Customer Relationships and Brand Equity in China's Bank Retailing

Abstract

Building strong brand equity is imperative in the highly competitive arena of financial services. Despite tremendous interest in brand equity and relationship marketing, little conceptual development or empirical research has addressed whether relationships exist between these important marketing issues. This study explores the associations between customer relationships and brand equity. A conceptual framework is proposed, in which the constructs of customer relationships including relationship closeness, relationship strength and relationship satisfaction are related to the dimensions of brand equity comprising of perceived quality, brand loyalty and brand associations combined with brand awareness. Empirical tests using structural equation model support the research hypotheses and an establishment of linkage between the two domains of branding and relationship marketing, which are traditionally apart, is established. The research findings provide bank managers with a comprehensive understanding of how customer relationships impact on the dimensions of brand equity, which will enable them in turn to design more effective marketing strategies to enhance the evaluation of brand equity.

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Introduction

Brand equity is the incremental utility and value added to a product by its brand name (Kamakura and Russell, 1993; Park and Srinivasan 1994; Rangaswamy *et al.*, 1993) and plays an important role in cash flow increase of a business (Simon and Sullivan, 1993). From a behavioral viewpoint, brand equity is critically important for differentiation that leads to the creation and sustaining of competitive advantages, based on non-price competition (Aaker 1991). High brand equity implies that customers have positive and strong associations related to the brand, perceiving the brand of having high quality, and demonstrate loyalty to the brand (Keller, 2003).

Relationship marketing (RM) has moved rapidly to the forefront of academic research and practice (Berry, 1995) and marketing experts postulate that the current interest in relationship marketing represents a "fundamental reshaping the field" (Webster, 1992). After the widening of RM scope (Buttle, 1996) a number of scholars apply RM to the context of consumer products and services. The concept of relationship duality applies to the company and the customer, requiring management to acknowledge company and customer viewpoints. Social psychology literature focusing on customer attitudes provides psychological dimensions of relationships that have been identified (Barnes and Howlett, 1998).

The increasing interest in branding creates the need of better understanding how brand equity is built and sustained. It has been emphasized that brand equity development is a task for the entire organization (Aaker, 1997; Schreuer, 1998). Marketing communications play synergistic roles in building brand equity. The introducing of customer relationships as parts of the mix with brand has serious implications not only for building brand equity but also for its management. To-date little conceptual development or empirical research has addressed the extended relationship between these important marketing issues and their interaction. The management of customer relationships and the management of brand equity have been worlds apart. However, the separation can be regarded as artificial, because the two management functions have one and the same goal – to influence positively consumer behavior. Schreuer (2000) indicates that more attention is needed in the development of both customer relationships and brands.

Thus, the focus of this research is to explore the link between brand equity and customer relationships attempting to indicate a good starting concerning the interdependences of relationship marketing and brand management.

This study is conducted in an emerging market, China, where the banking sector is gaining market power but the market infrastructure has not been put in place (Peng and Health, 1996).

Theoretical Background

The creation of brand benefits is no longer sufficient to carve a competitive advantage in the face of intense competition and the increasing deregulation in the financial services industry (Debling, 1998; Harris, 2002). Presently it is critical to develop multidimensional financial services brand in support of functional and emotional values (de Chernatony and Dall'Olmo Riley, 1999), and to enhance brand distinctiveness and superiority (Padgett and Douglas, 1997; de Chernatony and Dall'Olmo Riley, 1999; Melewar and Bains, 2002) to execute successfully the financial services positioning and brand concept (de Chernatony, 2001; Romaniuk and Sharp, 2000). Schreuer (2000) has suggested that introducing customer relationships into the marketing mix will transform the roles of marketing communications and their relationship with the marketing mix Moreover, building and preserving satisfying customer relationships are crucial strategic motivators among leading corporations that understand brand and regard customer relationships as true assets of the total business not merely marketing communications icons (Davis and Halligan, 2002). Under this view of branding, customer relationships and brand equity management are no longer the sole domains of marketing operations. Accordingly, brand managers should expand their measurement and management of brand equity with the understanding of the nature of customer-company interactions.

Despite the lack of the empirical confirmation, the underlying rationale of brand equity enhancement is consistent with customer relationships improvement. Aaker (1992) suggests that customer relationships are one of 5 elements, each including clear identity, corporate brand, consistent communications and symbols, and slogans, as valuable assets that can be keys to re-evaluating and developing corporate strategy in building strong a brand. Shocker *et al.* (1994) suggest that brand equity management must be viewed from a "systems" perspective that focuses on adaptation and responsiveness to competitors, customers and past actions. Moreover, strategies, proposed by Lemen *et al.* (2000), based on customer equity, allow firms to trade off between customer value, brand equity and customer relationship management.

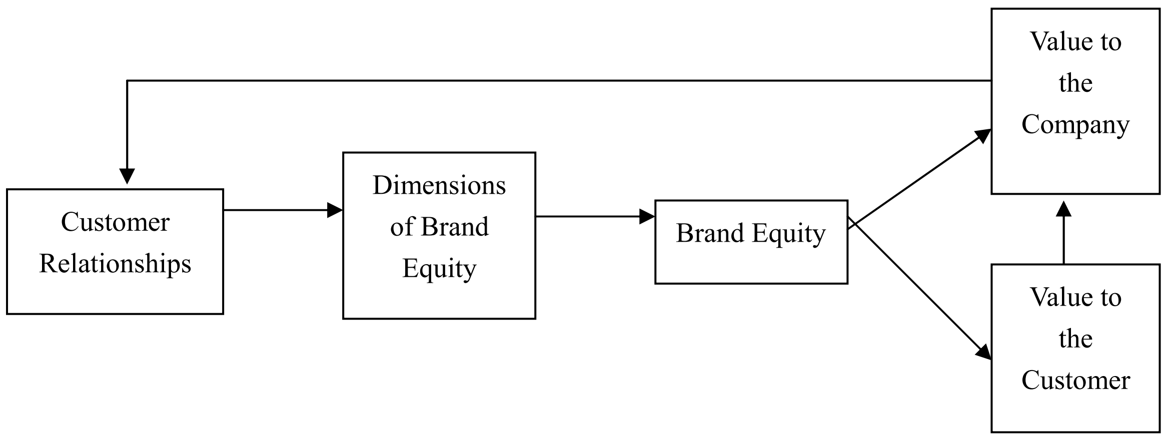
Whenever the risks associated with purchases and consumer involvement are greater, as is the case with financial services, relationship marketing may play a part as a supplementary tool by enabling the brand to fulfill its role of risk reducer and helping customers obtain "cognitive consistency and psychological comfort" (Dall' Olmo, Riley and de Chernatony, 2000). A recent study focusing on building brand equity through customer relationships in sports marketing has demonstrated four broad-based strategies in order to improve relationships between professional sport teams and their individual fans (Gladden and Funk, 2001). The authors contend that brand equity can be managed and maintained by increasingly utilizing the strategies that include developing an enhanced understanding of the consumer, increasing the interactions between the consumer and the brand, reinforcing and rewarding loyalty to the team brand and consistent integrated marketing communication to reinforce key brand associations.

In terms of retail financial services, before banks can create or take advantage of the brand associations consumers have with their banks, they must first understand consumers' existing perceptions of their brands. As such, an important component of banks' effort to build better relationships with their customers will be an increased focus on soliciting, listening and responding to consumer needs. According to Keller (1998), "strong brand in the twenty-first century also will rise above other brands by better understanding the needs, wants and desires of consumers to create marketing programs that fulfill and even surpass consumer expectations". In addition to learning more about their customers, bank managers have to realize the importance of fostering regular interactions between the consumer and their brands. The end goal of such interaction is what Rozanski *et al.* (1999) call "emotional loyalty". This kind of loyalty could be formed in two ways: from a consumer's personal relationship with a brand and through the formation of strong user communities around the brand. Financial services have advantages over products because they foster more direct experiences, vital to brand building (Joachimsthaler and Aaker, 1999).

Conceptual Framework

The conceptual framework of this study is an extension of Aaker's (1991) model, incorporating Berry's (2000) model of building service brand equity (Figure 1). Aaker's model (1991) proposes that firstly, brand equity creates value for both the customer and the company; secondly, value for the customer enhances value for the company; and finally, brand equity consists of multiple dimensions. Even though company's presented brand and external communications contribute to brand awareness as well as brand meaning, the crucial influence on brand meaning comes from the customer experience. Furthermore, brand equity is regarded as the combined effect of brand awareness and meaning in terms of customer response to the marketing activities of a brand. Consequently, positive brand equity is the marketing advantage, which accrues to a company from the synergy of brand awareness and brand meaning related with customer experience (Berry, 2000). Aaker's (1991) conceptualization proposes that brand equity creates value for the firm as well as for the customer. The value for the customer enhances the value for the company by increasing the probability of brand choice, willingness to pay premium prices, marketing communication effectiveness and brand licensing opportunities and decreasing vulnerability to competitive marketing actions and elastic responses to price increases (Farquhar *et al.*, 1991; Barwise, 1993; Keller, 1993; Simon and Sullivan, 1993). In short, brand equity provides sustainable competitive advantages to the company, from both management and consumer perspectives (Bharadwaj *et al.*, 1993).

Figure 1 Conceptual Framework of Brand Equity and Relationship Marketing



The suggested framework extends Aaker's model in two ways. Firstly, a separate construct is included, i.e., brand equity, between the dimensions of brand equity and the value for the customer and the company. The brand equity construct shows how individual dimensions are related to brand equity. Setting a separate brand equity construct will understand how the dimensions contribute to brand equity. Secondly, an antecedent of brand equity is included, which is customer relationships, assuming that they have significant effects on the dimensions of brand equity, further influencing the creation of brand equity. The extending of the classical model of brand equity allows a study of the impact of customer relationships on brand equity.

Aaker's (1991; 1997) framework perceives quality and other proprietary assets, such as trademarks, patents and channels. Being the focus of the research customer-based brand equity is defined as "the different effect of brand knowledge on consumer response to the marketing of the brand" (Keller, 1993). As Industrial and Commercial Bank of China (ICBC) is the biggest commercial bank in China all Chinese consumers have an impression what ICBC conveys in terms of financial product and service, but they do not have similar impressions on what a financial institution with another brands. ICBC's brand equity is the extra value embedded in its name, as perceived by the consumer, compared with an otherwise equal financial product or service of another bank. Then, the difference in consumer preference between the products or services with particular brands can be assessed by measuring the dimensions of brand equity.

Brand equity is seen as consisting of brand-related beliefs, including perceived quality, brand loyalty and brand associations combined with brand awareness (Aaker, 1991; 1997; Keller, 1993; 1998). High brand equity implies that customers have a lot of positive and strong associations related to the brand, perceive the brand as of high quality and are loyal to the brand.

Defined as "the consumer's subjective judgment about a product's overall excellence or superiority" (Zeithaml, 1988), perceived quality may be influenced by the consumer's subjective judgment of personal product experiences, unique needs, and consumption situations.

Oliver (1997) defines brand loyalty as "a deeply held commitment to re-buy or re-patronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior". Loyal consumers show more favorable responses to a brand than non-loyal or switching consumers do (Grover and Srinivasan, 1992). Brand loyalty makes consumers purchase a brand routinely and resist switching to another brand. Hence, to the extent that consumers are loyal to the brand, brand equity will increase.

Clear brand awareness and strong brand associations forms a specific brand image. Aaker (1991) defines brand associations as "anything linked in memory to a brand" and brand image as "a set of brand associations, usually in some meaningful way". Brand associations are complicated and connected to one another, and consist of multiple ideas, episodes, instances and facts that establish a solid network of brand knowledge. The associations can become stronger when they are based on many experiences or exposures to communications rather than a few (Aaker 1991; Alba and Hutchinson, 1987). Brand associations, which result in high brand awareness, are positively related to brand equity because they can be a signal of quality and commitment and they help a buyer consider the brand at the point of purchase, which leads to a favorable consumer behavior for the brand.

Although there has been a lack of research on the factors that increase or decrease the quality of relationships (Berry, 1995), reviews of the literature on relationship marketing and social psychology literature pertaining to interpersonal relationships have been carried out (Barnes, 1994; Sheaves and Barnes, 1996). They have identified attitudinal and psychological dimensions of relationships and certain conditions, situations and behavioral variables that are often associated with the existence of a relationship. These will be used to build the construct of customer relationships in this study. Considered various suggestions, relationship closeness, relationship strength and relationship satisfaction are recognized as common constructs of customer relationships (Barnes, 1997; Barnes and Howlett, 1998).

Many social psychologists have studied the phenomenon of close relationships. The construct "closeness" has considerable value in relationship marketing as it may be presumed that relationships, which are deemed to be "close", are those, which are likely to endure. Social psychologists have acknowledged that some relationships are closer than others and that different groups may be more or less prone to the establishment of close relationships (Berscheid *et al.*, 1989a). Kelley *et al.* (1983) denote the definitions of relationship and close relationship. Clark and Reis (1988) observe that closeness is a concept that underlies many aspects of relationships. Additionally, other authors have developed approaches to the measurement of closeness that are appropriately applied to the measurement of consumers' relationships with companies.

Kelly *et al.* (1983) consider a relationship to be close where a high degree of interdependence is present, as indicated by frequent contact, diverse kinds of activities and long duration of contact. This view of a close relationship represents a behaviorally based definition of the construct, implying that a relationship is close if the relationship partners interact frequently, in a variety of contexts and over a long time period. In Barnes' study (1997), a good understanding of the nature of close customer relationships in retail financial services has been provided.

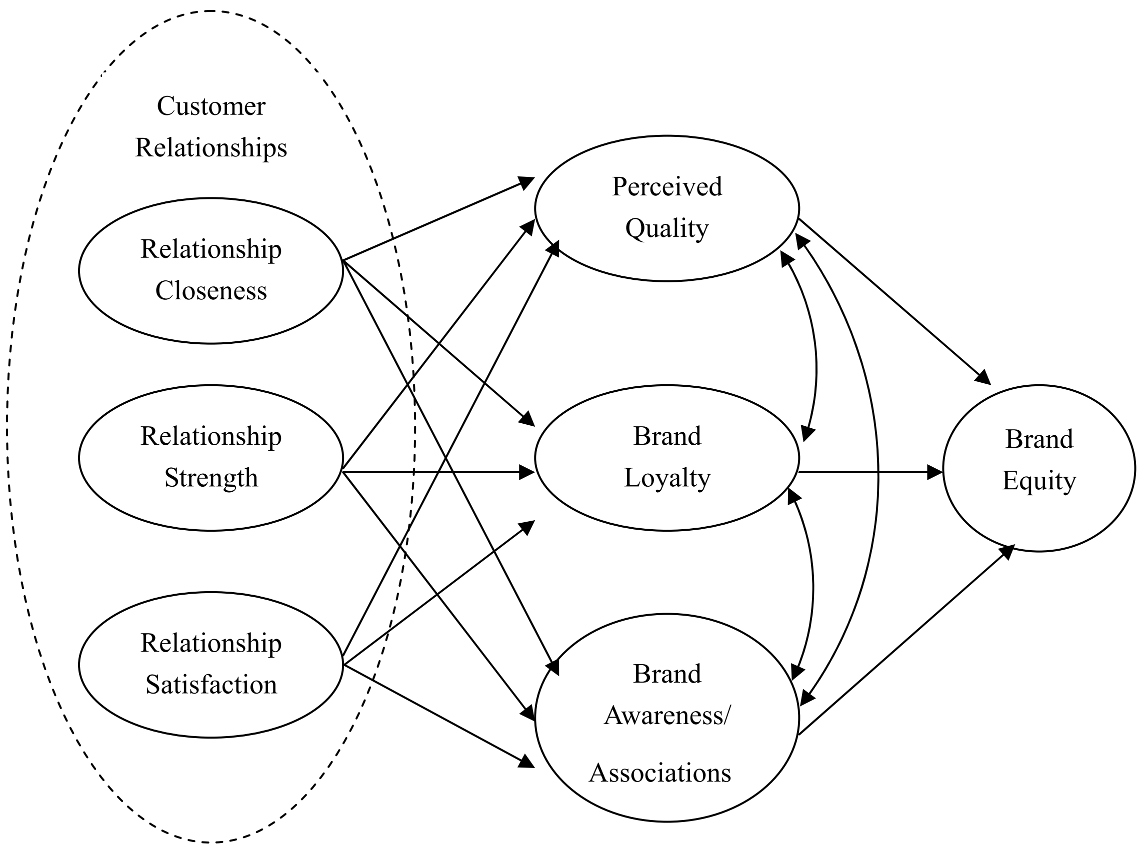
Scholars have employed several terms to identify that aspect of a relationship that implies the likelihood of its continuing into the future. Lehtinen *et al.* (1994) address the measurement of the intensity of relationships in marketing. Berscheid *et al.* (1989b) incorporate a measure of relationship strength in their Relationship Closeness Inventory. The implications of the use of such terms are that strong, intense relationships are less vulnerable and more likely to endure. That study also incorporates a measure of relationship strength or depth in its examination of the relationships that customers have with their financial institutions. The measure incorporating the strength of customers' interactions with their banks indicates that the relationship is considered to be stronger when a customer gives a bank a higher percentage of his or her business, when he or she intends to continue the relationship into the future and when he or she is prepared to recommend the bank to others.

Berscheid *et al.* (1989a, 1989b) state that a relationship cannot exist without emotional content, and observe that satisfied relationships are characterized by positive affective ties. So in this research, the emotional content of customer relationships will be combined with the measurement of satisfaction. Rosen and Surprenant (1998) indicate it clearly that customer relationships are built upon repeated encounters and are dyadic. It defines satisfaction as a global evaluation or feeling state (Gotlieb *et al.* 1994). Most measures of global satisfaction have used a one-item 5- or 7-point satisfaction scale anchored from very satisfied to very dissatisfied, even though some multi-item scales are available (Babin and Griffin, 1998). Four common items cover Oliver's (1997) recent definition of satisfaction, by measuring the respondents' overall feelings toward their retail banking services provider on a 7-point semantic-differential scale, anchored by dissatisfied/satisfied, welcome/ignored, pleased/disappointed and comfortable/uncomfortable. Also, Barnes (1997) suggests that satisfaction with one's banking relationship is very much influenced by the emotional tone of the interaction, by the frequency with which the customer is made to feel relaxed, welcome, pleased, comfortable and pleasantly surprised, as opposed to angry, frustrated, disappointed, let down and ignored. For the present study, relationship satisfaction, defined from the perspective of emotional content, delineates the aspect of satisfaction of relationship between the individual customer and the bank, which is characterized by the customer's emotion in relationships.

Research Hypotheses

On the basis of the literature review and exploratory research, two groups of hypotheses will be developed. It is hypothesized that directional relationships exist among the dimensions of brand equity, the constructs of customer relationships and overall brand equity. The relational paths among the constructs are summarized in Figure 2. Values to the company and to the customer are included in the conceptual framework only to suggest a worthwhile road for further study in the structure of brand equity.

Figure 2 Structural Model – Customer Relationships and Brand Equity



Zeithaml (1988) identifies perceived quality as a component of brand value. High-perceived quality would drive a consumer to choose the brand rather than other competing brands. To the degree that quality of a brand is perceived by the customers, brand equity will increase. Clear brand awareness and strong brand associations form a specific brand image. Brand associations, which result in high brand awareness, are positively related to brand equity because they can be a signal of quality and commitment and they help a buyer consider the brand at the point of purchase, which leads to a favorable consumer behavior for the brand (Aaker, 1991). Loyal consumers show more favorable responses to a brand than non-loyal or switching consumers do (Grover and Srinivasan, 1992). So brand loyalty makes consumers purchase a brand routinely and resist switching to another brand. To the extent that consumers are loyal to the brand, brand equity will increase. The following hypotheses are therefore proposed:

- ***Hypothesis 1a: The level of brand equity is positively related to the extent to which quality of products or services is perceived.***
- ***Hypothesis 1b: The level of brand equity is positively related to the extent to which brand associations and awareness are held.***
- ***Hypothesis 1c: The level of brand equity is positively related to the extent to which brand loyalty is evident.***

The construct closeness, presumed that relationships deemed by customers to be close are what are likely to last (Barnes, 1997), has considerable value in services marketing. It is easier to retain the customers if they feel closeness or attachment to the company (e.g. a customer's primary bank) or its staff.. Demonstrated in different ways, some relationships are more intimate than others, some are face-to-face and others may be more distant. Such close relationships are emotive, involving a collection of perceptions about the company or brand (Fournier, 1998). As perceived quality is also defined as "the consumer's subjective judgment" (Zeithaml, 1988) about a product's overall excellence or superiority, perceived quality is influenced not only by the objective functions of the product or services, but also by the consumer's subjective judgment gained from personal product experiences, unique needs and consumption situations. In services sectors, the customer's perceived quality is regarded as the result of the evaluation they make of what was expected and what was experienced, taking into account the influence of the organization's image (Grönroos, 1984; 1990). Kelly *et al.* (1983) considered a relationship to be close where a high degree of interdependence is present, as indicated by frequent contact, diverse kinds of activities and long duration of contact, etc. When a customer keeps frequent contact with his or her primary financial supplier and experienced long-time observation, the familiarity of the customer to the services and the bank can be established in the customer's memory and influence the cognition of perceived quality of this bank, since familiarity is driven by the frequency of the interaction and the depth of the interaction (Gremler *et al*., 2001). By increasing closeness of customer relationships, therefore, perceived quality could be related positively to brand equity. Thus, it is proposed that in order for the customers to evaluate higher perceived quality, a closer relationship with the customers should exist.

- ***Hypothesis 2a: Perceived quality of a brand is related positively to the extent to which the closeness of a relationship with the financial services supplier is perceived to be high.***

Clear brand awareness and strong brand associations forms a specific brand image. In accordance with the recognition of brand associations as "anything linked in memory to a brand" and brand image as "a set of brand associations, usually in some meaningful way" (Aaker, 1991), brand associations, which result in high brand awareness, are proposed to be positively related to brand equity because they can be a signal of quality and commitment and they help a buyer consider the brand at the point of purchase, which leads to a favorable consumer behavior for the brand (Yoo *et al.*, 2000). From the perspective of consumer psychology, humans develop emotional attachment toward certain personal objects and possessions (Wallendorf and Arnould, 1988; Kleine *et al.*, 1995) and on the associations of meaning with such objects (Barnes, 2003). People can associate certain things that they own with special events, places, or people, which relate to particular meanings and occupy a special place in their lives. They could be even devastated if these meanings were lost, stolen or destroyed. We feel a loss when a business with which we have been dealing for years closes its doors. That same feeling is often associated with companies and brands (Barnes, 2003). Customers will be disappointed or even angry when a brand is no longer available or when a trusted brand changes its formulation because what those changes of the brand really destroy are the customers' associations. We adopt a possessive way of referring to them as "my hairdresser", "my local pub" or "my bank", with development of a high degree of comfort with them based on trust and dependence. To create brand associations, establishing relationship closeness, which embraces a high degree of interdependence (Kelly *et al.*, 1983), should be seriously considered, because the associations can become stronger when they are based on many experiences or exposures to communications rather than a few (Aaker 1991; Alba and Hutchinson 1987). With close customer relationships, customers are inclined to possess some experience and familiarity of the products and services provided by their principal financial services supplier. This could be prerequisite to enhancing brand associations for the company. Indeed, greater familiarity, through experience of usage and repeated exposures to contact, should lead to increased consumer ability to recognize and recall the brand. It has also been suggested that direct experience may create stronger associations in memory given its inherent self-relevance (Hertel, 1982). As such, we posit a positive relationship between brand associations and relationship closeness.

- ***Hypothesis 2b: Brand associations and awareness are related positively to the extent to which the closeness of a relationship with the financial services supplier is perceived to be high.***

The focus of brand loyalty has been put on loyalty with respect to tangible goods, but few studies have looked at customer loyalty in services (Oliver, 1997). Gradually the further aspects of loyalty identified move to cognitive loyalty (Caruana, 2002), which is seen as a higher order dimension and involves the consumer's conscious decision-making process in the evaluation of alternative brands. Gremler and Brown (1998) extend the concept of loyalty to intangible products and their conceptualization of service loyalty comprises of the three specific components of loyalty considered, i.e., the purchase, attitude and cognition. Defined as "a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior" (Oliver, 1997), service loyalty presents the degree to which a customer exhibits repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider and considers using only this provider when a need for this service comes up (Gremler and Brown, 1998). It is proposed that close customer relationships should have a positive influence on remaining and satisfying the loyal consumers who show more favorable responses to a brand than non-loyal or switching consumers do (Grover and Srinivasan, 1992). The customer would prefer his or her primary bank and consistently accept the series of services it provides in the light of his or her familiarity with and interdependence on this financial services supplier. In support of our contention, some researches have correlated the growth of relationship closeness to the extent to which brand loyalty can be perceived, by showing that customers who score high on the closeness scale indicate that they experience positive emotions in their interaction with the financial services provider; they rely on the brand; and they tend to think that the bank cares about them (Barnes, 1997; Barnes and Howlett, 1998).

- ***Hypothesis 2c: Brand loyalty is related positively to the extent to which the closeness of a relationship with the financial services supplier is perceived to be high.***

The strength of the customer relationship depends on the relative contribution of the emotional and functional value created by the company and brand in the mind of the customer, the extent to which what company or brand is viewed by the customer as a partner (Fournier, 1998). Through measuring the intensity of relationships in marketing, one implication of relationship strength is that strong, deep and intense relationships are less vulnerable and more likely to continue to the future (Lehtinen *et al.*, 1994). Similarly, these variables have been proposed as indicators of strength of a relationship that a customer has with his or her primary financial services provider (Berscheid *et al.*, 1989b). So the relationship can be considered to be stronger when a customer gives a bank a higher percentage of his or her business than other financial services suppliers, when he or she intends to continue the relationship into the future and when he or she is prepared to recommend the bank to others. The quality of a given brand could be perceived differently depending on the extent to which the company makes its customers feel how strong or deep their relationships are with the company. The customer will give a relatively high score to the excellence of the services his or her main bank provides and trust this perceived quality when they are in a strong connection with the bank, giving more business to it or intending to recommend it to others. Therefore, customer relationships with strong interdependence will enhance the more positive perceived quality than customer relationships with fragile connection.

- ***Hypothesis 2d: Perceived quality of a brand is related positively to the extent to which the strength of a relationship with the financial services supplier is perceived to be intense.***

One way that brand associations are created is on the basis of direct experience with the product or service. Besides, they can also be enhanced by information about the product or service communicated by the company, other sources or word of mouth (Kelly, 1993). Such information from both direct and indirect experience, by forming the episodic memory traces (Tulving, 1983), can be especially important for user and image attribute associations. Strong and deep customer relationships increase the possibility for the customers to continue the relationship and recommend the product or service to their friends and relatives. As the strength of customer relationships increases, therefore, the customers could have more experience and information about the financial service provided by their bank. The increased value results mostly from the reduction of the sacrifices the customers must make to collect information and improve psychological security about the company and brand. Then, such increased value may lead to better brand associations and consequently, greater brand equity. Accordingly, we propose that the strength of customer relationships will have a direct positive influence on brand equity in positive information communication.

- ***Hypothesis 2e: Brand associations and awareness are related positively to the extent to which the strength of a relationship with the financial services supplier is perceived to be intense.***

Aaker (1991) states: "brand loyalty is a basis of brand equity that is created by many factors, chief among them being the use experience." However, loyalty is influenced in part by the other major dimensions of brand equity, i.e., awareness, associations and perceived quality. In some cases, loyalty could arise largely from a brand's perceived quality or attribute associations. However, it is not always explained by theses factors. In many instances it occurs quite independent of them and, on other occasions, the nature of the relationship is unclear. It is very possible to like and be loyal to something with low perceived quality (e.g., McDonald's) or dislike something with high perceived quality (e.g., Japanese car). Thus, brand loyalty provides an important basis of equity that is sufficiently distinct from the other dimensions. Service loyalty presents the degree to which a customer exhibits repeat purchasing behaviour from a service provider, possesses a positive attitudinal disposition toward the provider and considers using only this provider when a need for this service comes up (Gremler and Brown, 1998). Those customers with strong relationships are less likely to be uncertain about the value they are receiving at the hands of the bank (Barnes, 1997), which may explain and influence brand loyalty. When a customer gives a bank a higher percentage of his or her business than other financial services suppliers, when he or she intends to continue the relationship into the future and when he or she is prepared to recommend the bank to others, this customer demonstrates that he or she is, to some extent, connected strongly with this primary bank and loyal to it. By increasing the strength of customer relationships, therefore, brand loyalty is related positively to be improved as well.

- ***Hypothesis 2f: Brand loyalty is related positively to the extent to which the strength of a relationship with the financial services supplier is perceived to be intense.***

The important contributor to the beginning of the process that leads from customer satisfaction to retention and to relationships is value, which is depicted that the creation of value and wealth should be the function of business enterprise (Drucker, 2001). Without value having been created for the customer, there is no possibility that he or she will be satisfied to the point where a relationship might emerge. There are many ways in which a company creates value for its customers (Barnes, 2001). Some of these ways of creating value may be labeled functional and others emotional. Functional value is related to the company's or brand's ability to be convenient, accessible and easy to use and to its ability to save the customer time and money. On the other hand, emotional value is created through interacting of the company and its staff with the customer and raising the extent to which they make the customer feel important, valued or special. Companies create emotional value for their customers to the extent that they create respect, appreciation, recognition, understanding and acknowledgement of the customers' value to the firm. Giese and Cote (2000) describe consumer satisfaction as "a summary affective response of varying intensity, with a time-specific point of determination and limited duration, directed toward focal aspects of product acquisition and/ or consumption." In services marketing, when evaluating the perceived quality of services, customers make evaluation judgements regarding the quality of the service and their level of satisfaction. Researchers have investigated the notion of customer satisfaction (Bitner, 1995; Fournier and Mick, 1999) and highlighted that satisfaction occurs at multiple levels within and during the service encounter (Gabbott and Hogg, 1998). A customer may be satisfied or dissatisfied with the relationship with service employee, the core service product or the service organisation overall. Therefore, when the customer moves through the service encounters, satisfaction can be a changing state of mind and customer perception may change several times before making a final evaluation of the service experience. Moreover, customers may feel personally involved in the success or failure of the outcome of services (Zeithaml, 1981), as they may participate in the definition and production of services. Similarly, Gabbott and Hogg (1998) suggest that the process of evaluating services in terms of satisfaction can be seen as a shared responsibility between provider and consumer. The concepts of service quality and customer satisfaction are related to each other (Caruana, 2002). Practitioners and academics are keen on accurately measuring customer satisfaction in order to better understand its essential antecedents and consequences and ultimately establish methods for improving perceived quality of services to achieve competitive advantage (Rust *at el.*, 1995). In this way, the association between service quality and customer satisfaction has emerged as a topic of significant and strategic concern (Bolton and Drew, 1991; Cronin and Taylor, 1992). Additionally, research in this area suggests that service quality is an important indicator of customer satisfaction (Spreng and Mackoy, 1996). Therefore, we hypothesize that the perceived quality of services of a bank is positively related to establishing and sustaining satisfying relationships with its valued customers.

- ***Hypothesis 2g: Perceived quality of a brand is related positively to the extent to which the customer relationship with the financial services supplier is perceived to be satisfied.***

Satisfying customer relationships with the company could help in relating the associations of the brand to the certain things with special events, places or people, which are involved in particular meanings and occupy a special place in customers' lives. When a customer feels satisfied with the relationships with his or her primary bank, it would be easy to connect his or her pleasant experience or memory with favourable associations. Despite the little extant research, which has validated the link between satisfaction in customer relationships and associations with a brand, the relevance could reasonably exist. Therefore, it is proposed that the satisfaction of the customer relationship with the financial services supplier will positively influence brand associations.

- ***Hypothesis 2h: Brand associations are related positively to the extent to which the customer relationship with the financial services supplier is perceived to be satisfied.***

As a customer feels satisfied with the relationship with the financial services supplier, he or she would be more likely to exhibit repeat purchasing behavior from a service provider, possess a positive attitudinal disposition toward the provider and consider using only this provider when a need for this service comes up, through all of which the customer may present his or her loyalty to the company and brand (Gremler and Brown, 1998). Furthermore, Barnes (1997) suggests that the most satisfied bank customers are also those who have been dealing with the bank the longest. In addition, Lassar *et al.* (2000) provide support for the contention that customer satisfaction performs a role in the influence on service loyalty. Then, we posit a positive relationship between customer satisfaction with their relationships cared by their main bank and brand loyalty of the bank.

- ***Hypothesis 2i: Brand loyalty is related positively to the extent to which the customer relationship with the financial services supplier is perceived to be satisfied.***

The increasing interest in building brand equity creates the need to better understand how brand equity is built and maintained. Recent articles have stressed that rather than being solely created by marketing communications or marketing mix, brand equity is developed by an entire organization (Aaker, 1997; Schreuer, 1998). The convergence between relationship marketing and branding and the close linkages between rationale for relationship marketing and the rationale for branding suggest that branding and relationship marketing are interdependent and could possibly be seen as two stages of the same process (Dall' Olmo Riley and de Chernatony, 2000). Similarly, Davis and Halligan (2002) suggest building and preserving satisfied customer relationships are crucial strategic motivators among those leading corporations that understand brands and these are true assets of the total business and not merely marketing communications icons. Therefore, it is proposed that the overall customer relationship positively influences the level of brand equity.

- ***Hypothesis 3a: The overall level of brand equity is related positively to the extent to which the closeness of a relationship with the financial services supplier is perceived to be high.***
- ***Hypothesis 3b: The overall level of brand equity is related positively to the extent to which the strength of a relationship with the financial services supplier is perceived to be intense.***
- ***Hypothesis 3c: The overall level of brand equity is related positively to the extent to which the customer relationship with the financial services supplier is perceived to be satisfied.***

Methodology

The study ha s been initiated by a pre-text. Forty respondents, bank employees and customers provided feedback on the questionnaire's content, wording, sequence, form and layout, question difficulty and instructions.

A consumer panels from a market research company in Beijing, China, was chosen as the sampling frame. According to Almanac of China's Finance and Banking (2004), the competitors in Chinese retail banking services industry can be categorized into three types, i.e. state-owned banks, foreign banks and shareholding commercial banks. Respondents have been allocated to their bank group preferences.

The questionnaire collection stopped in July after over three months in survey. In total, 895 copies of the questionnaires were collected. The sample is constructed of 849 responses, 48 percent of the respondents were men and 52 percent were women.

Results

Results of Measurement Model

Reliability analysis examines the homogeneity or cohesion of the items that comprise each scale and Cronbach's alpha coefficients reflect the average correlation among the items that constitute a scale (Ntoumanis, 2001). Values of alpha coefficient below 0.70 are unrealible (Nunnally and Bernstein, 1994). The values of all constructs are above the suggested threshold, with a minimum of 0.93 (see Table 1). Since the composite reliability, an internal consistency reliability measure as evidence of convergent validity computed from LISREL 8, all factor loadings were significant with strong evidence of convergent validity.

The standardized factor loadings for all items were above the suggested cutoff level of 0.60 (Hatcher, 1994), ranging from 0.87 to 0.98. Thus, 36 items were retained for the 7 constructs: 7 for relationship closeness; 5 for relationship strength; 6 for relationship satisfaction; 6 for perceived quality; 6 for brand awareness/associations; 3 for brand loyalty; and 3 for overall brand equity. A complementary measure to composite reliability is the average variance extracted (AVE). This directly shows the amount of variance that is captured by the construct in relation to the amount of variance due to measurement error. The AVE values less than 0.50 indicate that measurement error accounts for a greater amount of variance in the indicators than does the underlying latent variable and hence doubts can be raised regarding to soundness of the indicators or the latent variable itself (Diamantopoulos and Siguaw, 2000). The AVE (ρ_v) of each construct in the model ranged from 0.80 to 0.95, exceeding the acceptable level of 0.50, which guarantees that more valid variance is explained than error (Fornell and Larcker, 1981). LISREL program does not provide ρ_v values as a matter of course and we have calculated these manually. LISREL computation and application are based on the following formula:

$$\rho_v = (\Sigma\lambda^2) / [\Sigma\lambda^2 + \Sigma (\theta)]$$

where λ = indicator loadings

θ = indicator error variances (i.e. variances of the δ's or ε's, δ indicating measurement error of exogenous variables and ε indicating measurement error of endogenous variables)

Σ = summation over the indicators of the latent variables

Finally, the constructs should also show high discriminant validity. According to Fornell and Larcker (1981), this can be demonstrated by the fact that the square root of AVE of each construct should be generally higher than the correlations between it and any other constructs in the model (see Table 2), which simultaneously illustrated that the constructs are both conceptually and empirically distinct from each other.

Table 1 Operational Measures and Scale Reliability Values

Constructs and Items	**Standard Loading**	***t*-value**
Relationship closeness (α = .96; VE = .80)		
RC1 I rely on My Bank to offer me good financial services.	0.88	32.46
RC2 I have the feeling that My Bank really cares about me.	0.91	34.52
RC3 I think My Bank and I, we are familiar with each other.	0.91	34.62
RC4 I like the way I am treated by My Bank.	0.91	34.57
RC5 The staff at My Bank are very friendly towards to me.	0.87	31.72
RC6 I feel the relationship between My Bank and me is kept close.	0.90	33.56
RC7 It would be important for me to support My Bank.	0.88	32.70
Relationship strength (α = .93; VE = .80)		
RST1 I give higher share of my banking business to My Bank compared to other banks.	0.90	33.47
RST2 I would like to continue to do my banking business with My Bank.	0.88	32.36
RST3 Moving my business to another bank is just not worth the effort.	0.89	33.21
RST4 I could probably get better services at another bank. (Reverse-coded)	0.87	31.61
RST5 I would like to recommend My Bank to others.	0.92	35.15
Relationship satisfaction (α = .95; VE = .82)		
RSA1 I feel satisfied with the relationship with My Bank.	0.89	33.13
RSA2 The relationship between My Bank and me would make me feel welcome.	0.88	32.70
RSA3 The relationship between My Bank and me would make me feel comfortable.	0.93	35.65
RSA4 The relationship between My Bank and me would make me feel relax.	0.92	34.83
RSA5 The relationship between My Bank and me would give me pleasure.	0.92	34.91
RSA6 I deal with My Bank because I want to, not because I have to.	0.91	34.44
Perceived quality (α = .96; VE = .84)		
PQ1 The financial products and services offered by My Bank are high quality.	0.91	43.73
PQ2 The likelihood that the financial products and services offered by My Bank would be functional is very high.	0.93	48.15
PQ3 The likelihood that the financial products and services offered by My Bank are reliable is very high.	0.93	46.98
PQ4 My Bank always delivers superior financial products and services.	0.92	46.55
PQ5 The brand of My Bank must be of very good quality.	0.93	46.92
PQ6 The brand of My Bank appears to be of poor quality. (Reverse-coded)	0.87	39.74
Brand associations with brand awareness (α = .96; VE = .86)		
BA1 I know what financial offerings provided by My Bank would be.	0.92	47.88
BA2 I am aware of the brand of My Bank.	0.93	49.04
BA3 I can recognize My Bank among other competing brands of banks.	0.92	48.09
BA4 Some characteristics of the brand of My Bank come to	0.91	45.66

my mind quickly.		
BA5 I can quickly recall the symbol or logo of My Bank.	0.93	50.42
BA6 I have difficulty in imaging My Bank in my mind. (Reverse-coded)	0.94	51.96
Brand loyalty (α = .97; VE = .95)		
BL1 I feel myself to be loyal to My Bank.	0.97	82.12
BL2 My Bank would be my first choice when I have personal banking needs.	0.98	86.64
BL3 Even with more choices, I will not purchase other brands of banks if My Bank is available.	0.98	88.79
Overall brand equity (α = .94; VE = .91)		
OBE1 If another brand has same features as My Bank, I would prefer to choose My Bank.	0.97	80.06
OBE2 If there is another brand as good as My Bank, I prefer to choose My Bank.	0.93	62.22
OBE3 If another bank is not different from My Bank in any way, it seems smarter to choose My Bank.	0.96	72.07

Table 2 Correlation Matrix and Square Roots of Average Variance Extracted

Construct	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1 Perceived quality	0.92						
2 Brand associations/awareness	0.54	0.93					
3 Brand loyalty	0.76	0.54	0.97				
4Overall brand equity	0.84	0.62	0.90	0.96			
5 Relationship closeness	0.70	0.54	0.64	0.71	0.89		
6 Relationship strength	0.58	0.62	0.59	0.64	0.59	0.89	
7 Relationship satisfaction	0.77	0.51	0.70	0.77	0.77	0.51	0.91

Notes: Correlation coefficients are included in the lower triangle of the matrix and the square roots of AVE are on the diagonal.

- Exploratory Factor Analysis

Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity can be used to test the appropriateness of the factor analysis. When using the KMO, a high value (close to 1.0) generally indicates that a factor analysis may be useful with the data. If the value is less than 0.50, the results of the factor analysis probably will not be very useful. In the Bartlett's test of sphericity, the result is based on the significant level. Very small value (less than 0.05) indicates that there are probably significant relationships among the original variables. Then, the null hypothesis that the variables are uncorrelated will be rejected. However, a value higher than 0.10 or so may indicate that the data are unsuitable for factor analysis. As reported in Table 3, the value of KMO measure is 0.975 and the significance value of Bartlett's test is 0.000 (< .05). Therefore, both tests demonstrated that there are certain correlations among the original variables and justify the use of factor analysis.

Table 3 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.975
Bartlett's Test of Sphericity	Approx. Chi-square	37657.361

Sig.	0.000

Additionally, the principal component analysis has been employed to reduce the original variables to the minimum number of factors that will account for maximum variance in the data (Malhotra, 1999). In total, seven factors were initially identified. Taken together, they explained 84.65 per cent of the total variance. The results of this analysis confirmed that customer relationships and brand equity could be understood in terms of relationship closeness, strength and satisfaction and in terms of perceived quality, brand awareness/associations and loyalty, respectively.

Results of Structural Model

Structural equation modeling was employed to estimate parameters of the structural model and completely standardized solutions computed by the LISREL 8 maximum-likelihood method are reported in Table 4. Goodness-of-fit statistics, indicating the overall acceptability of the structural model analyzed, were acceptable ($\chi^2_{(573)}$ = 6169,22; NCP = 6932.25). Goodness-of-Fit Index (GFI) and Adjusted Goodness-of-Fit Index (AGFI) were 0.87 and 0.82, respectively; comparative goodness-of-fit indexes were 0.87, 0.87, 0.88, and 0.88 in Normed Fit Index (NFI), Non-Normed Fit Index (NNFI), Comparative Fit Index (CFI) and Incremental Fit Index (IFI), respectively. Root Mean Square Error of Approximation (RMSEA) was 0.12 and Standard Root Mean Square Residual (SRMR) was 0.052. These indicated a reasonable level of fit of the model.

For our illustrative model, the signs of al parameters were consistent with the hypothesized relationships among the latent variables (see Table 4). Moreover, most path coefficients, except two of them, were significant (p < .05). Finally, the squared multiple correlations for the four endogenous variables in the model were respectable for η_1 (Perceived quality), R^2 = 0.65; for η_2 (Brand associations/awareness), R^2 = 0.55; for η_3 (Brand loyalty), R^2 = 0.65; and for η_4 (Overall brand equity), R^2 = 0.96.

Table 4 Structural Model Estimates [a]

Hypothesized Relationship	***Parameter***	***Estimate***	***t-value***
Relationships of dimensions of brand equity to brand equity			
H_{1a} Perceived quality → overall brand equity (+)[b]	β_{41}	0.19	10.06
H_{1b} Brand associations/awareness → overall brand equity (+)	β_{42}	0.09	6.78
H_{1c} Brand loyalty → overall brand equity (+)	β_{43}	0.71	40.32
Relationships of constructs of customer relationships to dimensions of brand equity			
H_{2a} Relationship closeness → perceived quality (+)	γ_{11}	0.16	4.03
H_{2b} Relationship closeness → brand associations/awareness (+)	γ_{21}	0.11	2.32
H_{2c} Relationship closeness → brand loyalty (+)	γ_{31}	0.03	0.70
H_{2d} Relationship strength → perceived quality (+)	γ_{12}	0.21	7.44
H_{2e} Relationship strength → brand associations/awareness (+)	γ_{22}	0.41	10.92
H_{2f} Relationship strength → brand loyalty (+)	γ_{32}	0.17	5.18
H_{2q} Relationship satisfaction → perceived quality (+)	γ_{13}	0.54	13.69
H_{2h} Relationship satisfaction → brand associations/awareness (+)	γ_{23}	0.11	2.09
H_{2i} Relationship satisfaction → brand loyalty (+)	γ_{33}	0.22	5.30
Relationships of constructs of customer relationships to			

brand equity			
H_{3a} Relationship closeness → overall brand equity (+)	γ_{41}	0.04	2.18
H_{3b} Relationship strength → overall brand equity (+)	γ_{42}	0.01	0.22
H_{3c} Relationship satisfaction → overall brand equity (+)	γ_{43}	0.05	2.44

a. Completely standard estimates

b. Hypothesized direction of effect

Perceived quality (H_{1a}), brand loyalty (H_{1b}), and brand associations with awareness (H_{1c}) are significant dimensions of brand equity, which means brand equity is positively related to perceived quality, brand loyalty and brand associations. The relationships of perceived quality (β_{41} = 0.19, *t* value = 10.06) and associations (β_{42} = 0.09, *t* value = 6.78) to brand equity were much weaker than the relationship of brand loyalty to brand equity (β_{43} = 0.71, *t* value = 40.32). Consistent with previous conceptualizations (Swan *et al.*, 1993; Yoo, *et al.*, 2000), these findings shows that the total value of a financial product or financial service can be decomposed into value due to brand attributes (i.e. product quality) and value due to the brand name (i.e. brand equity). Hence, perceived high product quality does not necessarily yield high brand equity.

When the correlation among the dimensions have been specified in the structural model, the correlations between brand loyalty and perceived quality (β_{31} = 0.43, *t* value = 11.08) and between brand loyalty and brand associations (β_{32} = 0.07, *t* value = 2.39) have been significant. Therefore, the other dimensions of brand equity, especially perceived quality, might influence brand equity by affecting brand loyalty first.

Empirical support was found for the relationships between the constructs of customer relationships and the dimensions of brand equity, as hypothesized by H_{2a} to H_{2i}. The relationship of closeness to brand loyalty (H_{2c}) is weak and insignificant (*t* value = 0.70). The *t* values for all the other hypothesized paths ranged from 2.09 to 13.69. The weakest of the supported paths were relationship satisfaction to brand associations/awareness (γ_{23} = 0.11, *t* value = 2.09) and relationship closeness to brand associations/awareness (γ_{21} = 0.11, *t* value = 2.32). The strongest of the supported paths was relationship satisfaction to perceived quality (γ_{13} = 0.54, *t* value = 0.54). The absolute effect sizes of other paths ranged from 0.16 to 0.41.

H_{2c} was has not been supported. However, despite no significant evidence of the direct influence of relationship closeness on brand loyalty, relationship closeness might exert an indirect influence on it by affecting perceived quality (γ_{11} = 0.16, *t* value = 4.03) and brand associations (γ_{21} = 0.11, *t* value = 2.32).

Additionally, insights into the relative impact of each construct of customer relationships on each dimension of brand equity can be gained by looking at the standardized parameter estimates relating to the structural equations (see Table 4). These are not affected by differences in the unit of measurement of independent latent variables and therefore can be compared within equations. In our structural model, among the constructs of customer relationships, relationship closeness had rather weak influence on the dimensions of brand equity, compared to the influence of relationship strength and relationship satisfaction. Furthermore, with both having influence on all dimensions of brand equity, relationship strength affected more on brand associations/awareness (γ_{22} = 0.41, *t* value = 10.92) while relationship satisfaction exerted more impact on perceived quality (γ_{13} = 0.54, *t* value = 13.69).

Discussion

The study shows that the importance of customer relationships in creating brand equity. Applying marketing tactics, such as price reduction or promotion, to lure customers to deal with a bank, does not contribute to customers' sustained evaluation of the brand equity for the bank. For such kind of customers, brand loyalty is difficult to strengthen as it is hard to establish strong brand equity in their minds, even though they might have perceived the effect of various marketing activities, e.g. price promotions or advertising campaigns. The banks currently providing services to these customers should realize the vulnerability of those relationships and take steps to address relationship levels of closeness, strength and satisfaction before the customer is attracted by other service providers.

Relationship closeness, in this research, sets to demonstrate the aspects of a close relationship between the individual customer and the bank, characterized by interdependence, familiarity, and duration. From the consumers' perspective, closeness of relationship between the consumers and the bank, especially the familiarity resulted from interdependent and durable relationship can provide a sense of safety. The importance of familiarity is particularly obvious, when consumers are engaged in variety seeking, as the bank could provide assurance and so lower perceived risk. From the bank's perspective, closeness of relationship could help integrate all kinds of information from the bank. Given the great variety of banking services providers from all over world in Chinese banking market, it is difficult for a consumer to evaluate and remember all of them. The new financial products and services will be selective and one of the crucial determinants in the choice situation is information accessibility (Chattopadhyay and Nadungadi, 1992).

Customers can become familiar with and close to their bank through advertising, word-of-mouth and usage experience. Studies of the "exposure effect" have shown that affect toward a given object arises as a results of repeated stimulus exposure. When objectives are presented to an individual on repeated occasions, increased exposure is capable of making the individual's attitude toward the objectives more positive (Zajonc and Markus, 1982; Anand *et al.*, 1988). When a customer keeps frequent contact with his or her primary financial supplier and has experienced long-time observation, the familiarity of the customer to the services and the bank can be established in the customer's memory and influence the cognition of perceived quality of this bank, since familiarity is driven by the frequency of the interaction and the depth of the interaction (Gremler *et al.*, 2001).

As perceived quality has the characteristic of "the consumer's subjective judgment" (Zeithaml, 1988) about a product's overall excellence or superiority, perceived quality is influenced not only by the objective functions of the product or services, but also by the consumer's subjective judgment gained from personal product experiences, unique needs and consumption situations. In services sectors, the customer's perceived quality is regarded as the result of the evaluation they make of what was expected and what was experienced, taking into account the influence of the organization's image (Grönroos, 1984; 1990). Since bank staff could be the key factor in creating close and interdependent relationship, staff training and relationship review by individual staff need to be included in the customer relationship management.

To create brand associations, establishing relationship closeness, which embraces a high degree of interdependence, should be seriously considered, because the associations can become stronger when they are based on many experiences or exposures to communications rather than a few (Aaker 1991; Alba and Hutchinson 1987). The big banks in China, such as the state-owned banks, have an advantage of widespread network coverage, offering more opportunities of contact and communication with customers, so that close relationship can be established and sustained. Internet and telephone banking services can be of assistance to contact customers, offering alternative choices for customers to communicating with their banks and avoiding direct competition on the number of branches. This communication tool is been applied by certain small banks in China. Among those precursors, China Merchants Bank might be the most successful one and especially welcome by Chinese youngsters.

The findings of this study confirm that the quality of a given brand could be perceived differently depending on the extent to which the bank makes its customers feel how strong or deep their relationships are. The evidence shows that relationship strength has more influence on brand awareness/associations (0.41, t=10.92) than relationship closeness and relationship satisfaction. They can be enhanced by information about the products or services communicated by the bank.

Satisfaction with one’s banking relationship is very much influenced by a number of factors Among them are the emotional tone of the interaction (Barnes, 1997), the frequency with which the customer is made to feel relaxed, welcome, pleased, comfortable and pleasantly surprised, as opposed to be angry, frustrated, disappointed, let down and ignored. In this study, relationship satisfaction, defined from the perspective of emotional content, delineates the aspect of satisfaction of relationship between the individual customer and the bank, which is characterized by the customer’s emotion in relationships.

To be able to develop brand equity through increasing satisfaction of relationship, banks must gain a deeper understanding of their customers and the role that they currently play and might come to play in customers’ lives. “Meaning systems” (Duck, 1994) has to be realized, i.e., the things that are central to the lives of people. To improve the satisfaction from customer relationships, banks must strike the right chord with customers by becoming associated with things that really matter to customers. Barnes (2003) suggests that relationship satisfaction requires the creation of an emotional connection between the bank and the customer.

Research Limitations

First of all, a major conceptual limitation is that the conceptual model does not test all the factors of customer relationships. In addition, the variables of this study are somewhat unspecified to provide an insight for detailed marketing practices.

Second, the study examines the effect of individual customer relationships constructs without investigating the interactions among them. It is the mix of relationship marketing strategies that both scholars and managers need to understand in the context of developing and improving brand equity.

Third, a field survey method is used to test the research hypotheses. As nothing is manipulated, it is difficult to make causal inferences from the correlation data. Perceived customer relationships could be illusive reflections of brand equity, distinct from the actual relationships between the customer and the bank.

Fourth, the sample used in this study was drawn from the consumer panel of a market research company in Beijing, China. The respondents were randomly selected in the consumer panel and therefore the research conclusions should be valid within this scope. Consequently, the generalization of the conclusions should be treated with caution.

Directions for Future Research

Various customer perceptions are integrated into one construct – the brand equity. However, relationship marketing can have different effects on different dimensions of brand equity. It would therefore be interesting to conduct further research to examine the differentiated effects of each dimension of customer relationships on different brand equity dimensions. Moreover, the relative importance of each dimension of customer relationships might change over time because the evaluation of brand equity can also be affected by a bank's capability to meet unknown and known customer demands and expectations, which implies that the continuously changing importance of each dimension of customer relationships may be due to the fact that the improved brand equity may also play a role in affecting the perception process of customer relationships by customers themselves. A longitudinal study to explore the dynamics of customer relationships and its interplay with dimensions of brand equity would therefore be meaningful.

Since there are so many other factors that might influence customers' perception of brand equity besides customer relationships, it would be useful and practical if they were to be modeled and tested in an integrated framework. Additionally, using the suggested framework, further advances in knowledge can be made by deepening the search for sources of customer relationships and brand equity building.

Furthermore, the generalizability of the findings can be enhanced, by replicating this study in other industries, including profit or nonprofit services and different types of subjects. In addition, the present study focused on business-to-consumer in banking sector. Other researchers may wish to explore whether the model holds for business-to-business customers in general.

Finally, an overall and complete study should be conducted to compare the evaluations of customer relationships and of brand equity from the individual customers' view, among state, foreign and shareholding banks in retail banking system of China.

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