How do students choose their banks?
Abstract

The purpose of this dissertation is to investigate customer behaviour in the banking industry of students at Kristianstad University. We wanted to test the theory of Customer based brand equity in the banking industry but also to challenge this theory with other independent theories which we have identified as important concerning customer behaviour the banking industry.

The banking industry is an interesting business since it affects nearly everyone. Banks are known to focus much of their marketing on customer retention which makes this specific industry extra interesting for an investigation about customer behaviour.

Kevin Keller’s theories on Customer based brand equity was the catalyst that created our interest in this subject. The combination of this theory and the specific nature of the banking industry helped us form our problem. The chosen segment to investigate was students at Kristianstad University. Mainly because of the specific time limit this segment was the most suitable for this dissertation.

The result indicates that the factors from the CBBE-model were not significantly connected to students’ customer behaviour in the banking industry. However, it can be argued that some factors are still relevant when explaining customer behaviour in the banking industry. One of the challenging theories, Intergenerational Influence, proved to have a significant connection to customer behaviour. It can be argued that Intergenerational Influence is the most important factor when explaining students’ customer behaviour in the banking industry. The results of this dissertation can be useful for banks in order to make their marketing strategy more efficient.

Keywords: Brand equity, banking industry, consumer behavior, customer based brand equity, students.
Acknowledgements

Writing this bachelor dissertation has meant a lot of hard work and a lot of frustration but we can finally say that we have written our very own bachelor dissertation and we believe this is something to be proud of.

As mentioned before, this bachelor dissertation that you are reading right now was created through many, many hours of hard work. It would never have been possible if not for the help of the people around us. We would especially like to thank our tutor Christer Ekelund for helping us when we had difficulties with the dissertation. Another very important person we would like to thank is Annika Fjelkner who stuck with us during the whole process and helped with the language and structure of the dissertation. Also we would like to thank Pierre Carbonnier for helping us developing the survey that we based our dissertation on. We would also like to take this opportunity to thank all the respondents who helped us by answering our survey. To all of you, thank you!

Kristianstad, December 2009

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1. Introduction

In the introduction part the research question will be presented and justified. This chapter will provide the reader with necessary background information and a formulation of the research problem. Finally, this part will explain the limitations and the outline.

1.1 Background

A brand is a symbol of some kind that tells the customers about the origin of the product. Brands can affect people in many different ways and possess a various number of images. When a brand is well known and projects positive associations in the minds of consumers, it creates an extra value to the product, making customers prefer the brand product over other similar products that may be equally good or even better. This phenomenon is known as brand equity. Building brand equity has been done in many different ways by companies all over the world. Some of the most successful companies in brand building are Coca Cola, McDonalds, Nike and so on (Business Dictionary.com, 2009).

The banking industry has for a long time been focusing on retention which means keeping their current customers is more important than gaining new ones. Banks strive for loyal customers which are the ultimate reward of branding (Farrell & Klemperer, 2006).

Corporations use different marketing tools to position themselves in the minds of consumers by using advertising, sponsorship, pricing and so on. If this is done in the right way it can create a favourable position for a company’s products. Establishing a certain position in the minds of consumers can create positive associations which keep the customers coming back. Even if there are equally good or even better products available, consumers prefer to purchase the brand product due to a sense of loyalty, reliability and so on (Keller, 2001).
Branding is in no way a recently developed phenomenon. A majority of countries in the western world have had rules for trademark property since 1890 (The Economist, 1988). Since then the uses and applications of branding has greatly developed and diversified. Developing a successful brand from scratch is and has always been a great challenge. During the 80’s there was a significant trend of acquisitions as a solution to the problems of establishing brands (Karel, 1991). Investing in an existing brand was seen as more profitable than to research, develop and ultimately create a new brand (Arthur, 1995).

This acquisition strategy later proved itself unsuccessful. The change of management due to the acquisitions affected the brands and made it harder to maintain a clear image in consumers’ minds (Baum, 1990). Following the trend of failed brand acquisitions companies changed their view of brands. They realized that brands are not static and need to change to suit their environment (Berry, 1993). Since then many companies have focused their brand building on establishing a brand personality that customers can feel emotionally attached to. This allows marketers to create mutually beneficial situations for their brand and for the consumers (Arthur, 1995).

Brands are a great way for corporations to attract and keep current customers by adding value, image, lifestyle and other positive associations (Ginden, 1993). A strong brand can also make the customers feel safe if they buy products that they know little about. The recognition of a well-known brand can tell customers that purchasing the particular product involves a smaller risk than buying unknown brands (Montgomery & Wernerfelt, 1992). A strong brand has the possibility to not only give the customers a sense of value, but also give the employees who have developed the products satisfaction and confidence in the products. A strong brand may also be a great asset when launching new products or entering new markets (O’Malley, 1991).

The building of a successful brand has developed even more in the direction to appeal to human needs and emotions. In the 21st century, with global competition and long distance opportunities, the importance of being associated with the right needs or emotions is greater than ever. Many companies view their intangible
assets as more valuable than the tangible ones. Handspring and Nike for example started out with the intention of never manufacturing their products themselves (Bedbury, 2002). These companies invest in innovative design, marketing, brand positioning and so on and outsource everything else to specialists that do the actual manufacturing of the products. The increased pressure from consumers on companies to behave more responsibly can also be solved by a strong brand. Environmental responsibility is an example of demands amongst customers. A strong brand with clear values can ease the troubled minds of customers and make them feel a sense of pride by choosing your products (Bedbury, 2002).

The change over the years towards appealing to customer needs and emotions when building a strong brand is quite clear. Lately, scientists have emphasised customer based brand equity, which shortly is brand equity from the customers’ point of view. Establishing which feelings to appeal to and determining which needs to satisfy can be a challenge, but done correctly it can create loyal customers (Bedbury, 2002).

The banking industry is specific due to its focus on customer retention. Banks in Sweden are continuously exposing themselves in different medias such as newspapers, television, sponsoring and so on. Because of the fierce competition today it is important for banks to understand their customers and their behaviour. The need to appeal the right feelings and project accurate associations is especially high in industries where retention is important (Farrell & Klemperer, 2006). This means it is important to have strong customer based brand equity in markets focused on retention, such as the banking industry (Keller, 2001).
1.2 Problem

There is a lot of research explaining how to build brand equity in order to create loyal customers. One of the main models concerning customer based brand equity is the CBBE-model (Customer based brand equity-model) which explains different associations customers may have with a certain brand that makes them loyal. This model has been tested on various brands and has given clear results (Keller, 2001). However, there are those who argue that the model is insufficient and say that loyalty depends on other factors (Moore, Wilkie & Lutz, 2002). The banking industry is very specific due to the general opinion that banks are an “unpleasant necessity” (Blythe, 2008) and because of the intense focus on retention (Farrell & Klemperer, 2006). With this in mind several questions arise. How do banks obtain loyal customers? Is the CBBE-model appropriate to explain the customer behaviour of this industry or does it depend on other factors? The problem is that there is no research to be found that tests this model on a certain industry, only on single brands.

1.3 Purpose

This dissertation aims to determine whether the components of the CBBE-model are appropriate in order to explain the customer behaviour in the banking industry or if it is explained by other factors. The banking industry is specific because many customers are loyal to their bank throughout their entire life despite marketing efforts from other banks (Lilja & Shidani, 2009). This research will challenge the CBBE-model’s explanations for customer behaviour by using factors from other theories that could be crucial for explaining customer behaviour in the banking industry.
1.4 Research question

*How appropriate is the customer based brand equity-model to explain students’ customer behaviour in the banking industry?*

1.5 Limitations

The first section of the theoretical framework will be limited to the basic marketing mix consisting of the seven P’s. The intention with this limitation is to give the reader a broad theoretical introduction that explains the concept of marketing. Following the marketing mix, general branding will be explained as a marketing tool. Theories concerning brand equity will follow. Neither branding nor brand equity will be dealt with deeply in this dissertation. Instead the focus will be on customer-based brand equity since this is the core of the investigation. A survey will be distributed amongst customers and, therefore, it is important to emphasize customer based brand equity instead of brand equity from the companies’ point of view. Thereafter, the theory Involvement with Brands will follow. This part will only deal with Involvement in general, not the different types of levels. This part will also contain theories concerning loyalty towards brands and why this is important for companies. However, only the basic levels of loyalty will be dealt with. The theory concerning loyalty through generations, the so called Intergenerational Influence, will be dealt with more thoroughly. Finally the Switching Cost Theory is limited to the factors that are relevant for this investigation. There are other examples of Switching Costs that will not be discussed in this dissertation.
1.6 Outline

This dissertation will have the following outline:

Chapter 1: Introduction
In the introduction part the research question will be presented and justified. This chapter will provide the reader with necessary background information and a formulation of the research problem. Finally, this part will explain the limitations and the outline.

Chapter 2: Methodology
In this chapter different choices of research method will be explained. Emphasis will be put on the methods chosen to be used in this dissertation. Areas that are discussed are research philosophies, research approach, choice of methodology and choice of theory

Chapter 3: Theoretical framework
This chapter will present the different theories used in this dissertation. Here is the outline of the theoretical framework: Marketing mix → Branding → Brand equity → Customer based brand equity, Involvement with brands, Intergenerational Influence and Switching costs. The theoretical framework will begin broad and will continue with a more narrow approach to finally reach the theories that the questionnaires are based on. At the end of the chapter you can find a short summary and the operationalisation of this dissertation.

Chapter 4: Empirics
In the beginning of this chapter the Research design and the Research strategy will be presented. This will be followed by Time horizon, Data collection and Population. After this Reliability, Validity, Generalisability, Response rate and The questionnaire. Then Justifying the question will provide the reader with information on why the questions were chosen
Chapter 5: Analysis
This chapter will start with a short introduction of the analysis followed by a comparison of mean values and the spread of the answers. After this individual tests for each factor will be presented. After the individual tests different interesting connections between the factors will follow. In the analysis the hypotheses will be either accepted or rejected based on statistical tests.

Chapter 6: Conclusions
In this chapter a short summary of the dissertation will be presented. It will also include a section of conclusions drawn from the analysis. After this critical reflections on the dissertation will be presented along with suggestions for future research. Finally this chapter will discuss the practical and theoretical contributions of this dissertation.
2. Methodology

In this chapter different choices of research method will be explained. Emphasis will be put on the methods chosen to be used in this dissertation. Areas that are discussed are research philosophies, research approach, choice of methodology and choice of theory.

Saunders, Lewis, Thornhill (2007) divides research methodology into different layers, which forms the so called Research Onion. The onion explains different research approaches that are appropriate in various fields. All the layers are connected to each other. The first layer of the onion is philosophies, followed by approaches. The third layer of the Research onion consists of different research strategies, followed by choices, time horizon and finally data collection and analysis. Saunders et al., (2007) suggests the approach of starting from the outer layer and working towards the core of the onion. Therefore, the Research Onion will be explained in this order in the following chapter.

2.1 Research philosophy

The first layer, research philosophy, is divided into positivism, realism, interpretivism and pragmatism. Positivism is an approach where the researcher adopts the philosophical stance of the natural scientists (Saunders et al., 2007). This means creating hypotheses based on existing theories which is very likely to make the results law-like generalisations. Ultimately this means all researchers get the same results. Realism concerns the reality that exists in opposite to idealism which states that only the mind and its contents exist. Realism is divided into “direct” and “critical” realism. Direct realism says “what you see is what you get” while critical realism argues that experiences are images of things in the real world, not the things directly. Critical realism states that the human senses deceive us and the reality in the real world differs from the one that is perceived by the mind (Saunders et al., 2007).
The third philosophy is called interpretivism which argues that there is a difference between investigating people and objects, due to humans’ roles as social actors. Saunders et al. (2007) argues that humans constantly interpret the world around them and interpretations of the actions of people around us leads to adjustments of our own meanings and actions. The final philosophy is called pragmatism and puts emphasis on the research question. Pragmatism says that there is no need to adopt a specific philosophy since it is possible to combine the others as long as the research question does not indisputably point to one of the alternatives.

This dissertation will use the positivistic approach to make generalisations of which factors affects customer behaviour in the banking industry. Hypotheses for the research will be formed from existing theories and previous research performed by scientists working in the area.

2.2 Research approach

There are two different approaches in this model, deductive and inductive. A deductive approach goes from theoretical to practical while the inductive approach goes from practical to theoretical. The inductive approach usually starts with different findings in real situations and then the theoretical framework is developed to explain these findings. A deductive approach means that the theoretical framework forms the starting point of the research and also the research question. Then an investigation is made to see if the theory can be applied to the practical situation. Deductive means that already existing data that is used for the investigation (Saunders et al., 2007).

Our dissertation has a deductive approach, mainly because the subject of the dissertation is intangible and very broad. Therefore a detailed theoretical framework was necessary to be able to understand the subject. The theoretical framework formed the research question and hypotheses which were tested in practice.
2.3 Choice of methodology

The goal of this dissertation is to investigate what affects customer behaviour in the banking industry and determine whether the CBBE-model is appropriate to explain customer behaviour. Hypotheses will be developed from theories and then tested through a survey, giving the research a positivistic approach. The research will be descriptive in the sense that it explains the accurate way to establish customer based brand equity. It is also explanatory since the connections will be tested individually to investigate if they affect customer behaviour. Other connections of importance will be analysed as well. Finally the survey will be distributed on one occasion, giving the research a cross-sectional time horizon (Saunders et al., 2007). The result of the survey will then be analysed with support from the statistical programme SPSS.

2.4 Choice of theories

The theoretical framework will begin wide with a description of the marketing mix explained mainly by Blythe (2008) and Blattberg et al. (1995). Another theory that is explained is the Concept of Branding and what benefits a brand can generate mainly through Keller (1997) and Barth, Clement, Foster, Kasznik’s (1998) perspective. This section will also include the result of a survey conducted by GfK Roper Reports (2004) which shows the importance of managing your brand in the correct way. Furthermore, brand equity is explained, mainly by Aaker (1996) and Keller (1993). Brand equity is also discussed from a marketing agency’s point of view, mainly to get a practical view of the subject. The next theory is one of the most important ones for this research. It is Keller’s (2001) CBBE-model (Customer Based Brand Equity-model) which is the core of this dissertation. The CBBE-model was chosen because Keller is the main developer of customer based brand equity and his research is widely accepted. In order to challenge the CBBE-model three independent theories were chosen. The first theory is Involvement with Brands and it was chosen because it is very clearly connected to the banking industry. Since Involvement with brands states that interacting with banks is not something customers want to do but rather something they need to do it covers aspects that the CBBE-model does not. This part also
deals with the fact that fierce competition makes companies keener on keeping the existing customers than hunting for new ones. The second theory explained is Intergenerational Influence which is a very important part of the theoretical framework because it covers aspects that differs much from the opinions of Aaker (1996) and Keller (1993, 1997, 2001). The third theory, concerning Switching Costs (originally part of the Transactional Costs Analysis) is relevant because it deals with reasons why customers stay with a certain company even though the alternatives can be more beneficial.
3. Theoretical framework

This chapter will present the different theories used in this dissertation. Here is the outline of the theoretical framework: Marketing mix → Branding → Brand equity → Customer based brand equity, Involvement with Brands, Intergenerational Influence and Switching Costs. The theoretical framework will begin broad and will continue with a more narrow approach to finally reach the theories that the questionnaires are based on. At the end of the chapter you can find a short summary and the operationalisation of this dissertation.

3.1 Marketing mix

Marketing is a commonly known concept used by companies to create different messages for consumers. There are many different ways for corporations to deliver these messages. The core of marketing is the marketing mix. Initially this model was labelled “the four P’s”; however, three new P’s have been added throughout the continuous development of marketing and the increased competition in the corporate world (Grönroos, 1989). The marketing mix nowadays involves the following tools:

One tool of the marketing mix is product. This refers to the benefits consumers acquire from the product. Bhatt and Emdad (2001) argue that in modern times products can be customised which has led to an increased request for unique customised designs. This increases the focus on the product in marketing.

Using the price of a product is another marketing tool. Customers may find the product to offer more or less advantages than the price infers. The corporations generally choose between high and low price strategy, giving them an exclusive or a price-worthy marketing approach (Blattberg et al., 1995).

Another tool is place and focuses on making the product available in convenient locations. This criterion has lost some of its significance lately because of the development in distance sales. However, everyday products are still very much
dependent on location; convenience stores for example are usually more expensive than supermarkets but still get customers due to the favourable location (Schulz, 2001).

*Promotion* is marketing through advertising, for example TV commercials, magazine ads and advertising on public transports and so on. These advertisements are consumed by customers daily and in many cases not voluntarily (Blattberg *et al*., 1995).

In some cases *people* can become the desirable product in the customers’ minds. Customers can appreciate a certain doctor or return to a certain hairdresser, which makes the people working at a company an important marketing tool (Blythe, 2008).

*Process* discusses the way services are delivered and how it affects the circumstances in which people buy as well as their propensity to buy. If it is a long process it should concern something the customers are willing to be involved in and spend time/effort on (Blythe, 2008).

*Physical evidence* is an especially important part in service markets. This refers to the pleasure customers feel from receiving the service rather than the practical aspects (Blythe, 2008).

### 3.2 Branding

What is a brand? There are different definitions of what a brand is but the most accepted one is that it is a distinctive name which makes consumers willing to pay more than average prices and also something that the customers have a high awareness of. A strong brand can create a number of benefits. Keller (1997 as quoted in Barth *et al*., 1998, p. 2) states there are several benefits of a strong brand. It can generate

...greater loyalty from customers, less vulnerability to competitive marketing actions, less vulnerability to marketing crises, larger margins, more inelastic consumer response to price increases, more elastic consumer response to price decreases, greater trade
cooperation and support, increased marketing communication effectiveness, possible licensing opportunities, and additional brand extension opportunities.

Figure 1 shows the percentage of answers to the question “In deciding whether to buy certain brands of a product, which of the things on the list are most important to you in deciding to buy a brand or not?” (Keller, Apéria, Georgson, 2008. p. 53). The figure shows that past experiences with a brand is the most dominant factor followed by price. Past experiences are not necessarily positive since this can also be a customers’ reason not to buy a brand. It can be argued that positive experiences lead to brand loyalty since 90% of the customers consider experiences with the brand to affect their decision. If it is a product that the customer never tried before the most crucial factors are price and reputation. The fact that 50% of the respondents find that the brand’s reputation affects their purchasing decision together with the past experiences shows how important it is for companies to manage their brand correctly (Keller et al., 2008).

![Figure 1 Consumer reasons for brand choice in the USA (From Keller et al., 2008. p. 53).](image-url)
3.3 Brand equity

Brand equity is defined as the differential positive (or negative) effect on a brand based on the recognition the brand has earned over a certain period of time. This then transfers into higher sales and higher profit margins compared to rival brands (Business Dictionary.com, 2009).

Brand equity first saw the light of day sometime in the mid 80s and was quickly established as one of the most interesting new subjects at that time. The Marketing Science Institute considered brand equity as their top research priority at that time (Aaker & Biel, 1993).

McCracken suggests that brands have a certain value because they have the ability to add value (Aaker et al., 1993). He states that there are cultural meanings that can be drawn from different brands and this meaning can be transferred to opinions about a brand. So according to McCracken’s theory strong brands are characterized as a “store house of the meanings” (as quoted in Aaker et al., 1993) consumers use to identify both their self image (the way we think we are) and their looking glass self (the way we believe that others see us) (Blythe, 2008).

Smothers viewed brand equity through a more sociological perspective. He argues that brands can have a personality and a kind of charismatic attraction. Smothers finds this to explain why some brands have a very loyal customer base. It is simply because the customers feel attracted to the brand’s personality and charisma (Aaker et al., 1993).

Brand equity is basically born from the fact that customers place bigger confidence in brand A than they place in brand B. Confidence can be traced to the customers’ loyalty towards a certain brand and also to the customers’ will to pay more money for that particular brand, a so called price premium (Lassar, Mittal, Sharma, 1995). For example a study carried out by McKinsey & Co. and Intelliquest Inc. shows that customers only tend to purchase products with low brand equity such as Packard Bell when they get a discount while products with higher brand equity such as Compaq and IBM can charge price premium and still
reach higher sales levels (Lassar et al., 1995). The results of this study are strengthened by a previously performed study which shows that brands with high brand equity needs less frequent promotion than brands with low brand equity (Jagmohan, 1990).

Two major frameworks for brand equity can be identified: In the first framework Aaker (as quoted in Netemeyer, Krishan, Pullig, Wang, Yagci, Dean, Ricks, Wirth, 2004 p. 210) saw customer based brand equity as:

A set of assets (liabilities) linked to a brand’s name and symbol that adds to (or subtracts from) the value provided by a product/service to the customer. A consumer perceives brand equity as the value added to the product by associating it with a brand name.

The second framework is developed by Keller (1993) and is focusing more towards the specific customer’s experiences and memories connected in some way with the brand. In his own words Keller explains it as “when the consumer is familiar with the brand and holds some favourable, strong, and unique brand associations in memory” (Keller 1993, p. 2). The favourable, strong, and unique associations are termed “primary” associations that include brand beliefs and attitudes surrounding the perceived benefits of a certain brand (Keller, 1993).

Many marketers believe that a strong brand can create high brand equity (Keller, 1993). These major categories are brand name awareness, brand loyalty, perceived quality, and brand associations.

*Brand awareness* describes how strong the brand is and how much space and presence it occupies in the mind of the customers. It can be measured in brand recognition, brand recall, “top of mind” and dominant brand. Dominant brand and “top of mind” are brands that are the first thing you think of when you are thinking of their category. There are two key dimensions that concerns brand awareness: Depth and Breadth. Depth refers to how easily a customer can recognize the brand. Breadth refers to in which situations the brand comes to mind (Aaker, 1991, Keller, 1993). Rossiter and Percy (1987, as quoted in Pascale et al,
2005, p.3) identifies brand awareness as “the consumers ability to identify or recognize the brand”.

Aaker (1991) refers to brand loyalty as how attached a customer is to a brand. This concerns placing a certain value on a brand. This is difficult to achieve but if it is done successfully, it will be highly rewarding for the company because a loyal customer base will create very stable sales. Creating brand loyalty can be considered as the heart of brand equity. Oliver (1997, p.392) states that brand loyalty is

*a deeply held commitment to re-buy a preferred product or service consistently in the future, despite situational influences and marketing efforts having potential to cause switching behaviour.*

Brand loyalty can also be viewed from an attitudinal perspective. Through this perspective brand loyalty is defined as “the tendency to be loyal to a focal brand, which is demonstrated by the intention to buy the brand as the primary choice” (Yoo & Donthu, 2001, p.3). There are also two different types of loyalty: calculated loyalty and affectionate loyalty. Calculated loyalty is loyalty based on economic factors (and not on the brand itself) and affectionate loyalty is based on feelings and emotions and this is the kind that loyalty usually refers to (Treffner & Gajland, 2008).

Another issue is Perceived quality which explains how customers perceive the quality in a brand, for example the status of your brand. Because familiarity with brand is often what the consumer connects with quality. This also affects the financial performance of the company. Perceived quality is different from actual quality because it is mainly about what single customers think about the brand. This opinion is rarely objective and can be based on different factors, everything from past experiences to individual feelings (Aaker, 1991). Zeithaml (1988, p.3) explained the meaning of perceived quality as “the customer’s subjective evaluation of the product”.

*Brand associations* discusses customers’ associations of the brand with the “right” situations, otherwise the strength of the brand can lose power. These kinds of associations may vary in different companies but they usually include product
attributes, logo or a related celebrity. Brand associations can be divided into three categories: characteristics (the consumers’ opinion of the brand) and advantages (the personal advantages that the consumer connects with the brand), attitudes (the consumers’ overall impression of the brand) (Henseler, Wilson, Götz & Hautvast 2007). Keller (1993) identifies brand associations as the meaning the brand has for its customers. According to Aaker (1991, 1996) brand personality is the most important type of association. Brand personality refers to the various characteristics and shapes a brand can assume from the customers’ point of view.

3.3.1 A practical view of Brand Equity

As mentioned before there are different definitions of what brand equity really is but Aegis Marketing Inc. (1997) have identified three factors that are common to the different brand equity-definitions:

- Monetary value: This is the amount of added income that is connected to a branded product compared to an identical but unbranded product.
- Intangible value: The intangible values are often made up of the image of the brand. Nike is a good example of a company that has created intangible benefits by making people associate Nike with star athletes and successful teams. The companies that use this strategy successfully make consumers choose their brand over other brands because of their image even though the other brand offers the same (or sometimes even better) quality and features in their products.
- Perceived quality: This concerns the overall perception of a product’s quality and image. An example is Mercedes. Mercedes are often perceived by customers as a high quality brand. But this is not something that has come on its own, it has taken years of image building, nurturing of the brand and quality in the products to make customers assume that everything that Mercedes manufactures has a high level of quality.

Aegis Marketing Inc. (1997) also lists some interesting benefits that brand equity can bring to a company:

- Strong brand equity allows a company to charge higher price compared to similar product with less brand equity.
When a customer is unsure of which product to purchase a familiar brand is often what they choose in the end because the customer feels this to be risk reducing.

- Brand equity helps companies to achieve leverage when launching new products.
- A strong brand is often perceived by customers as a sign of quality.
- Customers may want to be associated the image of a successful brand.
- Strong brand equity is often the key to get a loyal customer base.
- A strong brand is probably the most effective way to reduce the risk of being threatened by competitors (Aegis Marketing Inc., 1997).

### 3.4 Customer based brand equity-model (CBBE-model)

The CBBE-model shows that a series of steps is involved in building strong brands. First, the proper brand identity must be established. Second, a suitable brand meaning must be created. Third, the correct brand responses need to be elicited and finally appropriate brand relationships with customers needs to be established. These four stages form the basis for establishing six brand building blocks – Brand salience, brand performance, brand imagery, consumer judgments, consumer feelings and consumer brand resonance. The strongest brands do extremely well in all six of these areas and therefore achieve all four of the steps concerning building a brand. The top of the pyramid, consumer brand resonance, is considered the most valuable building block. This can only occur when all the other blocks are synchronized to fit the customers’ needs and desires. A high consumer brand resonance means customers feel a loyalty towards the brand and continuously seek opportunities to interact with the brand and share this with others (Keller, 2001).

The basic idea of the CBBE-model is that the measure of the strength of a brand depends on how consumers feel, think, and act with respect to that brand. To achieve consumer brand resonance a brand first needs to elicit the proper emotional reactions from consumers and to elicit the proper emotional reactions there must be an appropriate brand identity and the right meaning. The right
meaning and identity can make the customers consider this product as relevant and their kind of product. The strongest brands make consumers feel so attached to the brand that they in fact become “spokesmen” for the brand (Keller, 2001).

Further this model describes that a brand’s power and value to the corporation is determined by the customers. Through deeper learning and experiences with a brand the customers end up thinking and acting in a way that allows the corporation to obtain the advantages of brand equity. The model states that even though marketers play a huge part and need to design the most effective brand-building programs possible, the success of those marketing efforts ultimately depends on customers’ responses. The different stages and blocks of the model will be further explained below (Keller, 2001).

As can be seen in figure 2 Keller states that customers view brands in a certain way. In order to gain strong customer based brand equity, it is important to consider four different stages. These stages can be seen in figure 2. The first stage is Brand identity which refers to making sure that people think of your brand in the right situations. Brand identity should answer the question “who are you?”.

The second stage is brand meaning and should answer the question “what are you?” which in short terms explain what the brand can do for the customers. This stage concerns the physical attributes of a product. The third stage is brand responses which concerns customers’ feelings towards the identity and meaning,

![Building strong brand equity](image-url)
ensuring they think about the brand in positive ways. This stage answers the question “What do I think or feel about you?”. The fourth and last part is brand relationships, which answers the question “What about you and me?”. In this step the brand responses are transformed to create “intense, active loyalty relationships between customers and the brand” (Keller, 2001, p. 4). The brand must develop in this specific order, i.e. a meaning cannot be developed without an identity and responses cannot be developed without a meaning and so on (Keller, 2001).

As figure 3 shows, the foundation of the pyramid is *Brand salience* (brand identity). This refers to customers’ capability to recognize and recall a brand. It concerns how easily and how often customers think about the brand in different situations. Salience is the initial building block when developing brand equity. It helps create brand image and meaning by affecting the strength of brand associations. Brand salience is considered synonymous with the brand being ‘top
of mind’ (mentioned before) when the product category is discussed (Romaniuk, 2004).

The second layer of the pyramid involves how to create a brand image (brand meaning). Brand image describes what the brand is characterized by and what it stands for in the customers’ minds. There are two different types of brand image: *Brand performance and Brand imagery* (Keller, 2001). Brand performance focuses on the product and its different abilities to satisfy customer needs such as financial needs and functional needs. When discussing Brand performance there are five different attributes and benefits connected to brand performance:

*Primary characteristics and secondary features* is one sub-dimension in brand performance and refer to the fact that customers expect a certain level of characteristics in the product which need to be met. Sometimes the customers also expect special functions besides the primary ones, called secondary features. Another sub-dimension is *Product reliability, durability and serviceability*. Reliability concerns the products' stability in performance. Durability is the time the product is expected to last. Serviceability explains how easy it is to repair the product when possible errors occur. *Service effectiveness, efficiency and empathy* explains to which extent the brand offers the required services for their products. Efficiency concerns the speed and the responsiveness of the service while empathy explains the attitude of the service provider. Another sub-dimension is *Style and design* which focuses on the aesthetic attributes of the product. The final sub-dimension of brand performance is *Price* and it refers to the price strategy of a brand. It sends signals to the customers how to categorize the brand (Keller, 2001).

Brand Imagery is the other type of Brand image and focuses on the intangible attributes of the product. This part concerns emotions and thoughts customers have towards a brand instead of the physical benefits. In this area there are four main categories:

The first sub-dimension of Brand Imagery is *User profiles* which describes the person or the company that uses a specific product. These descriptions involve the
basic segmentation variables. Another sub-dimension is *Purchase and usage situations*. Purchase describes the different channels, types of stores and how easy it is to purchase the product. Usage explains under which circumstances the usage of the product comes into mind. The next sub-dimension is *Personality and values* which discusses how brands can take different personalities. These personalities can include a number of different characteristics such as sincerity, excitement, competence, sophistication and ruggedness. The final sub-dimension is *History, heritage and experience*. The history of a brand is connected with past personal experience and it can create association. Since these associations are mainly based on personal experiences they are often individual. However, sometimes there are connections between different people to be found in these associations (Keller, 2001).

The third layer is called Brand responses and shows how customers respond to the brand, different thoughts and feelings that customers may have. These feelings can come from both head and heart, the main criteria is of course that they are positive. Responses are divided into consumer judgments and consumer feelings. Consumer judgments is all the different aspects of a product, such as physical attributes and image, put together by the customer to form a certain opinion. Consumer judgment is further divided into four subcategories:

*A Brand quality* mainly discusses the perceived quality of a brand, but can also involve value and satisfaction while *Brand credibility* explains the credibility of the brand. It is important to seem competent, trustworthy and likable. The next sub dimension is *Brand consideration* and it describes the need of a brand to receive consideration and be deemed relevant. Customers need to see the brand as something they would buy or use. The final sub dimension is *Brand superiority* which concerns the brand being compared to others. Customers need to consider the brand to offer unique advantages that other brands are missing. This is a very important part of building relationships with customers (Keller, 2001).

Consumer feelings explain exactly what it sounds like, the feelings that customers have towards a brand. It can be emotional reactions or influence on part of customers’ lives, for example the brand can affect customers’ feelings about
themselves or others. Consumer feelings are generally divided into six different categories:

*Warmth* makes the customer feel peaceful or calm while *Fun* refers to if the customers are amused by the brand. Another sub-dimension is *Excitement* which makes the customers see the brand as something special. *Security* refers to the fact that the customers feel safe and comfortable. The brand removes certain worries customers may have. The next sub-dimension is *Social approval* which is when the customers feel that others respond more positively to them because of the brand. The final sub-dimension is *Self-respect*. It describes how customers feel better about themselves because of the brand. They may feel a sense of pride or success (Keller, 2001).

The fourth and final block is called Consumer brand resonance (Brand relationship). This stage focus on the relationship that the customer and the brand shares and how high the level of identification is between the two parts. Examples of brand with high resonance are Apple and Harley-Davidson. Consumer brand resonance deals with the nature of the relationship and also how connected customers feel to the brand. Intensity or how deep the physiological bond between customer and brand is and how high the activity is are the two main characteristics of Consumer brand resonance. These factors can be divided into four sub-dimensions: Behavioral loyalty, Attitudinal attachment, Sense of Community and Active engagement.

*Behavioral Loyalty* is explained as the level of loyalty a customer has towards a brand and whether or not they are willing to go out of their way to use it. The sub-dimension *Attitudinal Attachment* describes that it is important to remember that loyalty can arise from very different factors, for example it can arise because of accessibility or low price. This kind of loyalty is more based on compulsion because the customers do not have many other options. Attitudinal attachment, on the other hand, is when the customer has a strong, personal affection towards the brand. This is when the customers have reached a stage when they see the brand as something they “love” or look forward to a lot. *Sense of Community* occurs when the brand starts to help customers create new networks, for example when
people find new friends/acquaintances because of their mutual identification with a certain brand.

The final sub-dimension is *Active engagement*. Here the most important confirmation of brand loyalty is probably when the customers choose to invest in the brand more than necessary. These investments may vary but are usually made up by money, time and energy. An example could be when customers choose to join different members clubs connected to a certain brand or to exchange information concerning the brand with other people. To create active engagement you often need a strong attitudinal attachment and a strong feeling of community (Keller, 2001)

### 3.5 Involvement with brands

It is very common for people to develop relationships with brands. A research conducted by Brann Consulting show that it is more common for people to consider their coffee brand as a friend while they see their banks as casual acquaintances or sometimes even as an enemy. This result is somewhat unexpected since banks are made up of actual people while coffee is just a product. Researchers believe this is due to the fact that a coffee brand is something that is often consumed in the privacy of people’s homes or with friends while banks are often considered as an “unpleasant necessity” (Blythe, 2008).

Involvement with brands often leads to consumer loyalty towards the brand. During the past years, research has shown that companies are more interested in keeping current customers than they are to find new ones (Blythe, 2008). Ehrenberg 1997 (as quoted in Blythe, 2008, p. 305) proposed this in his “leaky bucket theory” which says: “In the past, most companies have operated on a leaky bucket basis, seeking to refill the bucket with new customers while ignoring the ones leaking away through the bucket”. According to research by Gupta, Lehman and Stuart 2004 (as quoted in Blythe, 2008, p. 305) “a 1 % improvement in customer retention will lead to a 5 % improvement in the firm’s value. A 1 % improvement in marginal costs or customer acquisitions cost only make 1 %
increase in firm value respectively”. This means that customer retention is five times more effective than cutting costs (Blythe, 2008).

### 3.6 Intergenerational influence

Consumer loyalty towards a certain brand is not necessarily based on the perceptions of the individual himself. It can also stem from family consumer behavior where the individuals perceptions are similar or equal to the ones of their parents, siblings and so on (Ward, 1974). According to research carried out by McNair Ingenuity, their Research Senior consultant Leanne Smith states that brand loyalty can be passed from one generation to another. The research showed that the children were aware that their families’ buying habits influence their own opinions but they did not question it. Answers like “my mother trusted it, so it must be okay” (B & T Today, 2006) were very common. Smith also says that “the brands you have grown up with give you the comfort to be yourself” (B & T Today, 2006).

The research also shows that from birth to the age of five is the phase where the parents have the strongest influence over their children. But this research also suggests that this brand loyalty is not always something that will last forever. This is referred to as “brand rebellion”. The brand rebellion stage is often reached when “30-somethings go through brand compromise with a partner, when they have to decide how loyal they are to brands they grew up with. One’s come from a Holden family, the other from a Toyota family, so which one do we buy?” Smith says (B & T Today, 2006). This is usually the phase where brand loyalty is really tested (B & T Today, 2006).

Laband and Lentz (1983) states that there is a transfer of wealth between one generation to another. These transfers can be both tangible (cash, personal property and so on) and intangible (knowledge, goodwill, brand loyalty and so on). This means that children’s opinion about a certain brand can depend very much on the parent’s opinion.
Moore et al., (2002) agree with Aaker (1996) and Keller (1998) about what defines brand equity except on one point. They state that the concept of intergenerational (IG) influence is too important to be overlooked when looking at brand equity. The authors define IG influence as the “within-family transmission of information, beliefs and resources from one generation to the next” (Moore et al., 2002, p.1). To really understand this concept one need to look within the socialization theory. Socialization is defined as the “process through which people develop specific patterns of social behavior or the process by which people learn the social roles and behaviors they need to participate effectively in society” (Moore et al., 2002, p.1). Although this is a life long process the childhood and adolescences years are very crucial times because children are most recipient during these phases. Here the family (often the parents) is the top influence (socialization agent) because they are the single most important channel providing information to the children. This information is often subjective which means that the parents’ opinions are mixed in with the information. The term has also been known as Intergenerational equity (Moore et al., 2002).

3.7 Switching Costs

Switching costs are a part of a theory called Transactional Cost Analysis (TCA). Transaction costs are costs that occur due to a change of supplier (Nilssen, 1992). Switching costs for consumers are not necessarily financial costs. An example is the uncertainty costs a customer experiences when changing company to an untested service provider (Guiltnan, 1989). Before being a customer of the service provider consumers cannot know if the company is trustworthy. Another important psychological cost for consumers is the pre-switching search and evaluation costs. This deals with the perceived time and effort a consumer spend seeking information about alternatives and evaluating which of those alternatives is the most favourable one (Zeithaml, 1981). Also the learning required to use one brand may not be transferable to other brands of the same product, even though all brands are functionally identical (Klemperer, 1987).
Companies operating in a market with switching costs locks in their customers based on early choices. Lock-in prevents customers from changing company due to predictable or unpredictable changes in efficiency. In the early stages switching cost markets are identified by fierce competition where emphasis is put on penetrating pricing, introductory offers and price wars. After the establishment of a company the reasons for customers to stay loyal are more likely to depend on non-efficiency factors, especially history such as past market share. Although competition at the beginning is unstable and sensitive to competitive offers, it later leans towards the characteristics of a monopoly or oligopoly market, where entry for new firms is very hard. The existence of switching costs for consumers discourages companies to steal each others customers. Instead they focus on retention where they make sure the current customers remain loyal (Farrell & Klemperer, 2006).

3.8 Summary

Kevin Keller (2001) developed the customer based brand equity model to explain why customers become loyal to certain brands and how a successful customer behaviour-relationship is developed. However, Moore et al. (2002) argues that the Intergenerational Influence is a too important factor not to include in brand equity. The banking industry is dependant on retention and a strong retention tool is intergenerational influence which allows companies to keep customers through generations (Farrell & Klemperer, 2006). One might also assume that customers are loyal due to the perceived switching costs in the banking industry. A lack of knowledge or a perceived effort needed to switch can explain customer loyalty. Involvement with brands states that banks are perceived as unpleasant but necessary by their customers (Blythe, 2008).

3.9 Operationalisation
This dissertation will test the theories on an entire industry instead of a single brand, which could make the CBBE-model insufficient.

The CBBE-model presents four factors that make customers choose a certain brand. These four factors are Behavioural Loyalty, Attachment, Sense of Community and Engagement, all found in the top building block of the pyramid. This part will be tested along with the three new theories; Switching Costs, Involvement with Brands and Intergenerational Influence in order to determine what explains customer behaviour in the banking industry.

It is also important to remember that the CBBE-model was originally indented to be adapted on single brands, not entire industries (Keller, 2001). This fact together with the uniqueness of the banking industry motivates this study (Lilja & Shidani, 2009)

Seven hypotheses were developed from the theoretical framework and was tested in this dissertation. Each new factor forms a hypothesis that was tested to see the connection between the variable and the customers’ time at their current bank. The question “How long have you been a customer of your current bank?” was used to investigate customer behaviour in the different hypotheses. The independent tests were done because the factors in the original model are independently tested and one variable’s result does not affect the others. The investigation was conducted in the shape of a questionnaire containing questions that are specific to each separate variable.

Hypothesis 1: Intergenerational influence has a significant connection to customer behaviour in the banking industry.

Hypothesis 2: Switching Costs have a significant connection to customer behaviour in the banking industry.

Hypothesis 3: Behavioural Loyalty as explained in the CBBE-model has a significant connection to customer behaviour in the banking industry.
Hypothesis 4: Attachment as explained in the CBBE-model has a significant connection to customer behaviour in the banking industry.

Hypothesis 5: Sense of Community as explained in the CBBE-model has a significant connection to customer behaviour in the banking industry.

Hypothesis 6: Engagement as explained in the CBBE-model has a significant connection to customer behaviour in the banking industry.

Hypothesis 7: Involvement with brands has a significant connection to customer behaviour in the banking industry.
4. Empirics

In the beginning of this chapter the Research design and the Research strategy will be presented. This will be followed by Time horizon, Data collection and Population. After this Reliability, Validity, Generalisability, Response rate and The questionnaire. Then Justifying the questions will provide the reader with information on why the questions were chosen.

4.1 Research design

Research design is defined as “how the researchers go about answering the research question” (Saunders et al., p.600). The research design can be divided into three different methods: Exploratory studies, descriptive studies and explanatory studies.

Exploratory studies investigate what is happening in order to reach new insights. The field or situation being studied is viewed from a new perspective. This design is useful when trying to clarify a problem without knowing the exact nature of it. Exploratory design is a risky approach since the investigator may find out during his work that the research is not worth pursuing (Saunders et al., 2007).

Descriptive studies are used to “portray an accurate profile of persons, events or situations” (Saunders et al., 2007. p.140). Descriptive studies are commonly used as framework for exploratory and explanatory research since they give a clear picture of the investigated phenomena.

Explanatory studies investigate relationships between variables in certain situations or problems. The data gathered can be tested statistically through correlation to get a clear view of the relationships between the variables (Saunders et al., 2007).

This dissertation is explanatory since it is based on a quantitative method with statistically tested results. Different factors are tested in the survey to give a clear
view of the relationship between the variables and determine which variables are significant (Saunders et al., 2007).

4.2 Research Strategy

The research strategy consists of seven different strategies. These strategies are experiment, survey, case study, action research, grounded theory, ethnography and archival research. Some of these strategies are connected to the deductive approach while others are connected to the inductive. The most common strategy when using a deductive approach is the survey strategy. The survey strategy is common in business and management research. It is a relatively cheap way to collect large amounts of data. The most common way to collect this data is probably through questionnaires. This is often a time consuming strategy but on the other hand, when finished with the data collection the information obtained will be your own which makes the research more independent (Saunders et al., 2007). The Likert Scale (developed by Rensis Likert) measures how strongly the respondents agree or disagree to a certain statement (Encyclopedia Britannica, 2010).

This dissertation has a survey strategy since the new data was collected with the help of questionnaires. The research contains many different variables which makes it suitable for a survey strategy. These variables are statistically analyzed to identify their significance. This dissertation will use the Likert Scale. The questions will contain scales from 1-7 in order to provide many alternatives to be able to measure the respondents’ opinions as accurate as possible.

4.3 Time horizon

There are two main categories of time horizon. The first one is the cross-sectional approach which is similar to a “snapshot”, meaning the investigated phenomenon is only studied at one occasion. Surveys are a commonly used tool when using the cross-sectional approach. The second category is called longitudinal. The
longitudinal approach investigates a certain phenomena over time. This gives the researcher a chance to identify and observe changes (Saunders et al., 2007).

The cross-sectional approach is the most appropriate one in this study because of the lack of time to perform longitudinal studies. The research question states that the customer behaviour should be investigated, not how it develops over time, making the cross-sectional approach even more appropriate.

### 4.4 Data collection

There are two types of data, primary and secondary data. The primary data is specific for a certain research or study. This is data that has never been processed before. It can be gathered through interviews, questionnaires and so on (Saunders et al., 2007).

Secondary data is data that was collected for some other purpose. The secondary data can be both qualitative and quantitative and it has already been processed. Secondary data is basically all the information available that has been processed by others (Saunders et al., 2007).

This dissertation contains both primary and secondary data. The secondary data was used to form the theoretical framework which later shaped the questionnaire. The primary data is the data gathered through the answered questionnaires (Saunders et al., 2007).

### 4.5 Population

Sampling is a tool that is commonly used when conducting studies. When choosing the sample it is important that the sample is representative for the rest of the population. There are four main criterions for using sampling. The first criterion is that it is impracticable to survey an entire population. Secondly, the expenses are very high for a survey covering the whole population. Further, the time constraints make it impossible to interview the entire population. Finally,
there might be a need for quick results once the data has been collected (Saunders et al., 2007).

In this survey the sample consists of 105 students at Kristianstad University. The students questioned were randomly chosen in the school’s library or in the halls. The questionnaire was handed out to students in different faculties in order to get an accurate view of the general opinion. The different faculties were used to avoid only receiving answers from students in a particular field.

4.6. Justifying the questions of the questionnaire

This section will justify each question individually. The questions are divided into theories and therefore the numbers of the questions are not in order. The first section involves three descriptive questions. Questions 4-7 and question 15 are based on the independent theories while questions 8-14 are based on the CBBE-model.

4.6.1 Descriptive questions

1. How old are you?
   0-20 / 21-25 / 26-30 / over 30
   This question examines if age affects consumer behaviour. Are there differences in behaviour depending on age? Although age is not part of the theoretical framework it was included in the survey. Age is a commonly used variable in statistical investigations and it gives interesting analysing options. By comparing this variable to other in the analysis some interesting correlations could be found.

2. I have been a customer of my current bank for:
   0-5 years / 6-10 years / 11-15 years / More than 15 years
   This question provides the researchers with necessary background information about the consumers’ loyalty towards their banks. It is helpful when determining
how loyal consumers are to their banks. This is also the variable that will serve as the description of consumer behaviour.

3. Sex:
Man / Woman
This was included to be able to investigate if there are differences between the genders. Sex is not a part of the theoretical framework and was included to provide the possibility to compare this variable with others and investigate different connections.

4.6.2 Questions based on the Intergenerational influence theory

4. I use my current bank due to advice from my parents.
1 2 3 4 5 6 7
1 = I do not agree. 7 = I agree completely
This question investigates if Intergenerational influence is significant for consumer loyalty in the banking industry. Intergenerational influence occurs when the loyalty that you feel towards something (for example a bank) is not really your own loyalty. Instead it is something that your parents feel and then they have just passed it on to you. If the respondents are customers of their banks because of their parents’ advice this means that it is intergenerational influence that fuels the relationship between the respondents and their banks and not their own feelings.

5. I am a customer of my current bank because my parents opened my youth accounts here.
1 2 3 4 5 6 7
1 = I do not agree. 7 = I agree completely
This question also investigates intergenerational influence. If your parents have started a youth account at one bank and you are still a customer there today then there is a clear intergenerational influence.
4.6.3 Questions based on the Switching Costs theory

6. I am a customer of my current bank because I feel I do not know enough about the industry to decide if a change is economically worthwhile.

1 2 3 4 5 6 7
1 = I do not agree. 7 = I agree completely

Switching costs, which is the base of this question, investigates the extra costs (not necessarily a financial cost but all things that are connected to the switching process) which occurs when you switch banks for example. This question is relevant to see if the respondents are customers of their current banks because a sense of loyalty or because they do not know enough about the banking industry to be able to determine if a switch of bank could be beneficial for them.

7. I am a customer of my current bank because the switching process to another bank is too demanding.

1 2 3 4 5 6 7
1 = I do not agree. 7 = I agree completely

This is another question that investigates switching costs. This question focuses on the more perceived costs that would occur because of a switching process. These perceived costs can be the time required to change banks or the process of looking up necessary information required to make the switch. It is important to remember that the customers perceive these costs and therefore they may vary.

4.6.4 Questions based on the Behavioural loyalty theory from the CBBE-Model

8. I consider myself loyal to my bank.

1 2 3 4 5 6 7
1 = I do not agree. 7 = I agree completely

Behavioral loyalty from Keller’s pyramid will form this and the following two questions. This question investigates if the customers see themselves as loyal to their current bank. This is interesting because it reveals the respondents think they are loyal or not.
9. I feel that my bank is the only option for me.
1 2 3 4 5 6 7
1 = I do not agree. 7 = I agree completely
This question is another concern regarding loyalty. This question investigates the level of loyalty. Just how loyal are the respondents? Do they really believe that their current bank is the only option? A high answer on this question would indicate that the respondents have a high level of loyalty to their bank.

10. I would not hesitate to change bank if it would be more comfortable for me to use another bank.
1 2 3 4 5 6 7
1 = I do not agree. 7 = I agree completely
This is a question that concerns loyalty and it investigates if the customer is willing to make extra sacrifices to continue to use his current bank due to loyalty reasons. If the responses are high on this question it probably means that the respondent has little loyalty towards his bank. This is also a test of the level of the loyalty.

4.6.5 Question based on the Attachment theory from the CBBE-model

11. I feel a connection to my bank and would not like to change bank.
1 2 3 4 5 6 7
1 = I do not agree. 7 = I agree completely
This question was formed from the factor Attachment in Keller’s CBBE-model. Attachment describes loyalty that arises from strong personal connections to a brand or product. This question is asked to allow the authors to determine whether Attachment is an important aspect when examining customer behaviour in the banking industry.
4.6.6 Question based on the Sense of community theory from the CBBE-model

12. I feel like I am a part of a club with other users of my bank.
1 2 3 4 5 6 7
1 = I do not agree. 7 = I agree completely
Keller means that certain brands are so powerful that the customers of such a brand feel a connection because they are all customers of the same brand. You might say that they form a community of their own. This question investigates if community is a significant variable. If the respondent answers a seven here it indicates he or she feels a strong connection to others who uses the same brand.

4.6.7 Question based on the Active engagement theory from the CBBE-model

13. I feel proud when I tell others that I use my specific bank.
1 2 3 4 5 6 7
1 = I do not agree. 7 = I agree completely
This question investigates the factor engagement which Keller describes occurs when the customers invest more time or/and money beyond what is required from them. This means that if a respondent answers a seven on this question he or she invest more time and energy than necessary. The person will not get any benefits in return either.

14. I regularly follow news concerning my bank in order to learn more about it.
1 2 3 4 5 6 7
1 = I do not agree. 7 = I agree completely
This is another question that concerns engagement. Does the respondent want to follow news about his particular bank? If that is the case he uses his spare time to learn more about his bank which clearly indicates active engagement.
4.6.8 Question based on the Involvement with brands theory

15. What is your opinion of a bank visit that involves a meeting?

1 2 3 4 5 6 7

1 = Avoid it. 7 = Look forward to it.

Involvement with brands indicates that the banking industry is often viewed as an “unpleasant necessity” by the customers. If the respondents of this survey also believe that this is the case then perhaps the level of loyalty is not so high.

4.7 Reliability

Reliability concerns the fact that what have been measured should provide the same result each time no matter who conducts the research. It can be viewed with help of three questions according to Easterby-Smith, Thorpe, Jackson and Lowe (as quoted in Saunders et al., 2007):

- Will the measures yield the same results on other occasions?
- Will similar observations be reached by other observers?
- Is there transparency in how sense was made from the raw data?

According to Robson (2002) there are four threats to reliability: Subject or participant error, subject or participant bias, observer error and observer bias. Subject or participant error means that you get different results on different occasions. To avoid this you should try to conduct your investigation on “neutral” occasion. Subject and participant bias means that the participants change their answers to make them more “appropriate”. It can be an employee that changes his answer to make his boss happier. To make the respondents anonymous is an easy way to avoid this. Observer error often occurs when you are more than one person conducting the interview, because different people can interpret the same questions in different ways. To avoid this it is very important to always maintain a high level of structure. Finally, observer bias means that different people can interoperate answers in different ways.
The chosen subject is not sensitive in the sense that the answers will vary on different occasions. There are no special occasions that would affect a person’s relationship with his bank. However, some questions could be sensitive for peoples’ pride. It can for example be sensitive for some people to admit that their parents still influence them. Therefore, there is a risk for subject or participant bias but precautions have been taken to avoid this by making the questionnaires completely anonymous. The risk of observer error is very low because the authors have developed the questions together. The justifying of each question was also jointly developed. The questions are also developed through the theoretical framework which was created with the participant of both authors. The risk for observer bias is very low because of the scales used in the questionnaires.

4.8 Validity

Validity means that the findings really concerns what they appear to concern. Saunders et al. (2007 p. 157) has an example:

In a factory study of an electronics factory we found that employees’ failure to look at new product displays was caused not by employee apathy but the lack of opportunity (the displays were located in a part of the factory that employees rarely visited).

This would mean that at first sight of the result it would look like the employees did not care but this was not the case. Robson (2002) have identified six threats to validity: History, testing, instrumentation, mortality, maturation and ambiguity about casual direction. History refers to if some special happening in the past will have a major impact on the answers collected and cause them to be misleading. Testing means that the respondents may affect their results for their own benefits. Instrumentation concerns the fact that the circumstances change between the first and the second time the investigation is conducted which also causes the result to change. Mortality refers to that participants may drop out of the study while maturation means that if the study is set to last for a long period of time there are many events not directly connected to the investigation but that still can affect the result. Ambiguity about casual direction means that it is important to know and to be clear which factor that influence which. You need to be careful when determine if factor A influence factor B or if it is factor B that influences factor A.
History is not a big issue in this dissertation. No major banks in Sweden have declared bankruptcy which could have caused the results to be misleading. However, the financial crises in the world may affect a bit but not enough to cause a misleading result. The risk of testing is quite low because the respondents would not have much to win by altering their answers. The three factors instrumentation, mortality and maturation are not relevant in this dissertation because it is cross-sectional which means that both the respondents and different events remains the same. Ambiguity about casual direction could be a problem but since all the factors are compared against the same dependent variable this risk is low.

4.9 Generalisability

Generalisability is sometimes considered as an extra validity factor. A question that you could ask yourself is if your research result is applicable in other research settings. If it is not applicable in other research settings then you have only developed a research result that is valid in your particular research setting.

The research result of this dissertation is fairly generalisable because we believe that it could be applied on other students in different universities in Sweden. But of course the research results are only applicable on Universities and not on for example working places. Since the questionnaire was distributed to students active in different fields the results are not affected by education. Therefore generalisations can be made for most universities in Sweden. However, certain universities that specialises in specific fields, for example economics, may show different results because of the level of knowledge about the banking industry that the average students possesses.

4.10 Response rate

Calculating the response rate shows how many people did not answer the questions for different reasons. In this research the response rate was 95.4%. In reality the response rate was higher than 95.4 % but people who answered that
they had no opinion were calculated as missing values. Still the response rate is very high and this was probably due to the fact that the questionnaires were personally distributed by hand. The response rate was calculated by dividing the number of missing values with the number of total answers.

4.11 The questionnaire

According to Saunders et al. (2007) the design of a questionnaire is determined by what data needs to be collected. When the questions are designed there are three different techniques to choose from. The first technique is to adopt questions from other questionnaires, basically this means to use the same questions as previous researchers. The second technique is to adapt questions from other questionnaires. To adapt questions is to modify previously used questions to better suite your own investigation, but investigate the same factors. The third and final technique is to develop your own questions. This is to fully develop your own questions based on the theoretical framework. To develop your own questions is the hardest technique but if it is done correctly it gives the best possibilities to answer your research question.

The questions asked in a questionnaire can be either open or closed questions. Open questions give the respondents a possibility to answer in their own ways. Closed questions provide a number of alternatives that the respondents can choose from. A closed question is easier to process statistically and easier for the respondent to answer since it requires no writing. There are six different types of closed questions. The first type is a list, where the respondents are offered a list of alternatives of which any alternative can be chosen. The second type of closed question is category, where only one answer is allowed to be chosen out of a given set of alternatives. The third type is ranking and asks the respondents to rank alternatives in order. The fourth type of closed question is rating; where the respondent marks to what degree they agree or disagree with a certain statement. The fifth step is quantity where the respondents are asked to give a number matching their answers. The sixth and final type of closed question is matrix and
with this type two or more questions are possible to record in the same matrix (Saunders *et al.*, 2007).

This dissertation uses a mix of adapted questions and questions developed on our own. The questions concerning the factors of the CBBE-Model were adapted to better suite the selected research field. The questions concerning the other factors; Intergenerational Influence, Switching Costs and Involvement with Brands were developed on our own to investigate the theories and be comparable with the factors from the CBBE-Model. All the questions are closed questions and they have a rating design. For the questions of this dissertation there is a scale from 1-7 where the respondent can choose to which degree he agrees or disagrees with the given statement.
5. Analysis

This chapter will start with a short introduction of the analysis followed by a comparison of mean values and the spread of the answers. After this individual tests for each factor will be presented. After the individual tests different interesting connections between the factors will follow. In the analysis the hypotheses will be either accepted or rejected based on statistical tests.

5.1 Introduction of the analysis

The analysis starts with comparing mean values and spread of the answers. The first three questions are descriptive and the options are different for each question. The questions based on theories have attitudinal scales from 1 to 7. 1 represents the respondents who strongly disagree while 7 represent the respondents who agree completely. The last question has the same scale but with different meaning, number 1 means people avoid bank visits and number 7 means they look forward to it. Any mean values or spread discussed below are based on this seven numbered scale.

In order to investigate which factors influences customer behaviour in the banking industry the factors were tested individually with “time as customer at my current bank” as the dependent variable. The results show if each specific factor influences customer behaviour in the sense of how long they have been customers of their current bank. In the individual tests, tendencies and significant connections are investigated. Beside the individual tests some interesting connections between different factors were found and presented. The different tests performed and their results are presented in the analysis.

5.2 Descriptive questions

1. How old are you?
1. 0-20  2. 21-25  3. 26-30  4. Over 30
The average was 2.13 which is a quite expected result. Most respondents were in the ages 21-25 which was expected since students were the chosen segment. The answers to this question were not very spread. 90% of the respondents were under 30 years old and 60% were in the ages 21-25.

2. I have been a customer of my current bank for:
1. 0-5 years  2. 6-10 years  3. 11-15 years  4. More than 15 years
The results showed an average of 2.87 which indicates that the average respondent has been a customer of his or her bank for at least 6 years. The average proved to be quite misleading in this case. 53% of the respondents have been a customer of their current bank for over 15 years and the majority of the remaining answers were 0-5 years.

3. Sex:
1. Man  2. Woman
The average of this question was 1.59 which shows that the respondents were almost an equal amount of men and women. This result was intentional to be able to determine if there are differences between the genders.

5.3 Questions based on the Intergenerational influence theory

4. I use my current bank due to advice from my parents.

The average number of the responses was 4.61 which is quite high. 31% of the respondents answered a seven to this question which was the most frequent answer. The options one and five were quite popular as well with 19% of the answers each. There were very few answers in the middle of the scale which was quite expected. The answers show that people either totally follow their parents’ advice or not at all when it comes to choosing banks.
5. I am a customer of my current bank because my parents opened my youth accounts here.

The results showed an average of 5.17 at this question. The answers to this question were focused on the options one and seven. 52% answered with a seven and 21% answered option one. The low spread of the answers was quite expected; either the respondents are customers because they had youth accounts and have not changed banks or they are customers for some other reason, very rarely anything in between.

5.4 Questions based on the Switching Costs theory

6. I am a customer of my current bank because I feel I do not know enough about the industry to decide if a change is economically worth while.

This question showed an average of 3.84 which is very close to the mean value of the alternatives. 31% answered option one which means that they do not know enough about the banking industry while 27% answered option seven, which means they think they know a lot. The average number of the answers was 3.84 which is quite misleading considering the high response rate of the two most extreme alternatives.

7. I am a customer of my current bank because the switching process to another bank is too demanding.

The results of this question showed an average of 3.38 which is a quite low value. Option one had the highest frequency with 32% of the total answers. The rest of the answers were evenly distributed amongst the other options. An interesting detail is that 84% answered option five or less. The answers indicate that the average customer does not find the process of switching banks to be to demanding.
5.5 Questions based on the Behavioural loyalty theory from the CBBE-Model

8. I consider myself loyal to my bank.

The responses to this question showed an average of 5.13. This is quite a high number which suggests that people think they are loyal to their current bank. 84% of the answers to this question were between option four and seven. The high value of 84% was unexpected considering the fact that only 53% had been customers of their current bank for over 15 years.

9. I feel that my bank is the only option for me.

This question concerned loyalty and showed an average of 3.21. This value is very low compared to the value of the previous question which also concerned loyalty. 29% of the respondents chose option one to describe if their current bank is the only option. This combined with the fact that 60% chose option number three or less clearly suggests that customers do not feel that their current bank is the only option for them.

10. I would not hesitate to change bank if it would be more comfortable for me to use another bank.

The responses to this question showed a very high average number at 5.24. The answers were not very spread and most people answered option number six or number seven. This suggests that people are very likely to change banks if there is a more comfortable option available. Considering the high amount of people who considered themselves loyal to their banks these responses were not expected.
5.6 Question based on the Attachment theory from the CBBE-model

11. I feel a connection to my bank and would not like to change bank.

The answers to this question were very spread and the average number of 4.2 is very accurate in describing the responses. The wide spread shows that people have very different opinions on whether they feel a connection to their bank or not.

5.7 Question based on the Sense of community theory from the CBBE-model

12. I feel like I am a part of a club with other users of my bank.

The answers to this question showed an average of 2.66 which is very low. This indicates that the sense of belonging to a community is quite low in the banking industry. 47% of the respondents answered this question with option number one. The rest of the answers were evenly distributed amongst the remaining options. Option number one’s high response rate clearly shows that people do not feel like they are part of a group with other users of their bank.

5.8 Question based on the Active engagement theory from the CBBE-model

13. I feel proud when I tell others that I use my specific bank.

This question showed an average of 3. This number is quite low and indicates that engagement is not crucial for the customers in the banking industry. 34% of the respondents answered this question with option number one, meaning they feel no pride at all when they tell people which bank they are customers at. 80% of the total answers were option number four or lower, showing clearly that people do not take pride in their choice of bank.
14. I regularly follow news concerning my bank in order to learn more about it.

The average responses to this question, 2.91, strengthens the previous questions statement that engagement is not crucial for customers in the banking industry. 32% of the respondents chose option number one. 80% of the answers were number four or lower. This shows that people do not follow news about their bank regularly in order to learn more about their bank. These answers do not mean that the respondents does not follow any news about their bank, it only means that they do not do so in order to learn more about the bank itself.

5.9 Question based on the theory Involvement with brands

15. What is your opinion of a bank visit that involves a meeting?

The average response to this question was 4.66. This is a very high number which indicates that Involvement with Brands is important in the banking industry. 80% answered option number four or higher. This shows that most people have a positive feeling towards bank visits including personal service. These answers indicate that customers appreciate their bank’s service and look forward to visits.

5.10 Individual tests of the factors

5.10.1 Intergenerational Influence

People who answered that they were customers of their current banks due to their parents’ advice did not feel any special connection to their bank. The people who answered that they were customers because of their parents’ advice did not consider themselves more loyal than the rest of the respondents; however, they had been customers of their current bank for a significantly longer period of time. As the table shows most of them had been customers of their current bank for over 15 years. These people are loyal to their current bank without feeling any specific connection or even considering themselves loyal, proving that Intergenerational influence affects customer behavior in the banking industry.
Table 1.1 shows how long people who are customers based on their parents’ advice have used their current bank. Table 1.2 presents a test concerning the significance of the connection between the two variables and shows that there is a significant connection.

Table 1.1 Question 4 Description

I use my current bank due to advice from my parents.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>95% Confidence Interval for Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>0-5</td>
<td>22</td>
<td>3.3182</td>
<td>2.51446</td>
<td>2.2033</td>
</tr>
<tr>
<td>6-10</td>
<td>21</td>
<td>5.0000</td>
<td>2.38747</td>
<td>3.9132</td>
</tr>
<tr>
<td>11-15</td>
<td>4</td>
<td>4.7500</td>
<td>2.62996</td>
<td>3.5652</td>
</tr>
<tr>
<td>more than 15</td>
<td>51</td>
<td>5.0000</td>
<td>2.03961</td>
<td>4.4264</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>4.6122</td>
<td>2.32260</td>
<td>4.1466</td>
</tr>
</tbody>
</table>

Table 1.2 Question 4 Significance

ANOVA

I use my current bank due to advice from my parents.

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>47.743</td>
<td>3</td>
<td>15.914</td>
<td>3.146</td>
<td>.029</td>
</tr>
<tr>
<td>Within Groups</td>
<td>475.523</td>
<td>94</td>
<td>5.059</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>523.265</td>
<td>97</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.10.2 Intergenerational Influence

There was a clear connection between people who are customers of their current bank because they had youth accounts at that specific bank and the time they have been customers. As the table shows there is a clear tendency that people are more likely to be customers because of youth accounts if they have been customers for a long time. Table 2.1 shows that the average number of people who have been
customers for over 15 years is 5.9815 which is very high. It then continuously drops and customers who have used their current bank for 0-5 years only have an average of 3.4783. This confirms that Intergenerational influence can explain customer behaviour in the banking industry. Table 2.1 shows a clear significant connection between youth accounts and how long people have used their current bank.

Table 2.1 Question 5 Description

<table>
<thead>
<tr>
<th>Question 5 Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am a customer at my current bank because my parents opened my youth accounts here.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0-5</td>
<td>23</td>
<td>3.4783</td>
<td>2.60889</td>
<td>2.3501</td>
<td>4.6064</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>6-10</td>
<td>21</td>
<td>4.9048</td>
<td>2.48807</td>
<td>3.7722</td>
<td>6.0373</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>11-15</td>
<td>4</td>
<td>5.2500</td>
<td>2.87228</td>
<td>.6796</td>
<td>9.8204</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>more than 15</td>
<td>54</td>
<td>5.9815</td>
<td>1.93762</td>
<td>5.4526</td>
<td>6.5103</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>102</td>
<td>5.1667</td>
<td>2.43767</td>
<td>4.6879</td>
<td>5.6455</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Table 2.2 Question 5 Significance

ANOVA

<table>
<thead>
<tr>
<th>Question 5 Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am a customer at my current bank because my parents opened my youth accounts here.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sum of Squares</td>
<td>df</td>
<td>Mean Square</td>
<td>F</td>
<td>Sig.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>----</td>
<td>--------------</td>
<td>---</td>
<td>------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>3</td>
<td>34.296</td>
<td>6.759</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within Groups</td>
<td>98</td>
<td>5.074</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.10.3 Switching Costs

Table 3.1 and Table 3.2 show that there are no clear tendencies or significant connections between customers’ level of knowledge about the banking industry.
and their time as customers of their current bank. This could be connected to the fact that the respondents are students. Many people may have been forced to change banks because they have moved. In this case the change of banks was not economically motivated and did not require any knowledge about the industry. In other words the change of banks was not evaluated in the same way as an economically motivated decision would be. As Table 3.1 shows that people who have recently changed banks generally think that they know a bit less about the banking industry but the difference is not very big. Still this is a bit surprising since there is usually some kind of evaluating process after a decision to change banks. During this process people should learn more about the banking industry.

Table 3.1 Question 6 Description

Descriptives

I am a customer at my current bank because I feel I do not know enough about the industry to decide if a change is economically worth while.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>23</td>
<td>4.1739</td>
<td>2.60510</td>
<td>3.0474</td>
<td>5.3004</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>6-10</td>
<td>21</td>
<td>3.5714</td>
<td>2.44073</td>
<td>2.4604</td>
<td>4.6824</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>11-15</td>
<td>4</td>
<td>5.2500</td>
<td>2.87228</td>
<td>.6796</td>
<td>9.8204</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>more than 15</td>
<td>54</td>
<td>3.7037</td>
<td>2.45433</td>
<td>3.0338</td>
<td>4.3736</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>Total</td>
<td>102</td>
<td>3.8431</td>
<td>2.48857</td>
<td>3.3543</td>
<td>4.3319</td>
<td>1.00</td>
<td>7.00</td>
</tr>
</tbody>
</table>

3.2 Question 6 Significance

ANOVA

I am a customer at my current bank because I feel I do not know enough about the industry to decide if a change is economically worth while.

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>13.034</td>
<td>3</td>
<td>4.345</td>
<td>.695</td>
<td>.557</td>
</tr>
<tr>
<td>Within Groups</td>
<td>612.456</td>
<td>98</td>
<td>6.250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>625.490</td>
<td>101</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.10.4 Switching Costs

There are no significant connections between how complex customers perceive the process of switching banks and how long they have been customers of their current bank. However, there is a tendency that customers who have changed banks within the last years perceive the switching process to be less complex than others do. This could be because people who have not experienced a change of banks perceive the process to be more demanding than it really is. Table 4.1 shows a low mean value at 2.5455 for people who have been customers 0-5 years. This suggests that the actual process of switching banks is not very complex. Table 4.2 shows that there is not significant connection between the two variables.

Table 4.1 Question 7 description

<table>
<thead>
<tr>
<th>Descriptives</th>
<th>95% Confidence Interval for Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>---</td>
<td>------</td>
</tr>
<tr>
<td>0-5</td>
<td>22</td>
</tr>
<tr>
<td>6-10</td>
<td>18</td>
</tr>
<tr>
<td>11-15</td>
<td>3</td>
</tr>
<tr>
<td>more than 15</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
</tr>
</tbody>
</table>

Table 4.2 Question 7 significance

<table>
<thead>
<tr>
<th>ANOVA</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>23.387</td>
<td>3</td>
<td>7.796</td>
<td>1.883</td>
<td>.138</td>
</tr>
<tr>
<td>Within Groups</td>
<td>368.441</td>
<td>89</td>
<td>4.140</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>391.828</td>
<td>92</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.10.5 CBBE-Model: Behavioural Loyalty

Table 5.1 and 5.2 show that there are no significant connections or noticeable tendencies between how long people have been customers of their banks and if they consider themselves loyal. As seen on the high mean values in Table 5.1 most customers find they are very loyal to their current bank. This confirms that people perceive themselves as loyal customers in the banking industry. This does not affect the period of time they are actually loyal to their banks. This could depend on different interpretations of the term “loyalty”.

Table 5.1 Question 8 description

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>22</td>
<td>5.0909</td>
<td>1.71573</td>
<td>4.3302</td>
<td>5.8516</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>6-10</td>
<td>17</td>
<td>4.5294</td>
<td>1.84112</td>
<td>3.5828</td>
<td>5.4760</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>11-15</td>
<td>4</td>
<td>5.5000</td>
<td>1.29099</td>
<td>3.4457</td>
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<td>7.00</td>
</tr>
<tr>
<td>more than 15</td>
<td>51</td>
<td>5.3137</td>
<td>1.60612</td>
<td>4.8620</td>
<td>5.7655</td>
<td>1.00</td>
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<tr>
<td>Total</td>
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<td>5.1277</td>
<td>1.66710</td>
<td>4.7862</td>
<td>5.4691</td>
<td>1.00</td>
<td>7.00</td>
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</table>

Table 5.2 Question 8 significance

<table>
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<tr>
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<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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<tr>
<td>Between Groups</td>
<td>8.434</td>
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<td>.391</td>
</tr>
<tr>
<td>Within Groups</td>
<td>250.034</td>
<td>90</td>
<td>2.778</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>258.468</td>
<td>93</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.10.6 CBBE-Model: Behavioural Loyalty

The question concerning loyalty had no tendencies or connections with the customers’ time at their current bank. The low mean values visible in Table 6.1 are between 2 and 3.4528 suggests that customers are not loyal to their banks because they feel their bank is the only option. There are quite a few options available in the banking industry in Sweden and people tend not to use banks because they feel their current bank is the only option. Table 6.2 shows that there is no significant connection between if people see their bank as their only option and how long they have been customers.

Table 6.1 Question 9 description

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>95% Confidence Interval for Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>0-5</td>
<td>21</td>
<td>3.0952</td>
<td>2.18872</td>
<td>2.0989</td>
</tr>
<tr>
<td>6-10</td>
<td>20</td>
<td>2.9500</td>
<td>1.95946</td>
<td>2.0329</td>
</tr>
<tr>
<td>11-15</td>
<td>4</td>
<td>2.0000</td>
<td>1.41421</td>
<td>-2.503</td>
</tr>
<tr>
<td>more than 15</td>
<td>53</td>
<td>3.4528</td>
<td>2.04343</td>
<td>2.8896</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>3.2143</td>
<td>2.03703</td>
<td>2.8059</td>
</tr>
</tbody>
</table>

Table 6.2 Question 9 significance

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>10.608</td>
<td>3</td>
<td>3.536</td>
<td>.848</td>
<td>.471</td>
</tr>
<tr>
<td>Within Groups</td>
<td>391.892</td>
<td>94</td>
<td>4.169</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>402.500</td>
<td>97</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.10.7 CBBE-Model: Behavioural Loyalty

The high mean values in Table 7.1 show that people generally answered that they would change banks for a more comfortable option regardless of the time they have been customers of their current bank. People tend to be very opened to a change, if it would be more comfortable. Therefore, the term loyalty, as discussed in Keller’s CBBE-model does not explain customer behavior in the banking industry. Table 7.2 shows that there is no significant connection between how willing customers are to change banks and how long they have used their current bank.

Table 7.1 Question 10 description

Descriptives

I would not hesitate to change bank if it would be more comfortable for me to use another bank.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>24</td>
<td>5.4167</td>
<td>2.04124</td>
<td>4.5547</td>
<td>6.2786</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>6-10</td>
<td>21</td>
<td>5.2381</td>
<td>1.54612</td>
<td>4.5343</td>
<td>5.9419</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>11-15</td>
<td>4</td>
<td>5.0000</td>
<td>2.44949</td>
<td>1.1023</td>
<td>8.8977</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>more than 15</td>
<td>55</td>
<td>5.1818</td>
<td>1.92538</td>
<td>4.6613</td>
<td>5.7023</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>5.2404</td>
<td>1.87728</td>
<td>4.8753</td>
<td>5.6055</td>
<td>1.00</td>
<td>7.00</td>
</tr>
</tbody>
</table>

Table 7.2 Question 10 significance

ANOVA

I would not hesitate to change bank if it would be more comfortable for me to use another bank.

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>1.166</td>
<td>3</td>
<td>.389</td>
<td>.107</td>
<td>956</td>
</tr>
<tr>
<td>Within Groups</td>
<td>361.825</td>
<td>100</td>
<td>3.618</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>362.990</td>
<td>103</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.10.8 CBBE-Model: Attachment

Table 8.1 shows that there are no clear tendencies between if people feel a connection towards their bank and how long they have remained customers. Table 8.2 shows that there is no significant connection between the two variables. These results suggest that attachment does not affect the customers’ choice of bank.

**Table 8.1 Question 11 description**

**Descriptives**

I feel a connection to my bank and would not like to change bank.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>22</td>
<td>4.2727</td>
<td>2.02794</td>
<td>3.3736</td>
<td>5.1719</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>6-10</td>
<td>20</td>
<td>3.6500</td>
<td>2.10950</td>
<td>2.6627</td>
<td>4.6373</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>11-15</td>
<td>4</td>
<td>2.5000</td>
<td>1.29099</td>
<td>.4457</td>
<td>4.5543</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>more than 15</td>
<td>53</td>
<td>4.5094</td>
<td>1.97701</td>
<td>3.9645</td>
<td>5.0544</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>4.2020</td>
<td>2.02525</td>
<td>3.7981</td>
<td>4.6059</td>
<td>1.00</td>
<td>7.00</td>
</tr>
</tbody>
</table>

**Table 8.2 Question 11 significance**

**ANOVA**

I feel a connection to my bank and would not like to change bank.

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>22.801</td>
<td>3</td>
<td>7.600</td>
<td>1.904</td>
<td>.134</td>
</tr>
<tr>
<td>Within Groups</td>
<td>379.159</td>
<td>95</td>
<td>.991</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>401.960</td>
<td>98</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.10.9 CBBE-Model: Sense of Community

The mean values in Table 9.1 shows that people in general tend not to feel like part of a group with other users of the same bank. This could be connected to Intergenerational Influence. If the customers’ decisions to use a certain bank are based on their parents’ advice the customers might not care very much which bank they use and therefore not feel a connection to the bank or other customers. The numbers in Table 9.1 shows that a sense of community is very uncommon amongst bank customers. Table 9.2 shows that there is no connection between the time spent as a customer of a bank and if people feel as if they are part of a club with other customers.

Table 9.1 Question 12 description

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-5</td>
<td>22</td>
<td>2.8636</td>
<td>2.35626</td>
<td>1.8189</td>
<td>3.9083</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>6-10</td>
<td>19</td>
<td>2.7895</td>
<td>2.25041</td>
<td>1.7048</td>
<td>3.8741</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>11-15</td>
<td>4</td>
<td>1.0000</td>
<td>.00000</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>more than 15</td>
<td>53</td>
<td>2.6604</td>
<td>1.83914</td>
<td>2.1534</td>
<td>3.1673</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>2.6633</td>
<td>2.02023</td>
<td>2.2582</td>
<td>3.0683</td>
<td>1.00</td>
<td>7.00</td>
</tr>
</tbody>
</table>

Table 9.2 Question 12 significance

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>12.252</td>
<td>3</td>
<td>4.084</td>
<td>1.001</td>
<td>.396</td>
</tr>
<tr>
<td>Within Groups</td>
<td>383.636</td>
<td>94</td>
<td>4.081</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>395.888</td>
<td>97</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.10.10 CBBE-Model: Engagement

Table 10.1 shows that customers tend not to feel proud when they tell others that they use their current bank. Table 10.1 also shows that people who have changed banks are more likely to feel proud than those who have been customers of their current bank for over 15 years. This could be connected to the age of the respondents. If they have changed banks recently it is probably from the bank where they had youth accounts to a new one. Reasons for the small difference could be that the choice was successful, independent and not based on parents’ opinions. Keep in mind that this is an assumption based on the age of the respondents which mainly consists of people who are 21-25 years old. Table 10.2 shows that there is no connection between if customers feel proud and how long they have been customers.

Table 10.1 Question 13 description

<table>
<thead>
<tr>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>21</td>
<td>3.1905</td>
<td>1.96517</td>
<td>2.2959</td>
<td>4.0850</td>
<td>1.00</td>
</tr>
<tr>
<td>6-10</td>
<td>18</td>
<td>3.3333</td>
<td>1.74895</td>
<td>2.4636</td>
<td>4.2031</td>
<td>1.00</td>
</tr>
<tr>
<td>11-15</td>
<td>3</td>
<td>1.0000</td>
<td>.00000</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.00</td>
</tr>
<tr>
<td>more than 15</td>
<td>48</td>
<td>2.9167</td>
<td>1.91115</td>
<td>2.3617</td>
<td>3.4716</td>
<td>1.00</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>3.0000</td>
<td>1.88429</td>
<td>2.6053</td>
<td>3.3947</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Table 10.2 Question 13 significance

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>15.095</td>
<td>3</td>
<td>5.032</td>
<td>1.438</td>
</tr>
<tr>
<td>Within Groups</td>
<td>300.905</td>
<td>86</td>
<td>3.499</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>316.000</td>
<td>89</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.10.11 CBBE-Model: Engagement

Table 11.1 shows that there is a tendency for people who have changed banks lately to be more likely to follow news concerning their bank. This could be to evaluate their choice of bank. It can also be argued that people who have changed bank one time are more likely to do so again and therefore continue to follow news concerning banks in search for the best possible option. Table 11.2 show that there is no significant connection between how long customers have used their current bank and how well they follow news concerning the bank in particular.

Table 11.1 Question 14 description

**Descriptives**

I regularly follow news concerning my bank in order to learn more about it.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>22</td>
<td>3.4545</td>
<td>2.06391</td>
<td>2.5395</td>
<td>4.3696</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>6-10</td>
<td>21</td>
<td>2.9048</td>
<td>1.84132</td>
<td>2.0666</td>
<td>3.7429</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>11-15</td>
<td>4</td>
<td>1.2500</td>
<td>.50000</td>
<td>.4544</td>
<td>2.0456</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>more than 15</td>
<td>55</td>
<td>2.8182</td>
<td>1.84683</td>
<td>2.3189</td>
<td>3.3174</td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td>Total</td>
<td>102</td>
<td>2.9118</td>
<td>1.88849</td>
<td>2.5408</td>
<td>3.2827</td>
<td>1.00</td>
<td>7.00</td>
</tr>
</tbody>
</table>

Table 11.2 Question 14 significance

**ANOVA**

I regularly follow news concerning my bank in order to learn more about it.

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>18.010</td>
<td>3</td>
<td>6.003</td>
<td>1.719</td>
<td>.168</td>
</tr>
<tr>
<td>Within Groups</td>
<td>342.196</td>
<td>98</td>
<td>3.492</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>360.206</td>
<td>101</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.10.12 Involvement with Brands

Table 12.1 shows that there are no tendencies suggesting that the customers’ opinions of a bank visit depends on how long they have used their current bank. Table 12.1 also shows that the general attitude towards a bank visit involving a meeting is very positive. Table 12.2 shows a test which confirms that the two variables are not connected. The theory Involvement with brands states that customers see banks as an unpleasant necessity rather than a pleasant experience. However, the result of the survey clearly shows that students view bank visits as a pleasant experience. The answers show that the theory is relevant for the banking industry but the theoretical assumption that banks are seen as unpleasant necessities are incorrect for the selected target group.

Table 12.1 Question 15 description

<table>
<thead>
<tr>
<th>Descriptives</th>
<th>95% Confidence Interval for Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>---</td>
<td>------</td>
</tr>
<tr>
<td>0-5</td>
<td>23</td>
</tr>
<tr>
<td>6-10</td>
<td>21</td>
</tr>
<tr>
<td>11-15</td>
<td>4</td>
</tr>
<tr>
<td>more than 15</td>
<td>55</td>
</tr>
<tr>
<td>Total</td>
<td>103</td>
</tr>
</tbody>
</table>

Table 12.2 Question 15 significance

ANOVA

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>8.167</td>
<td>3</td>
<td>2.722</td>
<td>.525</td>
<td>.666</td>
</tr>
<tr>
<td>Within Groups</td>
<td>512.940</td>
<td>99</td>
<td>5.181</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>521.107</td>
<td>102</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.11 Further analysis: Connections between other variables

The theories with the strongest connection to each other were further analysed. From the independent theories the most interesting ones were Intergenerational Influence and Switching Costs. The factor Behavioural Loyalty from the CBBE-Model was further analysed to determine how important the factor is.

5.11.1 The connection between Intergenerational Influence and Switching Costs

19 of 25 out of the people who considered themselves to have a lack of knowledge about the banking industry are customers of their current bank because they had youth accounts at that specific bank. The people who do not know anything about the banking industry have used the same bank that their parents assigned to them when they were young. They also remain customers of their current banks due to their parents’ advice. These answers strengthen the significance of Intergenerational Influence even further since the people who lack knowledge of the banking industry tend to be loyal solely due to choices made by their parents. Seen the other way around the numbers mean that Switching Costs are relevant as well. Even if the level of knowledge was not connected to how long the customers have used their current bank it is clearly a product of Intergenerational Influence. There was a response rate of 31% of the respondents believing that they do not know enough about the banking industry to evaluate their options. 76% of those respondents also said they were customers of their current bank because their parents opened their youth accounts there. It can be argued that Switching Costs (in this case level of knowledge) is a product of Intergenerational Influence which allows customers to skip the generally necessary knowledge needed to make an accurate decision.
5.11.2 Age affects Level of Knowledge

The question concerning how much knowledge people have about the banking industry was closely connected to age. In general, younger respondents knew less about the banking industry. It was also connected to the other Switching Cost question and showed that people with a lack of knowledge experience the process of switching banks to be very complex. This could mean there are very low switching costs in the bank industry but a lack of knowledge leads to high perceived switching costs that prevents customers from changing banks.
Table 14 The connection between perceived Switching Costs and Level of Knowledge

<table>
<thead>
<tr>
<th>Perceived Switching Costs</th>
<th>Level of Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am a customer at my current bank because I feel I do not know enough about the industry to decide if a change is economically worthwhile.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.00</td>
</tr>
<tr>
<td>1.00</td>
<td>16</td>
</tr>
<tr>
<td>2.00</td>
<td>1</td>
</tr>
<tr>
<td>3.00</td>
<td>7</td>
</tr>
<tr>
<td>4.00</td>
<td>4</td>
</tr>
<tr>
<td>5.00</td>
<td>3</td>
</tr>
<tr>
<td>6.00</td>
<td>0</td>
</tr>
<tr>
<td>7.00</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
</tr>
</tbody>
</table>

5.11.3 CBBE-Model: Behavioural Loyalty

The connection between people who consider themselves loyal and the question if they would change banks for a more comfortable option is quite interesting. Both the questions concern Loyalty as discussed in Keller’s CBBE-Model. Based on the answers from this survey it can be argued that loyal customers exist in the banking industry but they have a low tolerance level. If the bank becomes less accessible in any way most customers would not hesitate to change, even the ones who consider themselves very loyal.
Table 15 Connecting Behavioural Loyalty

<table>
<thead>
<tr>
<th></th>
<th>I would not hesitate to change bank if it would be more comfortable for me to use another bank.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.00</td>
</tr>
<tr>
<td>I consider myself loyal to my bank.</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>2.00</td>
</tr>
<tr>
<td></td>
<td>3.00</td>
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5.12 Results of the hypotheses

The criterions for accepting a hypothesis is that it has a significant connection (a significance value below 0.05) to consumer behaviour (how long the person have been a customer of the bank) or to show a clear tendency which indicates that it affects customer behaviour. The mean values of the answers is analysed to determine how crucial the variables are.

Hypothesis 1: Intergenerational influence has a significant connection to customer behaviour in the banking industry.

Based on the analysis this hypothesis is accepted. Not only do both questions that are based on this theory have a significant connection (0.029 and 0.00) to time as customer of the bank but the answers also show clear tendencies in both questions concerning Intergenerational Influence. The mean values 4.61 and 5.17 indicate both questions are generally affecting customer behaviour.
Hypothesis 2: Switching Costs has a significant connection to customer behaviour in the banking industry.

This hypothesis is rejected since Switching Costs do not have any significant connections (0.138 and 0.557) to customer behaviour. The mean values are 3.84 and 3.74 which are very mediocre. The only clear tendency concerning Switching Costs is that people who have recently changed banks perceive the switching process less complex.

Hypothesis 3: Behavioural Loyalty as explained in the CBBE-model has a significant connection to customer behaviour in the banking industry.

This hypothesis is rejected because none of the questions concerning Behavioural Loyalty had a significant connection (0.391, 0.471 and 0.956) to customer behaviour. However, the mean values of people who consider themselves loyal (5.1277) and how willing customers are to change banks (5.2404) are very high. The mean value for people who considered themselves loyal was very high; however, no evidence could be found that a person’s estimation of how loyal he or she is actually affects the time he or she have been customers of his or her current bank. The high mean value (5.2404) of people who would change banks for a more comfortable option indicates that the tolerance level amongst customers is very low, even for the ones who consider themselves loyal (according to the CBBE-model).

Hypothesis 4: Attachment as explained in the CBBE-model has a significant connection to customer behaviour in the banking industry.

This hypothesis is rejected because it had no significant value (0.134). The mean value 4.2 is a fairly neutral value.
Hypothesis 5: Sense of Community as explained in the CBBE-model has a significant connection to customer behaviour in the banking industry.

This hypothesis is rejected because it had no significant value (0.396). The mean value 2.66 indicates that the respondents do not feel any connection to other people that use the same bank.

Hypothesis 6: Engagement as explained in the CBBE-model has a significant connection to customer behaviour in the banking industry.

This hypothesis is rejected because it had no significant values (0.237 and 0.168). The mean values 3.0 and 2.91 both indicate a fairly neutral opinion. People who have changed banks recently are more likely to feel proud of their new bank than others. People who have changed banks lately are also more likely to follow news concerning their bank than others. Engagement does not affect customer behaviour or the decision to switch banks. However, the tendencies show that engagement can be a product of a change of banks.

Hypothesis 7: Involvement with brands has a significant connection to customer behaviour in the banking industry.

This hypothesis is rejected because it had no significant value (0.66). The mean value 4.66 indicates that the respondents generally have a positive attitude toward a bank visit that involves a meeting.
6. Conclusion

In this chapter a short summary of the dissertation will be presented. It will also include a section of conclusions drawn from the analysis. After this critical reflections on the dissertation will be presented along with suggestions for future research. Finally this chapter will discuss the practical and theoretical contributions of this dissertation.

6.1 Summary of the dissertation

The banking industry is a very specific industry because of its massive focus on retention (Farrell & Klemperer, 2006). The focus on retention brings a need to know which factors are important for customers when they choose which bank to use. The CBBE-model serves as a guide on how to create strong customer based brand equity which ultimately leads to customer retention (Keller, 2001). However, in an industry like the banking industry other factors may affect customer behaviour. This dissertation has tested if the CBBE-model is appropriate for the banking industry or if the special nature of the industry depends on other theories.

To be able to conduct the investigation a theoretical framework was created by reviewing relevant literature. The CBBE-model was developed by Keller (2001) and it is one of the main theories used in this dissertation. The other main theories are the ones that challenge the CBBE-model. The main challenging theory is Intergenerational Influence which was developed by Moore et al., (2002). Other challenging theories are the Switching Costs theory which was developed mainly by Farrell & Klemperer (2006) and the Involvement with Brands theory which was developed by Blythe (2008). One hypothesis was developed for each of the challenging theories and also from the relevant factors from the CBBE-model. These hypotheses were tested through a questionnaire which was randomly distributed to students at Kristianstad University. The results were then processed and statistically analysed with support from SPSS. The statistical tests provided
information which was analysed and from this information different conclusions could be drawn.

6.2 Conclusions

The goal of this dissertation was to investigate what affects customer behaviour in the banking industry and determine whether the CBBE-model is appropriate to use when explaining customer behaviour or if it depends on other factors. The factors explaining customer behaviour in the CBBE-model were Behavioural Loyalty, Attachment, Sense of Community and Engagement. Those factors were challenged by three independent theories, Intergenerational Influence, Switching Costs and Involvement with Brands. Based on the theoretical framework seven hypotheses were developed. These hypotheses were investigated through questionnaires where the questions were based on relevant theories. The questionnaires were distributed amongst students at Kristianstad University in order to answer the research question:

*How appropriate is the customer based brand equity-model to explain students’ customer behaviour in the banking industry?*

The answers to the questionnaires were analysed with support from SPSS. Each question based on a theory was tested for connections and tendencies against the question “How long have you been a customer of your current bank?” which describes customer behaviour. The results showed that only Hypothesis 1 could be statistically accepted.

Hypothesis 1 tested the first two questions which were based on Intergenerational Influence. This theory showed a clear significant connection to customer behaviour. The result of the first hypothesis strongly suggests that Intergenerational Influence has an effect on Customer behaviour in the banking industry. This means that the CBBE-model is not appropriate to explain students’ customer behaviour in the selected industry.
Hypothesis 2 was rejected because it had no significant connection to customer behaviour. Switching Costs also showed neutral mean values which means there is no statistical support suggesting that it is a crucial factor when explaining students’ customer behaviour in the banking industry.

Hypothesis 3 tested three questions concerning Behavioural Loyalty as explained in the CBBE-model. None of the questions had a significant connection to customer behaviour and the hypothesis was, therefore, rejected. However, the mean values to the statements “I consider myself loyal to my bank” and “I would not hesitate to change banks if it would be more comfortable for me to use another bank” were quite interesting. The answers to the first statement clearly showed that people consider themselves loyal. Even though there was no significant connection between how loyal people consider themselves and how long they had been customers, it can still be argued that loyalty towards their banks exists amongst students. The answers to the second statement show that people would not go out of their way to remain customers of their current bank. These answers suggest that loyalty is an important factor in the banking industry but the level of tolerance that the customers feel towards their bank is not very high.

Hypothesis 4 tested if Attachment as explained in the CBBE-model had a significant connection to customer behaviour. The results clearly showed that affection was not common amongst the respondents and it had no connection with customer behaviour. This means Attachment is not relevant when explaining students’ customer behaviour in the banking industry.

Hypothesis 5 tested if Sense of Community as explained in the CBBE-model had a significant connection to customer behaviour. According to the result there was no significant connection between these two. Therefore, the conclusion that Sense of Community is not relevant when explaining students’ customer behaviour in the banking industry can be drawn.

Hypothesis 6 tested if there was a significant connection between Engagement and consumer behaviour and it was rejected. The result indicates that no significant connection was found. This fact combined with the low mean values of
the answers justify the assumption that Engagement is not relevant when explaining students’ customer behaviour in the banking industry.

Hypothesis 7 tested if Involvement with Brands had a significant connection with customer behaviour. No significant connection could be found so the hypothesis was rejected.

The results of the hypotheses indicate that large parts of the CBBE-model are not appropriate when explaining students’ customer behaviour in the banking industry. Although no significant connections could be found when investigating the factors of the CBBE-model there are some high mean values which indicate that even though no factors are significant some of them are still relevant. Behavioural Loyalty can be argued to influence people since it had an extremely high mean value. Feeling loyal is very common and even though it might not influence people enough to base their decisions solely on this, it can be argued that it has some influence.

The most important factor identified through this dissertation was Intergenerational Influence. This theory had a significant connection to customer behaviour as well as a very high mean value. Based on this information the statement can be made that most students are customers of their banks due to choices their parents made. The existence of Intergenerational Influence was not a surprise; however, the high result was not expected. Since most of the respondents were 21-25 years old, it is a fair assumption that most of them have had some kind of job. With salary coming in to your account you are more likely to read up on the banking industry and make your own decisions. The result was, therefore, not expected to be as high as it was.

In conclusion, the answer to the research question is that students’ customer behaviour in the banking industry depends on other factors than those discussed in the CBBE-model. The CBBE-model is not appropriate to investigate the banking industry, because most of the customer behaviour depends on Intergenerational Influence. This result could very well depend on the specific nature of the banking
industry as well as the age of the respondents and their life situation. Investigating a work place or simply an older population may give very different results.

6.3 Critical Reflections

The CBBE-model was tested in a new environment and this could be the reason that the impacts of the CBBE-model’s factors were not significant. As mentioned before the model was originally developed for single brands and not industries, but explains customer behaviour. Some modifications need to be done on the CBBE-model for it to cover an entire industry, at least to cover the banking industry.

The question “What is your opinion of a bank visit that involves a meeting?” concerning Involvement with brands could have been misinterpreted. The respondents could have seen the “meeting” as the beginning of something positive. An example is clearing out a problem concerning your bank or getting a loan to buy a new house or a new car. Therefore, instead of focusing on the meeting itself which was the intention with the question the respondents may instead focus on the outcome and how they can benefit from the meeting.

The question “I would not hesitate to change bank if it would be more comfortable for me to use another bank” showed some unexpected results compared to the other Behavioural Loyalty questions. There is a risk that people have interpreted the word comfortable in different ways, which makes the results somewhat unclear. However, there are no better suited alternatives to provide clearer answers to this question.

The question concerning how long people have been customers of their current bank is used as customer behaviour in this dissertation. Customer behaviour can be displayed by other situations than just how long people have been using their current bank, but to limit the investigation this question was chosen to define customer behaviour.
6.4 Further Research

While writing this dissertation some new ideas have came up. It would be interesting to see if the results vary in different target groups. Conducting the investigation on a work place instead of a university might give different results. It would be interesting to see if Intergenerational Influence is just as strong in an older target group or if other factors are more important.

Another interesting angle would be to test these theories on another industry and compare the results. The results indicate that the specific nature of the banking industry leads to certain results, therefore comparing to another industry would be interesting.

6.5 Contributions

The practical contribution of this dissertation is that it shows how important Intergenerational Influence is for students when they make decisions concerning their bank. Based on this information it can be argued that retention is important in the banking industry since losing one customer could mean losing their current or future children as well. This research shows that focusing your marketing on students might not be the best idea because the Intergenerational Influence is very strong for people in this life situation. Focusing on older target groups may prove itself more profitable.

The theoretical contribution of this dissertation is that it challenges the CBBE-model in a new environment which shows that the model is limited because customer behaviour differs based on which industry is investigated. Building a successful brand or company has different requirements for different industries and a general model for this is very hard, perhaps even impossible, to develop. Intergenerational Influence is very rarely mentioned in literature concerning brand equity and the result of this dissertation indicates that it is an important factor. This is probably the case in many industries which suggests that Intergenerational Influence should be granted more attention from researchers than it currently receives.
Reference list


Appendices

Appendix 1 - Questionnaire - Swedish version

1. Hur gammal är du?
   □ 0-20  □ 21-25  □ 26-30  □ over 30

2. Jag har varit kund hos min nuvarande bank:
   □ 0-5 år  □ 6-10 år  □ 11-15 år  □ Mer än 15 år

3. Kön
   □ Man  □ Kvinna

   1  2  3  4  5  6  7  □ Ingen åsikt
   1 = Håller inte alls med.  7 = Håller helt med

5. Jag är kund hos min nuvarande bank för att mina föräldrar öppnade ungdomskonto där åt mig. Ringa in ditt svar.
   1  2  3  4  5  6  7  □ Ingen åsikt
   1 = Håller inte alls med.  7 = Håller helt med

   1  2  3  4  5  6  7  □ Ingen åsikt
   1 = Håller inte alls med.  7 = Håller helt med

   1 2 3 4 5 6 7
   1 = Håller inte alls med. 7 = Håller helt med
   □ Ingen åsikt


   1 2 3 4 5 6 7
   1 = Håller inte alls med. 7 = Håller helt med
   □ Ingen åsikt


   1 2 3 4 5 6 7
   1 = Håller inte alls med. 7 = Håller helt med
   □ Ingen åsikt


    1 2 3 4 5 6 7
    1 = Håller inte alls med. 7 = Håller helt med
    □ Ingen åsikt


    1 2 3 4 5 6 7
    1 = Håller inte alls med. 7 = Håller helt med
    □ Ingen åsikt


    1 2 3 4 5 6 7
    1 = Håller inte alls med. 7 = Håller helt med
    □ Ingen åsikt


    1 2 3 4 5 6 7
    1 = Håller inte alls med. 7 = Håller helt med
    □ Ingen åsikt

1 2 3 4 5 6 7
1 = Håller inte alls med. 7 = Håller helt med

☐ Ingen åsikt


1 2 3 4 5 6 7
1 = Undviker det. 7 = Ser fram emot det

☐ Ingen åsikt
Appendix 2 - Questionnaire - English version

1. How old are you?
   □ 0-20 □ 21-25 □ 26-30 □ over 30

2. I have been a customer of my current bank for:
   □ 0-5 years □ 6-10 years □ 11-15 years □ More than 15 years

3. Sex
   □ Male □ Female

4. I use my current bank due to advice from my parents.
   1 2 3 4 5 6 7 □ No opinion
   1 = I do not agree. 7 = I agree completely

5. I am a customer of my current bank because my parents opened my youth accounts here.
   1 2 3 4 5 6 7 □ No opinion
   1 = I do not agree. 7 = I agree completely

6. I am a customer of my current bank because I feel I do not know enough about the industry to decide if a change is economically worth while.
   1 2 3 4 5 6 7 □ No opinion
   1 = I do not agree. 7 = I agree completely

7. I am a customer of my current bank because the switching process to another bank is too demanding
   1 2 3 4 5 6 7 □ No opinion
   1 = I do not agree. 7 = I agree completely

8. I consider myself loyal to my bank
   1 2 3 4 5 6 7 □ No opinion
   1 = I do not agree. 7 = I agree completely
9. I feel that my bank is the only option for me

1 2 3 4 5 6 7

☐ No opinion

1 = I do not agree. 7 = I agree completely

10. I would not hesitate to change bank if it would be more comfortable for me to use another bank.

1 2 3 4 5 6 7

☐ No opinion

1 = I do not agree. 7 = I agree completely

11. I feel connection to my bank and would not like to change bank

1 2 3 4 5 6 7

☐ No opinion

1 = I do not agree. 7 = I agree completely

12. I feel like I am part of a club with other users of my bank.

1 2 3 4 5 6 7

☐ No opinion

1 = I do not agree. 7 = I agree completely

13. I feel proud when I tell others that I use my specific bank.

1 2 3 4 5 6 7

☐ No opinion

1 = I do not agree. 7 = I agree completely

14. I regularly follow news concerning my bank in order to learn more about it.

1 2 3 4 5 6 7

☐ No opinion

1 = I do not agree. 7 = I agree completely

15. What is your opinion of a bank visit that involves a meeting?

1 2 3 4 5 6 7

☐ No opinion

1 = I do not agree. 7 = I agree completely