Measuring and managing brand equity
A study with focus on product and service quality in banking

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Abstract
Purpose – A strong brand is among the most valuable intangible assets for any company. This paper aims to provide empirical evidence of a brand equity model and illustrates the application of the model on a Danish bank.

Design/methodology/approach – The conceptual model is founded on a customer-based approach to brand equity. The model links customer-brand relationships to rational and emotional brand responses, which are in turn linked to six drivers including product quality and service quality. The conceptual model is operationalized by a structural equation model with latent variables and a measurement system. To validate, the model surveys were conducted for four brands in three industries, and the paper presents results from 351 interviews with customers of the largest Danish retail bank. The model is estimated and tested by using partial least squares.

Findings – A high level of explanatory power is obtained, and the results indicate strong support for the proposed model. The estimated model gives performance indexes for each variable in the model and impact scores for the relationships between the variables. The findings are discussed and a brand equity map is developed.

Research limitations/implications – The study in this paper is limited to one brand in the banking sector. However, the model and the measurement system are generic and should be applicable to all types of brands and industries.

Practical implications – The paper provides a model to understand brand equity building. The proposed brand equity map depicting impact versus performance of brand equity drivers may support the brand strategy development process.

Originality/value – The paper provides a brand equity model, which is based on state-of-the-art thinking within branding and includes both rational and emotional brand responses. The model has been applied in practice with good results, and the proposed brand equity map is useful in assessing and developing a brand’s strength.

Keywords Brand equity, Banking, Denmark, Customer services quality, Product quality

Paper type Research paper

Introduction
A strong brand is among the most valuable intangible assets for any company (Clark, 2002; Keller, 2008; Keller and Lehmann, 2003). On average, the value of brands...
accounts for more than 50 percent of the market value of a company; this value of brands will further increase in the future (Hupp et al., 2003). Marketers are in the business of creating strong brands in order to deliver brand equity. Therefore, it is important to be able to answer questions such as: what is a strong brand? What makes a brand strong? How do we build a strong brand? How do we sustain a strong brand? To be able to answer these questions, it is essential to have a brand equity measurement and management system (Aaker and Joachimsthaler, 2000).

There has been an extensive interest in brand equity in marketing performance measurement (Clark, 2002), both in academic research and business practice (Srinivasan et al., 2001). “Brands are at the heart of marketing and business strategy” (Doyle, 2003, p. 165), and building brands equity is considered to be one of the key drivers of a company’s success (Prasad and Dev, 2000, p. 22). Also, this perspective emphasizes the importance of measuring and managing brand equity.

In recent years, we have developed a customer-based brand equity model (Martensen and Grønholdt, 2003b, 2004). The purpose of this paper is to empirically validate the model and demonstrate how it can be applied as a tool in the brand management process including product and service quality improvement.

The brand equity model has been developed to fulfill four main requirements. First, the model should be logical, well integrated and well founded. Further, the model should be based on state-of-the-art thinking within brand equity, from an academic as well as a practical point of view. Second, the model should be simple, yet sufficiently comprehensive to include the most important brand equity topics. Third, the model should be applicable to all possible types of brands and industries to ensure comparability of the measurements. Fourth, the model should be diagnostic and actionable, i.e. the model’s estimates should provide relevant information to support brand management strategy and decisions.

The customer-based brand equity model

When we talk about a brand’s equity, we mean a brand’s mental equity, concentrating on measures related to the consumer mindset, that is, the mental associations and relationships customers have toward the brand. Dyson et al. (1996, p. 6) highlight the importance of this approach in writing that:

[...] brands exist in the minds of their potential consumers and that what those consumers think of a particular brand determines the value it has to its owner. A brand’s foundations are, therefore, composed of peoples’ intangible mental associations about it. In placing a value on a brand, we are placing a value on the strength and resilience of those associations.

Figure 1 shows the proposed model in which customer-brand relationships are driven by six determinants:

1. product quality;
2. customer service quality;
3. price;
4. brand differentiation;
5. fulfillment of brand promise; and
6. brand trust and credibility.
Customer-brand relationships encompass the customer’s behavioral loyalty in terms of repurchase intention and a broader perspective of attitudinal loyalty: the customer’s perception of attractiveness, active engagement and attachment to the brand. This way of viewing customer-brand relationships as the final step in brand building corresponds with the brand equity literature (Dyson et al., 1996; Franzen, 1999; Keller, 2001a, b, 2008).

Keller (2001a, b, 2008) emphasizes rational and emotional brand responses as fundamental brand-building blocks at the step immediately before the final step customer-brand relationships in the “branding ladder”. Therefore, in our modeling approach rational brand responses (perceived brand value and customer satisfaction) and emotional brand responses (self-expressive benefits and social approval) are mediating variables between the determinants and customer-brand relationships. The model proposes two routes to customer-brand relationships, a rational route and an emotional route, as well as combinations of these routes.

The development of the model is based on theoretical and empirical research in the area of brand equity, brand performance and customer loyalty. The main inspiration comes from Franzen’s (1999) components of brand equity, Keller’s (2001a, b, 2008) customer-based brand equity pyramid, Aaker’s (1996a, b) brand equity dimensions and the Extended Performance Satisfaction Index (EPSI) – previously named the European Customer Satisfaction Index (ECSI) – framework (EPSI Rating, 2008; Grønholdt et al., 2000; Kristensen et al., 2000b; Martensen et al., 2000). The model development is described in detail in previous works by the authors (Martensen and Grønholdt, 2003b, 2004).

Methodology and data

Structural equation modeling and partial least squares (PLS)

The conceptual model in Figure 1 is specified as a structural equation model with nine latent variables. Each of the latent variables in the model is operationalized by a set of indicators (measurement variables), observed by survey questions to customers.
The structural equation model is estimated by using PLS due to this method’s advantages: PLS is distribution-free, it is robust (against skew distributions for indicators, multicollinearity and misspecification) and the method is suitable for small samples (Cassel et al., 1999; Chin, 1998; Fornell and Bookstein, 1982; Hulland, 1999; Tenenhaus et al., 2005). Furthermore, PLS is a powerful method for predictive applications, as PLS aims at explaining variances (Fornell and Bookstein, 1982).

For the estimation and test of the model the software SmartPLS (Ringle et al., 2005) is used. All latent variables are measured by reflective indicators, that is, it is assumed that the indicators are a reflection of an underlying latent variable (Fornell and Cha, 1994).

Measures
The survey questions used to operationalize the model were developed based on literature studies, existing brand equity measurement instruments and an initial explorative phase, involving qualitative research (focus groups) with consumers. A total of 65 questions were designed in general terms, allowing them to be used across brands and companies. One of the methodology’s central elements is the use of a harmonized model and measurement instrument with generic questions. Hereby, the estimated results of the model are comparable across brands and companies.

Based on evaluation of the measurement model (see below) 35 of these 65 questions were retained for the model estimation. The Appendix lists the selected 35 survey questions for the operationalization of the latent variables, exemplified by the Danish bank Danske Bank.

The survey
To estimate and test the brand equity model, five surveys were conducted covering four brands: Danske Bank (Danish bank), the mortgage company Realkredit Danmark and two mobile phone providers, Nokia and Sony Ericsson. The data include approximately 350 internet interviews with customers of three of the brands as well as approximately 300 telephone interviews with customers of two of the brands. A questionnaire for each brand was designed consisting of the 65 generic questions plus screening and background questions.

This paper only focuses on the results of the analyses of the internet interviews of 351 retail customers of the largest Danish bank, Danske Bank.

Analyses and results
The model is analyzed and interpreted in three stages; first, the measurement model is evaluated; second, the relationships in the structural model are tested and the estimated model is provided and third, the final structural model is evaluated. This sequence allows researchers to ensure that latent variables have adequate reliability and validity before drawing conclusions on hypothesized relationships (Bollen, 1989; Fornell and Larcker, 1981; Hair et al., 2006; Hulland, 1999).

Evaluation of the measurement model
When assessing the measurement model, one must demonstrate satisfactory level of reliability and validity (Fornell and Larcker, 1981, p. 45). We will report reliability measures both for the indicators individually (item reliability) and for each latent variable’s indicators jointly (composite reliability).
Item reliability is assessed by examining the factor loadings of each of the items with their respective latent variable. Many researchers suggest to accept items with loadings of 0.70 or more (Carmines and Zeller, 1979; Hulland, 1999). Since loadings are correlations this roughly means, that the item should explain at least 50 percent of the variance in the latent variable. However, several PLS studies report on used items with loadings all the way down to below 0.40, and there can be many reasons for this (e.g. sound theoretical reasons), but in general, items with loadings of less than 0.4 (commonly guideline in factor analysis) should be eliminated (Hulland, 1999). In the measurement model evaluation process, the items that did not significantly contribute to the reliability were eliminated for parsimony purpose, and the following results are based on the retained 35 items (listed in the Appendix). Table I shows that all 35 items’ factor loadings exceed the 0.7 threshold.

Composite reliability (internal consistency) is assessed using the composite reliability measure recommended by PLS researchers (Baumgartner and Homburg, 1996; Chin, 1998; Fornell and Larcker, 1981; Hulland, 1999). This composite reliability measure is superior to the commonly used Cronbach’s coefficient alpha since it uses the item loadings obtained in the PLS estimation, and, therefore, it does not assume that all indicators are equally weighted. Interpreted like a Cronbach’s alpha, a composite reliability measure of 0.70 is a threshold for “modest” composite reliability (Hulland, 1999; Nunally, 1978). Table I shows that all latent variables clearly meet this criterion with very high composite reliability values (> 0.88), indicating that all the items of each latent variable reflect a strongly homogeneous and unidimensional construct.

Another measure to assess composite reliability that has been recommended (Chin, 1998; Baumgartner and Homburg, 1996) is the average variance extracted (AVE) developed by Fornell and Larcker (1981). For a latent variable, the AVE measures the amount of variance captured by the associated indicators. Researchers recommend that AVE should be greater than 0.50, which meets the criterion that a latent variable should be able to explain more than half of the variance of its indicators (Chin, 1998; Fornell and Cha, 1994; Fornell and Larcker, 1981). The lowest AVE value reported in Table I is 0.68, which is considerably greater than the threshold of 0.50. That is, also the AVE values demonstrate strong composite reliability and convergent validity (Fornell and Larcker, 1981) for all latent variables.

Discriminant validity concerns the degree to which measures of conceptually distinct latent variables differ. To evaluate discriminant validity, the square root of AVE can be compared with the correlation coefficients among the latent variables, and the Fornell-Larcker criterion is that the square root of AVE of a latent variable should be greater than the correlations between it and any other latent variable in the model (Fornell and Larcker, 1981). This criterion is also recommended by Chin (1998) and Hulland (1999). Table II shows that the criterion is meet for all latent variables, which indicates that the latent variables in this study are distinct. Thus, discriminant validity is evidenced.

These measurement model results provide evidence of item reliability, composite reliability and discriminant validity. This conclusion holds also for the four other studies.

Furthermore, explorative factor analyses is conducted to examine whether the items produce proposed factors, and the results supports the proposed nine-factor solution.

Estimation and testing of the structural model
The PLS estimation is carried out by including all hypothesized relationships in Figure 1 and then testing and removing the insignificant relationships based on the hierarchical
principle, e.g. removing one relationship at the time always taking the relationship with
the lowest contribution to the model, and then re-estimating and testing the model. This
procedure is carried out until all relationships are significant at the 0.05 level of
significance (one tailed).

<table>
<thead>
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<th>Latent variable and indicators</th>
<th>Loading</th>
<th>Composite reliability</th>
<th>AVE</th>
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<tr>
<td><strong>Product quality</strong></td>
<td></td>
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<tr>
<td>Q1</td>
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<tr>
<td><strong>Price</strong></td>
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<td>Q27</td>
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<td>Q29</td>
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<td>Q30</td>
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<td>Q32</td>
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<td>Q33</td>
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<tr>
<td>Q34</td>
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<tr>
<td>Q35</td>
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Table I. Item and composite reliabilities results
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<th>Latent variable</th>
<th>Product quality</th>
<th>Service quality</th>
<th>Price</th>
<th>Differentiation</th>
<th>Fulfillment of promise</th>
<th>Trust</th>
<th>Rational brand responses</th>
<th>Emotional brand responses</th>
<th>Customer-brand relations</th>
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<td>Differentiation</td>
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<td>Trust</td>
<td>0.78</td>
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<td>Rational responses</td>
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<td>Customer-brand relations</td>
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<td>0.73</td>
<td>0.81</td>
<td>0.80</td>
<td>0.84</td>
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</table>

Notes: Diagonal entries (in italics) are square root of the AVE; off-diagonal entries are the correlations between the latent variables.
As PLS makes no distributional assumptions traditional parametric significance testing is not appropriate. Thus, t-statistics are calculated by the bootstrap resampling procedure (500 resamples), resulting in $t > 2.38$ and, consequently, $p < 0.014$ (one tailed) for all the relationships in the final estimated model shown in Figure 2. That is, only the significant relationships between the latent variables are shown in Figure 2. Other relationships may exist between the latent variables in other case studies.

Figure 2 shows estimated performance indexes for each latent variable (these are shown inside the circles) and path coefficients between the latent variables (these are shown by the arrows).

The performance index for a latent variable is estimated by a weighted average of scores from the corresponding indicators (survey questions), transformed from the original seven-point scale to a 0- to 100-point (poor to excellent) scale. For example, product quality has an estimated performance index of 64 as shown in Figure 2. The obtained performance levels are discussed in the next section.

The path coefficients are unstandardized impacts. An impact score represents the estimated average effect of a one-point increase in a latent variable’s performance index. For example, if service quality improves by one point, both rational and emotional brand responses are estimated to increase by 0.12.

**Evaluation of the structural model**

To evaluate a PLS model researchers typically examine the $R^2$-values for the dependent latent variables (Chin, 1998; Hulland, 1999; Tenenhaus et al., 2005). Here, the quality of the final structural model is evaluated on the basis of the $R^2$ of customer-brand relationships, rational responses and emotional responses. By estimating the model in Figure 2, we achieve a high level of explanatory power for the ultimate response variable.

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**Figure 2.**
Estimated customer-based brand equity model
customer-brand relationships ($R^2 = 0.83$) and for rational brand responses ($R^2 = 0.87$), and a reasonable explanatory power for emotional brand responses ($R^2 = 0.57$). Chin (1998, p. 323) describes $R^2$-results above 0.67, 0.33 and 0.19 to be “substantial”, “moderate” and “weak”, respectively. Therefore, the three $R^2$-values indicate good overall model fit.

For three of the other studies, the model also demonstrates a very high explanatory power for customer-brand relationships ($R^2 = 0.70$, 0.76 and 0.77), and for the fifth study a good explanatory power ($R^2 = 0.61$). Overall, the findings indicate substantial support for the proposed model.

The obtained level of explanatory power for customer-brand relationships is very high, compared to other customer analyses. In the pan ECSI studies (ECSI/EPSI rating), it is required that $R^2$ of customer satisfaction should be at least 0.65 (EPSI Rating, 2008). Our experiences from the Danish ECSI pilot project (Martensen et al., 2000; Grønholdt et al., 2000) are that when it comes to customer loyalty, the explanatory power is significantly less; on an average, $R^2$ is 0.47 for the 30 measured Danish companies. Also, the American Customer Satisfaction Index model explains more variation in satisfaction than in loyalty, and the average $R^2$ for customer loyalty is only 0.36 (Fornell et al., 1996; Johnson et al., 2001). We suppose that the much higher explanatory power in the estimation of the proposed brand equity model is due to the incorporation of emotional and attitudinal components, which are new components compared to traditional customer satisfaction and loyalty analyses.

Furthermore, the evaluation of the model shows that the proposed division between rational and emotional brand responses is relevant, since the impact of these two components is quite different and it is possible to study the effect of the six determinants not only on the final customer-brand relationships, but also on the mediating responses of both rational and emotional nature.

**Discussion**

The estimated model in Figure 2 shows that customer-brand relationships are simultaneously influenced by rational and emotional brand responses. It can be observed that three of the model’s determinants influence only the rational brand responses, namely product quality, price and trust, which, therefore, are assessed based on the bank’s functional attributes. However, service quality, i.e. the bank staff’s customer service, brand differentiation and fulfillment of brand promise influence both the rational and emotional brand responses.

In this case, the rational route is stronger than the emotional route, which is presumably linked to the fact that decisions about choice of and relation to bank are predominantly rational. In other product areas, the emotional route may be the stronger one. A performance index for emotional brand responses of 37 can be observed, which is low and coincidentally the lowest index in the estimated model. This is probably a result of the fact that customers rarely feel strong emotions toward their bank.

As demonstrated in a study made by the Danish Bankers Association (2001) consumers use financial products to indicate position or social acceptance. In this study, it is reported that the banks are not regarded as substantially different from each other. In fact, a majority believes that their bank is similar to other providers when it comes to products, services, expertise and acting for the benefit of the customer. These findings are also demonstrated in our results, where the determinant brand differentiation gets a low score (performance index 51). Furthermore, the banking market is considered as
very opaque as stated in the Danish Bankers Association’s (2001) study. Here, only 16 percent of the respondents agree or highly agree in the statement that it is easy to compare the banks’ interest rates and fees.

Danske Bank is the largest bank in the Danish retail banking sector with a market share of 21 percent. Because of its position, Danske Bank sets the standards in the banking sector, which makes it difficult to differentiate from its competitors. When Danske Bank tries to differentiate itself with new products and services, the smaller banks quickly adopt the new ideas. Therefore, it is hard for Danske Bank to differentiate whereas it is much easier for smaller banks to differentiate themselves from the leading bank.

Perceived product quality achieves a performance index of 64, which is far below the performance index 73 for perceived service quality. This difference can of course be true and reflects that Danske Bank is far better at customer service than delivering specific banking products. But it can also reflect that the consumers find it difficult to evaluate the quality of the bank’s products. This view is in accordance with the results of a study (Boyd et al., 1994) demonstrating that consumers’ knowledge of financial products is often limited, or they have just no interest in further involvement. They are satisfied with the assumption that the most reliable bank having the best reputation is also the best provider of financial products. This result supports the cue utilization theory (Olson and Jacoby, 1972) where consumers use non-product-related criteria like brand elements (name, logo, symbols, slogans, etc.) in decision making if a more objective basis does not exist. If consumers really find it hard to evaluate banking products and, therefore, unknowingly regard the products as more or less identical, the battle among banks to retain and acquire customers is, therefore, based on emotional values like credibility and promises.

Based on the impact scores in Figure 2, the total impacts, i.e. the direct and indirect impacts, on customer-brand relationships can be calculated. The six determinants’ total impacts are shown in Table III.

The highest total impact score is obtained for brand differentiation: a one-point improvement in the differentiation performance index increases the performance index for customer-brand relationships by 0.34. Thus, we are dealing with a brand whose differentiation and uniqueness is very important for the customers. Then comes brand trust, fulfillment of brand promise and service quality with impact scores of 0.19, 0.17 and 0.13, respectively. The two last determinants – product quality and price – have the modest impacts. It was mentioned above that consumers find it difficult to evaluate banking products and use non-product-related feelings in bank perceptions. That is exactly what Table III shows: differentiation, fulfillment of promise and trust have the largest impacts and together they create 74 percent of the customer-brand relationships.

The determinants in the model can also be measured among non-customers who will of course, have knowledge of the brand. In this way, it is possible to compare the performance

<table>
<thead>
<tr>
<th>Determinant</th>
<th>Impact on customer-brand relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product quality</td>
<td>0.06</td>
</tr>
<tr>
<td>Service quality</td>
<td>0.13</td>
</tr>
<tr>
<td>Price</td>
<td>0.06</td>
</tr>
<tr>
<td>Differentiation</td>
<td>0.34</td>
</tr>
<tr>
<td>Fulfillment of promise</td>
<td>0.17</td>
</tr>
<tr>
<td>Trust</td>
<td>0.19</td>
</tr>
</tbody>
</table>

Table III. Impact of a one-point improvement in the determinants on customer-brand relationships
of the six determinants among customers and non-customers. This information could be used in planning the strategy for attracting new customers. As expected, it turns out that the performance index of the determinants in the model for Danske Bank is far lower among non-customers than among customers (18-25 points).

Brand equity map

The estimated total impact scores (Table III) and performance indexes (Figure 2) can be combined by categorizing each of the determinants into an importance-performance map (Figure 3). Such a data presentation is appealing from a managerial viewpoint and useful in assessing the brand’s mental equity and strategy development.

Each determinant may be placed in one of the four cells in the map. The lines separating the respective cells are based on the average impact scores and performance indexes, respectively. The four cells can be interpreted in managerially useful ways (Christopher et al., 2002, pp. 70-73; Johnson, 1998, p. 23; Johnson and Gustafsson, 2000, pp. 70-3; Martilla and James, 1977, pp. 77-9; Rust et al., 1996, pp. 265-7):

1. In the upper-left cell, performance is strong and impact is low. At best, this suggests maintaining the status quo. In some cases, there may be opportunities for transferring resources from the areas in this cell.

2. In the upper-right cell, performance is strong and importance is high. This area presents competitive strengths, and, therefore, the company should continue the good work.

3. The lower-left cell represents an area where the company is not doing particularly well, but it does not matter. It is best to ignore these areas – at least they should have very low priority.

4. The lower-right cell represents the area of the greatest opportunity. This area is important, and the company is not doing well. The company should concentrate its effort here, and add resources to this area.

Figure 3.
Impact versus performance in driving customer-brand relationships: brand equity map
Such a brand equity map provides the brand manager with knowledge about the concrete actions that will improve customer-brand relationships most advantageously.

Figure 3 clearly shows that Danske Bank should make an effort to differentiate itself more from other banks as the customers do not perceive Danske Bank as particularly unique, and to a very large extend the bank does not offer advantages that differ from other banks. However, this is not an easy task for the biggest player on the market (see the discussion above).

The position of the determinant fulfillment of brand promise in Figure 3 indicates that the improvements here should have second priority. It will be consistent with the primary effort of differentiation as both areas will be strengthened through an integrated contribution including marketing communications.

In Figure 3, service quality is categorized as an opportunity for Danske Bank. The level of performance is relatively high and during a prioritization of focus areas this area in particular should not be strengthened further. On the contrary, the bank should take advantage of the opportunities offered by customer service in interaction with differentiation and brand promise. In this connection, the employees play a central role as it is in the interaction with the customers they need to deliver what the brand promises. The employees should build the trust and credibility that takes to reduce the customers’ perceived risk when it comes to banking arrangements. This is an opportunity for Danske Bank to differentiate from its competitors. In this way, we return to the discussion of differentiation.

Product quality is positioned far on the left in Figure 3. The customers consider this determinant to be of low importance. This means that the customers find it difficult to evaluate the quality of the banking products. Danske Bank may focus on how to stand out from other banks. This can change the consumers’ perception of product quality and its significance in a positive direction.

The determinants are measured by two to three indicators (the Appendix) and it is possible to examine how the customers respond to specific survey questions lying behind each determinant. In this way, detailed knowledge is achieved and the focus areas of improvement can be organized. We shall not go into further details here.

Managerial implications
The benefit and practical implications of the model are evident. For individual brands, the model and measurement system may be a useful management tool in three different ways:

1. Tracking brand performance across the model’s variables.
2. Benchmarking: using a battery of similar questions, the model may be used consistently for different brands. In this way, it represents a unique platform for benchmarking with other brands in the same industry, or brands in other industries.
3. Support for brand management strategy development to improve customer-brand relationships and, in turn, to create a stronger brand (discussed in the previous two sections).

Conclusion
The customer-based brand equity model has been developed based on the literature studies and successful experiences from customer measurement and modeling studies.
It is a structural equation model with the response variable customer-brand relationships. The estimations of the model in four studies show that the model structure gives a very good explanation of customer-brand relationships, and our validation gives strong support for the developed model and the associated measurement instrument.

There are many brand equity models and measurement systems, developed by both researchers and practitioners, but in general they lack managerial usefulness (Ehrenberg, 1997; Faircloth et al., 2001). Most leading industry models are more or less based on the same important components, which may also be related to the variables in the presented model. However, we measure not only brand equity components, but also look at the relationships between the components to formulate a cause-and-effect model, thus creating a basis for the study of the effect of different brand building activities – from the determinants to customer-brand relationships. In this way, we have tried to make the model more managerially relevant.

The model can be even more action oriented by extending the six determinants, that is, by adding specific questions to the model’s generic questions, which are particularly interesting for the individual brand and company. In this way, the generic measurements and specific measurements will be combined to achieve information on a strategic as well as a tactical level. Such an expansion of a structural equation model is successfully developed and applied in customer satisfaction studies (Kristensen et al., 2000a; Martensen and Gronholdt, 2003a). The model and measurement instrument will thus become a tool to support brand management in strategy development as well as concrete priority setting for improvements.

References

Danish Bankers Association (2001), Danskerne og deres pengeinstitutter – En spørgeskemaundersøgelse (The Danes and their banks 2001 – An empirical study), Finansrådet (Danish Bankers Association), Copenhagen.


Further reading

Appendix. Latent variables and measures

Product quality:
- Q1 Danske Bank’s products and services are of a high quality[1].
- Q2 Compared to alternative banks, Danske Bank is one of the best[1].
- Q3 Compared to alternative banks, Danske Bank’s products and services are of a high quality[1].

Service quality:
- Q4 Danske Bank’s employees are competent[1].
- Q5 Danske Bank’s employees give me individual attention[1].
- Q6 Danske Bank’s employees are courteous and forthcoming[1].

Price:
- Q7 Danske Bank is competitive[1].
- Q8 Danske Bank has reasonable prices[1].

Differentiation:
- Q9 Overall, Danske Bank differs from other competing banks in a positive way[1].
- Q10 Danske Bank is unique compared to others banks[1].
- Q11 Danske Bank offers advantages that other banks cannot[1].

Fulfillment of promise:
- Q12 Danske Bank creates meaningful promises for me[1].
- Q13 Danske Bank lives up to its promises[1].
- Q14 Danske Bank creates positive associations and images (meanings)[1].

Trust:
- Q15 Danske Bank is trustworthy and credible[1].
- Q16 Danske Bank communicates openly and honestly[1].
- Q17 I have great faith in Danske Bank[1].

Rational brand responses

Brand value:
- Q18 Danske Bank is excellent in its core businesses[1].
- Q19 Danske Bank provides good value for money[1].
- Q20 Danske Bank meets my banking needs[1].
- Q21 It makes sense to use Danske Bank instead of any other bank, even if they are the same[1].
Customer satisfaction:
Q22 Overall, how satisfied are you with Danske Bank?
Q23 How well do you think Danske Bank fulfills your expectations?
Q24 Imagine a bank which is perfect in all aspects. How close to this ideal do you consider Danske Bank to be?

Emotional brand responses
Self-expressive benefits:
Q25 When thinking of Danske Bank I get a positive and warm feeling.
Q26 Danske Bank means a lot to me.
Q27 This bank suits me as a person.

Social approval:
Q28 Danske Bank is a lifestyle more than a product.
Q29 I really identify with people who use Danske Bank.
Q30 I am proud to use Danske Bank.

Customer-brand relationships
Loyalty (repurchase intention):
Q31 The next time you are going to choose a bank, how likely is it that it will be Danske Bank?

Recommendation:
Q32 I will recommend Danske Bank to others.

Attractivity:
Q33 Overall, how attractive do you find Danske Bank compared to other banks?

Engagement:
Q34 I am very interested in Danske Bank.

Attachment:
Q35 It is important for me to maintain the relationship with Danske Bank in the future.

Notes:
1. Rated on a seven-point scale from “strongly disagree” to “strongly agree”.
2. Rated on a seven-point scale from “completely dissatisfied” to “completely satisfied”.
3. Rated on a seven-point scale from “much less than expected” to “much more than expected”.
4. Rated on a seven-point scale from “very far away” to “very close”.
5. Rated on a seven-point scale from “very unlikely” to “very likely”.
6. Rated on a seven-point scale from “much less attractive” to “much more attractive”.

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