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The Mediating Role of Brand Equity in the Effect of Brand Relevance on Perceived Financial Performance: A Comparison of Private and Public Banks in Türkiye

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Abstract

The purpose of this study is to explore the effect of brand relevance (BR) on perceived financial performance (PFP) and whether there is a mediating role of brand equity (BE) in this effect. The study also aims to compare private and public banks in terms of this effect and the mediating role of BE. The data collected from 201 public and 201 private bank customers through an adapted questionnaire was analyzed with SPSS software and Process Macro. The results reveal that for both public and private banks, BR on both PFP and BE and also BE has a significant positive effect on PFP, and BE plays a significant positive mediating role in the effect of BR on PFP. All these effects and the mediating role of BE are slightly higher for public banks than for private banks. The originality of this study is that it proposes a conceptual model from the consumer perspective that demonstrates the relationships between BR, BE and PFP, as well as the mediation of BE in the effect of BR on PFP and empirically tests this model for private and public banks.

1. Introduction

Since the banking sector's profitability and sustainability contribute to the stabilization of the financial system and a country's resilience against negative economic shocks such as financial crises (Robin, Salim and Bloch, 2018), the banking sector's financial performance is important. Therefore, BE is strategic as it can be the basis of long-term profitability and competitive advantage (Aaker and Joachimsthaler, 2000). Understanding BE and managing it in a way that ensures solid financial performance (FP) leads to success in brand management (Kim and Kim, 2005). However, BR can make a difference in acquiring and retaining customers, and differentiation is also key to BE (Keller and Swaminathan, 2020).

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Since cross-buying and customer retention have the potential to affect a company's FP by reducing costs and increasing income (Liang, Wang and Farquhar, 2009), BR is also important for FP.

The financial service literature is in consensus that customer perception can play a critical role in banks' FP; organizations will improve their FP by meeting the requirements and needs of their stakeholders (Torbira and Ameh, 2017). Since customers are the key assets of a company, customer perception can be regarded as each company's primary goal (Tulcanaza-Prieto, Aguilar-Rodríguez and Lee, 2022). How an individual will behave is affected by his/her perception of the situation, and in marketing, perceptions are more important than reality as they influence the actual behavior of consumers (Kotler and Keller, 2016). Tulcanaza-Prieto et al. (2022) state that it is not yet known how much weight customers' perceptions of financial services have on FP.

The positive relationships between BE and FP, which have been stated as important variables in the literature, has been shown in varied previous studies (e.g., Mizik and Jacobson, 2008; Aydin and Ulengin, 2015; Narteh, 2018; Schmitz and Villaseñor-Román, 2018). Among these studies, Narteh (2018) evaluated both BE and FP variables and the relationship between these two variables, based on bank customers' views collected through surveys and found that BE predicts banks' FP, based on the perceptions of bank customers. Additionally, previous studies (Stahl, Heitmann, Lehmann and Neslin, 2012; Narteh, 2018) have considered BR as a component of BE, and Çelik and Saydan (2023), by conducting a survey on a sample of bank customers, examined the effect of BR on BE and found that there is a significant positive effect.

In a previous study (Aydın and Saydan, 2023), the effect of BR on PFP was examined by administering a survey on a sample of bank customers. Similarly, Narteh (2018) evaluated BR and FP based on bank customers' views collected through surveys and examined the relationship between BR and FP from the perspective of customer perceptions. To the best of the author's knowledge, only these two studies have been encountered that investigate both BR and FP variables and the relationship between these two variables based on customer perception, whose importance and critical role has been emphasized in the literature. However, these studies did not investigate the mediation of BE in the relationships between BR and PFP or FP. Therefore, the literature on these topics is quite limited. This situation highlights the necessity and importance of conducting research on the relationships described between these variables based on customer perception, whose important and critical role is emphasized in the literature and investigating the mediation of BE in the effect of BR on PFP. This study aims to explore the effect of BR on PFP and whether there is a mediating role of BE in this effect. The study also aims to compare private and public banks in terms of this effect and the mediation of BE.

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The originality of this study is that it proposes a conceptual model from the consumer perspective that demonstrates the relationships between BR, BE and PFP and the mediation of BE in the effect of BR on PFP and empirically tests this model for private and public banks. Thus, it expands the literature by demonstrating the effect of BR on PFP and the mediation of BE in this effect, and by comparing private and public banks in terms of these effects and the mediating role.

In this study, brand equity (BE) will be addressed as customer based. Additionally, the deposit and participation banks in Türkiye that provide individual services are the banks included in the study. Among these banks, deposit and participation banks with state-owned, i.e. public capital will be briefly referred to as public banks. Deposit and participation banks with privately owned, i.e. private capital, will be referred to as private banks. In addition, participation banks founded in Türkiye with the majority of capital owned by foreign nationals and/or foreign entities, and foreign banks founded in Türkiye or foreign banks founded abroad with branches in Türkiye will be briefly referred to as private banks.

2. Conceptual Framework

Brand Relevance (BR)

Relevance is related to the meaning and importance attributed to an object by an individual (Guèvremont, Durif and Grappe, 2020). In terms of the brand, relevance is an attitudinal brand element (Goldsmith, Flynn and Stacey, 2009) Traditionally BR refers to whether consumers find a brand worth considering because they sense it procures personally useful benefits (Keller ve Swaminathan, 2020). The term BR refers to a brand that has an aim that is important to all its stakeholders (Overton-de Klerk and Sienaert, 2016).

Aaker (2011) defines BR as a situation that occurs when two conditions are met in the form that the brand is incorporated into the consideration set for a subcategory or category, and this subcategory or category precipitates a decision. Developing a relevant brand is an iterative, long-term process that reacts to shifting conditions and trends (Clément, 2020). The BR strategy is to develop innovative offerings that create new subcategories and categories, with the idea of both creating a competitive space where competitors are at a distinct disadvantage and avoiding areas where such conditions are not present (Aaker, 2011). According to Fischer, Völckner and Sattler (2010), BR in the category is a brand's overall importance for the consumer purchase decision process. While a brand's (e.g., Uber) prominence in a category may attract new competitors, its first-mover position can increase its relevance by making it an exemplary brand and dominating the category it helped develop (Keller ve Swaminathan, 2020).

BR, which is the foundation of the brand's staying power, drives the brand's market penetration (Mizik ve Jacobson, 2008). Therefore, household penetration, which refers to the percentage of households that purchase the brand, and relevance are strongly related to each other, and a brand will not attract a large customer base

unless it is relevant to a significant segment (Aaker, 1996a). If a brand is relevant to customers, it can meet the expectations of the consumer and solve their problems. Therefore, a brand should be able to communicate what makes it different and unique by trying to address consumers' needs and relevant issues, or by continuing to make incremental improvements that do not change the consumer's needs states (Amati, 2022). Understanding and managing BR can make the difference between succeeding in competition and failing in a challenging market where differentiation is short-lived and difficult. However, this necessitates an understanding that values innovation, is forward-looking, and is sensitive to market signals (Aaker, 2011).

Perceived Financial Performance (PFP)

Performance is a concept that determines qualitatively or quantitatively what is obtained as a result of a planned and purposeful activity, and this result can be explained as absolute or relative. Performance is determined by evaluating the result of the activity. The value, which is the measure used to explain the phenomenon or entity resulting from the activity in an understandable, explicable, increased objectivity and reduced subjectivity manner, is determined as a result of the measurement function and is a performance indicator (Akal, 2005). FP, a foremost aspect that reveals whether a company is successful or not, is a reflection or key indicator of all activities within the company that impact its financial status (Verma and Kumar, 2024).

In evaluating the FP of the company, the starting point is represented by the financial statements. The valuation begins by reviewing its recent results and current financial position (Bertoneche and Knight, 2001). Nevertheless, market value is typically used in traditional banking performance analysis since it represents the FP of a bank (Mersland and Strøm, 2014). FP allows identifying potential investment opportunities for external users and determining the state and well-being of the company for internal users (Tulcanaza-Prieto et al., 2022). Typically used to assess an organization's financial health, the term FP is a quantitative indicator of the degree to which a company can effectively use its primary business model assets and is able to produce revenue (Rashid, Nurunnabi, Rahman and Masud, 2020). FP is a complete assessment of the overall performance of a company through the use of profitability, revenue, expenses, equity, liabilities and assets, which are monetary financial data (Tulcanaza-Prieto et al., 2022).

Criteria such as return on sale, return on equity, which are widely preferred as FP criteria, have a strong related to the management skills of a company rather than the level of direct earnings from customers (Kim and Kim, 2005). However, perception encompasses everything in the business world, because how the firm is perceived by customers affects customer retention and acquisition, which in turn affects the capability to raise capital, indicating that company performance depends upon the positive perception of its customers (Tulcanaza-Prieto et al., 2022). Just as positive perception of consumers is crucial for a firm's success, the positive PFP of a bank is also very important for consumers' bank preferences (Aydın and

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Saydan, 2023). Each individual receives, organizes and interprets sensory information through their five senses, and therefore, perception is the process of creating a meaningful picture of the world through selecting, organizing and interpreting information (Kotler & Armstrong, 2016). Accordingly, consumers' interpretation and the meaning of banks' FP constitute their FP perceptions. Aydın and Saydan (2023) define PFP as the perception of a firm's FP in the mind of the consumer.

Brand Equity (BE)

From the point of view of customer, consideration, image and awareness, which are brand assets, are also referred to as BE as a whole (Kapferer, 2008). BE is the consumer's desire or perception that a brand will fulfill its promise of benefit (Raggio and Leone, 2007).

BE is the positive (Armstrong and Kotler, 2009) differential impact that (Armstrong and Kotler, 2009; Keller, Parameswaran and Jacob, 2015; Kotler and Armstrong, 2016; Keller and Swaminathan, 2020) knowledge about the brand (Keller, 1993; Keller et al., 2015; Keller and Swaminathan, 2020) or knowing the brand name (Kotler and Armstrong, 2016) has on consumers' (Keller, 1993; Keller et al., 2015) or customers' responses to (Kotler and Armstrong, 2016; Keller and Swaminathan, 2020) a product (Kotler and Armstrong, 2016) or a service (Armstrong and Kotler, 2009) or the brand's marketing (Keller, 1993).

Positive BE occurs when a consumer or customer reacts more favorably to a branded product and the manner in which it is marketed than to its unbranded version (Keller et al., 2015; Keller and Swaminathan, 2020). Therefore, from the customer's perspective, BE is expressed by an increase in the attitude's strength towards a branded product (Farquhar, 1990). According to Lassar, Mittal and Sharma (1995), defining BE has five significant aspects, which are as follows: BE is relative to the competition; it stems not only from the brand's physical characteristics but also from the brand name; it is the global value interrelated with a brand; it refers to consumer perception rather than objective indicator; and it positively affects FP.

Aaker (1996b) states the dimensions of BE as association, awareness, loyalty and perceived quality. Keller (1993) states that brand associations and brand awareness are the dimensions that affect the consumer's response and distinguish brand knowledge. According to Lassar et al. (1995), value, attachment, trustworthiness, social image and performance are five dimensions of BE. Aaker (1996b) states that the dimensions of BE represent brand perceptions of customers. Lassar et al. (1995) also see behavior as BE's consequence, not the BE itself, and they consider the dimensions of BE as perceptual rather than behavioral dimensions. Therefore, BE, which is measured from the consumers' perspective and based on psychological indicators, has value only if it results in extra profit (Kapferer, 2008). Building BE is accomplished through creating a positive brand evaluation via quality products, fostering an accessible brand attitude in order to

influence consumers' purchasing behaviors, and developing a consistent brand image in order to build relationships with consumers (Farquhar, 1990).

3. Hypotheses Development

Brand Relevance (BR) and Perceived Financial Performance (PFP)

Stahl et al. (2012) found in their study that relevance is highly correlated with customer acquisition. Livne, Simpson and Talmor (2011) found that the cost of customer acquisition is related to a company's future profits, not its future revenues, and stated that this shows that when successfully invested in the customer acquisition cost, the company can save on its future expenses and thus increase its profitability. Therefore, companies' focus on BR will lead to a rise in customer lifetime value and a reduction in customer acquisition costs, so that the company will continue to profit and grow (Clément, 2020). Aaker (2011) evaluated a study of fifty venture capital companies and noted that six unusually profitable companies had identified promising areas such as Internet-supporting technologies, seeded firms in the area, invested early ahead of others who waited for trends to mature, and stated that their financial success was probably due to a first-mover advantage as they were more likely to be creating subcategories or new categories.

Stahl et al. (2012) identified that relevance has an impact on profit margins. Mizik and Jacobson (2008), who used measures of brand attitudes and perceptions from Young & Rubicam's (Y & R) Brand Asset Valuation database, along with financial data on accounting performance measures from various databases, found that BR has incremental information content in explaining stock returns, and stated that financial markets view that brands achieving relevance will have greater profit potential in the future, and this finding suggests that BR leads FP. To the best of the author's knowledge, only two studies (Narteh, 2018; Aydın and Saydan, 2023) have been encountered that evaluate FP based on customer perceptions by collecting customer views through surveys and investigate the relationship between BR and FP from the perspective of customer perceptions. Narteh (2018) concluded that BR, considered an element of the BE construct, significantly and positively predicts the FP of retail banks. Aydın and Saydan (2023), who conducted a survey on a sample of bank customers, found that PFP is significantly and positively affected by BR. Accordingly, H_{1a} and H_{1b} were proposed:

H_{1a}: For public banks, BR has a significant and positive effect on PFP.

H_{1b}: For private banks, BR has a significant and positive effect on PFP.

Brand Relevance (BR) and Brand Equity (BE)

BR is related to BE; in other words, a brand can be strong if it is effective in decision-making (Backhaus, Steiner and Lügger, 2011). The four dimensions of consumer perceptions associated with BE are differentiation, esteem, relevance and

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awareness; these dimensions are measured by various consulting companies such as IPSOS, Harris Interactive, Y & R (Bettencourt, 2017). In measuring BE, the consultancy firm WPP Brand Dynamics considers bonding, advantage, performance, presence and relevance as dimensions of BE (Christodoulides and de Chernatony, 2010). In their study, Stahl et al. (2012) considered knowledge, differentiation, esteem and relevance as components of BE. In his study, Narteh (2018) considered BR as a dimension of BE and stated that he extended the BE model by adding BR as a fifth dimension to the traditional four dimensions of BE. Therefore, BR is one of the fundamental elements that constitute BE and is related to customer equity. To the best of the author's knowledge, only one academic study (Çelik and Saydan, 2023) has been encountered on the effect of BR on BE. Çelik and Saydan (2023), who conducted a survey on a sample of bank customers, found that BE is significantly and positively affected by BR. Accordingly, H_{2a} and H_{2b} were stated as follows:

H_{2a}: For public banks, BR has a significant and positive effect on BE.

H_{2b}: For private banks, BR has a significant and positive effect on BE.

Brand Equity (BE) and Perceived Financial Performance (PFP)

Brand assets can affect FP to the extent that they influence a company's current period earnings (Mizik and Jacobson, 2008). BE leads to more consumer preferences, loyalty, and ultimately profit (Bettencourt, 2017). Therefore, for companies' growing financial earnings, BE is the driving force (Lassar et al., 1995). Keller (1993) states that when consumer response and BE are positive, revenue growth, lower costs than current costs, and higher profits can result. Therefore, there is a positive effect of BE on FP (Lassar et al., 1995). Schmitz and Villaseñor-Román (2018) conducted a survey on a sample of service companies to measure BE, obtained financial data from the Orbis database to measure FP, and found that a strongly positive relationships exists between BE and FP using accounting-based measures. Mizik and Jacobson (2008), who used data on accounting performance measures from various databases, showed that brand assets affect not only the current but also future FP of a company.

In their study, Aydin and Ulengin (2015) assessed the FP of companies by analyzing financial statements and measured BE through a questionnaire and concluded that the dimensions of BE positively affect most FP indicators to varying extents. Kim and Kim (2005) used sales as the sole measure of company performance and conducted a survey among customers of companies in the hospitality sector to measure BE and found that BE components are positively related to the chain restaurants and luxury hotels' performance. To the best of the author's knowledge, only one study (Narteh, 2018) has been encountered that evaluates both BE and FP variables based on customer perceptions by collecting customer views through surveys and examines the effect of BE on FP from the perspective of customer perceptions. Narteh (2018) determined that BE affects the FP of banks. Thus, the H_{3a} and H_{3b} were formulated:

H_{3a}: For public banks, BE has a significant and positive effect on PFP.

H_{3b}: For private banks, BE has a significant and positive effect on PFP.
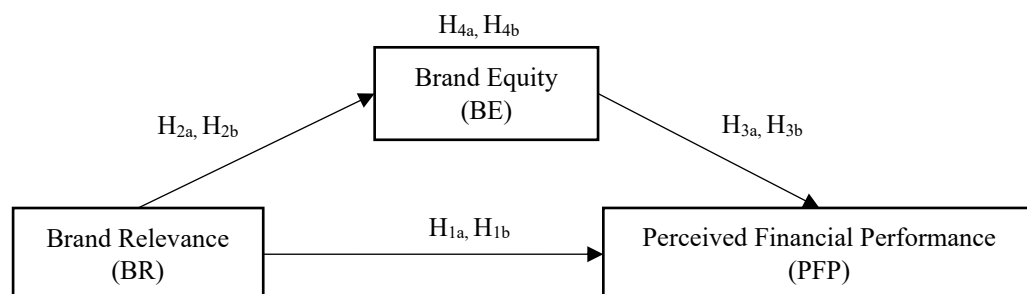
Mediating Role of Brand Equity (BE)

To the best of the author's knowledge, any study examining the mediating role of BE in the effect of BR on PFP has not been encountered in the literature. However, there are studies investigating the mediation of BE in the relationships between different variables. To illustrate, Majeed, Owusu-Ansah, Ashmond and Corona (2021) concluded that surveillance, information, and remuneration, which are among the dimensions of social media gratification, significantly and positively affect purchase intention via BE. Garanti and Kissi (2019) concluded that BE partially mediates the effect of brand personality on brand loyalty. In addition, the mediating role of BE has been found in different studies investigating the effects of diverse variables on FP, profitability or business performance. In this context, Stahl et al. (2012) found that BE partially mediates the relationship between marketing activities and profitability. Investigating the effect of social media richness on business performance, Shandy, Mulyana and Harsanto (2023) concluded that BE mediates this relationship positively and significantly. Lee and Park (2022) found that BE has a significant mediating role in the relationship between social media customer engagement and FP. Accordingly, the H_{4a} and H_{4b} were formulated:

H_{4a}: For public banks, BE has a positive mediating role in the effect of BR on PFP.

H_{4b}: For private banks, BE has a positive mediating role in the effect of BR on PFP.

The research model created in line with the developed hypotheses is shown in Figure 1.

Figure 1. Research model

Source: Author

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4. Methodology

Measurements and Survey Design

The items of the PFP, BR (Narteh, 2018) and BE (Yoo and Donthu, 2001) scales were adapted for this study from previous studies. Marketing academics were consulted in the adaptation of the scales and the translation-retranslation technique was used. The scale items were first translated from the original language, English, into Turkish. Then they were translated from Turkish into English. This made it possible to compare the meanings of the scale items in both languages. After the revisions, data were collected from the target population using the final survey.

Target Population and Sampling

This study's the target population is the customers of private or public banks operating in Türkiye. In Internet-based surveys using a list-based sampling frame, sampling can be done in the same way as in a traditional survey using a sampling frame (Fricker, 2008). Therefore, data were collected from the target population using a list-based survey and sampling technique. As a result, data were collected from 201 public bank customers and 201 private bank customers. It is known that these sample sizes are more than 10 times the total number of scale items used in this study (Kass and Tinsley, 1979; Hair, Black, Babin and Anderson, 2009).

Common Method Variance Bias

Harman's single-factor test result is 49.149% for the data set collected from public bank customers and 37.962% for the data set collected from private bank customers (Fuller, Simmering, Atinc, Atinc and Babin, 2016). Also, when examining the results of the correlation analyses in Table 4, it can be said that there is no problem of common method variance bias in the data obtained, as the correlation coefficient (r) is <.90 (Bagozzi, Yi, Phillips, 1991).

5. Results

Profile of Participants

Table 1 shows the participants' demographic information. Among the 201 customers of public banks, the number of males (n=106; 52,7%), those aged between 34 and 41 (n=61; 30.3%), married (n=108; 53,7%), with an Associate/Bachelor's degree (n=107; 53.2%), and those with a monthly income between 20001 and 30000 TL (n=62; 30.8%) is higher. On the other hand, among the 201 customers of private banks, the number of males (n=102; 50.7%), those aged between 26 and 33 (n=61; 30.3%), married (n=122; 60.7%), with a Master's/PhD degree (n=102; 50.7%), and those with a monthly income between 10000 and 20000 TL (n=52; 25.9%) is higher.

Table 1. Profile of participants

Variables	Groups	Data Set for Public Banks		Data Set for Private Banks	
		f	%	f	%
Gender	Male	106	52.7	102	50.7
	Female	95	47.3	99	49.3
	Total	**201**	**100.0**	**201**	**100.0**
Age	18-25 years old	48	23.9	25	12.4
	26-33 years old	40	19.9	61	30.3
	34-41 years old	61	30.3	59	29.4
	42-49 years old	28	13.9	38	18.9
	50-57 years old	19	9.5	16	8.0
	>57 years old	5	2.5	2	1.0
	Total	**201**	**100.0**	**201**	**100.0**
Marital Status	Single	93	46.3	79	39.3
	Married	108	53.7	122	60.7
	Total	**201**	**100.0**	**201**	**100.0**
Education Level	Primary school/Secondary school	3	1.5	6	3.0
	High school	18	9.0	22	10.9
	Associate degree/ Bachelor's degree	107	53.2	71	35.3
	Master's degree/ PhD	73	36.3	102	50.7
	Total	**201**	**100.0**	**201**	**100.0**
Monthly Income	<10000 TL	42	20.9	27	13.4
	10000-20000 TL	49	24.4	52	25.9
	20001-30000 TL	62	30.8	48	23.9
	30001-40000 TL	28	13.9	37	18.4
	40001-50000 TL	9	4.5	18	9.0
	>50000 TL	11	5.5	19	9.5
	Total	**201**	**100.0**	**201**	**100.0**

Source: Author's Calculations

Factor Analysis and Reliability Analysis

The results of the confirmatory factor analysis (CFA) and the reliability analysis are presented in Table 2. According to the analysis results, the model fit values are acceptable (Schermelleh-Engel, Moosbrugger and Müller, 2003). As AVEs>.50, CRs>70 and AVEs<CRs, the convergent validity of the factors is supported (Fornell and Larcker, 1981; Hair et al., 2009; Yaşlıoğlu, 2017). As MSVs<AVE; ASVs<MSVs and √AVEs> are the coefficients of correlation between the factors (see Table 4), the divergent validity of the factors is also supported (Yaşlıoğlu, 2017). Finally, since α and Ω are >.70, the factors can be considered reliable (Nunnally and Bernstein, 1994).

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Table 2. Factor analysis and reliability analysis results

Factors	Data Set for Public Banks			Data Set for Private Banks		
BR	λ	**Values**		λ	**Values**	
BR1	.912	**AVE**=.686	**CR**=.895	.796	**AVE**=.536	**CR**=.819
BR2	.916	**√AVE**=.828	**α**=.874	.779	**√AVE**=.732	**α**=.784
BR3	.583	**MSV**=.463A	**Ω**=.895	.551	**MSV**=.310	**Ω**=.809
BR4	.858	SV=.370		.775	**ASV**=.255	
BE	λ	**Values**		λ	**Values**	
BE1	.774	**AVE**=.729	**CR**=.914	.839	**AVE**=.586	**CR**=.848
BE2	.935	**√AVE**=.853	**α**=.910	.834	**√AVE**=.765	**α**=.861
BE3	.815	**MSV**=.463	**Ω**=.912	.673	**MSV**=.310	**Ω**=.864
BE4	.884	**ASV**=.371		.702	**ASV**=.275	
PFP	λ	**Values**		λ	**Values**	
PFP1	.697	**AVE**=.558	**CR**=.862	.702	**AVE**=.602	**CR**=.879
PFP2	.770	**√AVE**=.746	**α**=.866	.514	**√AVE**=.775	**α**=.808
PFP3	.816	**MSV**=.279	**Ω**=.870	.846	**MSV**=.240	**Ω**=.819
PFP4	.766	**ASV**=.278		.786	**ASV**=.220	
PFP5	.678			.960		
Model Fit Summary	χ2=122.401 P=.000 χ2/df=2.110 GFI=.911 AGFI=.860 NFI=.936 RFI=.914 IFI=.965 TLI=.953 CFI=.965 RMSEA=.075 SRMR=.0614			χ2=119.770 P=.000 χ2/df=2.101 GFI=.920 AGFI=.873 NFI=.909 RFI=.875 IFI=.950 TLI=.930 CFI=.949 RMSEA=.074 SRMR=.0632		

Note: λ= Factor loading; α=Cronbach alpha; Ω=Omega
Source: Author's Calculations

Normality Test

Table 3 shows the normality test results. If the skewness coefficient is between ±3 and the kurtosis coefficient is between ±10, the obtained data sets should be considered to have a normal distribution (Kline, 2005). Accordingly, since the skewness and kurtosis coefficients of BR, BE, and PFP are within the specified threshold values, it is possible to perform Pearson correlation analysis and structural equation modeling.

Table 3. Normality test results

Descriptives	Data Set for Public Banks			Data Set for Private Banks		
	BR	BE	PFP	BR	BE	PFP
Mean	3.5784	3.5958	3.6448	3.4291	3.4515	3.6925
Median	3.7500	3.7500	3.6000	3.5000	3.5000	3.8000
Variance	.737	.889	.495	.657	.799	.474
Std. Deviation	.85864	.94265	.70327	.81064	.89363	.68876
Skewness	-.907	-.636	-.878	-.559	-.583	-1.112
Kurtosis	1.223	.214	2.471	.785	.188	2.978

Note: Minimum=1; Maximum=5
Source: Author's Calculations

Correlation Analysis Results

Examining the Pearson correlation analysis results shown in Table 4 indicates that a significant and positive correlation exists between the variables of BR, BE and PFP from the perspective of customers of both public and private banks.

Table 4. Correlation analysis results

Correlations		Data Set for Public Banks			Data Set for Private Banks		
		BR	BE	PFP	BR	BE	PFP
BR	r	1	.681	.527	1	.557	.449
	p		.000	.000		.000	.000
BE	r	.681	1	.529	.557	1	.490
	p	.000		.000	.000		.000
PFP	r	.527	.529	1	.449	.490	1
	p	.000	.000		.000	.000	

Source: Author's Calculations

Testing Hypotheses

Structural equation modeling was used to test the research model. Table 5 presents the results regarding the direct effects of the hypotheses. From the perspective of public bank customers, the direct positive effect of BR (Std. β=.380; $p<.05$) and BE (Std. β=.335; $p<.05$) on PFP is significant. The direct effect of BR on BE is also significant (Std. β=.729; $p<.05$). Similarly, from the perspective of private bank customers, the direct positive effect of BR (Std. β=.327; $p<.05$) and BE (Std. β=.309; $p<.05$) on PFP is significant. Also, the direct effect of BR on BE is significant (Std. β=.673; $p<.05$).

Table 5. Results for direct effects

Data Set	H	Paths			R^2	β	Std. β	S.E.	C.R.	P
Data Set for Public Banks	H_{1a}	BR	→	PFP	.443	.281	.380	.077	3.642	***
	H_{2a}	BR	→	BE	.531	.726	.729	.079	9.216	***
	H_{3a}	BE	→	PFP	.443	.249	.335	.076	3.257	.001
	Model Fit Summary	$\chi2$=122.401 P=.000 $\chi2$/df=2.110 GFI=.911 AGFI=.860 NFI=.936 RFI=.914 IFI=.965 TLI=.953 CFI=.965 RMSEA=.075 SRMR=.0614								
Data Set	H	Paths			R^2	β	Std. β	S.E.	C.R.	P
Data Set for Private Banks	H_{1b}	BR	→	PFP	.339	.270	.327	.072	3.768	***
	H_{2b}	BR	→	BE	.453	.837	.673	.104	8.019	***
	H_{3b}	BE	→	PFP	.339	.205	.309	.057	3.624	***
	Model Fit Summary	$\chi2$=119.770 P=.000 $\chi2$/df=2.101 GFI=.920 AGFI=.873 NFI=.909 RFI=.875 IFI=.950 TLI=.930 CFI=.949 RMSEA=.074 SRMR=.0632								

Note: ***<0.001

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Source: Author's Calculations

The mediating roles (or indirect effects) were tested by running the process macro. Table 6 shows the results of the indirect effects (or mediating roles) of the hypotheses. If there is no zero (0) between BootLLCI and BootULCI, the relationships between the paths should be considered significant (Hayes, 2013). According to customers of public banks, BR has an indirect significant and positive effect on PFP through the mediating role of BE (Std. β=.215; BootLLCI=.087; BootULCI=.266). Similarly, according to customers of private banks, BR has an indirect significant and positive effect on PFP through the mediating role of BE (Std. β=.194; BootLLCI=.077; BootULCI=.265).

Table 6. Results for mediating roles (indirect effects)

Data Set	H	Paths	β	Std. β	Boot S.E.	Boot LLCI	Boot ULCI
Data Set for Public Banks	H$_{4a}$	BR → BE → PFP	.176	.215	.045	.087	.266
Data Set for Private Banks	H$_{4b}$	BR → BE → PFP	.164	.194	.047	.077	.265

Source: Author's Calculations

6. Discussion and Implications

Discussion

According to the statistical analysis results of the study, all hypotheses were accepted for both private and public banks and the conceptual model was confirmed. The findings reveal that for both public banks and private banks, BR significantly and positively affects both PFP and BE, and BE positively and significantly affects PFP and mediates the effect of BR on PFP. The findings showed that all these effects and the mediating role of BE were slightly higher for public banks than for private banks.

In the study, it was found that BR has a significant and positive direct effect on PFP. This result indicates that bank customers' perception of a brand's relevance in terms of meeting their needs positively affects their perception of the bank's FP. This result is valid for public and private banks. However, this effect is slightly higher for public banks than for private banks. This finding can be interpreted to mean that public bank customers are slightly more influenced by BR in their positive perceptions of the bank's FP than private bank customers. The finding that BR affects PFP is consistent with the finding of Narteh (2018) who concluded that BR significantly and positively predicts the FP of retail banks, and Aydın and Saydan (2023) who found that BR significantly and positively affects PFP.

It was found that BR has a significant and positive direct effect on BE. This finding indicates that bank customers' perception of a brand's relevance in terms of

meeting their needs positively affects their BE perceptions. This result is valid for public and private banks. However, this effect is slightly higher for public banks than for private banks. This finding can be interpreted as showing that public bank customers are slightly more influenced by BR than private bank customers in creating positive BE. The finding that BR affects BE is consistent with the research finding of Çelik and Saydan (2023) that BR significantly and positively affects BE.

It was found that BE has a significant and positive direct effect on PFP. This finding indicates that positive BE perceptions of bank customers have a positive effect on their perception of FP. This result is valid for public and private banks. However, this effect is slightly higher for public banks than for private banks. This finding can be interpreted to mean that public bank customers are slightly more influenced by BE in their positive perceptions of the bank's FP than private bank customers. The finding that BE affects PFP is consistent with the finding of Narteh (2018), who investigated the effect of BE on FP from the perspective of customer perceptions and found that BE affects the FP of banks.

It was found that BE has a significant and positive mediating role in the effect of BR on PFP. This finding indicates that BE mediates the positive perception of FP due to the effect of BR. For both public banks and private banks, BE has a significant mediating role in this effect. However, this indirect effect of BR is slightly higher for public banks than for private banks. The finding that BE mediates the effect of BR on PFP is similar to the finding of Nasution, Grant and Mavondo (2008) who concluded that BE mediates the relationships between sales force performance and business performance as well as between marketing activities and business performance.

Theoretical Implications

From a theoretical perspective, the conceptual model proposed in this study demonstrates the relationships between BR, BE, and PFP and the mediation of BE in the effect of BR on PFP from a consumer perspective. Thus, the model of this study provides a conceptual framework to investigate the effect of BR on PFP, and the mediating role of BE in this effect, as well as the direct effect of BE on PFP. Building on the marketing literature, this study contributes to BE literature by empirically testing the model for private and public banks, providing evidence that BE can be applied to the PFP context and confirming its effect on PFP. Therefore, this study supports the relationship between BE and FP that Narteh (2018) addresses from the consumer perspective in his study. Again, by showing that BR positively affects BE, it supports the effect of BR on BE, which was revealed by Çelik and Saydan (2023) in their study.

The study supports the emerging literature on the relationship between BR and PFP (e.g., Narteh, 2018; Aydın and Saydan, 2023) by showing that BR positively affects bank customers' perceptions of the bank's FP. Moreover, the

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study contributes to the literature by showing the mediating role of BE in the effect of BR on PFP.

In addition, the study differs from the existing studies in the literature in that it combines the mentioned relationships between BR, BE and PFP in a single model. In this respect, this study extends previous studies on PFP from the consumer perspective (e.g. Aydın and Saydan, 2023).

Practical Implications

The results reveal that both public bank and private bank customers' perceptions of the relevance of a bank brand to themselves have a positive effect on their perception of the bank's FP, and also positively affect BE. Therefore, marketing managers should ensure the brand's relevance to customers. In this context, banks should identify their customers' needs and wants, develop services that better satisfy these needs, provide relevant offers to customers, meet customer expectations, and thus increase BR. A bank that can achieve this at a higher level than its competitors and create a stronger BR for its customers will be perceived more positively in the eyes of consumers, which will lead to its BE and FP being perceived more positively as well. In addition, the results showing the direct effect of BE on PFP and the mediation in the effect of BR on PFP indicate that marketing managers need to both directly increase consumers' perception of BE and ensure a high level of BR, as BR positively affects BE.

The results of this study showed that, according to the capital structure of banks, the effect of BR on PFP and BE is slightly higher for public banks than for private banks. Therefore, private bank managers can gain a competitive advantage against public banks by developing strategies to increase BR and creating higher BR levels. However, due to this difference in the level of effect of BR on PFP and BE for public banks, it can be stated that public banks can achieve a slightly higher effect on PFP and BE than private banks with the resources they use to create BR and thus can carry out their marketing activities more effectively and efficiently.

7. Limitations and Future Research Directions

There are some limitations to this study. First of all, this study was conducted on a sample that is not very large. It may be recommended that future studies be conducted on a larger sample. The effect of BR, which is stated as a component of BE in the literature (e.g., Narteh, 2018), on PFP was discussed in the study, however, other dimensions of BE that may have an effect on PFP were not addressed. In future studies, other dimensions of BE can also be addressed. In addition, the mediating role of different variables that may mediate the relationship between BR and PFP can be examined. The study, which was conducted on consumers in Türkiye, a developing country, can also be conducted on consumers in developed countries to compare the consumer's FP perceptions in developing and developed countries.

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8. Conclusion

Using a conceptual model that brings together relationships between BR, BE, and PFP, this study found that BR significantly and positively affects both PFP and BE, and that BE also significantly and positively affects PFP. Therefore, the study shows that bank customers are influenced by BR and, thus, perceive the BE of bank and FP more positively. In the study, the examination of whether BE has a mediating role in the effect of BR on PFP revealed that BE does indeed play a mediating role in this relationship, and that the mediation of BE in the effect of BR on PFP was confirmed.

This study also shows that public bank customers are slightly more influenced by BR than private bank customers in creating positive BE, and also public bank customers are slightly more influenced by BR and BE than private bank customers in creating positive perceptions of the FP of bank. These findings of this study show that brand management strategies are important for banks.

In conclusion, this study shows that BR has an important role in increasing both BE and positive perceptions of FP. It also reveals that the direct effect levels of BR and BE and the indirect effect levels of BR are slightly different according to the capital type of the banks.

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