ABSTRACT

Modeling Service Brand Equity Through Cognition And Emotions: An Examination of Aspects Driving Customers Knowledge

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Businesses are changing rapidly as markets become more competitive, customers more demanding and governments more regulating. In light of these changes, businesses are turning to differentiation strategies such as brand equity to emphasize their comparative advantages. While there is an established relationship between brand knowledge and brand equity, very little is known about the contribution dimensions of brand knowledge make towards predicting and explaining brand equity. This thesis addressed this deficit. It investigated the relationship between customers thought processes (cognition) and feelings (emotions) in determining brand equity in retail banks in Trinidad and Tobago (T&T). This study investigated two research questions: firstly, what are the determinants of brand equity and how important are these determinants in explaining and predicting brand equity; and secondly, how does customer demographical characteristics affect brand equity relationships? Six aspects of knowledge were tested. Through Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM), the study found that both cognitive and emotional knowledge dimensions significantly contributed to predicting and explaining brand equity. The findings showed that cognitive structure through customer loyalty and customer satisfaction directly explained brand equity while emotional structure through brand affinity and service experience had indirect effects. Based on these findings, the study concluded that brand equity is a higher order psychological construct created through a series of interdependent relationships mediated through customer satisfaction and customer loyalty. The
study also tested the moderating impact of customer demographical characteristics on the way brand equity is predicted. The results supported the moderating effects of three demographical characteristics namely: education, income and ethnicity. The study concluded with a discussion on the cognitive and emotional strategies retail bankers can implement to motivate customers into developing preferential responses and increase the efficiency and effectiveness of marketing investments.

**Keywords:** Meena Rambocas; brand equity; brand knowledge; cognition; emotions and retail banking.