customer's overall perception about the overall quality of a particular brand compared to other competing brands. Thus, it is considered to be an intangible overall feeling about a brand, which in turn affects the brand market share, price, and profitability (Yoo *et al.,* 2000). Based on Zeithaml (1988), and Yacout and Elsahn, (2011) high perceived quality means the superiority of the brand from the customer's point of view through the long - term experience related to the brand. Thus, they identified the perceived quality as a component of brand value.

In more details, high-perceived quality would lead the customer to choose the brand rather than other competing brands. Thus, it provides value to customers by supporting them with a reason to buy and by differentiating the brand from other competing brands (Kayaman and Arasli, 2007). Customers evaluate service quality in terms of what they receive (the outcome of the service) and also by examining the way the service is delivered (the functional quality of the process) (Gronroos, 2001). As a result, when customers perceive the brand quality positively, brand equity will increase (Aaker, 1991; Yoo *et al.,* 2000; Atilgan *et al.,* 2005; Ramos and Franco, 2005; Yacout and Elsahn, 2011; Chahal and Bala, 2012; Kumar *et al.,* 2013).

2.6.3 Brand associations

Brand associations are considered to be one of the CBBE dimensions. They are defined as anything allied in memory towards a brand (Aaker, 1991). In other words, brand associations reflect the brand image and can be implied as anything the customer relates to brand (Aaker and Joachimsthaler, 2000). Brand associations are complex, connected to one another and are composed of multiple ideas, episodes, instances, and facts that build a strong network of brand knowledge. Brand associations have a level of strength (Keller, 1993). They are stronger when they are based on many experiences or exposures to communications rather than few (Aaker, 1991).

Brand associations may reflect the product features and aspects independent of the product (Chen, 2001). In consumer goods, brand associations are grouped in the form of product related attributes such as brand performances and also non-product related attributes such as brand personality, user profile, and country of origin (Aaker, 1991; Keller, 2003; Netemeyer *et al.,* 2004; Gronroos, 2007). In services, there is a difference between associations related to the core service (the reason of being of a service) and those related to supporting services (differentiators that add value to the services) (Gronroos, 2007). Consequently, associations represent the basis for purchase decisions. They also create value to the firm and to the customers (Atilgan *et al.,* 2005), such as helping to process and retrieve information; distinguishing the brand; generating a reason to buy; creating positive attitudes; and presenting a basis for extensions (Aaker, 1991).

Additionally, Rio *et al.* (2001b) mentioned that brand associations represent a key element in brand equity creation and management. In this respect, high brand equity indicates that customers have strong positive associations with respect to the brand (Yoo *et al.,* 2000; Atilgan *et al.,* 2005; Ramos and Franco, 2005; Rajh and Dosen, 2009; Kumar *et al.,* 2013; Sasmita and Suki, 2015).

2.6.4 Brand loyalty

The brand loyalty is one of the CBBE dimensions, which is considered to have a great impact on brand equity (Aaker, 1991; Atilgan *et al.,* 2005). Keller (2001) asserted that brand loyalty is a key variable for the management of brand equity when measured from customers' point of view. The brand loyalty definition and its measurement represent challenges (Atilgan *et al.,* 2005). Brand loyalty reflects the attachment of a customer towards a brand, particularly when that brand makes changes in price or other product characteristics (Aaker, 1991). Based on Javalgi and Moberg (1997) brand loyalty is defined based on behavioural, attitudinal, and choice perspectives. The behavioural perspective is based on the amount of purchases for a specific brand. The attitudinal perspective includes customer preferences and dispositions towards brands, while the choice perspective identifies the reasons for purchases and also the factors that may influence choices.

In this research, brand loyalty is defined as *"the overall commitment of being loyal to a specific brand."* (Yoo *et al.,* 2000). This definition is based on Oliver (1997, p. 392) that stated that brand loyalty is *"a deeply held commitment to rebuy or patronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour"*

Consequently, loyal customers show positive responses to a brand than non-loyal customers (Grover and Srinivasan, 1992). Brand loyalty leads customers to purchase continuously and to resist switching to another brand (Yoo *et al.,* 2000). Thus, a direct relationship exists between brand loyalty and brand equity (Yoo *et al.,* 2000; Tong and Hawley, 2009). This direct relationship has been supported by the following previous studies (Aaker, 1991; Yoo *et al.,* 2000; Atilgan *et al.,* 2005; Chahal and Bala, 2012; Kumar *et al.,* 2013; Sasmita and Suki, 2015).

2.6.5 Brand trust

Trust has received a great attention from scholars in many disciplines such as psychology, sociology, economics, and applied areas such as management and marketing. Therefore, there are many definitions for this term (Garbarino and Johnson, 1999). Trust can be defined as a general expectation thought by an individual that the word of another can be relied on (Rotter, 1967); the extent to which a person is confident in, and ready to act on the basis of the words, and decisions of others (McAllister, 1995).

In this research, brand trust is defined as the willingness of a buyer to rely on the ability of a brand to achieve the communicated functions and attributes, which is measured by the brand's ability to deliver its promises (Morgan and Hunt, 1994; Chaudhuri and Holbrook, 2001; Kimpakorn and Tocquer, 2010). Trust is crucial in keeping successful customers relationships with the brand (Labahn and Kohli, 1997; Atilgan *et al.,* 2009). Since, the ultimate goal of marketing is to provide an intense bond between the customer and the brand, and the core ingredient of this bond is trust (Hiscock, 2001). Brand trust evolves from past experience and previous interaction (Garbarino and Johnson, 1999). Brand trust can improve or destroy a relationship between brand and customers (Keller, 2003). Therefore, it is conceptualized as a source of CBBE dimensions that affect overall brand equity (Blackston, 1992; Lassar *et al.,* 1995; Chaudhuri and Holbrook, 2001; Harris and Goode, 2004; Duffy, 2005; Luk and Yip, 2008; Rios and Riquelme (2008); Burmann *et al.,* 2009; Rauyruen *et al.,* 2009; Yacout and Elsahn (2011); Kumar *et al.,* 2013).

2.7 Overall brand equity

In this research, Brand equity is placed as a separate construct (separate from its dimensions), which refers to the incremental value to a product (goods or services) virtue by its brand name (Farquhar *et al.,* 1991). Brand name plays a crucial role in the marketing of goods and services; strong brand name contributes to the product's success (Janiszewski and Van Osselaer, 2000). The brand name is more significant when there is a lack of available information, as the brand name becomes a replacement for attribute information that is missing (Degeratu *et al.,* 2000). Most of the studies examining brand equity do not differentiate between brand equity and its dimensions. Making it hard to understand how the brand equity can be improved and enhanced (Yoo and Donthu, 2001).

Yoo and Donthu (1997) initiated the idea of the overall brand equity as separate construct and Yoo *et al.* (2000) started to place a separate brand equity construct, which would help to understand how the CBBE dimensions contribute on building brand equity. Yoo *et al.* (2000) created a model that consists of three components: marketing mix elements represented by (price, store image, distribution intensity, advertising spending and price deals), CBBE dimensions (perceived quality, brand loyalty, brand awareness/associations) and a separate brand equity construct, which is the overall brand equity. This study was conducted in three different product categories.

According to Yoo *et al.* (2000) model the overall brand equity can be created, maintained and increased by strengthening on the CBBE dimensions, which result from the marketing mix elements. They used an overall brand equity construct and placed the dimensions of brand equity as sources of this construct. The results indicate that overall brand equity is positively related to perceived quality, brand loyalty, and brand awareness/associations. Thus, high overall brand equity indicates that the customer is well aware of the brand, has positive and strong associations with the brand, perceives it as high quality brand and is loyal to it.

Yoo *et al.* (2000) model illustrated that the relationship of brand loyalty is much stronger than the relationship of perceived quality and brand associations to overall brand equity. Additionally, the results show that the price of the brand is positively related to its perceived quality; store image is positively related to perceived quality, brand associations/awareness; distribution intensity positively related to perceived quality, and brand loyalty only; advertising spending positively related to perceived quality, brand loyalty and brand associations/awareness; frequency of price deals are negatively related to perceived quality and brand associations/awareness.

To summarise, Yoo *et al.* (2000) highlighted the importance of examining each CBBE dimension in the overall brand equity assessment. However, only three CBBE dimensions have been adopted in their model. Additionally, Yoo *et al.* (2000) model points out that areas for future research should focus on other marketing mix elements to examine their impact on building brand equity. Netemeyer *et al. (*2004), Chu and Keh (2006), Davcik *et al.* (2015) highlighted the crucial need to further examine the impact of marketing communication tools on building brand equity due to its great importance.

Part Two: Marketing communication tools

2.8 Marketing communication tools

The marketing communication tools contribute in building and supporting brands by informing, updating, convincing, and reminding customers about a brand's products (goods or services) (Buil *et al*., 2013). Therefore, brand communication is positively linked with brand equity, as long as the message leads to a satisfactory and pleasing customer response towards a branded product, compared to a similar non-branded product (Yoo *et al*., 2000). In the recent years, a wide variety of marketing communication tools has been shown (Keller, 2010). However, this study focuses on the controllable marketing communication tools due to their great importance in communicating the brand value as mentioned by Grace and O'Cass (2005).

There are five principal controllable marketing communication tools: advertising, sales promotions, personal selling, public relations, and direct marketing (Fill, 2002; Kotler and Armstrong, 2012). Each of these tools has different features and offers several pros and cons (Keller, 2010). The challenge for marketers is to select amongst these tools to communicate with customers and to stand high in the crowd in today's competitive environment (Keller, 2010). In other words, marketers have to choose from these tools to persuasively communicate customer value and build customer relationships (Herrera *et al*., 2002). These tools can be used in different combinations and with different degrees of intensity in order to communicate with a target audience (Zhang *et al*., 2010). These marketing communication tools are presented as follows:

2.8.1 Advertising

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor designed to convince the receiver to take some action now or in the future (Richards and Curran, 2002; Kotler, 2009). It includes: broadcast, print, outdoor, indoor and other forms (Rogers, 1995). Advertising is a major element in the marketing communication tools, which plays a crucial role in the promotional plan. It is a powerful tool of communicating a brand's functional and emotional values (Ramos and Franco, 2005). Thus, advertising allows receivers to understand what a good or a service is; its primary function; and its differences to other similar goods or services (Richards and Curran, 2002; McMillan, 2004).

The success of the advertising depends on the amount of money invested in the advertisement (as perceived by customers); the frequency with which a customer sees the advertisement; and the customers' attitudes towards the advertisement, which is determined by the communicated messages (Ramos and Franco, 2005; Kotler, 2009; Buil *et al.,* 2013). Based on Yoo *et al.* (2000), the customer perception of high advertising spending helps in developing positive perception of brand quality, higher brand awareness and stronger brand associations. On the other hand, organisations can built positive customers' attitudes towards the advertisement through an original and innovative advertisement. This will lead to greater brand awareness, better perceived quality and more favourable and unique associations (Buil *et al.,* 2013).

As a result, advertising is significant in developing brands by building awareness, forming brand personality or repositioning brands through changing perceptions and attitudes (Wang *et al.,* 2009). To achieve these results, advertising requires a suitable design and implementation (Keller, 2007). For this reason, there is a high level of control for those responsible for the design and delivery of the advertising message (Fill, 2002; Belch and Belch, 2007). Although the costs can be extremely large its worth it because the cost per contact can be the lowest of the marketing communication tools (Kotler and Armstrong, 2012).

2.8.2 Sales promotion

Sales promotion is another form of a non-personal communication, which has a sales oriented objective. It is defined as short-term incentives to stimulate a desired sales result (Kotler and Armstrong, 2012). Sales promotion includes different types of short-term tactical promotional tools (Gilbert and Jackaria, 2002). Price-oriented promotions comprise price discount, coupons and rebates. Non-price-oriented promotions comprise free samples, sweepstakes, contests, and premiums (Gilbert and Jackaria, 2002; Buil *et al.,* 2013).

The different types of sales promotion may have distinctive effects on brand equity (Buil *et al.,* 2013). Price-oriented promotions have the ability to attain short-term results such as increasing market share (Bawa and Shoemaker, 1989; Blattberg and Neslin, 1990; Leone and Srinivasan, 1996), and encouraging product trial usage (Gupta, 1988; Davis *et al.,* 1992). However, this type of promotions has been found to have a negative impact on brand equity in some previous studies (e.g., Yoo *et al.,* 2000). In more details, the price-oriented promotions have been associated with a negative impact on perceived quality and brand associations. The reason behind this is that customers depend on the price as an external indicator that signalling the product quality (Agarwal and Teas, 2002).

Conversely, the non-price promotions have the ability to meet long-term objectives as developing brand image, establishing brand associations, or increasing brand loyalty (Conlon, 1980; Aaker, 1991; Shea, 1996, Buil *et al.,* 2013). For this reason, Lee (2002) mentioned that non-price promotions are known as gains, while price-oriented promotions are perceived as reduced losses. In general, sales promotion is controllable and related costs are much lower than those of advertising (Fill, 2002).

2.8.3 Personal selling

Personal selling consists of staff with the desired attitudes, knowledge and relational skills to ensure that the customers will receive the service for which they are paying (Dmour *et al.,* 2013). This interpersonal communication tool involves face-to-face communication, which allows the personal selling to receive rapid feedback during the communication (Baumgarth and Binckebanck, 2011; Kotler and Armstrong, 2012).

Personal selling offers the connection between the needs of the organisation and the desires of its customers (Dmour *et al.,* 2013). Thus, the completion of a sale is part of the personal selling responsibility (Kotler and Keller, 2012). This interpersonal communication tool provides a source of information for buyers in order to inform, persuade or remind people of the desired required actions (Baumgarth and Binckebanck, 2011). Therefore, it is necessary for organisations to comprehend and use this tool effectively. Particularly, in the service sector, the personal selling represents the service brand (Gronroos, 1994; De Chernatony and Dall' Olmo Riley, 1999). Thus, every organisation should decide and establish the specific and accurate role of the personal selling within the communication mix as illustrated in table (2-2).

Table (2-2): Tasks of personal selling

Tasks of personal selling	
Prospecting	Finding new customers.
Communicating	Inform various stakeholders and feedback information about the market.
Selling	The art of leading a prospect to a successful close.
Information gathering	Reporting information about the market and reporting on individual activities.
Servicing	Consulting, arranging, counselling, fixing and solving a multitude of customers' problems.
Allocating	Placing scarce products and resources at times of shortage.
Shaping	Building and sustaining relationships with major customers.

Source: (Fill, 2002)

According to table (2-2), it has been shown that the tasks of personal selling vary depending on the type of activities on which the sales employees focus on and from one organisation to another (Fill, 2002). The messages that are generated by the personal selling are tailored and not standard (De Chernatony *et al.,* 2003; Kotler and Armstrong, 2012).

Each salesperson has the liberty, self-determination, openness, creativity, and innovation to adapt messages to deal with different circumstances as negotiations proceed to meet the customers' intellectual levels (Hammann, 1979; Wallace *et al.,* 2013). Each staff member plays a role in building brand image and persona (Rajh and Dosen, 2009). Personal selling provides a good level of credibility towards the organisation (De Chernatony and Dall' Olmo Riely, 1999; Fill, 2002). Based on Rajh and Dosen study (2009) it has been found that employees have a significant positive effect on service brand equity.

2.8.4 Direct marketing

Direct marketing is defined as direct connections with targeted individual customers to obtain both an immediate response and cultivate long-lasting customer relationships (Keller, 2010; Kotler and Armstrong, 2012). Direct marketing is beneficial in delivering personalised messages, which help build a one-to-one relationship with each customer, communicating on a direct and personal basis (Ng, 2005). Originally, direct mail was the main tool of direct marketing. Direct marketing was often referred to as direct mail or as dialogue marketing, personal marketing and database marketing (Bird, 1989; Kotler and Armstrong, 2012).

Nowadays, This tool includes catalogues, telephone marketing, direct mail, e-mail, Internet and other tools to communicate directly with specific customers (Belch and Belch, 2007; Keller, 2010). The notion of direct marketing refers to being in contact with customers but not in a face-to-face manner. Replacing face-to-face personal selling with an email communication, a telephone conversation or a direct mail letter leads to the removal of many components of the traditional salespersons' tasks (Fill, 2002).

Over the past ten years, the usage of direct marketing tool has been significant as there is a shift from mass communications to the use of direct mail, telemarketing and the fast developing era of interactive communications, such as the Internet (Kotler and Armstrong, 2012). Advancement in technology helped improve direct marketing. For example, the Internet acts as a distribution channel and communication medium that enables people to communicate and interact in different ways (Rowe, 1989; Keller, 2010).

Direct marketing provides benefits to the customer through its participation in the relationship. These benefits include time utility and happiness that can be developed between customers and a provider of goods or services (when the customers realise and appreciate the personal attention they appear to be happy) (Fill, 2002). Direct marketing represents a strategic approach to the market. It actively seeks to remove channel intermediaries; reduce costs; improve the quality and speed of service for customers; and through this bundle of attributes presents a new offering for the market, which in itself may provide competitive advantage (Korgaonkar *et al.,* 2000).

As a result, direct marketing creates a personal and intermediary free dialogue with customers. Any response(s) must be associated with a particular individual, a particular medium and a particular outcome, such as a sale or enquiry for further information (Ng, 2005). The direct marketing impacts customer attitudes towards the brand (Keller, 2010). Moreover, it develops the perception amongst customers that the company has various products, values for money and finally helps them to compare between brands (Rios and Riquelme, 2008).

Based on Mubushar *et al.* (2013) direct marketing has been found to have an impact in creating awareness and shaping brand associations. Therefore, brand managers who concentrate on building brand equity focus on the usage of direct marketing (Rios and Riquelme, 2008).

2.8.5 Public relations (PR)

PR is about building good relations with the company's numerous publics by gaining favourable publicity, building up a good corporate image and handling unfavourable rumours, stories and events (Kotler and Keller, 2012). It includes press releases, sponsorships, special events and other forms (Belch and Belch, 2007; Keller, 2010). An increasing number of organisations are using PR to communicate with their audiences about the organization (corporate public relations) and brands (marketing public relations) (Mubushar *et al.,* 2013).

PR helps increase the level of awareness and helps improve the image of the organization (Smith, 2013). As a result, it can change attitudes, and preferences with respect to products and services offered by the organisation (Fill, 2002; Mubushar *et al.,* 2013). PR represents a strategic communication process, which shapes and creates mutually beneficial relationships between organisations and their publics (Mubushar *et al.,* 2013). It is known as "the art and social science" of exploring and evaluating trends, forecasting their results and consequences, directing organisations' leadership (guiding them in their events), and implementing plans of action, which serve both the organisation's and the public interest (Smith, 2013).

Moreover, PR is considered as a part of the wider perspective of corporate strategy, which has a good level of credibility (Khodarahmi, 2009). On the other hand, this communication tool contains negative aspects such as the difficulty to control a message once placed in the channels (Fill, 2002). Currently in the marketplace, the grouping of marketing communication tools is mandatory to create the most effective forms of communication. The challenge is to select the right mix of marketing communication tools to suit the particular business at a particular time and then use it correctly to achieve a result (Karunanithy and Sivesan, 2013).

2.9 Benefits of marketing communication tools

The marketing communication tools represent the vital element of the marketing mix. The reason behind using these tools is that they have the fast and direct impact on the target customer (Herrera *et al*., 2002). In addition, they are regarded as the voice of the company and its brand (Keller, 2010). They are the means by which firms attempt to inform, persuade, and remind customers directly or indirectly about the goods or services and brands they sell (Brunello, 2013). Each communication tool has different roles and builds different effect on each customer (Zhang *et al*., 2010).

In general, marketing communication tools perform many functions for customers. They can tell customers how and why a product is used; by what kind of person; where and when to use the product; who makes the product; and finally what does the company and its brands stand for (Aaker, 1991; Fill, 2002; Keller, 2010). Additionally, they can contribute on building brand equity in many ways: by creating awareness of the brand; linking the right associations to the brand image in customers' memory; developing performance expectations; increasing commitment; providing trustworthiness; building long-term relationships; limiting brand imitation and making brand replacement difficult as well as drive sales and thus lead to more competitive advantage (Aaker, 1991; Simon and Sullivan, 1993; Lassar *et al*., 1995; Keller, 2010).

The combination and the integration of the communication tools are required and they should work together (Holm, 2006). The use of the integrated marketing communication (IMC) strategy is important, not only in persuading customers to buy the product of a particular firm but also in developing a company's brand equity (Brunello, 2013). Bearing in mind that each element of the promotional mix has different capabilities to communicate. Brand equity cannot be built through independent tools of communication (such as: advertising or personal selling or public relations) but it is built by managing all the contact points between the customer and the company via IMC (Schultz, 2004; Kotler and Armstrong, 2012; Brunello, 2013). For this reason, the following point provides the capabilities of each marketing communication tool to help the marketers to select the right mix.

2.10 Impact of each marketing communication tools on building brand equity

Marketing communication tools help customers to understand what a brand stands for and what its value is (Brunello, 2013). The way in which marketing communication tools are used to build brands is determined strategically by the role that the brand is expected to play in achieving an organisation's goals (Madhavaram *et al.,* 2005).

De Chernatony and Dall'Olmo Riley (1999) argue that marketing communication tools can play several roles in brand development. For example, during brand extensions the role of marketing communication tools is to show buyers how the benefits from the existing brand have been transferred or extended to the new brand. Other roles might be to identify each individual's role within the organisation or to remind buyers and reinforce their perceptions in order to protect market share. Whatever the role, the financial resources are the major determinant that applies to all organisations (Kotler and Armstrong, 2012). For example, if the budget is high, advertising will be the main tool in which brand name associations are shaped. In addition to the use of personal selling. On the other hand, if limited financial resources are available, other tools, such as sales promotion, public relations or direct marketing will be used (Fill, 2002; Belch and Belch, 2007). The following parts explain in details how the different marketing communication tools help on building brands.

For advertising, prior researchers showed that advertising helps in building successful brand equity (Maxwell, 1989; Simon and Sullivan, 1993; Boulding *et al.,* 1994). Based on Kirmani and Wright (1989), and Cobb-Walgren *et al.* (1995) it has been found that advertising not only helps in building successful brand equity as a whole but also on the CBBE dimensions. It has been indicated that advertising has a positive relationship with brand recall, which increases customers' awareness towards the brand (Deighton, 1984; Hoyer and Brown, 1990). Awareness is created through marketing communications, particularly the advertising, which is considered to be the main communication tool for products (goods/ services) in the consumer market (Keller, 1998; Yoo *et al.,* 2000; Ailawadi *et al.,* 2002; Angel and Manuel, 2005; Rajh, 2005; Ramos and Franco, 2005; Villarejo and Sanchez, 2005; Bravo *et al.,* 2007; Rajh and Dosen, 2009; Karunanithy and Sivesan, 2013).

Ambler *et al*. (2002) stated that advertising creates awareness by communicating the products' benefits, and refreshing the products' features in the customer's mind to assure top of mind awareness. In addition, Buil *et al*. (2013) argued that repetitive advertising increases the chance that a brand will be involved in the list of customer's choices, which facilitate the customer's brand selection. In more details, advertising impacts are based on both the amount of money invested as perceived by customers and the types of messages communicated (for example: innovative, creative, etc.) (Buil *et al*., 2013). The customers' perceptions of high advertising spending help to develop greater brand awareness (Simon and Sullivan, 1993; Cobb-Walgren *et al*., 1995; Yoo *et al*., 2000; Bravo *et al*., 2007). In other words, brand-advertising spending can increase the rate of frequency of brand appearance, and as a result, the level of brand awareness increases (Chu and Keh, 2006; Keller, 2007). Furthermore, via new, creative and innovative advertising messages, organisations can attract more customers, which lead to higher brand awareness (Aaker, 1991; Buil *et al*., 2013).

Past studies indicated that there is a link between the advertising and the perceived quality of the brand (Archibald *et al*., 1983; Milgrom and Roberts, 1986; Kirmani and Wright, 1989; Aaker and Jacobson, 1994). It has been found that the marketing communications, particularly the advertising is one of the main external indicators of product quality (Yoo *et al*., 2000; Ramos and Franco, 2005). In more details, huge advertising spending demonstrates that the organisation is investing in the brand, which indicates superior quality (Kirmani and Wright, 1989; Yoo *et al*., 2000; Ramos and Franco, 2005). Advertising spending levels are good indicators that reflect not only high quality but also good purchases. Advertising spending levels increase the product value, which support the purchase decision (Archibald *et al*., 1983; Yoo *et al*., 2000). Additionally, organisations can develop higher perceived quality via original, creative and novel advertising messages (Aaker, 1991; Buil *et al.,* 2013). Subsequently, it helps support the purchase decision by increasing brand value (Karunanithy and Sivesan, 2013).

Besides, the scholars in their past studies have illustrated that the brand messages, which are transmitted through the advertising help develop the mental pictures of the company's trademark in the customer's mind (Farquhar, 1989; Cobb-Walgren *et al.,* 1995; Keller, *et al.,* 1998; Yoo *et al.,* 2000; Keller, 2003; Ramos and Franco, 2005; Bravo *et al.,* 2007; Keller, 2007; Rajh and Dosen, 2009; Karunanithy and Sivesan, 2013). There are two main approaches (rational and emotional) that are used in advertising to enable customers to shape brand associations (Fill, 2002; Belch and Belch, 2007).

These authors mentioned that during the rational approach, the functional aspects of a brand and the customer benefits are highlighted. During the emotional approach, advertising provides positive psychosocial factors. The advertising usually stresses the feelings and values (emotional aspects) with a brand. The role of likeability is vital when using an emotional basis for advertising (Meenaghan, 1995). The goal of the approach is to create positive attitudes to the advertising, which form associations with the brand (Buil *et al.,* 2013). Through the emotional approach, the messages should be relevant and credible, creating a significant value to the customer (Ramos and Franco, 2005).

In more details, the higher a brand's advertising spending, the sturdier the associations in the customer's mind will be formed (Yoo *et al.,* 2000; Bravo *et al.,* 2007). Furthermore, organisations can develop strong, favourable and unique associations via original, creative and innovative advertising messages (Aaker, 1991; Buil *et al.,* 2013).

Hauser and Wernerfelt (1990), Shimp (1997), Yoo *et al*. (2000), and Ramco and Franco (2005) mentioned that advertising increases the probability of the brand to be selected from the group of alternatives. Hence, the decision-making process is simplified at the same time, as a customer habit is created and leading to brand loyalty. As a result, advertising leads to the customer loyalty through increasing the chance of the brand being involved in the group of choices that the customer has to choose from.

The previous studies of Kirmani and Wright (1989) mentioned the positive direct effect of advertising on brand trust by focusing on the importance of spreading accurate and honest messages through the advertising in order to build trust towards the brand. Moreover, Kotler and Armstrong (2012) indicated that through advertising, people gain a sense of assurance towards the marketed brand. They indicated that when customers see advertisements they gain a sense of confidence and develop expectations towards the brand.

For personal selling, previous studies indicated that it is considered to be an influential factor in shaping customers' perceptions towards brands (Berry and Lampo, 2004; Erkemen and Hancer, 2015). Particularly, in financial services where bank customers prefer face-to-face interactions especially when perceived risk in high (Page and Luding, 2003). It has been found that personal selling affect positively the brand awareness by informing or reminding people of the brand (Fill, 2002; Dmour *et al.,* 2013). Kotler and Armstrong (2012) indicated that this two-way communication helps the organisation to update, persuade, or remind people to buy the product. In more details, personal selling creates awareness through communicating products' features and benefits, recaps and refreshes top of mind awareness.

Additionally, Personal selling contributes to the development of customers' perceptions of service quality through their attitude, behaviour and knowledge (Zeithaml *et al.,* 1985; Bitner, 1990; Bitner *et al.,* 1990; Zeithaml *et al.,* 1993; Bitner *et al.,* 1994; Berry and Bendapudi, 2003; Wall and Berry, 2007). In other words, the employees' performances and manners help to form the customers' judgments about the product's excellence and features (Wu *et al.,* 2009).

Likewise, personal selling attitude, behaviour and knowledge play a crucial role in the service brand image development (Schneider and Bowen, 1993; Gronroos, 1994; Ind, 1997; De Chernatony and Dall'Olmo Riley, 1999; De Chernatony and Harris, 2000; De Chernatony *et al.,* 2003; Rajh and Dosen, 2009; Kimpakorn and Tocquer, 2010). These researchers indicated that employees convey the brand identity into the customers' eyes. Hence, the employees directly impact the creation of general understanding and experiences with the company, which lead to the development of brand associations (Berry, 2000). Thus, personal selling became a very important tool in shaping opinions and in determining brand associations (Berry, 2000).

Customers' evaluation of personal selling efforts and service performance has been found to have a strong effect on customers' satisfaction and loyalty (Keaveney, 1995; Mohr and Bitner, 1995; Evans *et al.,* 2002). These researchers argued that the customers' assessments of employees' works and performances have been found to have a strong impact on customers' satisfaction and loyalty. Thus, employees play an important role in making customers feel pleased and content (Kotler and Armstrong, 2012). Ahearne *et al.* (2007) mentioned that the employees' primary role is to build long-lasting relationship with profitable customers, which help build their loyalty towards the brand.

Subsequently, personal selling plays an essential role in delivering the promise during customer interactions (Wall and Berry, 2007). Thus, personal selling has crucial roles in delivering what the brand stands for, its abilities and promises to reach customer trust towards the brand (Schneider and Bowen, 1993; De Chernatony and Dall'Olmo Riley, 1999; De Chernatony and Harris, 2000; Evans *et al*., 2002; De Chernatony *et al*., 2003; Kimpakorn and Tocquer, 2010; Baumgarth and Binckebank, 2011). In addition, Berry (2000) suggests that employees provide trust through their interactive, cooperative and convincing abilities and skills during the service delivery process. Hence, employees-customer relationship helps in improving customer trust towards the brand (Morgan and Hunt, 1994; Valos *et al.,* 2016).

For sales promotion, various researchers found that sales promotions particularly, price promotions have an inverse relationship with brand equity compared to the other communication tools (Buil *et al.,* 2013). Studies showed that customer perceives a negative relationship between brand equity and the need to use incentives for sales that affects the established level of prices (Aaker, 1991; Yoo *et al.,* 2000; Rajh and Dosen, 2009). Sales promotion creates a feeling of short benefit for the customer and a sense of confusion, instability, and variability, which can lead to an unstable quality (Yoo *et al.,* 2000). In other words, brand image can appear to be of poor quality and worn out since benefits gained through price promotion are not permanent and do not convey the confidence that the brand will deliver good value (Winer, 1986). In this regard, using price deals means deterioration in brand equity in perceiving brand quality, and brand image (Ramos and Franco, 2005).

However, previous studies found that the non-price promotions (such as free sample, premiums, sweepstakes and etc.) have the ability to reinforce brand equity (Buil *et al.,* 2013). Remarkably, non-price promotions can differentiate brands; communicate unique brand attributes, which contribute in the development of brand equity (Lee, 2002). Consequently, non-price promotions could meet long-term objectives as developing brand image, establishing brand associations, positively influencing perceived quality and increasing brand loyalty (Conlon, 1980; Aaker, 1991; Shea, 1996; Buil *et al.,* 2013). Lee (2002) mentioned that the positive effect between the non-price promotion and the brand equity is due to the relation of the non-price promotions with hedonic benefits (such as entertainment and exploration).

For public relations, past studies indicated that this tool could establish brand awareness through recall and recognition. Public relations are concerned with the management of communication between a company and its stakeholders (Mubushar *et al.,* 2013). Public relations help organisations achieve their goals by forming relationships with strategic publics. This tool is necessary to promote ideas, community relations, or customer relations. It is an on going strategic effort to communicate and develop relationships with publics (Khodarahmi, 2009).

As a result, it enhances brand associations, draw brand emotions and create brand attitude and experience (Keller, 2003; Mubushar *et al.,* 2013). The more customers aware of public relations messages, the more they will be familiar with the company (Kotler and Armstrong, 2012). Therefore, business scholars often argue that familiarity of a company is one of the strongest factors to determine favourable image of the company. Coombs (2001) argued that when corporations have plans to cultivate public relations and fulfil commitment, customer's loyalty to corporations would increase.

For the direct marketing, past studies indicated that this tool is an effective tool to build brand equity (Mubushar *et al.,* 2013). Gardiner and Quinton (1998); Merisavo and Raulas

(2004), Mallin and Finkle, (2007), Rios and Riquelme (2008); Harridge (2009), and Kotler and Armstrong (2012) stated that this tool allows the organisation to reach the audience; to boost their awareness, interest, and quality; to share information about goods or services; to promote them; to shape brand image; and to build loyalty towards the brand. Once the customers are aware of the brand, a strong and positive brand image is formed by the usage of direct marketing.

These direct marketing target customers by delivering personalised messages to obtain an immediate response and building a relationship with them (Fill, 2002). Hence, this communication attempts to build a one-to-one relationship with each customer and to gain his/her trust (Fletcher and Peters, 1997; Fill, 2002). Thus, it helps marketers to get and keep customers and also working towards getting their loyalty (Mallin and Finkle, 2007). Nowadays, this tool becomes very important due to the advancement of technology. Particularly, the financial services sector has tried to employ this method as part of a multichannel distribution policy (Page and Luding, 2003).

After revising the impact of the major controllable marketing communication tools, it has been found that the way the brand is expressed is an important part of brand development. Therefore, all the marketing communication tools should be integrated to deliver a consistent message (Joachimsthaler and Aaker, 1997). For this reason, the IMC has become a hot topic in the field of marketing since 1990s (Kitchen and Schultz, 1997; Clow, 2010). It has been defined as the process by which " the messages conveyed by each of the promotional tools should be harmonised in order that audiences perceive a consistent image". Brunello (2013) highlighted the importance of consistency through the organisation in terms of communications about the brand. The IMC brings marketing tools to work together to transmit a consistent message matching with the organisation's objectives and strategies (Kotler and Armstrong, 2012). Using a number of tools together helps organisations to achieve a coordinated and harmonised message in order to form a consistent set of communication (Fill, 2002). The IMC is needed when organisations coordinate dialogue with their various internal and external audiences. Particularly, for successful financial services brands, the brand is interpreted in each contact point as everything experienced by the customer. The synergy between each element of the experience allows the brand to be greater than the sum of its parts (Brunello, 2013). This reflects a sophisticated style of branding where the brand is not just a logo particularly in the service context (Schmidt and Ludlow, 2002).

After reviewing the literature, it has been found that few studies have examined the brand equity separate from its dimensions in order to know the contribution and the importance of each CBBE dimension in the overall brand equity assessment (e.g., Yoo *et al.,* 2000; Rajh and Dosen, 2009; Yacout and Elsahn, 2011; Chahal and Bala, 2012). These studies who separate the brand equity from its dimensions did not take into consideration five CBBE dimensions, they consider two or maximum three dimensions, such as Yoo *et al.* (2000) adopted three CBBE dimensions, which include brand awareness/associations, brand perceived quality and brand loyalty. Rajh and Dosen (2009) adopted two dimensions, which include brand awareness and brand image. Yacout and Elsahn (2011) adopted three dimensions, which include brand awareness/associations, brand perceived quality and brand trust. Chahal and Bala (2012) adopted three dimensions, which include brand perceived quality, brand loyalty and brand image.

Furthermore, it has been found that the previous studies focused on one or two marketing communication tools, mainly the advertising and the sales promotions such as: Yoo *et al.* (2000) as mentioned previously adopted price, store image, distribution intensity, advertising and price deals. Rajh and Dosen (2005) adopted price level, intensity of market activities, store image and price deals. Ramos and Franco (2005) adopted advertising and price deals. Rajh and Dosen (2009) adopted price level, advertising, price deals, service delivery process and physical surroundings. Buil *et al.* (2013) adopted advertising and sales promotions. Therefore, Netemeyer *et al.* (2004), Chu and Keh (2006), Buil *et al.* (2013), and Davcik *et al.* (2015) mentioned that further research is needed to examine more factors that could built brand equity particularly they highlighted on the marketing communication tools due to its great importance. Additionally, the majority of these studies were conducted in Western countries and were related to tangible goods (e.g., Yoo *et al.*, 2000; Rajh and Dosen, 2005; Ramos and Franco, 2005; Buil *et al.,* 2013) except Rajh and Dosen (2009) was conducted in the service context.

2.11 Summary

The brand equity represents a critical success factor for any organisation especially in the service sector (Davcik *et al.,* 2015), giving more weight to the banking sector where customers find it hard to differentiate between banking services (Rambocas *et al.,* 2014). In this study the brand equity has been defined based on the marketing perspective as the incremental value to a product (goods or services) virtue by its brand name (Farquhar *et al.,* 1991). The researcher deals with the brand equity as separate construct and adopts five CBBE dimensions, which consist of brand awareness, brand associations, brand perceived quality, brand loyalty and brand trust to identify the contribution of each dimension. Thus, these dimensions act as sources to brand equity.

Regarding the factors that could contribute in building brand equity via the CBBE dimensions, it has been found that the marketing mix elements are key variables in building brand equity (Yoo *et al.,* 2000). Particularly, scholars have highlighted the need to further examine the impact of the marketing communication tools on building brand equity due to its great importance as mentioned previously by Netemeyer *et al.* (2004), Chu and Keh (2006), Buil *et al.* (2013), Davcik *et al.* (2015).

As a result, this research helps to fill the previously discussed gaps found in the literature by combining the major marketing communication tools, five CBBE dimensions and overall brand equity as shown in the following conceptual framework. However, since this study is conducted in the Egyptian banking sector, which has a specific nature, a qualitative phase is needed first to screen out the major bank marketing communication tools that help build bank brand equity via five CBBE dimensions based on the customer perspective.

Figure (2-1): the conceptual framework