

Examining contributions of customer-based and employee-based brand equity to a retail bank's market performance using resource-based theory

Dr DH Inseng

*Department of Marketing School of Economic
and Business Sciences University of
Witwatersrand
duhhelen@yahoo.com*

**Corresponding author*

Dr IC Uford

*Department of Marketing
Akwa Ibom State University
Obio Akpa Campus, Nigeria
imohuford@aksu.edu.ng*

ABSTRACT

Both employees and brands are companies' most important assets, yet most studies focus on the equity generated from brands and not employees. The market performance of a brand, especially in the service sector, depends on two factors: (i) customer-based brand equity, or the differential effect of brand knowledge on a consumer's response to the marketing of the brand and (ii) employee-based brand equity, or how knowledgeable, competent and committed employees are in delivering on a brand's promises. Despite this, the contribution of the employee-based brand equity to market performance is rarely measured. Thus, guided by the resource-based theory, this study examined the contributions of both employee-based brand equity (EBBE) and customer-based brand equity (CBBE) to a retail bank's market performance. Drawn from six Nigerian provinces, 182 employees and 178 customers of the United Bank of Africa (UBA) were surveyed. Structural equation modelling results revealed that UBA's CBBE significantly affected customers' brand preference, repurchase intention and willingness to pay a premium price. UBA's EBBE also made a contribution, not only by impacting customers' willingness to pay a premium price, but also by improving the variance explained of the dependent constructs.

Keywords: Customer-based brand equity; employee-based brand equity; repurchase intention; price premium; retail bank; service; brand preference

In most companies' annual reports, the values of brands and employees are stated as the most important assets (Vomberg, Homburg & Bournemann, 2015). The value of a brand expressed in customer-based brand equity (CBBE) and the value of employees reflected in employee-based brand equity (EBBE) can drive market performance (Keller, 2013; Kwon, 2013). Market performance can be financial, in terms of sales volume, profits and market share (Beukes & Wyk, 2016), or it can be non-financial, in terms of consumers' positive responses to a brand. Consumers' responses can take the form of willingness to pay a premium price or spread positive word-of-mouth messages, brand preference, repurchase intention and positive attitudes towards brand extension (Buil, Martinez & De Chernatony, 2013). Based on the notion that the value or power of a brand lies in what customers know and feel about the brand, most studies to date have focused on the contribution of CBBE to market performance. For example, the study of Buil et al. (2013) assessed the contribution of CBBE to non-market performance in terms of consumers' responses to tangible product brands. The study did not, however, examine the contribution of EBBE.

The resource-based theory posits that all important resources that drive a firm's competitive advantage and ultimate market performance should be recognised and their contributions measured (Barney, 2018; Vomberg et al., 2015). Resource-based theorists such as Barney (1995; 2018) and Vomberg et al. (2015) have also stressed the importance

of measuring the contributions of all vital resources, namely, employees and brands, to the market performance of firms in different industry contexts. From a service firm perspective, for example, assessing the contributions of both employees through EBBE and brands through CBBE is particularly important. This is because customers' positive responses to a service brand and future patronage do not solely depend on CBBE but also on how knowledgeable, competent and committed the employees are in interactively and individually delivering on a brand's promises (i.e. EBBE) (Vomberg et al., 2015).

In a retail service setting, Grewal, Roggeveen and Nordfält (2017) report that an engaged and loyal customer base is built when the contributions of all stakeholders, especially the employees, are recognised and appreciated. Moreover, King and Grace (2010) contend that knowledgeable, appreciated and satisfied employees are sources of EBBE. From EBBE, benefits like good brand citizenship behaviour, brand commitment, employee and customer retention can be enjoyed. Despite the non-financial market performance benefits awaiting firms from both CBBE and EBBE, only the contribution of CBBE has been measured while the contribution of EBBE has rarely been assessed (Vomberg et al., 2015). Thus, this study examines the contributions of both CBBE and EBBE to the non-financial market performance of a retail service firm - United Bank of Africa (UBA) PLC in Nigeria. Specifically, the study is aims to achieve the following objectives:

- To examine the extent to which the CBBE of the UBA brand impacts on its non-financial market performance in terms of customers' willingness to pay a premium price, brand preference and repurchase intention (model 1).
- To assess how much both the CBBE and EBBE of the UBA brand impact on its non-financial market performance in terms of customers' willingness to pay a premium price, brand preference and repurchase intention (model 2).
- To examine the difference in variance explained of UBA customers' willingness to pay a premium price, brand preference and repurchase intention from model 1 and model 2.

The purpose of selecting UBA in Nigeria and conducting this study are explained next.

PURPOSE OF THE STUDY

UBA is one of Nigeria's top five banks and operates in 22 African countries, including Southern African countries such Zambia, Mozambique, Angola and South Africa. UBA also operates in the United States, the United Kingdom and France. It has about 626 global branches and serves more than seven million customers, most of whom are retail national and global customers (Research & Market, 2015). Despite the volatile Nigerian economy, partly caused by low oil prices and a very competitive retail banking sector, UBA's March 2018 financial report showed that the bank's 2017 gross earnings increased by 20.3%. Its profits before tax in 2017 also grew by 16%. Compared to 2016, the bank's total asset grew by 16.1% by the end of 2017 (United Bank for Africa Plc, 2018). While the measurement of UBA's asset worth is important because it reveals information about the bank's financial performance, it is equally important to assess the degree to which the bank's intangible assets, in the form of CBBE (Keller, 2013) and EBBE (Kwon, 2013), are driving some of its key non-financial market performance outcomes. These outcomes can be customers' brand preference, willingness to pay a premium price and repurchase intention (Buil et al., 2013).

Attempts have been made to measure retail brand equity (see for e.g. Anselmsson, Burt & Tunca, 2017; Londoño, Elms & Davies, 2016), although no studies have been specifically conducted on retail service brands such as banks. With the exception of Swoboda, Weindel and Hälsig (2016), who examined the impact of retail brand equity on customers' intentional loyalty to retailers, studies have not empirically assessed the anticipated market performance outcomes of retail brand equity. The present study contributes by not only examining two types of brand equity in the retail service sector, but by also assessing the extent to which the two types (i.e. CBBE and EBBE) drive non-financial market performance in terms of customers' responses to a retail service brand. The study starts by describing CBBE and EBBE and their benefits, after which the hypotheses and conceptual model are developed from the literature reviewed.

LITERATURE REVIEW

Various Perspectives of Brand Equity and its Benefits

Brand equity is an important intangible asset (Chowdhury, 2012) and has been conceptualised in three main perspectives (Buil et al., 2013), as described in the next sub-section.

Describing the three perspectives of brand equity

Viewing brand equity from a financial-based brand equity (FBBE) perspective, Farquhar, Han and Ijiri (1991) describe FBBE as the added value endowed by the brand name or the monetary value a firm generates from building and owning a brand. The knowledge of FBBE enables the reporting of the dollar value of a brand asset in financial statements and the calculation of an objective value of a brand during the sale or acquisition of a company (Farquhar, Han & Ijiri, 1991). From a consumer-based perspective (i.e. CBBE), Keller (2013:69) defines brand equity as "the differential effect that brand knowledge has on consumer response to the marketing of a brand". Conceptualising brand equity from an employee-based perspective (i.e. EBBE), Tavassoli, Sorescu and Rajesh (2014, p. 677) view it as "the value that a brand provides to a firm through its effects on the attitudes and behaviours of its employees". The attainment of FBBE depends on how strong both EBBE and CBBE are (Kwon, 2013). Their strength can be evaluated from the following benefits they provide.

Benefits or outcomes of CBBE and EBBE

A number of benefits flow from a strong brand with positive EBBE and CBBE. Firms invest and develop strategies to increase their CBBE because, among its many benefits, it improves perceptions of product quality and performance, increases customer loyalty, reduces vulnerability to competitive marketing actions, increases profit margins, creates opportunities for brand extensions and facilitates trade cooperation. CBBE most importantly drives consumers' positive responses to the marketing of brands (Keller, 2013).

Buil et al. (2013) studied the impact of CBBE on non-financial market performance in terms of four consumer responses – (i) willingness to pay a premium price, (ii) brand preference, (iii) repurchase intentions and (iv) positive attitudes towards brand extensions. They tested the impact with a tangible product brand and found that CBBE positively affects all four non-financial market performances. For a financial service brand, Wang, Yu and Ye (2012) found that a banking firm's brand equity positively drives its market value. In a retail setting, customer-based retail brand equity (CBRBE) can act as a 'shortcut' to position retail brands in the minds of consumers. This positioning facilitates easy recall of the most satisfying experiences and can thus influence future patronage of the retailer. CBRBE can also minimise the possibility of retail customers switching to a competitor's brand (Ailawadi & Keller, 2004).

In addition to the contribution of CBBE to the market performance of brands in the tangible product and service sectors, performance can also be enhanced by EBBE. King and Grace (2010:944) define EBBE as "the differential effect that ... brand knowledge has on employees' response to their work environment". They contend that EBBE benefits a firm in terms of good brand citizenship behaviour, employee satisfaction, employees' intention to stay in an organisation and employees' willingness to spread positive word-of-mouth about their company and brands. These EBBE benefits, generated by good internal marketing practices (e.g. role clarity, knowledge generation and dissemination) can enhance a firm's performance in the market (King & Grace, 2010). Huang, Rundle-Thiele and Chen (2019) also suggest that EBBE is generated from good internal marketing practices (e.g. training and internal communication) and leads to employee satisfaction, which can in turn enhance a firm's competitive advantage in the market.

When employees are well-informed about the value of their company brand and are proud of its image, this drives EBBE (King & Grace, 2010) and can even result in the willingness of employees and executives to accept lower pay (Tavassoli et al., 2014). In addition to the cost savings that can be made from employees' willingness to accept lower pay, proud employees will gladly deliver on a brand's promises (Kwon, 2013). Morokane, Chiba and Kleyn (2016)

found that for a large retail bank in South Africa, employees' knowledge and engagement with their bank brand encouraged them to endorse the brand to friends and family members. These EBBE benefits ultimately manifest in CBBE and its accompanying positive market performance outcomes (King & Grace, 2009). These outcomes, according to Buil et al. (2013), can be reflected in consumers' positive responses to brands.

Hypotheses Development

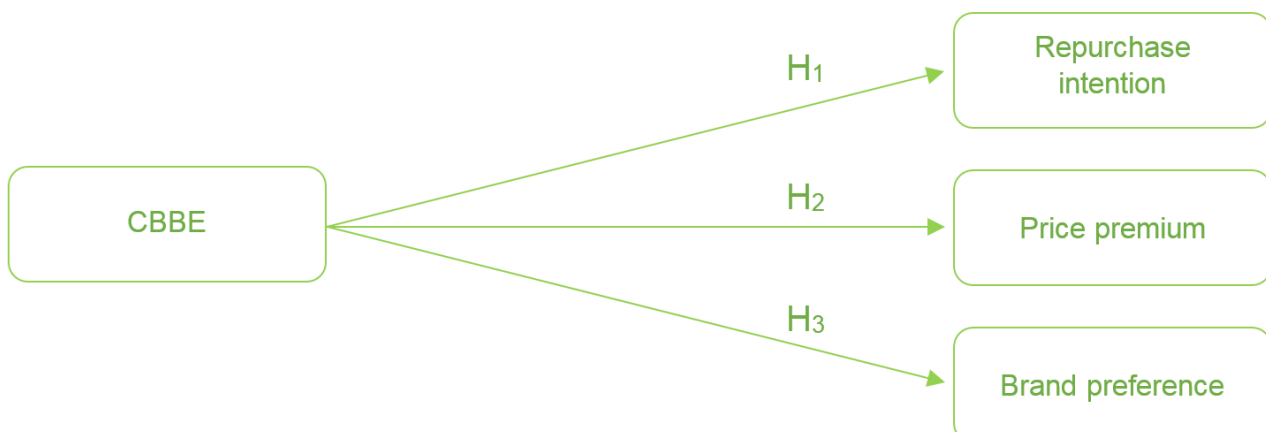
Relationships between CBBE and consumers' brand responses

Contending that positive CBBE influences non-financial market performances of firms in terms of consumers' responses to their brands, Buil et al. (2013) examined the impact of CBBE on four consumer responses to brands. These four responses were (i) consumers' willingness to pay a premium price, (ii) attitude towards brand extension, (ii) brand preference and (iv) repurchase intention. Buil et al. (2013) tested their hypotheses with Adidas, Nike, Sony, Panasonic, BMW and Volkswagen. These brands were selected from the sportswear, electronics and car product categories in the UK and Spain. From their empirical testing of the impact of CBBE on the four consumer responses to the selected brands, Buil et al. (2013) found that CBBE positively and significantly influenced all four responses. Of these four responses, the current study tested the extent to which CBBE impacts on only three of the responses, namely, (i) consumers' willingness to pay a premium price, (ii) brand preference and (iii) repurchase intention. These three selected responses were applicable to the retail service brand, i.e. a retail bank, examined in this study.

Retailers' brands also generate brand equity, which Arnett, Laverie and Meiers (2003) term 'customer-based retail brand equity' (CBRBE). Arnett et al. (2003:168) describe CBRBE as a "set of brand assets and liabilities linked to a store brand (e.g. Wal-Mart), its name and symbol, that add to or subtract from the perceived value of the store brand by its customers (or potential customers)". With CBRBE being CBBE measured in a retail setting, Arnett et al. (2003) assert that a retail brand with strong CBBE can enjoy competitive advantage and other benefits. Even for a retail service brand such as a bank, Donat (2018) reports that CBBE can contribute to several different types of market performance. Since Buil et al. (2013) indicate that CBBE positively and significantly drives non-financial market performance such as customers' brand preference, repurchase intention and a willingness to pay a premium price, we deduced that the CBBE of UBA retail banks would positively impact customers' brand preference, repurchase intention and willingness to pay a premium price. From this deduction and as indicated in Figure 1, the following hypotheses were formulated.

- H₁: There is a positive relationship between UBA's CBBE and its customers' repurchase intention.
- H₂: There is a positive relationship between UBA's CBBE and its customers' willingness to pay a premium price.
- H₃: There is a positive relationship between UBA's CBBE and its customers' brand preference.

**FIGURE 1:
CONCEPTUAL MODEL OF CBBE'S IMPACT ON CUSTOMERS' RESPONSE**



Relationships between EBBE and consumers' brand responses

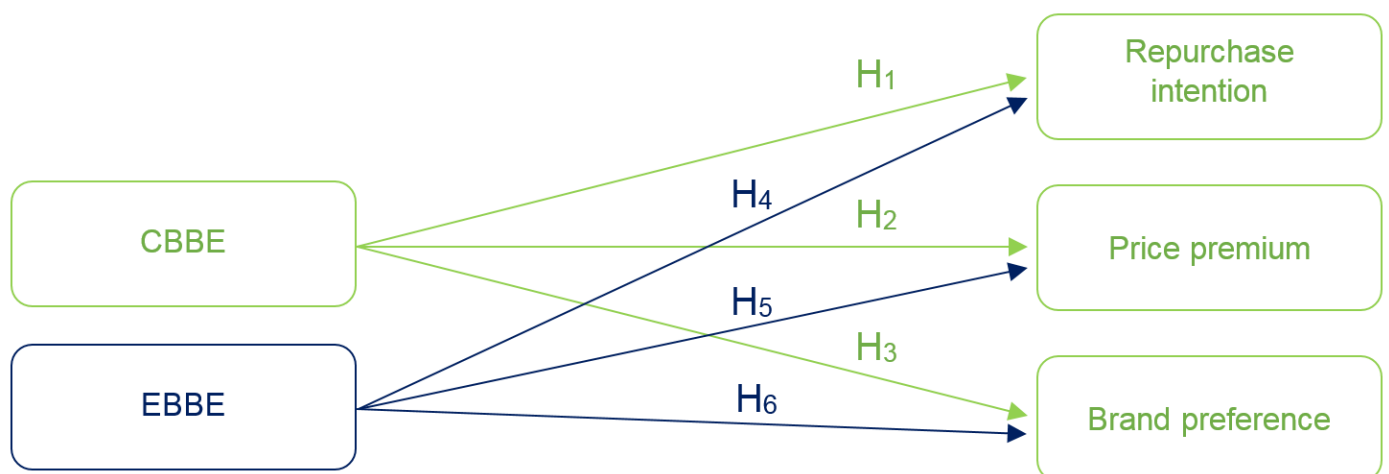
Kwon (2013) views EBBE in terms of how employees' knowledge of the strength of a brand leads to brand commitment and role clarity. He furthermore suggests that it drives customer brand satisfaction, loyalty and equity. When there is high and positive EBBE, employees deliver on their brand's promise, which Kotler and Keller (2006:278) describe as "the marketer's vision of what the brand must be and do for consumers". Following King and Grace's (2010) suggestion that overall EBBE leads to employee satisfaction, brand citizenship behaviour and intention to stay in an organisation, it is expected that with these types of benefits embedded in EBBE, it should lead to the types of market performance which Buil et al. (2013) found to be outcomes of CBBE. With this expectation, the following hypotheses were formulated:

- H₄: There is a positive relationship between UBA's EBBE and its customers' repurchase intention.
 H₅: There is a positive relationship between UBA's EBBE and its customers' willingness to pay a premium price.
 H₆: There is a positive relationship between UBA's EBBE and its customers' brand preference.

3.2.3 Can EBBE enhance CBBE impact on consumer brand responses?

The resource-based theory suggests that organisations thrive on a system of interdependent resources which need to be measured in terms of how they sustain competitive advantage and drive market performance (Vomberg et al., 2015). Viewing CBBE and EBBE as two important resources, Vomberg et al. (2015) suggest that CBBE and EBBE can complementarily relate to create relatively more value.

**FIGURE 2:
CONCEPTUAL MODEL OF BOTH CBBE AND EBBE IMPACT ON CUSTOMERS' RESPONSE**



With the increased value expected from examining the contributions of both CBBE and EBBE, as presented in Figure 2, it can be hypothesised that:

- H₇ The variances explained of UBA's customer repurchase intention, willingness to pay a premium price and brand preference will be higher from the testing of model 2 than model 1 in Figures 2 and 1 respectively.

RESEARCH METHODS

Sampling Procedure and Size

Since customer-based and employee-based brand equity had to be measured, data was collected from both UBA customers and employees. The customers and employees were surveyed at twelve UBA branches. Two branches were selected from six of Nigeria's seven provinces. The seventh province was omitted due to the terrorist activities in the province at the time of data collection. UBA employees from all levels of management were drawn from the branches using a cluster non-probability sampling technique (i.e. according to the provinces and bank branches). This sampling method was also used to select the UBA customer participants. The customers were drawn from the retail, commercial and corporate levels of the bank. The retail and commercial customers were approached in the banking offices, at the respondents' convenience, while the willing corporate customers were visited in their respective offices to participate in the study. Employees were met at their place of work.

After 400 questionnaires were administered (200 for UBA employees and 200 for customers), 182 employees successfully completed the questionnaires, representing a 91% response rate for employees. Of the 200 customers surveyed, 178 viable responses were received, representing an 89% response rate for customers. The researcher was directly involved in the collection of data, after obtaining an ethics clearance certificate from the University of the Witwatersrand.

Measures

Scales of previous authors which were found to be reliable and valid were used to measure this study's constructs. CBBE, brand preference, repurchase intention and willingness to pay a premium price were obtained from the study of Buil et al. (2013). Since the authors measured these constructs in the context of sportswear, electronics and car brands, the measurement scales had to be adapted to suit the retail bank studied here. EBBE was measured with Kwon's (2013) scale. However, since this scale was used in an hospital context, it also had to be adapted for a retail bank setting. Considering the adaptation of the scales, the reliability and validity of all the constructs were assessed. Each of the constructs in this study was measured with four items. Following the previous studies, a five-point Likert scale with 1 = strongly disagree and 5 = strongly agree was used. Before administering the questionnaire, it was first pre-tested with ten customers and ten employees. The reliability results from the pre-test were acceptable, with all the scales' reliability meeting the recommended threshold of 0.7 and above.

Analyses and Results

The analyses started with descriptive statistics to obtain the characteristics of the sample and the mean of the constructs. Confirmatory factor analysis (CFA) was then conducted to confirm the dimensions of the constructs, their reliability and validity. Structural equation modelling was lastly conducted to assess the measurement model fit and the relationships in the path models.

(a) Descriptive Statistics for UBA Customers

More males (58.4%) than females participated in the study. This probably reflects that more males than females were customers in the banks studied. It could also simply mean that more males than females were willing to participate in the study. Up to 74% of the respondents were within the ages of 20 to 39. People within this age group are young adults and considered to be Generation Y. Norum (2008) reports that Generation Y consumers are one of the biggest and most attractive consumer segments for various goods and services. Being a retail bank, most of UBA customers (63%) were retail bankers. The commercial bankers were 19%, while the corporate bankers were 18%. A higher number of the customers (55.6%) had postgraduate certificates, compared to customers with undergraduate and diploma certificates (44.6%). The sample also comprised 71% financially well-off customers, compared to 39% of customers who rated themselves as less financially well-off.

(b) Descriptive Statistics for UBA Employees

The gender distribution of UBA employees was almost equal, with 51% being females. The young adult employees within the 20-39 age group represented 73%, while those aged 40-44 years were 14.8%. In terms of level of management, 43% of the employees were low-level managers, 32% were middle managers, 23% were non-management employees, while only 2.2% were top managers. The low representation of the top managers could probably be due to the difficulty of accessing top management employees to participate in the survey. More employees (58%) had a postgraduate certificate, thus signifying that they could better understand their service roles and be knowledgeable about the worth of their bank brand.

**TABLE 1:
MEAN, RELIABILITY AND VALIDITY STATISTICS**

Research Constructs	Descriptive Statistics				Cronbach's alpha Test				
	Items and constructs' mean values	Items and constructs' Standard Deviation	Item-total	Alpha value	C.R. Value	AVE Value	Factor Loading		
CBBE	CBBE1	4.30	0.83	0.71	0.86	0.90	0.652	0.725	
	CBBE2	4.08	1.07	0.80				0.854	
	CBBE3	4.16	1.255	0.71				0.787	
	CBBE4	4.30	0.71	0.62				0.785	
EBBE	EBBE1	3.99	0.88	0.79	0.79	0.87	0.630	0.780	
	EBBE2	4.12	0.78	0.85				0.819	
	EBBE3	4.18	0.76	0.85				0.806	
	EBBE4	4.08	0.87	0.71				0.768	
PPR	PPR1	3.67	1.01	0.77	0.90	0.91	0.709	0.838	
	PPR2	3.59	1.060	0.85				0.962	
	PPR3	3.82	0.98	0.83				0.817	
	PPR4	3.75	0.97	0.73				0.735	
BP	BP1	4.12	0.90	0.74	0.80	0.86	0.673	0.832	
	BP2	4.21	0.81	0.82				0.840	
	BP3	4.27	0.69	0.67				0.789	
PI	PI1	4.23	0.77	0.78	0.83	0.91	0.727	0.872	
	PI2	4.28	0.74	0.86				0.861	
	PI3	4.27	0.83	0.81				0.831	
	PI4	4.29	0.73	0.80				0.847	

NB: PPR = price premium; BP = brand preference; PI = repurchase intention, CR = composite reliability, AVE = average variance extraction.

CBBE = customer-based brand equity; EBBE = employee-based brand equity

Constructs Mean, Reliability and Validity

Looking at the mean figures in Table 1 and considering that a five-point Likert scale was used to measure the constructs, both customer and employee respondents agreed to the statements measuring CBBE (M = 4.10) and EBBE (M = 4.09) respectively. This means that UBA bank has strong CBBE and EBBE. The customers strongly agreed that they preferred the UBA brand (M = 4.20) and had the intention to repurchase the bank's services (M = 4.27). The customers were, however, neutral as to whether they would be willing to pay a premium price for UBA services with (M = 3.7).

The constructs' reliability was tested with Cronbach's alpha and composite reliability. Table 2 shows that all the reliability values, i.e. Cronbach's alpha ranging from 0.79 to 0.90 and composite reliability ranging from 0.86 to 0.91, were all greater than the recommended threshold of 0.7. Construct validity was assessed in terms of discriminant validity and convergent validity. With the factor loadings ranging from 0.73 to 0.96, and the Average Variance Extracted (AVE) values ranging from 0.63 to 0.73 and all greater than the recommended 0.5, convergent validity was obtained (Hair, Black, Babin & Anderson, 2010). The correlation results in Table 2 provide proof of discriminant validity. This is because all the correlation coefficients are less than 0.9, as recommended by Tabachnick and Fidell (2012).

**TABLE 2
CORRELATION MATRIX**

	CBBE	EBBE	PP	PI	BP
CBBE	1				
EBBE	.788**	1			
PP	.491**	.463**	1		
PI	.726**	.692**	.395**	1	
BP	.874**	.806**	.495**	.829**	1

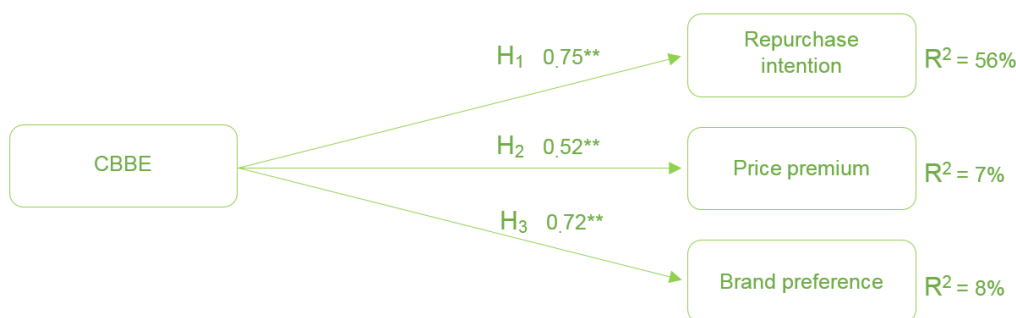
** = Correlation is significant at the 0.01 level (2-tailed).

Measurement Model

For the assessment of the measurement model and through the goodness-of-fit tests, this study obtained Chi-square (χ^2/df) = 1.491, Goodness of Fit Index (GFI) = 0.816, Comparative Fit Index (CFI) = 0.959, Tucker Lewis Index (TLI) = 0.940, Incremental Fit Index (IFI) = 0.961, Relative Fit Index (RFI) = 0.838, Norm Fit Index (NFI) = 0.890, Random Measure of Standard Error Approximation (RMSEA) = 0.053. These results all show acceptable fits.

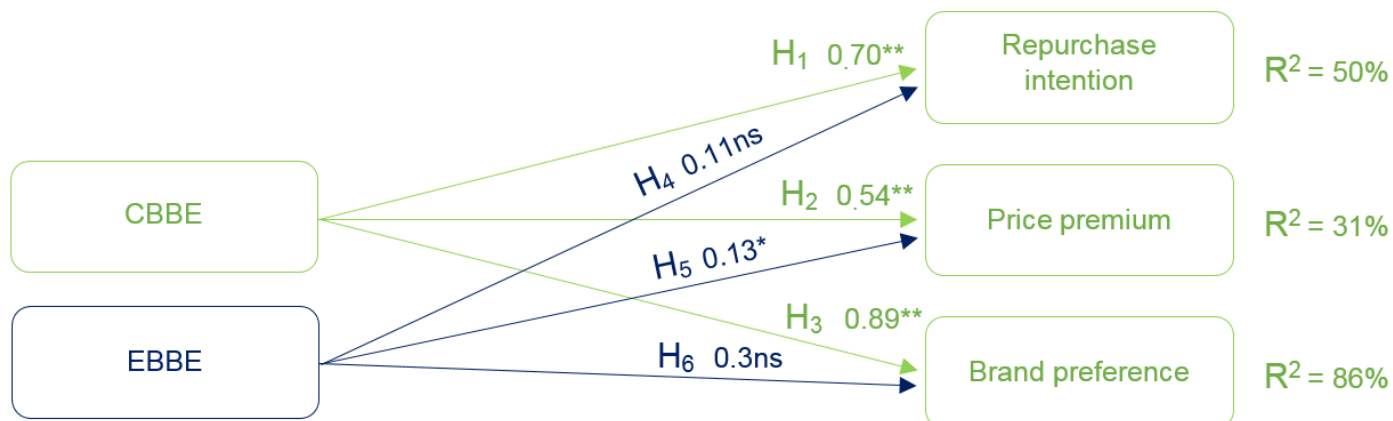
Structural or Path Models

**FIGURE 3:
STRUCTURAL MODEL WITHOUT EBBE CONTRIBUTION**



** = Significant at p<01

**FIGURE 4:
STRUCTURAL MODEL WITH EBBE CONTRIBUTION**



** = Significant at p<.01; * = significant at p<.05; ns = not significant

TABLE 3
VARIANCE EXPLAINED WITH AND WITHOUT EBBE AS A CONTRIBUTOR

Changes in variance explained with and without EBBE in models

Outcome variable	Variance explained in 1 st model without EBBE	Variance explained in 2 nd model with EBBE	Difference in variance explained
Repurchase Intention	56%	50%	-6%
Price Premium	27%	31%	+4%
Brand Preference	68%	86%	+18%

Hypotheses Testing Results

Hypotheses H_1 , H_2 and H_3 posited that there would be positive relationships between UBA's CBBE and its customers' repurchase intention, willingness to pay a premium price and brand preference. The results in Figure 3 show that all of the hypotheses were supported with ($\beta = 0.75$, $p < 0.01$), ($\beta = 0.52$, $p < 0.01$) and ($\beta = 0.72$, $p < 0.01$) respectively. For hypotheses H_4 , H_5 and H_6 , it was expected that there would be positive relationships between UBA's EBBE and its customers' repurchase intention, willingness to pay a premium price and brand preference respectively. With Figure 4 showing ($\beta = -0.11$, ns), ($\beta = 0.13$, $p < 0.05$) and ($\beta = 0.03$, ns) for H_3 , H_4 and H_5 respectively, only H_5 was supported. This means that employee-based brand equity only drives UBA customers' willingness to pay a premium price.

Hypotheses 7 postulated that the variance explained of UBA customers' repurchase intention, willingness to pay a premium price and brand preference would be higher in the model, having both CBBE and EBBE as predictors, than in the model with only CBBE as a predictor. The results in Table 3 reveal that even though UBA customers' brand preference and willingness to pay a premium price increased by 18% and 4% respectively when the contribution of EBBE was factored in, the customers' intention to patronise the bank in the future dropped by 6%. The implications of these results are discussed next.

DISCUSSIONS AND IMPLICATIONS

Considering that the market performance outcomes of brand equity have been mostly assumed, with little empirical testing (Buil et al., 2013), this study examined how two types of brand equities drive consumer responses to a retail service brand. As with the study of Buil et al. (2013) on durable product brands, UBA's customer-based brand equity strongly affected the customers' repurchase intention, willingness to pay a premium price and brand preference. This is an indication that the bank's customers are not only willing to pay more for the bank's services, but they prefer and plan to patronise the bank in the future due to the brand's CBBE. The power of CBBE in driving customers' responses in the retail sector has also been proven by Swoboda et al. (2013) who found that a retail store's brand equity was what drove customers' store intentional loyalty more than convenient location.

Considering the proven benefits of CBBE, businesses should find ways to build their CBBE. For retailers, Colicev, Malshe and Pauwels (2018) suggest that CBBE can be built from brand awareness, brand impression/image, perceived quality and customer satisfaction. Retailers and future researchers should thus study and identify which of these aspects of CBBE are specifically influencing customers' repurchase intention, willingness to pay a premium price and brand preference examined in this study. With retail store brands, Calvo-Porrall and Levy-Mangin (2017) found that it was perceived quality services which strongly influenced purchase intention.

The findings of this study indicate that retailers' investments to build and position their brands as attractive, strong and unique in the minds of customers (CBBE) are worthwhile. This is particularly so, because the positive responses from customers generated from CBBE are drivers of financial performance (Buil et al., 2013). It can therefore be suggested that of the five areas that will drive the success of retailing in the future, as outlined by Grewal et al. (2017), the building and measuring of retail brand equity should be added. The sustainability of brand equity,

however, depends on how much employees understand their role in brand building and are committed to delivering on the brand's promise. In other words, the brand equity, which accounts for positive customer responses, needs to be supported by EBBE (King & Grace, 2010).

In terms of the support that EBBE can provide to customers' positive responses, this study found that in addition to specifically affecting UBA customers' willingness to pay a premium price, the addition of EBBE in model 2 improved the extent to which CBBE explained customers' willingness to pay a premium price and brand preference. This implies that when UBA employees understand their role, have a sound knowledge of the strength of their brand and are committed to delivering on the brand's promise (that is, positive EBBE), this will not only cause the bank's customers to be willing to pay more for the services they receive, but it will increase the degree to which CBBE drives brand preference.

Even though it was hypothesised that UBA's EBBE would positively impact on repurchase intention, it was surprising that EBBE had a negative relationship with repurchase intention. This reduced the variance explained of repurchase intention when EBBE was factored into model 2. This could be explained by the fact that consumers' brand consideration, as observed by Baxendale, Macdonald and Wilson (2015), was being influenced by various touchpoints such as retail advertising, brand advertising, in-store communication and peer observation (customers influenced by other customers). Of these touchpoints, Baxendale et al. (2015) found that peer observation had a stronger persuasive and more pervasive influence on customers' brand consideration. The findings of Baxendale et al. (2015) can assist in explaining the negative relationship between EBBE and repurchase intention. For example, as much as UBA employees' services should positively entice the customers to develop the intention to re-patronise the bank, the bank's customers could also be receiving external pressure from friends, banking with other Nigerian banks, to switch banks. This then reduces the possibility of repurchase intention.

Another hindrance to repurchase intention may be other banks' advertising, promising better services and deals. This can be particularly so, considering the finding of Wang et al. (2012) that for a banking firm, brand advertising positively affects brand evaluation. Thus, in addition to brand owners' internal brand equity building efforts for positive customer responses, other third parties' touchpoints or influences, such as word-of-mouth, peer observation, other media and social effects should be considered (Baxendale et al., 2015).

LIMITATIONS AND AREAS OF FUTURE RESEARCH

Although this study makes some practical and theoretical contributions to marketing, brand management and human resource management by highlighting the market performance benefits of both CBBE and EBBE, it is not without limitations. The first limitation is the methodology. This study adopted a self-administered questionnaire with a cross-sectional design. With surveys like this, there could be the problem of social desirability bias, whereby respondents may be inclined to give favourable answers. To check for this possibility, customers' reported brand preference, repurchase intention and willingness to a premium price should be checked with an experimental design or a longitudinal study.

A second limitation is the fact that the study was conducted in large cities – mainly provincial state capitals – where more educated, knowledgeable and affluent respondents reside and work. To get a broader picture of UBA's CBBE and EBBE and the extent to which they affect customers' brand response, future research should obtain data from other urban areas and/or add some rural areas. A larger sample size. Furthermore, future research should test the hypotheses with other retail banks, service firms and even other business sectors.

While this study has shown that both CBBE and EBBE have some influence on UBA's market performance in terms of customers' positive brand responses, it will be useful to examine the moderating roles of other brands' advertising, peers and other social influences, which are important persuasive touchpoints, as observed by Baxendale et al. (2015). Other possible outcomes of CBBE and EBBE, such as resistance to competitors' persuasive advertising to switch banks and customers' and employees' willingness to spread positive word-of-mouth should be investigated. Also important for further studies would be the investigation of the sources of UBA's CBBE and EBBE brand equity in the first place. Keller's (2013) CBBE or resonance model and Kwon's (2013) EBBE models of sources of brand equity would be useful in this regard.

CONCLUDING REMARKS

Brand equity, the added value or benefits that a brand name gives to a product (Aaker, 1991), provides a stream of benefits to consumers, manufacturers, investors as well as different types of retailers (Keller, 2013). This includes retail service banks, as this study reveals. Thus, as companies and various brand owners invest in building their brands, the benefits of these efforts from both internal (employee) and external (customer) perspectives should be regularly measured. This is particularly important because in addition to the market value they can generate, the resultant strong brand equity can offset many performance failures, as noted by Brady, Cronin, Fox and Roehm (2008) in four industries. For premium price and brand preference, which increased with the factoring of EBBE into their relationship with CBBE, the current study contributes by confirming the resource-based view. The theory posits that organisations are systems of interdependent resources, which complement each other to create more value to the firm, especially in the service sector (Vomberg et al., 2015).

REFERENCES

- Aaker, D. A. 1991. *Managing Brand Equity: Capitalizing on the Value of a Brand Name*. New York: The Free Press.
- Ailawadi, K. L. & Keller K. L. 2004. 'Understanding retail branding: conceptual insights and research priorities', *Journal of Retailing*, 80(4):331-342.
- Anselmsson, J., Burt S. & Tunca, B. 2017. 'An integrated retailer image and brand equity framework: Re-examining, extending and restructuring retailer brand equity', *Journal of Retailing and Consumer Services*, 38:194-203.
- Arnett D. B., Laverie D. A. & Meiers, A. 2003. 'Developing parsimonious retailer equity indexes using partial least squares analysis: a method and applications', *Journal of Retailing*, 79(3):161-170.
- Barney, J. B. 1995. 'Looking inside for competitive advantage', *Academy of Management Executive*, 9(4):49-61.
- Barney, J. B. 2018. 'Why resource-based theory's model of profit appropriation must incorporate a stakeholder perspective', *Strategic Management Journal*, 39(13):3305-3325.
- Baxendale, S., Macdonald, E. K. & Wilson, H. N. 2015. 'The impact of different touchpoints on brand consideration', *Journal of Retailing*, (91)2:235-253.
- Beukes, C. & Wyk, G. 2016. 'An investigation of marketing performance measurement practices in Hatfield Volkswagen Group', *African Journal of Business Management*, 10(6):131-139.
- Brady, M. K., Cronin, J. J. Jr., Fox, G. L. & Roehm, M. L. 2008. 'Strategies to offset performance failures: The role of brand equity', *Journal of Retailing*, 84(2):151-164.
- Brown, S. P. & Lam, S. K. 2008. 'A meta-analysis linking employee satisfaction to customer responses', *Journal of Retailing*, 8(3):243-255.
- Buil, I., Martinez, E. & De Chernatony, L. 2013. 'The influence of brand equity on consumer responses', *Journal of Consumer Marketing*, 30(1):62-64.
- Calvo-Porrà, C. & Levy-Mangin, J. 2017. 'Store brand's purchase intention: Examining the role of perceived quality', *European Research on Management and Business Economics*, 23:90-95.
- Chowdhury, R. A. 2012. 'Developing the measurement of customer-based brand equity in service industry: An empirical study on mobile industry', *European Journal of Business and Management*, 4(13):62-65.
- Colicev, A., Malshe, K. & Pauwels, K. 2018. 'Social Media and Customer-Based Brand Equity: An Empirical Investigation in Retail Industry', *Administrative Sciences*, 8(3):1-16.
- Donat, D. 2018. *An exploratory study on customer-based brand equity of Russian retail banks among younger audience*. Master's thesis. St. Petersburg: St. Petersburg University.
- Farquhar, P. H., Han, J. Y. & Ijiri, Y. 1991. *Recognizing and measuring brand assets*. Marketing Sciences Institute Working Paper Series. Report No. 91-119. Cambridge, MA.
- Grewal, D., Roggeveen, A. L. & Nordfält, J. 2017. 'The future of retailing', *Journal of Retailing*, 93(1):1-6.
- Hair, J., Black, W., Babin, B. & Anderson, R. 2010. *Multivariate Data Analysis: A Global Perspective*. New Jersey: Pearson Prentice Hall.
- Huang, Y., Rundle-Thiele, S., & Chen, Y. 2019. 'Extending understanding of the internal marketing practice and employee satisfaction relationship: A budget Chinese airline empirical examination', *Journal of Vacation Marketing*, 25(1):88-98.
- Keller, K. L. 2013. *Strategic brand management: Building, measuring and managing brand equity*. 4th edition. UK: Pearson Education International.
- King, C. & Grace, D. 2009. 'Employee-based brand equity: A third perspective', *Service Marketing Quarterly*, 30(2):122-147.
- King, C. & Grace, D. 2010. 'Building and measuring employee-based brand equity', *European Journal of Marketing*, 44(7/8):938-971.

- Kotler, P. & Keller, K. L. 2006. *Marketing Management*. 12th edition. Upper Saddle River, New Jersey: Prentice Hall.
- Kwon, Y. 2013. *The Influence of Employee-Based Brand Equity on the Health Supportive Environment and Culture: Organizational Citizenship Behaviour Relation*. PhD thesis. Michigan, USA: University of Michigan.
- Londoño, J. C., Elms, J. & Davies, K. 2016. 'Conceptualising and measuring consumer-based brand-retailer-channel equity', *Journal of Retailing and Consumer Services*, 29:70-81.
- Morokane, P., Chiba, M. & Kleyn, N. 2016. 'Drivers of employee propensity to endorse their corporate brand', *Journal of Brand Management*, 33(1):55-66.
- Norum, P. S. 2008. 'Student Internet Purchases', *Family and Consumer Sciences Research Journal*, 36(4):373-388.
- Research & Markets. 2015. *United Bank for Africa Plc (UBA) - Financial and Strategic SWOT Analysis Review*, ID: 1322043. Retrieved from: *United Bank for Africa Plc (UBA) - Financial and Strategic SWOT Analysis Review* [Accessed on March 15, 2017]
- Seitz, V., Razzouk, N. & Wells, D.M. 2010. 'The importance of brand equity on purchasing consumer durables: An analysis of home air-conditioning systems', *Journal of Consumer Marketing*, 27(3):236-42
- Swoboda, B. Weindel, J. & Hälsig, F. 2016. 'Predators and effects of retail brand equity: A cross-sectoral analysis', *Journal of Retailing and Consumer Services*, 31:265-276.
- Tabachnick, B. G. & Fidell, L. S. 2012. *Using Multivariate Statistics*. 6th edition. New York: Pearson Education Limited.
- Tavassoli, N., Sorescu, A. & Rajesh, C. 2014. 'Employee-Based Brand Equity: Why Firms with Strong Brands Pay Their Executives Less', *Journal of Marketing Research*, 51:676-690.
- United Bank for Africa Plc. 2018. *United Bank for Africa Plc Audited Results for the Year Ended December 31, 2017*. Retrieved from: <https://www.ubagroup.com/wp-content/uploads/2018/08/20180323071038431F.pdf>. [Accessed: 3 March 2018].
- Vomberg, A., Homburg, C. & Bournemann, T. 2015. 'Talented people and strong brand: The contribution of human capital and brand equity to firm value', *Strategic Management Journal*, 36(13):2122-2131.
- Wang, D. H. M., Yu, H. K. & Ye, F. R. 2012. 'The value relevance of brand equity in the financial services industry: an empirical analysis using quantile regression', *Service Business*, 6(4):459-471.