ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DETERMINATS OF BRAND LOYALITY IN THE BREWERY INDUSTRY:- THE CASE OF DASHEN BREWERY IN BAHIR DAR TOWN

By

SOLOMON AJEBEW

JUNE, 2019

ADDISABABA,ETHIOPIA

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A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES, IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF MARKETING MANAGEMENT

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DECLARATION

I, the undersigned, declare that this thesis is my original work, has not been presented for Degree in any other university and that all sources of materials used for the thesis have been duly acknowledged.

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ACKNOWLEDGEMENTS

ABSTRACT

The general objective of this study is to examine the major determinant brand loyalty of Dashen beer market in Ethiopia. The research type is a casual research type. A total of three hundred twenty three questionnaires were distributed from this three hundred seventeen were collected and used for the analysis purpose. Non-probability sampling which is convenience sampling was used for sampling procedure. Both primary and secondary data are the source of data collection. Data collection method took place in Bahir Dar Fasilo sub city. The research instrument is structured questioner. The findings of the mean value revealed that the Brand experience shows the highest score. The correlation analysis revealed that coefficients that show the five determinants measuring brand loyalty are all positively related with brand loyalty.

A Eighty point one Percent change of the dependent variable (Brand loyalty) on the Dashen Beer are explained by the independent variables which are included in the regression model ware as nineteen Nine point Nine Percent explained by other variable which is not include in the model. As found after analysis customer satisfaction, perceived quality, brand experience and brand switching cost are important factors influencing the Dashen beer. The beer marketing practitioners should take into consideration that the important determinant of brand loyalty of Dashen consumers (i.e. perceived quality). The positive feeling and experience which they have obtained after consuming the beer also influence their brand loyalty. Therefore Dashen Brewery in order to build a strong brand loyalty among Dashen beer consumers should try to promote beer with better taste, pleasant experience and higher quality.

Keywords: Brand loyalty, Brand experience, perceived quality, brand image, customer satisfaction and brand switching cost

CHAPTER ON

Introduction

This chapter deals with the background of the study, problem statement, research questions, objectives, hypothesis, significance and limitation of the study

1.1Background of the study

The success of a firm depends largely on its capability to attract consumers' towards its brands. In particular, it is critical for the survival of a company to retain its current customers, and to make them loyal to the brand. Brand loyalty has been a one of the biggest issues in the world of marketing over the last years (Kotler, 2012). Added focus has put on the topic once marketers realized that brand loyalty has a strong connection to higher sales volumes, gives companies the option of premium pricing, and encourages the customers to search for their preferred brand (Giddens& Hoffman, 2002). Another factor contributing to stronger focus on brand loyalty is the fact that it can cost up to six times as much to win over a new customer as it costs to retain an already existing one (Kapferer,2008). Loyal brand users do not only spread positive word of mouth about their preferred brand as well as defending the brand in arguments and discussions, but also often talk competitive brands down. This suggests that brand loyalty to one brand not only influence the brand positively, but also possibly have negative effects on the competitive brands (Raju, 2009).

 According to Aaker (1991), brand loyalty is one of the factors that create brand equity. When it comes to brand loyalty, Aaker also states that just by having an intensely loyal customer base, even though it is relatively small, can create significant brand equity for a firm. (Ventures, 2013) argued that the ability of a company to create, maintain and expand a large and loyal customer base over a longer time period is crucial to attain and sustain a premium position on the market.

Companies are changing from short-term orientations to a focus on building long-term relationships to attain better profits through customer retention, cross-selling, and lower costs related to customer acquisition. To achieve these results, companies are focusing on actions that build brand loyalty among customers. While brand loyalty increases profits for the company, benefits also accrue to customers. These benefits can take the form of reduced consumer stress (as the customer learns to trust the company and perceived risk is reduced), the lack of a need to

change (due to predictability and investment in a relationship), and a simplification of a consumer's life (as search and decision making needs are reduced).

Consumer brand preference is an essential step in understanding consumer brand choice; has therefore always received great attention from marketers. In the marketplace, consumers often face situations of selecting from several options (Dhar, 1999). Brand preferences represent consumer dispositions to favor a particular brand (Overby and Lee, 2006). It refers to the behavioral tendencies reflecting the extent to which consumers' favors one brand over another (Hellier et al., 2003; Zajonc and Markus, 1980). Brand preference is close to reality in terms of reflecting consumer evaluation of brands.

Consumer preferences for brands reflect three responses: cognitive, affective and cognitive or behavioral (Grimm, 2005). The cognitive components encompass the utilitarian beliefs of brand elements (Grimm, 2005). The affective responses refer to the degree of liking or favoring that reflects consumer feelings towards the brand (Grimm, 2005). The cognitive or behavioral tendencies are denoted by Zajonc and Markus (1982) as the consumers' predicted or approached act towards the object. It is the revealed preference exhibited in consumers' choices. Assumes that the association of behavioral outcome, such as willingness to pay and brand preference.

1.2. Ethiopian Brewing Industry Background

In Ethiopia, growth in beer consumption has been a surprisingly 24 percent per year according to Access Capital estimates, roughly double the average annual growth rate in real GDP. This is propelled by economic recovery, expanding population, rising disposable income, improvement in beer quality and improving distribution systems. A gradual shift is taking place away from home brewed beer or other traditional drinks towards commercially produced brews, reflecting aggressive advertising campaigns by major brewers, rising urbanization and the growing prevalence of drinking society activity. (Access Capital: 2010)

Ethiopia's beer industry has seen much activity in recent years, from a level of just 1.0 million hectoliters in 2003/2004; beer production has risen to nearly 3.1 billion hectoliters by 2008/2009, giving an estimated average growth of around 24 percent per year (Access Capital: 2010).

Looking ahead, beer demand is without doubt expected to continue its rapid growth, in line with population levels, favorable demographics, continued economic growth, and a gradual convergence of national consumption levels towards those of neighboring countries. According

to Access Capital projection (2010), beer consumption in Ethiopia will rise by around 15 percent per year in the coming years, a volume growth that can comfortably support several new beer producing factories in the next five year period even after accounting for the expansion plans of existing firms.

The major breweries currently operating in the Ethiopian beer industry are: BGI Ethiopia, Dashen, Meta, Harar, Walia ,Habesha and Bedele.

1.2.1 Dashen Brewery

The brewery, named after RasDashen (Dejen), elevation 4,523 metres, in the Simien Mountains located near one of the historical towns of northern Ethiopia, Gondar, consumed an initial investment of 340 million Birr when it was built on an 8.5 hectare plot, 10km out of Gondar on the highway to Addis Ababa. It was established with a registered capital of 41 million Br in August 1995 (Tiret, 2012).

According to pricise consult international (2014), Dashen Brewery has undergone a massive expansion since then, after its short-lived partnership with the French-owned BGI, which had bought 40 percent of the company, was signed. That agreement has since been nullified, leaving the two in direct competition with each other.

Venturesafrica.com (2013) confirm that Dashen Brewery is to expand farther down from its plant near Gondar, 750km northwest of Addis Abeba, eyeing to erect its second plant in DebreBrehan, 130km northeast of the capital, at a projected cost of 900 million Br .

The company, one of the subsidiaries of Tiret Endowment Investment Organization, has been granted a 20 hectors of plot by the DebreBerhan's administration. The brewery will have the capacity to produce an annual 219,000 hectoliters, increasing its annual brewing capacity to close to one million hectoliters from its current 750,000 hectoliters (Precise Consult International, 2014).

The brewery is now entering into a new partnership with a London assets manager, Duet Group, and Vasari Global, another London-based company, after both foreign firms agreed to inject 90 million dollars to boost its production and distribution. If they succeed, this agreement will mark the largest private equity investment in Ethiopia to date. In addition, the company has a plan to

open malt production in DebreBerhan city. If this back ward integration is successful, it would enable the company to supply one of the major inputs for its production (Ventures, 2013).

With little fanfare and just in time for the holiday season, Dashen Brewery PLC, one of the leading breweries in the country has launched a new brand, Balageru, with alcohol content of 5.2 percent. The new product is expected to be introduced in all regional capitals in the coming days. Dashen is partly owned by TIRET Corporate and the United Kingdom

The plant where the new beer is produced, the company called it "one of a handful of its kind in the world". The plant represents, press release of company reads, a major competitive advantage in terms of maintaining consistent quality and efficiency, while lowering operating costs and minimizing environmental impact through energy and water conservation. In a stiff competition for the average beer consumer, Dashen is known to sponsor concerts and use English footballers to promote its products within Ethiopia. Ethiopia's per capital consumption of beer is growing fast in recent years with big multinationals joining the markets and the launching of massive expansion projects by the existing breweries. According to the Food, Beverage and

Pharmaceutical Institute, per capita beer consumption of Ethiopia was at 10 liters per person last year, a jump of two from the previous year.

1.3. Statement of the problem

Keller (2003) argues that branding is the main element which induces preference and purchase intentions in many industries. In the Ethiopian beer industry branding becomes an important focus area for the different breweries. This can be observed by taking note of the recent marketing and brand building efforts which are being under taken by breweries. This is also an indication that the companies are implementing a customer oriented marketing strategies.

In today's highly competitive, dynamic and challenging business environment, the level of consumer product acceptance and preference are critical to survival of business. Each day consumers are becoming more rational and speculative in their spending, willing to spend their hard earned money on product they believe will give them value and maximize their utility. This dynamic nature of consumers' attitudes towards a product or a brand is clearly exhibited in Ethiopian beer industry for the past ten years. According to Access Capital research (2010) until

2004/2005, Meta was the leading brewery having the lion's share of the beer market in Ethiopia, followed by Dashen and BGI Ethiopia respectively. However, a market share has shifted in recent times towards Walia and habesha beer.

This study tried to bridge the gaps that exist due to the lock of empirical evidence that links the major Determinant of brand loyalty of Dashen Beer consumers. Since there are, no significant researches done which could inform the relative importance of Determinants of brand loyalty in building a strong brand loyalty in the Ethiopian beer industry, this study was done in such a way that it could give an insight to the major determinants that will have an impact on brand loyalty. This study did also measure the Different variables which determine brand loyalty of Dashen beer consumers so that the breweries will have a clear understanding of the market that they are participating in Brewery industry.

1.4 Research questions

The research has tried to address the following basic and sub questions while doing this research paper.

Basic Question

What is the Determinant of Brand loyalty in the Brewery Industry: in case of Dashen Beer?

Sub Questions

➢ What are the various determinant factors that affect beer brand loyalty?

➢ What are the major factors that lead to brand preference?

➢ Which of the determinants have a significant impact on brand loyalty?

1.5 Objective of the study

The General and specific objective of the study are addressed here under

1.5.1 General objective

The main objective of this study is to examine the major factors that determine brand loyalty of Dashen beer market in Bahir dar Town.

1.5.2 Specific objective

The specific objective of the study is to:

✓ Identify the level of Consumer Satisfaction of Dashen Beer User in Bahirdar Town
✓ To identify the brand image impact on brand loyalty
✓ To identify the perceive quality impact on brand loyalty
✓ Identify the major determinants of brand loyalty
✓ To ascertain brand experience impact on brand loyalty
✓ To identify the brand switching cost impact on brand loyalty

1.6 Hypothesis of the study

    H1: Customer satisfaction has significant positive impact on Brand loyalty.

    H2: Brand image has significant positive impact on Brand loyalty.

    H3: Brand switching cost has significant positive impact on Brand loyalty.

    H4: Perceived quality has significant positive impact on Brand loyalty.

    H5: Brand experience has significant positive impact on Brand loyalty

1.7. Significance of the study

The research tried to closely study which determinant factors highly affect Brand loyalty and also attempted to examine the factors that lead to brand preference of Dashen beer. Adding this research would give the student researcher an opportunity to learn research undertakings moreover it will also help other researchers who would like to make an in-depth study in similar areas. Furthermore it will help the company management to evidently identify determinant factors that lead to brand loyalty.

1.8 Scope and Limitation of the study

The research in encircle the effect of brand loyalty on Dashen beer consumers in Bahir dar Town, Fasilo Sub City. There are two types of beer in the market bottled beer and drought beer, and my research studs only bottled beer and the result and recommendation may not be applied to the drought beer. Because it is hard to define consumers who uses beer in their home, this study scope is limited to consumers who uses beer in Hotel, Bar & restaurant, and Groceries.

1.9. Organization of the study

The study comprises of five chapters; chapter one includes introduction of the study, Chapter two presented empirical and theoretical review of the literature related to the issue of determinants of Brand Loyalty in brewery industry; Chapter three includes research design and methodology that are employed in the study; Chapter four incorporates the results and discussions; and finally summary, conclusion and recommendations of the study are included in Chapter five.

CHAPTER TWO

REVIEWLITRATURE

2.1 Theoretical Literature

2.1.1 Brand

A brand can be defined as a distinguishing name and/or symbol, intended to identify a product or producer (Aaker, 1991). The American Marketing Association define the term a little deeper and state that a brand is a customer experience represented by a collection of images and ideas; often, it refers to a symbol such as a name, logo, slogan, and design scheme. Brand recognition and other reactions are created by the accumulation of experiences with the specific product or service, both directly relating to its use, and through the influence of advertising, design, and media commentary. A brand often includes an explicit logo, fonts, color schemes, symbols, sound which may be developed to represent implicit values, ideas, and even personality.

Brand is the image of a product in a market. Two different aspects of a brand can be distinguished; the experiential aspect and the psychological aspect. The experiential aspect touches on all previous experiences that an individual has had with the brand before. The psychological aspect refers to the perceived image of a brand, something subjective and symbolic (Broyles & Schumann, 2004).A company's brand and the image surrounding it can be the main source of its competitive advantage. Therefore it is a valuable strategic asset. It is important to create not only a brand identity, but a brand personality. Otherwise a brand can easily be passed over, especially in these days where information is overflowing all around us. This brand personality should portray something greater than just a set of different product or service attributes that can easily be imitated. A brand needs to be easily identifiable in order to penetrate the minds of consumers and to be recognized. To sum it up, a brand is not just a representation of a product or a service; it is a symbol of the company itself, and that is where the core of brand loyalty lies (Kotler, 1994).

2.1.2 Loyalty

There is no common consensus about the loyalty conception in the literature as several definitions about the concept of loyalty by the various academics. Among Some definitions of

customer loyalty, the first one is that Customer loyalty is "a promise given sincerely for 9

Purchasing the same product or service in the future by the consumer who already preferred the mentioned product or service" (Oliver, 1999)

Whereas, according to Lee and Cunningham (2001), customer loyalty is "a tendency to be a customer of current suppliers depending on their previous experiences and expectations for the future".

However, in the intervening years the concept has come to mean very different things to different researchers, and as a result it is measured in many ways as confirmed by Jacoby and Chestnut. Yet, a number of attempts have been made to bring order to the problem of definition and measurement. Broadly, the researcher conclude that there are three ways to think about loyalty which includes loyalty mainly expressed in terms of revealed behavior, loyalty as primarily an attitude, and loyalty as a composite measure.

On the other hand, in line with the previous research (Denoue, M. and andSaykiewicz,J(2009); we define a loyalty program as an integrated system of individualized marketing action which aims to make customer more loyal by developing personalized relationship with them and reinforcing their behavior. Loyalty scheme offer various rewards with the overall objective of lengthening customer relationship and simulating purchase behavior. Whereas, psychological, sociological and relational drives also may enhance customer trust in and affective commitment to the firm (Mokhils S. and Yaakop, Y 2012), and loyalty program may induce feeling of pride about having "won" something to pay a normal price.

When we come to the meaning of customer loyalty, we have also many definitions. Yet each of these fails to realize runs hand-in-hand with emotions. Customer loyalty is the result of consistently positive emotional experience, physical attribute-based satisfaction and perceived value of an experience, which includes the product and services. Hence, customer loyalty is all about attracting the right customer, getting them to buy, buy often, buy in higher quantities and bring you over more customers. If any of the above is the case, loyalty can be defined as customer continuing to believe that one organization product or services offer remain their best option.

In general, the two concept i.e. customer loyalty and loyalty program are different but the latter is the antecedent of the former one with a strong relationship depend on the sector, firms, product/services and customer. The most comprehensive definition of customer loyalty and loyalty program is forwarded by different author. Oliver (1999) states that loyalty is: "a deeply held commitment to rebury or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same brand or same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior". Figure1. Demonstrate a dynamic model of customer loyalty which explains both behavioral and attitudinal construct of customer loyalty

2.1.3 Benefits of maintaining customer loyalty

The adaption of customer loyalty program among companies has increased over the last couple of years, and the customers have become the focus of attention. As the result, it is more economical for a company to keep customer loyal than if the company has to replace them. Kumar and Shah (2004) states that companies that gain loyal customer receive different type of benefit, including economic and non economic and relational benefit for the customer and the company.

2.1.4 Satisfaction and its relationship with loyalty program

Customer Satisfaction reflects the degree to one believe that an experience evokes positive feelings. Therefore, satisfaction is an overall affective response due to use of product or service. Satisfactions can be seen as customer's fulfillment response. It is based on customer's judgment about a product or service feature, or the product or services itself, it provides a pleasurable level of consumption related fulfillment. Furthermore, satisfaction is costumer's evaluation of a product or service in terms of whether that product or service has met customer's needs and expectation, Perceived Value and Satisfaction. Whereas, customer Loyalty can be defined as an increasing of service quality consistently in the future, thus causing repetitive same brand purchases despite situational influences and marketing efforts having the potential to cause switching behavior. Yet, the level of satisfaction depends on perceptions of the customer toward the services or the program offered. Because the effect of perceived value on program intention is completely mediated to customer satisfaction.

Customer Loyalty can be defined as a increasing of service quality consistently in the future, thus causing repetitive same brand purchasing despite situational influences and marketing efforts having the potential to cause switching behavior. Perceived Value Customer perceived value is the differences between the prospective customer's evaluation of all the benefits and all the costs of an offering and the perceived alternatives. Perceived value is the ratio of benefits received from providers relative to the costs sacrificed by customers. In essence, it is a variable that reflects the net utility derived from a provider. Customer satisfaction, meanwhile, is defined as an overall positive or negative feeling about the net value of services received from a supplier. He also argues that perceived value represents customer cognition of the nature of relational exchanges with their suppliers, and satisfaction reflects customers' over- all feeling derived from the perceived value.

2.1.5 Brand loyalty

Brand loyalty has been the center of attention among academicians and practitioners for many decades Jobber .D (2007). In their attempt to conceptualize brand loyalty, most academicians and practitioners focused on the behavioral aspect, less emphasis on the attitudinal brand loyalty. The attitudinal aspect has gotten more attention when they notice behavioral brand loyalty couldn't give them a comprehensive picture of loyalty. Behavioral loyalty considers proportional purchase, purchase sequence and probability of purchase. Behavioral brand loyalty cannot explain why customers who made a repetitive purchase, sometime switch away and buy other competitive brands Allan & Joel Bubinson (1996). Dick and Basu (1994, p. 100) also state that ―the behavioral definition is, consequently, insufficient to explain how and why brand loyalty developed and modified up.

There is a difference between brand loyalty in durable goods, service and consumption goods .In durable goods once the customers bought the product; they will stay away from the market until the need for replacing the product. However, consumer purchase consumption goods frequently and large in number, the behavioral aspect of consumer is the appropriate measurement indicator; the proportion of purchase and the frequency. Whereas durable goods more attitudinal aspects of consumer are important because durable goods are tangible, and it has a long life span as compare to service and consumer goods. For a short while customers will be 100% loyal to a single durable goods brand.

Why is important to study brand loyalty? Brand loyalty plays significant role in brand extensions as well as brand equity. Jana M and Xiao T (2009) state that brand loyalty increase brand market share ―brand loyalty increases exponentially market share, resistance to alternative competitor brands and favors positive word of mouth‖.

Brand loyalty is important as it motivate the consumer that their product has the required qualities and this becomes the base for a future purchase behavior. According to Jensen, M (2006, p. 442–449) ―brand loyalty is the consumer's willingness to stay with a brand when competitors come knocking with offerings that would be considered equally attractive had not the consumer and brand shared a history.

According to Oliver (1999) there is a social connection between the customer and brand. This social connection helps in development of the loyalty and satisfaction of the customer towards the brand. Oliver (1999) carried out a research indicating that satisfaction plays an important role in brand loyalty; however other factors like quality, customer's interest in the brand and social connection between customer and brand also important factor for brand loyalty development.

Brand loyalty is a broader concept and it is influenced by various factors. In this thesis the factors that influence brand loyalty were limited to five for operational reasons. As the number of independent variables increases, the size of questions would also increase in numbers. The response rate would be declining, because the questions take a long time to respond. To encourage response rate the questions and the independent variables were limited to reasonable numbers, even if there are others independent variables that could affect brand loyalty

2.1.5 Brand image

According to Keller (2004), Brand image can be seen as all the different awareness, beliefs, opinions, and behaviors customers related to their brand, whether created purposefully by the corporation or not. In the recent years, widely accept that brand image includes a consumer's knowledge and beliefs about the brand's various products and its non-product attribute.

The better the brand image the better the quality as perceived by customers (Lee, M. K, 2006). And some scholars also defined brand image symbolize the individual implication about a brand that customer have kept in mind (Iversen and Hem, 2007).Besides, other scholar also define

brand image is the overall emotion image the customers holds about the brand and can be seen in isolation or in relation to other brands (Faircloth, 2005).

In some researchers' study, a different level of brand image may affect brand association, brand loyalty and perceived quality, and if this three dimension change will also cause overall brand equity' change. In (Mouradet al, 2010)'s research, brand image is directly affect perceived quality, and then the perceived quality is directly affect brand loyalty.

Therefore, this study was conceptualized a relationship between brand image and perceived quality.

In addition, some scholars developed some factors that can affect brand image, which include: price, after sales service, personality, social image, positioning, relationship, location, country of origin and staff, all of these factors are belong to brand image attributes, and with brand awareness, consumer attributes, as the three sub-component that directly affect brand equity, (Mourad, Ennew and Kortam,2010).

In summary, brand image is very important that have a great effect on brand equity as well as brand awareness, brand managers should also develop a brand image strategy to enhance the image that customer had stored in mind. If brand managers cannot do well with the brand image, a mismatch of brand image with a consumer's expectation will give a chance for competitors (Jana M and Xiao, 2009), and lost companies' market share and even loyalty customers. Sometimes, A good advertising can help companies develop a global brand image and enrich its brand equity (Arora, Raisinghani, Arora and Kothari,2009). A better image may appear differentiation in customers' mind, then affect customer purchase intension, finally contribute to a better brand loyalty and brand equity. And then the strong brand image will deliver a positive effect to brand loyalty and brand equity.

2.2 Review of Empirical Studies

The relationship between income and beer perception revealed different factors than for the low involvement product. As brewery products are low priced they are categorized as low involvement products. But as low involvement product, as income increases intention to buy supposed to decrease. But in Walia case the reverse happened. This need to be further studied and will be research idea for future researches. The relation between divorce consumers and intention to buy is strong. The reason behind this relation is beyond the study of this research. The relationship between divorce consumers and intention to buy need to be further studied and it would be research idea for future researches (Redit, 2015)

The consumers of beer who belongs to different educational groups perceive advertisement, promotional activities and brand availability differently. Advertisement is the only factor, which is perceived differently by consumers who are indifferent age groups. Moreover, the test result for variation on brand preference based on respondent's gender and income level was insignificant.

Regarding the brand awareness level, the finding of the study shows that consumers of beer are highly aware of different brands available in Addis Ababa and advertisements are found to be the most influential source of brand awareness. Moreover, ST.George, Walia and Meta beers, respectively are found to be top of mind and most preferred beer brands by majority of consumers in Addis Ababa.(Epherem,2015)

The Consumer's perception of sought brand benefit is important factors in determining brand preferences. Most of beer brands in Addis Ababa beer market have closely similar product attribute like test, alcohol content, packaging therefore it is important to study the consumer preference from the perception of sought benefit rather than the physical attribute of beer. Most of respondents believe that their preferred beer is well crafted, has consistent quality and has a standard of quality. The statistical test also support that quality is the significant variable in determining consumers beer brand preference (Kasahun, 2015)

The St. George and Meta beer were the top two most popular brands While Bedelle and Harar were the least preferred once. In relation to the consumption rate of the consumers, a majority of them were found to have beer only on weekends and once or twice a week

only. The results also show that the majority of the beer drinkers are men. The results indicate that although all five variables had a positive influence on the overall brand equity of the consumers, perceived quality, brand preference and brand awareness were the top three influential factors of brand equity for the respondents .(Beadmariam,2014)

The most preferred beer brand St.Georgies, it can be said that there is no one dominate brand in the market as Habesha and Walia also have vast consumers. The brewery market has intense competition with promotional activities never seen before in the industry or other industries (Elias, 2018)

The level of the company's effort to create brand awareness of St. George beer to the public, the effort of the company in creating and maintaining a favorable brand image in the mind of customers and the company's effort in giving information about its brand was judged by the majority of the respondent's medium and low level. Depending on that the student researcher concludes that the needs to work on its creating maintaining a favorable brand image and on its information center in order to make its brand competitive in the market (Nebil, 2014)

2.3 Conceptual Framework

A conceptual model is developed based on theories discussed below. The following conceptual model for my study presents the main issues and items that can influence brand loyalty. Besides, the conceptual framework as illustrated in figure 1 shows factors that can influence consumer behavior of Dashe beer, with respect to brand loyalty. Factors like brand image, brand experience, brand Switching cost, customer satisfaction, and switching cost which could lead to brand loyalty have been discussed. These factors can affect behavior of Dashen consumers. Having background information from theoretical framework, about brand loyalty and different factors which influence brand loyalty.

Figure 1: Conceptual frame work

Perceived Quality

Brand loyalty

Brand Experience

Customer Satisfaction

Switching cost

❖ **Brand** **Image**

According to Keller (2003), Brand image can be seen as all the different awareness, beliefs, opinions, and behaviors customers related to their brand, whether created purposefully by the corporation or not. In the recent years, widely accept that brand image includes a consumer's knowledge and beliefs about the brand's various products and its non-product attribute.

❖ **Perceived Quality**

Perceived quality is viewed as a dimension of brand equity rather than as a part of the overall brand association (Keller 2003). Perceived quality is the customer's judgment about a product's overall excellence or superiority that is different from objective quality (Zeithaml 2008). Objective quality refers to the technical, measurable and verifiable nature of products/services, processes and quality controls. High objective quality does not necessarily contribute to brand equity (Anselmsson et al. 2007

❖ **Customer Satisfaction**

Customer satisfaction is the result of overall consumer satisfaction. This satisfaction can be due to collective experience of the product and its different features. The customer satisfaction can also be due to purchase expectation and post purchase experiences by the

customer, having got a satisfactory product after paying a suitable cost. However consumer's satisfaction also depends on expectation of a brand and its performance, and subsequent post purchase experiences (Serkan&Gökhan, 2009)

Paurav (2004) argued that customer satisfaction is his or her psychological response to the product performance and an outcome of the customer's expectations. This analysis of the product performance is based on comparison between expected and actual performance of that particular brand. The expectation of a customer from a specific product and its different features depends on his personal interests.

❖ Brand Experience

Brand experience is a subjective and internal response as well as a behavioral response when an individual customer's encounter with the product, shopping and consumption Brakus&Zarantonello (2009). Product experience is the result of the customers physically contact with the product or virtual presentation on advertising Brakus&Zarantonello (2009). Some experience might have a short impact, where some experience stays for long

❖ Switching cost

The marketing literature identifies a specific manifestation of switching cost, termed —brand loyalty. Brand loyalty is usually defined as the minimum price differential needed before consumers who prefer one brand switch to some competing brand

There are at least three types of switching costs: transaction costs, learning costs, and artificial or contractual costs

- Transaction costs

Transaction costs are costs that occurred to start a new relationship with a provider and sometimes also include the costs necessary to terminate an existing relationship.

- Learning costs

Learning costs represent the effort required by customers to reach the same level of comfort or facility with a new product as they had for an old product

- Artificial or contractual costs

Artificial switching costs are created by deliberate actions of firms: frequent flyer programs, repeat-purchase discounts.

CHAPTER THREE

RESEARCH METHODOLOGY

In this section research design, sampling Methodology, sources of data, data collection method, Research instrument, data analysis method, validity and reliability and ethical consideration are discussed

3.1 Research Design

The research type this study was a causal research type. By employing inferential statistics, regression analysis, the effect of the independent variable on the dependent variable and the

correlation between the exogenous variables was assessed. The conceptual Frame work was designed as a base for this study; it is designed to test the effect of the five variables on the Brand loyalty of the consumers.

3.2Sampling methodology

- **Target population**:- the research targeted all consumers of Dashen Beer in Bahir Dar Town , Fasilo Sub city who are above age of 18
- **Sample and sampling procedure:-** non-probability sampling approach was used in contacting target units (respondents) of the study. However, considerations were made to randomize the selection of respondents based on age
- **Sample size:-**The total number of Dashen Beer consumers is infinite as a result the sample size was calculated using Godden 2014 formula. Sample size for more than 50,000 populations with 95% confidence level, 30% of population proportion and 5% of margin of error. The Approximate sample size was 323.

$$SS= \frac{Z^2 * P\ (1-P)}{(M)^2}$$

SS= Sample size for infinite population (more than 100,000)

Z= Z value

P= population proportion

M= Margin of error

Sample size for more than 100,000 populations

Z value 1.96 for 95% confidence level

Population proportion assumed to be 0.3(30%)

Margin of interest 5% (0.05)

$$SS= \frac{(1.96)^2 * 0.3(1-0.3)}{(0.05)^2}$$

$$SS= \frac{3.8416 * 0.21}{0.0025}$$

$$SS= 322.69 \approx 323$$

3.3 Source of data

The study was based on the collection of primary data

3.3.1 Primary Data

The primary data needed for the research was gathered through questionnaires. The questionnaire for the research consisted of demographic questions and multiple choice questions. The instrument was divided into two sections based on the subject of the question. The first comprises 5 choice items designed to asses' background and demographic area of the respondent. The second section contains 22 choice items used to determine determinants of brand loyalty. This approach also helped to compare the opinions of a large number of people with ease in a limited available time.

3.4 Data collection Method

The data collection took place in Bahir Dar Town, Fasilo sub city, Kebele 03, 04 and 05. The sampling sites were chosen as people from different part of the area visit these places as there are countless bars, groceries and hotels around there and it is easy to get access to Dashen beer consumers.

The questionnaires have been filled on the spot by the consumers who are drinking Beer. A total of 323 responses were participated. Out of a total of 323 respondents, 6 respondents which did not match with criterion of the research were ignored. It means a data obtained from 317 respondents was used for this study.

3.5 Research instrument

The questionnaires have been designed in survey based on the conceptual framework. Each question has been analyzed from different aspects of brand loyalty. It was designed in a way that was clear, brief and understandable to the respondents as well as covers the relevant aspects of the model used. I design questionnaire as short as possible and give it a logical and sequential structure so that the respondent can easily see what the questionnaire is about and can follow its themes as they go through them. For that reason, the questionnaire was designed in both English and Amharic languages considering that target audiences were Ethiopian citizens.

There are total seven parts for the questionnaire; each part consists of questions related to the research topic and conceptual framework.

Part one consisted of questions (1-5), which identify the demographic of the respondents, where questions related to gender, age, educational background, income level and Frequency were asked. Part 2 contained questions (1-5), which identify beer brand image in different customer's mind. There were three questions in part 3 (6-8) that covered perceived quality, Part 4 consisted of questions (9-13) and covered statements related to the brand experience and customers feeling and experience about their beer brand. Part 5 consisted of questions (14-16), which covered customers'satisfaction. Brand performance, expectation and overall satisfaction were the core area of this part. Part 6 contained questions (17-19) and the questions were related to the switching cost. The final consisted of questions (19-22) and the questions were related to the brand loyalty.

3.6 Data collection procedure

Secondary data is analyzed first to form research frame work. This secondary data are analyzed in the form of literature review. The secondary data lead the direction of the study and initiate the base for the analysis. From the secondary data collection in the form of literature review, theoretical frame work and working model has been produced.

From the working model and theoretical frame work, questioners are developed. After testing the questioners and correcting errors in developing, the questioners are distributed randomly to 323 respondents using convenience sampling. After giving reasonable time for the respondents, questioners are collected and analyzed using SPSS.

3.7 Data Analysis Method

After collecting and sorting the questionnaires, data are coded, computed, and analyzed using the Statistical Package for Social Sciences (SPSS) software which is identified as IBM SPSS Statistics 20.

The obtained answers from questionnaires were transferred to the excel sheet in order to classify and analyze them. Then a report was confirmed on the questionnaire, which allowed comparing the results of the respondent's answer to the questionnaires. In this way the trends of the respondents could be identified and then each answer was analyzed in detail. Then all analysis performed by SPSS 20 windows version (Statics package for social Science).Descriptive analysis (Percentage and mean) were analyze respondents' general profile, and so on

3.8 Reliability and Validity

3.8.1. Reliability Analysis

Reliability refers to the degree of the results'consistency under the sameconditions. It should remain the same if research has to be repeated. To sustain a high level of reliability for primary data, after questionnaires were filled in and completed by respondents those answers transferred to excel sheets and transfer the date in to SPSS 20 windows version. To obtain more reliable answers and personal opinions of the respondents on the spot filling of the survey forms were performed. There were some possibilities that they didn't fill the questionnaire themselves and get help from other person. All the independent variables of the study have been evaluated for reliability. The finding revealed a Cronbach's Alpha of 0.740. This shows that the study has a good reliability.

Table 3.1 reliability teste table

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.740	.713	22

Source: SPSS survey result, 2019

3.7.2 Validity analysis

According to Kothari (2004) content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is numerical way to express it. Based on this definition the content validity was verified by the advisor of the research, who look into the appropriateness of the questions and the scale of measurement. In addition discussions with Fellow researchers as well as feedback from the pilot survey were another way of checking the appropriateness of the questions. In case of secondary data, only relevant articles and literature from academic, scientific and marketing databases were used for this study

3.8 Ethical consideration

The researcher holds the view that the ethical consideration is the most important element in the research process thus tries to guarantee confidentiality and preserve anonymity of participants of the research. Whenever, necessary pseudo-names will be used and participants and participants will prevent any harm to them at any cost.

The researcher will also be abide by the rules and regulations of the institution and to the moral standards of the institution and tries to avoid any data manufacturing and fraudulent reporting**.**

CHAPTER FOUR

Data Analysis and Interpretation

4.1 Introduction

There was a total of 323 questioners have been distributed. The questioner has been developed both in Amharic and English. To validate the questioner translation and back translation has been applied by the professionals. Before the distribution, the questioner has been tested by few respondents as to test of the convenience to the respondents and understandability of the questions. Out of the 323 questioners only 317 will be analyzed. This is because some ware none

returned and some were not valid for the analysis. These questioners will be analyzed and inference will be given in this chapter. It presents the results in graphical presentation or charts where necessary and it discusses each question. Correlation analysis, regression analysis, ANOVA between groups and findings of the research are also discuses

4.2. Descriptive Characteristics of the Data

This section explores the data in depth to exhibit the general characteristics of the data and the frequency analysis of the data. To explain the data frequency distribution and percentage will be used. To explain the characteristics of the data mean, standard error of mean, median, mode, standard deviation, variance, range, minimum and maximum are used.

4.2.1. Demographic profile of respondents

The demographic profile of the respondents' (Gender, age, educational level. income level and frequency of drinking Dashen beer)

A total of 323 responses were distributed through on spot survey, out of which 6 were ignored as they did not respond correctly. So, a total of 317 responses have been taken into consideration for the analysis. This section gives demonstrate the demographic characteristics of the respondents, consisting of Questions 1 to 5 of the survey conducted.

Concerning the Gender position of respondents (76.34%) of them are males and the rest (23.66%) are females. This implies that males consume Dashen beer compared to females

Table 4.1 Gender respondents

		Frequency	Percent
	Male	242	76.3
Valid	Female	75	23.7
	Total	317	100.0

Source: own survey, 2019

Concerning the Age position of respondents

Majority of respondents belong to age group (36-45) years with 37.5% followed by (46-55) years which is 16.7%, (26-35) years having 16.1% , above age group (≥65)

have 16% and the minimum representation at 13.6 % is for age group of (18-25). This confirms that majority of Dashen Beer consumers are males between the age group of 36-45.

Table 4.2 Age of respondent

		Frequency	Percent
	18-25	43	13.6
	26-35	51	16.1
Valid	36-45	119	37.5
	46-55	53	16.7
	above 65	51	16.1
	Total	317	100.0

Source: own survey, 2019

Educational Background of Respondents

Regarding the educational background of the respondents (30.0%) of the respondents were completed Diploma followed by the Secondary and primary Educated respondents (24.3%) and 24% respectively, Degree holders (12.3%) and the rest were educated in the level above degree holders (9.1%), and illiterates (0.0%).This result shows that more Diploma completed consume of Dashen beer.

Table 4.3 Education of Respondents

		Frequency	Percent
	Primary Education	76	24.0
	Secondary Education	77	24.3
Valid	Diploma	95	30.0
	Degree	39	12.3
	Above Degree	29	9.1
	Total	316	99.7
Missing	System	1	.3
Total		317	100.0

Source: own survey, 2019

Monthly income of Respondents

Concerning the monthly income of respondents (11.7%) of them get monthly income of birr less than 2500, 2500-3500 respondents monthly income (19.2%) , 3501-4500 respondents monthly income (19.6%),4501-5500 respondents monthly income(9.5%), 5,501 respondents monthly income(40.1%). This confirms that majority of Dashen Beer consumer's monthly income (40.1%)

Table 4.4 Income level of Respondent

		Frequency	Percent
Valid	below 2500	37	11.7
	2501-3500	61	19.2
	3501-4500	62	19.6
	4501-5500	30	9.5
	Above 5501	127	40.1
	Total	317	100.0

Source: own survey, 2019

Frequency of drinking Respondents

Majority of the respondents (38.2%) drink Dashen 2-5 days per week, whereas 27.8% of the respondents drink once per week, (19.2%) drink everyday while only (11.0%) drink less than once a week.

Table 4.5 Frequency of drink Respondents

		Frequency	Percent
Valid	once per week	88	27.8
	2-5 days per week	121	38.2
	less than once per week	35	11.0
	Everyday	61	19.2
	5	12	3.8
	Total	317	100.0

Source: own survey, 2019

4.1.2 Determinants of Brand loyalty

Before proceeding to regression analysis, data clearing and statistical test were done. SPSS used in data clearing. The collected data passed through the following test; normality, multicollinearity, reliability and validity. Normality test is a way to estimate whether the sample

data close approximation to the actual unknown population. Normal probability plots provide a good way to test variables' distribution. Statistically Skewnes's and Kurtosis used to check normality. For normal distribution, Skewnes's range between 1and -1 Lawrence (2006) and Kurtosis range between 3 and -3, Paul Newnold (2003). Skewness is a statistical test that used to verify whether the data are distributed symmetrically or not Mark (1996). Kurtosis measures the relative concentrations of data value on in the center versus on the tail Paul Newnold (2003).

The multicollinearity used to test whether two or more independent variables are highly correlated to each other. The test indicated there is high correlation between independent Variables. VIF value of independent variables less than the threshold level 10

The mean value of each independent variable was used for regression analysis. The questions under customer satisfaction, perceived quality, brand experience, brand image and switching Costs are added.

4.1.2.1 Brand Image

In regard to scores obtained from the respondents in finding part and as shown in the Table 4, it reveals that brand image is an important factor for dashen beer consumers. Some of the respondents believed that the brewery Dahen Beer is not number one among other beers and just 23.3% agreed and Neutrals with the statement. The satisfaction and confident shown by Dashen beer consumers in their beer brand image, establishes that brand image can play an important role to influence customer's brand loyalty

Table 4.6Brand Image

		Frequency	Percent
Valid	Strongly Disagree	80	25.2
	Disagree	41	12.9
	Neutrals	74	23.3
	Agree	74	23.3
	Strongly Agree	48	15.1
	Total	317	100.0

Source: own survey, 2019

4.1.2.2 Perceived Quality

When consumers asked about quality of their beer more than half of them 54.0 as shown in table 4.1, acknowledged that quality of their beer was good. It strengthens Aaker point of view that a

good quality of a brand have a positive influence on brand loyalty. According to Aaker a better quality of a brand helps consumer to differentiate a brand from another and it also enhances its reputation.

Table 4.7Pensive Quality

		Frequency	Percent
	Strongly Disagree	104	32.8
	Disagree	31	9.8
Valid	Natural	11	3.5
	Agree	76	24.0
	Strongly Agree	95	30.0
	Total	317	100.0

Source: own survey, 2019

4.1.2.3 Brand Experience

The result of primary data shows that a positive feeling toward dashen beer brand. It was noticed that 42.3% of the respondents agreed and 33.4 % of the respondents strongly agreed that the brewery offers products with excellent taste and only 9.1% of them disagreed as shown in table 4.3. Its shows that brand experience is an important factor regarding brand loyalty, customers who have great experience while consuming this beer brand assumed to drink the same brand in future as well. It indicates that positive brand experience plays an important role in customer's satisfaction and brand loyalty

Table 4.8Brand Experience

		Frequency	Percent
	Strongly Disagree	29	9.1
	Disagree	8	2.5
Valid	Natural	40	12.6
	Agree	134	42.3
	Strongly Agree	106	33.4
	Total	317	100.0

Source: own survey, 2019

4.1.2.4 Customer Satisfaction

According to Youl& John (2010) brand satisfaction has a positive influence on brand loyalty

A majority of Dashen Beer consumer, 60.6% were satisfied that their beer and has good value for the money they paid. Satisfaction leads to trust and it can be assumed that a satisfied customer would continue to purchase the same brand in future as well, which demonstrated the brand loyalty of customers towards their beer brand.

It also point out towards the satisfaction and trust to their brand and subsequently towards brand loyalty.

Table 4.9 Customer's Satisfaction

		Frequency	Percent
Valid	Strongly Disagree	37	11.7
	Disagree	20	6.3
	Natural	68	21.5
	Agree	97	30.6
	Strongly Agree	95	30.0
	Total	317	100.0

Source: own survey, 2019

4.1.2.5 Brand switching cost

As shown in the table 4.5, about 63.4% of the respondents indicated that the price of St.George beer is reasonable in then those respondents is willing to pay higher price for Dashen deer brand than other brands of beer. With regard to analysis of findings of switching cost and collected data, it is clear that the Dashen beer consumers are not influenced by switching cost. It also confirms that the consumers are loyal to their beer brand.

Table 4.10Switching Cost

		Frequency	Percent
Valid	Strongly Disagree	29	9.1
	Disagree	9	2.8
	Natural	78	24.6
	Agree	117	36.9
	Strongly Agree	84	26.5
	Total	317	100.0

Source: own survey, 2019

Importance of Factors that determine Brand loyalty

Table 4.11 Descriptive Statistics

Descriptive Statistics			
	Mean	Std. Deviation	N
Brand Loyalty	3.02	1.756	317
Brand Image	2.90	1.405	317
Brand Experience	3.88	1.173	317
Switching Cost	3.69	1.164	317
Customer's Satisfaction	3.61	1.292	317
Pensive Quality	3.09	1.688	317

Source: SPSS survey result, 2019

The mean scores show that the most important Determinant of brand loyalty were brand experience (mean =3.88), brand Switching (mean=3.69), cost customer satisfaction (mean=3.61), perceive quality (mean=3.09) and Brand Image (mean=2.90).

4.2 Correlation Analysis

a correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 field (2005). a correlation analysis with Spearman's correlation coefficient (r) was conducted on all variables in this study to explore the relationships between variables. to interpret the strengths of relationships between variables, the guidelines suggested by field (2005) were followed, mainly for their simplicity. his classification of the correlation efficient (r) is as follows: 1 is perfectly positive correlated; (0.1, 0.3) is positively correlated; (-1, - 0.3) is negatively correlated;-1 perfectly negatively correlated; and (–0.3.0.3) no correlated. Correlation coefficients say nothing about which variable causes the other to change. The correlation coefficient squared (known as the coefficients of determination, r2) is a measure of the amount of variability in one variable that is explained by the other.

Table 4.12 Correlation analysis

Correlations

			Brand Image	Brand Experience	Switching Cost	Customer's Satisfaction	Perceive Quality	Brand Loyalty
Spearman's rho	Brand Image	Correlation Coefficient	1.000	.052	.089	.226**	.425**	.403**
		Sig. (2-tailed)	.	.357	.113	.000	.000	.000
		N	317	317	317	317	317	317
	Brand Experience	Correlation Coefficient	.052	1.000	.135*	.133*	.130*	.199**
		Sig. (2-tailed)	.357	.	.016	.018	.021	.000
		N	317	317	317	317	317	317
	Switching Cost	Correlation Coefficient	.089	.135*	1.000	.159**	.234**	.320**
		Sig. (2-tailed)	.113	.016	.	.005	.000	.000
		N	317	317	317	317	317	317
	Customer's Satisfaction	Correlation Coefficient	.226**	.133*	.159**	1.000	.392**	.529**
		Sig. (2-tailed)	.000	.018	.005	.	.000	.000
		N	317	317	317	317	317	317

		.425**	.130*	.234**	.392**	1.000	.757**
Perceive Quality	Correlation Coefficient						
	Sig. (2-tailed)	.000	.021	.000	.000	.	.000
	N	317	317	317	317	317	317
Brand Loyalty	Correlation Coefficient	.403**	.199**	320**	.529**	.757**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.
	N	317	317	317	317	317	317

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Data, 2019

AS per table above, the independent variables perceived quality and customer satisfaction show highest and strong positive relation (0. 757, 0. 529 respectively). While the other three independent variables brand experience, Brand switching cost and Brand image and show a moderate level of positive relation (i.e. 0.199, 0. 320, and 0. 403 respectively) with brand loyalty.

Table also shows that the correlation of the independent variables within themselves. It can be noted that all variables are positively correlated with each other where the strongest correlation goes to the one between brand experience and perceived quality while the correlation is very weak between brand image and brand experience

4.3 Regression analysis

Regressions fit a predictive model to data and use that model to predict the values of dependent variable from one or more independent variables (Andy, 2005). Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable.

In order to see the Determinant factors that Affect brand loyalty in the Ethiopian beer industry, liner regression analysis was employed. Brand loyalty as used as the dependent variable while the underlying Determinants were used as the independent variables. Table provides the results of the multiple regression analysis.

Table 4.6 Collinearity Statistics

		Coefficients^a	
Model		Collinearity Statistics	
		Tolerance	VIF
1	Brand Image	.803	1.245
	Brand Experience	.970	1.030

Switching Cost	.925	1.082
Customer's Satisfaction	.806	1.241
Perceive Quality	.670	1.493

a. Dependent Variable: Brand Loyalty

Multicollinearity is a question of degree & not of kind. Multicollinearity is the feature of the sample & not of the population

The larger the value of VIF, the more —troublesome‖ or collinear between independent variable

- ✓ If the VIF of a variable exceeds 10, which will happen if R2 exceeds 0.90, that variable is said to be highly collinear
- ✓ If the value of Tolerance is greater than 1 that independent variable is highly collinear.

In the above table the VIF value of independent variable has less than 10 and also Tolerance value is less than 1 so there is no Multicollinearity between the above independent variable.

Table 4.13 Model summery

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.895[a]	.801	.798	.790	.801	250.165	5	311	.000

a. Predictors: (Constant), Perceive Quality, Brand Experience, Switching Cost, Customer's Satisfaction, Brand Image
b. Dependent Variable: Brand Loyalty

Source: SPSS data, 2019

The model summary indicates independent variables have strong relationships with dependant variables. R indicates how strong the independent variables as the whole related to dependant variable, from the table it is possible to see (. 895) on a scale from 0 to1 and R square indicates the degree of independent variables variation explaining the dependantvariable.A 80.2 % change of the dependant variables (brand loyalty) on dashen beer brand explained by independent variables all taken together. A 19.8 % change in the dependant variable on dashen beer brand explained by other variables, which have not been included in this regression model.

The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The larger value of Beta coefficient an

independent variable has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable.

Table 4.14 Coefficients[a]

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	-1.286	.224		-5.740	.000	-1.727	-.845
	Brand Image	.070	.035	.056	1.973	.049	.000	.139
	Brand Experience	.081	.038	.054	2.117	.035	.006	.157
	Switching Cost	.146	.040	.097	3.678	.000	.068	.224
	Customer's Satisfaction	.246	.038	.181	6.422	.000	.171	.321
	Perceive Quality	.765	.032	.736	23.807	.000	.702	.829

a. Dependent Variable: Brand Loyalty

Source: SPSS data, 2015

From the above regression result develop the model of brand loyalty

$BL=\alpha+B1BI+B2BE+B3SC+B4CS+B5PQ+U$

BL= -1.286+0.7BE+0.081BE+0.14SC+0.24CS+76PQ+U is used to Shaw the small change of independent variable in to independent variable

This study intends to identify the most contributing independent variable in the prediction of the dependent variable. Thus, the strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via standardized Beta coefficient

Table 4.15 ANOVA

ANOVA

		Sum of Squares	df	Mean Square	F	Sig
Between People		1692.003	316	5.354		
	Between Items	267.689	5	53.538	38.506	.000
Within People	Residual	2196.811	1580	1.390		
	Total	2464.500	1585	1.555		
Total		4156.503	1901	2.186		

Grand Mean = 3.36

As indicated in the above Table 4.6., the significant value of the ANOVA indicated that it was less than the p-value 0.05 (i.e. sig=0.00<0.05) and then there was perfectly significant difference among the mean score of customers' loyalty towards dashen beer, with respect to their

independence variable. This figure implies that, the brand loyalty of the respondents was largely affected by perceive quality.

4.4 Findings

4.4.1 Brand image

The descriptive value of the independent variable brand image shows the lowest mean value (i.e. 2.9) compared to other listed variables. However, it still shows significant level of importance. The correlation value proves that the variable is correlated with the dependent variable by .403 values and the Coefficient table from the regression analysis proves that the variable has .056 Beta value with significance of .049.

4.4.2 Brand Experience

The descriptive analysis show that brand experience has the highest mean value compared to the other determinants of brand loyalty factors (i.e. 3.88). But the correlation analysis of brand experience shows the lowest and positive relation (i.e 0.199) with the dependent variable Brand loyalty. According to regression analysis the coefficient table shows that the value of Beta coefficient of perceived quality shows 0.054 highest values which prove the strength of the independent predictor influencing dependent variable.

4.4.3 Brand switching cost

The second most important factor Determining brand loyalty is switching cost. The mean value of the independent variable result shows the value of 3.69 which is between the range of score (3.41-4.20) that shows important level. Correlation analysis also supports that switching cost is correlated with Brand loyalty by 0. 320 correlation value and the regression analysis of Beta coefficient level shows 0.097 values with a significance level of .000

4.4.4 Customer satisfaction

The independent variable customer satisfaction has the third position in determining brand loyalty of dashen beer brand when its mean value is compared to other listed variables. Correlation analysis proves that the independent variable is correlated with dependent variable by 0.529 correlation values and the beta coefficient shows 0,181 levels with significance level of .000.

4.4.5 Perceived quality

The mean values of the independent variable perceive quality is 3.09 which show significant level of importance. The correlation value proves that the variable is correlated with brand loyalty (dependent variable) by 0. 757 correlation value and the regression coefficient table reveal that the variable shows Beta value of .736 values with a significance level of .000

6. Hypothesis

Table 4.16 Summary of the Overall Outcome of the Research Hypotheses

Hypothesis	Correlation value	Regression standardized coefficients. B	Reason	Result
Ho: Brand image not contribute significant impact on Brand loyalty H1: Brand image contribute significant impact on Brand loyalty	.437**	.056	B=0.056 P<0.05	Ho: Rejected H1: Accepted
Ho: Brand experience not contribute significant impact on Brand loyalty H1: Brand experience contribute significant impact on Brand loyalty	.186**	.054	B=0.054 P<0.05	Ho: Rejected H1: Accepted
Ho: Switching cost not contribute significant impact on Brand loyalty H1: Switching cost contribute significant impact on Brand loyalty	.319**	.097	B=0.097 P<0.05	Ho: Rejected H1: Accepted

Ho: Customer satisfaction not contribute significant impact on Brand loyalty H1: Customer satisfaction contribute significant impact on Brand loyalty	.532**	.181	B=0.181 P<0.05	Ho: Rejected H1: Accepted
Ho: Perceive quality not contribute significant impact on Brand loyalty H1: Perceive quality contribute significant impact on Brand loyalty	.869**	. 736	B=0.736 P<0.05	Ho: Rejected H1: Accepted

Source: own survey, 2019

In general as table 4.7 clearly shows, among the five predictors, multiple linear regressions (Beta coefficients) analysis revealed that, Perceive quality is the first most significant variable for brand loyalty decision followed by Customer satisfaction. Switching cost, Brand image and Brand experience ranks 3rd, 4th and 5th

CHAPTER FIVE

Conclusion, Recommendation and Implication

5.1 Conclusion

In conducting this study, the required data was obtained through structured questionnaires. The Instrument (structured questionnaires) was adopted from prior related studies, in order to measure all variables of the study. To check the validity and reliability of the adopted instruments validity and reliability test was also carried out. To determine the sample size from the total population of the study, the researcher uses formula based-sample size determination. To select respondents'non-probability sampling technique which is convenience sampling was used. Basically, a total of 323 questionnaires were distributed to the sampled Customers, among these 317 questioners were returned. Thus, 317 returned questionnaires were analyzed using statistical package for social science (SPSS version 20). In the analysis descriptive statistics, correlation analysis and regression analysis were performed

The findings from the descriptive statistics shows that band experience has the highest mean value which is 3.88 and Customer satisfaction, perceive quality, brand switching cost and brand image shows (3.61, 3.09, 3.69, 2.90) mean value respectively.

The perceive quality has the most significant impact on brand loyalty it's standardize coefficient value is 0.736. And brand experience has less impact on brand loyalty it's standardize coefficient is 0.054.

The correlation value proves that all the independent variables are correlated with the dependent variable from the range of (0.186-0.869) .The model summery from the regression analysis point out that the degree of independent variable explaining the dependent variable is (0.801) which shows the strong relationship of the independent and dependent variable. The Beta coefficient confirms perceived quality has the highest value and brand experience shows the lowest value.

Finally, the regression analysis result, when the overall brand loyalty was regressed on the five independent variables. The score of the coefficient correlation determination (R^2) is 0.801 which indicate, 80.1% of the variability of overall brand loyalty was explained by the five independent variables. The other variables that were not considered in this study contribute about 19.9% of the variability of brand loyalty.

5.2 Recommendations

The focus of this research was on dashen beer consumers that could provide useful insight to both practitioners and researchers. The main goal of this paper was to study determinants affecting beer brand loyalty of dashen beer consumers**.**

As found after analysis customer satisfaction, perceived quality, brand experience and brand switching cost are important factors influencing the dashen beer consumers. The beer marketing practitioners should take into consideration that the important determinant of brand loyalty of dashen beer consumers (i.e. perceived quality). The positive feeling and experience which they have obtained after consuming the beer also influence their brand loyalty. Therefore dashen Brewery in order to build a strong brand loyalty among beer industry must be promote beer with better taste, pleasant familiarity with dashen beer customer and higher quality

5.3 Further implications

➢ In future research can also be carried out by using more variables like price difference, brand awareness, attractiveness of a brand and customer involvement to understand effect of these variables on brand loyalty

➢ The research help to understand in detail different factors influencing brand loyalty of Dashen beer consumers. Moreover by using a larger and diverse sample size and even distribution among different age group help in better understanding of brand loyalties of a diverse group of customers

➢ To sustain competitive advantage the brewery should Focus on attracting new segments of the market like the under age groups by producing non-alcoholic beers or low alcoholic content beers'

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APPENDICES

Appendix

St. Mary's University

School of Graduate Studies

A Questionnaire on assessing Dashen beer brand loyalty

Dear respondent,

This questionnaire is designed to collect data on beer brand loyalty in the case of Dashen Brewery. The information gathered will be accessible by the researcher only and remains strictly confidential.

I thank you in advance for your time and Cooperation.

Instruction:-

Please circle the most appropriate response answer against questions.

Part 1. Demographics

1. Please select your gender?

A. Male B. Female

2. Select your age bracket

A.18– 25 years B. 26 – 35 years

C. 36 – 45 year D.46-55

E. 56-over

3. What is the highest level of education you have completed?

A. Illiterate B. Elementary education C. High School

D. Diploma E. Degree. F Above Degree

4. Select your income level

A. Below 2500. B.2, 501-3,500 C.4501-5500 D. 5501-above

5. How frequently do you drink Dashen beer?

A. once per week B. 2-5 days per week

C. less than once per week   D. everyday

Part two: Determinants of brand loyalty

Please rate the following statement by writing (√) the appropriate of your choice.

S. No		Strongly Disagree	Disagree	Natural	Agree	Strongly Agree
	Determinants of Brand loyalty					
	Brand Image					
1	The brewery manufacturing of Dashen beer is trustworthy to					

	the Consumer					
2	I think Dashen beer is number one among other beers					
3	I think Dashen Beer brand is well known and prestigious.					
4	Other people judge me by the kind of beer I drink					
5	I think I am very well informed about Dashen beer					
	Perceived Quality					
1	This product can bring my prestige					
2	I think my beer brand have a reputation for high quality					
3	My beer brand is more than just a product for me.					

	Brand Experience					
1	My beer brand offers products with excellent taste					
2	I think my beer brand relate to the pleasant experience					
3	I feel Dashen beer go with my way of life style and personality					
4	In general I have a strong interest in Dashn beer					
5	I have positive feeling about Dashen beer					
	Customer satisfaction					
1	My beer is a good value for the money I paid					
2	I would recommend Dashen beer to my friends					
3	I am satisfied by the taste of my beer					
	Brand Switching cost					

1	The price of Dashen brewery product is reasonable					
2	I am willing to pay higher price for my brand than other brands of beer					
3	Once I have made a choice on which beer brand to purchase, I am likely to continue to buy it without considering other brands					
Brand Loyalty						
1	I am drink only dashen beer					
2	I am proud by dashen beer product					
3	I am So happy Dashen Beer Participation on Social Responsibility program					

ቅድስት ማርያም ዩኒቨርስቲ ኮሌጅ

በዳሽን ቢራ ላይ የቀረበ መጠይቅ

በቅድሚያ መጠይቁን ለመሙላት ፈቃደኛ በመሆንዎት እያመሰገንኩ እነየ ቅድስት ማርያም ዩኒቨርሲቲ በማርኬቲንግ ማኔጅመንት የማስተርስ ተመራቂ ስሆን ከዚህ በታች ያሉትን መጠይቆች በዳሽን ቢራ የቀረቡ መጠይቆች ናቸው እ ርስዎ የሚሰጡት አስተያየት እናያለ ወትንተ ሞክሮ ያሳውቃሉ።

ይህመረጃ ጥቅም ላይ የሚ ውለው ለትምህርታ ዊ አላማ ብቻ ሲሆን ሁሉም መልሶች በምስጢ ር የሚያዙ ናቸው።

ስለዚህ እርስዎ የሚ ሰጡ ውን ትን መልስ በጥ ያቄ ዎ ች ት ይ ዩ የቀረበ ትን ምርጫ ዎ ች በማክበ በእ ንዲ መልስ በ መግለጽ ለ ሚያደርጉ ልኝ ትብብ ር በጣ መ ስገ ነ ው።

መመሪያ

❖ በዚህ መጠይቅ ላይ ስም ወይም አድራሻ መ ፃፍ አ ያ ስ ፈ ል ግ ም።

❖ እ ባክ ዎ ትን መል ስ ከ መ ስ ጠ ት ዎ ት በ ፊ ት በ ጥ ን ቃ ቄ ያ ን ቡ ት።

❖ ት ክ ክ ለ ኛ ያ ሉ ት ን መ ል ስ ያ ኩ ብ ቡ።

ለ አ ን ድ ጥ ያ ቄ አ ን ድ መ ል ስ ብ ቻ ይ ም ረ ጡ።

ክ ፍ ል አ ን ድ፦ አ ጠ ቃ ላ ይ መ ረ ጃ

1. ፆታ

ሀ. ወንድ ለሴት

2. እድሜ

ሀ. ከ 18 – 25 ለ. 26 – 35 ሐ. 36 – 45 መ. 46 – 55

ሠ. ከ 56 በላይ

3. የት/ደረጃ

ሀ. ያልተማረ ለ አን ደኛ ደረጃ ሐ. ሁለተኛ ደረጃ መ. ዲፕሎማ

ሠ. ዲግሪ ረ. ከ ዲ ግ ሪ በ ላ ይ

4. የገቢ መጠን

ሀ. ከ 500 ብርበታች   ለ ከ 500 – 1,500   ሐ. ከ 1,501 – 2,500

መ. ከ 2,500 በላይ

5. በሳምንት ለምን ያክል ጊዜ ዳሽን ቢራን ይጠቀማሉ

ሀ. በሳምንት አንዴ ለ ከ 2 – 5 ቀን ሐ. ከአንድ በታች

ክፍል ሁለት፦ ከዳሽን ቢራ ጋር ግንኙነት ያላቸው መጠይቆች

ከዚህ በታች የተዘረዘሩት ነጥቦች ከዳሽን ቢራ ጋር ግንኙነት ያላቸው መጠይቆች ሲሆኑ
ስምምነትዎን በተዘረዘሩት ነጥቦች ትይዩ ከ 1 እስከ 5 ውስጥ ምርጫዎን (√) ይምረጡ።

	ከዳሽን ቢራ ጋር ግንኙነት ያላቸው መጠይቆች	በጣም እስማማ	እስማማ	አስባለሁ	አልስማማም (4)	በጣም አልስማማ
ከዳሽን ቢራ ጋር ግንኙነት ያላቸው መጠይቆች						
1	የዳሽን ቢራ ፉብሪካ ለደንበኞቹ ታማኝ ነው።					
2	የዳሽን ቢራ ከሌሎች ቢራዎች የበለጠ ነው።					
3	ዳሽን ቢራ ታዋቂ ናተ ወዳጅ ነው።					
4	ስዎች በቢራ ምርጫ ይገምቱኛል።					
5	ዳሽን ቢራ ለይቸ በደንብ አውቀዋለሁ።					
ከጥራት ጋር ግንኙነት ያላቸው መጠይቆች						
6	ዳሽን ቢራ ን መጠጣት ኩራት ነው።					
7	ዳሽን ቢራ የከፍተኛ ጥራት አለው					
8	ዳሽን ቢራ ለኔ ከቢራ በላይ ነው።					

ከልምድጋርግንኙትያላቸውመጠይቆች						
9	ዳሽንቢራበጣሙተወዲጅነው።					
10	ዳሽንቢራአስደሳችናእዝናኝጊዜይሰጠኛል።					
11	ዳሽንቢራከእኗዴሬናከማንነቴጋርይሄዳል።					
12	ለዳሽንቢራከፍተኛፍላጎትአለኝ።					
13	ለዳሽንቢራጥሩአመለካከትናስሜትአለኝ።					
ከእርካታጋርግንኙትያላቸውመጠይቆች						
14	ለምጠጡውቢራየምከፍለውዋጋተገቢነው።					
15	ለንደኞቼዳሽንቢራንእንዲጠቀሙእመክራለሁ።					
16	በዳሽንቢራጣዕምረክቻለሁ።					
ከዋጋጋርግንኙትያላቸውመጠይቆች						
17	የዳሽንቢራዋጋተመጣጣኝነው።					
18	ከሊሎችቢራዎችበላይለዳሽንቢራተጨማሪብርለመክፈልፍቃደኛነኝ።					
19	ከዳሽንቢራውጪ ሌላአይነትቢራለመሞከርፍቃደኛአይደለሁም።					
ከታማኝነትጋርግንኙኙትያላቸውመጠይቆች						

20	እኔከዳሽንቢራብቻተጠቃሚነኝ					
21	በዳሽንቢራምርቶችእኮራለሁ					
22	ዳሽንቢራለህብረተሰቡየሚያደርገውድጋፍደስተኛነኝ					

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

_____ _____

Advisor Signature & Date