

# **St. Mary's University College**



## **THE ROLES OF BRAND EQUITY ON SALES PERFORMANCE: IN CASE OF MOHA SOFT DRINKS S.C**

**BY  
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**May 2021  
ADDIS ABABA**

**St. Mary's University College**

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PERFORMANCE: IN CASE OF MOHA SOFT  
DRINKS S.C**

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**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**Title: THE ROLES OF BRAND EQUITY ON SALES  
PERFORMANCE: IN CASE OF MOHA SOFT DRINKS S.C**

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## **Statement of Certification**

This is to certify that Bedri Abdurahman has carried out his research work on a topic entitled “THE ROLES OF BRANDING ON SALES PERFORMANCE: IN CASE OF MOHA SOFT DRINKS S.C” in partial fulfillment of the requirements for Master of Arts in Business Administration at St. marry University College. This study is an original work and not submitted earlier for any award either at this university or any other university and is suitable for submission of Master’s degree in Business Management.

## Declaration

I, Bedri Abdurahman Dawud, hereby declare that the study entitled “THE ROLES OF BRAND EQUITY ON SALES PERFORMANCE: IN CASE OF MOHA SOFT DRINKS S.C” is the result of my own effort in research undertaking. The study has not been submitted to any Degree or Diploma in any college or university. It is submitted in the partial fulfillment of the requirement of the Degree of Masters of Business Administration.

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## **Letter of Certification**

This is to certify that Bedri Abdurahman has carried out his thesis on the topic entitled: “THE ROLES OF BRAND EQUITY ON SALES PERFORMANCE: IN CASE OF MOHA SOFT DRINKS S.C”. This work is original in nature and suitable for the award of Masters of Arts (MBA) in Business Administration.

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Getie Andualem (PhD)

May, 2021

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## **List of Abbreviations/ Acronyms**

ADR - account development representative

BMP- Brand Management Points

BRC- Brand Report Card

CBBE- Customer based brand equity

IMC- Integrated Marketing Communication

Moha- Mohammed Hussein Ali Alamoudin soft drinks S.C

SMEs - Small and medium-sized enterprises

SPSS- Statistical package of social science

TDM- Territory Development Manager

## **Abstract**

*Using a measurement of brand equity dimensions (brand awareness, brand perceived quality, brand association and brand loyalty) sales performance have been studied, this study aimed at assessing the roles of brand equity on sales performance; in the case of Moha Soft Drinks S.C. The introduced conceptual model adopted from customer based brand equity model was tested by using questionnaire instrument with 22 items excluding the general information. In the context of the study, the relationship between brand equity dimensions and sales performance have been analyzed using Pearson's Correlation. Moreover, to indicate the influence of brand equity on sales performance multiple liner regressions analyses was used. Probability sampling approach particularly stratified sampling technique was used to select the territories of Moha Soft Drinks Industry S.C in Addis Ababa as the strata and probability sampling method has been used to select sample size of 354 respondent customers of Moha Soft Drinks Industry S.C. The study use SPSS version 25 to analyze the data from questionnaires for the descriptive analysis of (frequency of general responses, general information of respondents, mean & standard deviation), and for inferential statistics of (Pearson correlation analysis and multiple liner regressions). The regressions results of the study shows that, three of brand equity variables have significant and positive relationships with sales performance except brand loyalty which has negative and moderate significance on sales performance and Brand equity has significant impact on sales performance according to the regression test. The study recommend the case company Moha Soft Drinks Industry S.C. to keep up working on effective brand management using its brand relevance and Esteem. Finally, the study suggest Soft drink bottling companies should have to apply better brand equity management to enhance their sales performance and give priority for major CBBE attributes which can serve as competitive advantage to overcome competition..*

*Key words: Brand, CBBE, Brand Awareness, Brand Perceived Quality, Brand Association and Brand Loyalty*

# **CHAPTER ONE**

## **INTRODUCTION**

This chapter comprises Background of the study, Statement of the problem, aim and objectives of the study, Significance of the study, and Scope of the study, Limitation of the study, Organization of the study and Definition of Terms.

### **1.1 Background of the Study**

In consumer marketing, brands often provide the primary points of differentiation between competitive offerings, and as such they can be critical to the success of companies (Lisa 2000). Moreover, brands create added value for both firms and customer. Brands play a key role in enhancing the value of products and protecting the product from being imitated by competitors (Aaker 1991). In fact, ‘A product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless’ (Aaker 1991, p.1).

The importance of brand equity has been recognized in the marketing literature for at least three decades as an intangible asset that promotes firm performance (Joo-Eon 2017). Lisa (2000) argues brand equity is one of the most interesting topics to both academic researchers and practitioners. According to Myers (2003), there are two main approaches to brand equity the financial and the customer perspective. The financial approach, or company-oriented view, which focuses on the value provided to brand owners. The other stream focuses on the customer perspective, which is defined as the relationship between the customer and the brand (Lisa 2000).

Customer based brand equity can also be defined as “the differential effect that brand knowledge has on consumer response to the marketing of that brand” (Kevin 2013, p.69). Kevin (2013) treated customer based brand equity in a pyramid model through six building blocks of brand equity. These are brand salience, brand performance, brand imagery, brand judgment, brand feelings and brand resonance. Brand resonance refers to the level of attachment the customers have with the brand and the extent of their loyalty (Kevin 2013).

According to Aaker (1996), brand equity consists of brand awareness, perceived quality, brand loyalty, brand associations and other proprietary brand assets. The first four dimensions; brand awareness, perceived quality, brand loyalty and brand associations make up Aaker's customer based brand equity model which has been applied for the basis of discussion in this paper. The identification of these dimensions is a vital first step in building strong brand equity. Brand equity can be created, maintained, and expanded through the enhancement of the dimensions of brand equity (Yoo et al. 2000). It is in this process of creating, maintaining and expanding brand equity that a marketing strategy employed by a firm plays a prominent role.

## **1.2 PROBLEM STATEMENTS**

Mohammed Hussein Ali Alamoudi (MOHA) Soft drinks Industry Share Company is one of the two multinational soft drinks producers in Ethiopia. It is a sole producer of Pepsi-cola products in the country under the franchise agreement with Pepsi-Co. International. The soft drink products which the company currently produces are: Pepsi-cola, Mirinda orange, Mirinda apple, Mirinda tonic, and 7up. It also produces Kool mineral and Tossa Carbonated waters.

MOHA's vision is to make each of Pepsi products to be a drink of first choice among consumer and obtainable throughout the Ethiopian market. However the sales volume of Pepsi cola brand has sharply declined in recent years as compared with other brands of the company. The management of the company has been more concerned about this problem, and strive to increase the sales volume of the product. Nonetheless, the problem remained unresolved and continues to affect the market share of the company and its overall performance at large.

Brand equity is considered a key indicator of the state of health of a brand, and its monitoring is believed to be an essential step in effective brand management (Aaker 1991,1992). In our increasingly complex world, all of us, as individuals and as business managers, face more choices with less time to make them (Keller 2013). According to Hisham (2013) the innovation management perspective assumes that organizations can improve their long-term financial performance by heavily investing in basic and applied research in order to creatively find solutions for persistent consumer problems. The purpose of this study is to analyze the role of brand equity on sales performance of Pepsi cola brand and come up with a solution to the problem.



## **1.3 RESEARCH QUESTION**

### **13.1 Research question**

1. What is the role of brand equity on sales performance of Pepsi cola soft drink in Addis Ababa?
2. To what extent brand awareness influence sales performance of Pepsi Cola brand in Addis Ababa?
3. How does brand perceived quality influence sales performance of Pepsi Cola brand in Addis Ababa?
4. To what extent brand association influence sales performance of Pepsi Cola brand in Addis Ababa?
5. How does Moha practices brand management of Pepsi Cola brand?

## **1.4 Objectives of the Study**

### **1.4.1. General Objective of the Study**

To assess the role of brand equity on sales performance of Pepsi cola brand in Addis Ababa.

### **1.4.2. Specific Objectives of the Study**

1. To determine the extent of brand awareness on sales performance of Pepsi Cola brand in Addis Ababa.
2. To ascertain the extent of brand perceived quality's influence on sales performance of Pepsi Cola brand in Addis Ababa.
3. To assess the extent of brand association's influence on sales performance of Pepsi Cola brand in Addis Ababa.
4. To identify Moha's brand management practices of Pepsi Cola brand.

## **1.5 Research Hypothesis**

H1: Brand Awareness attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A.

H 2: Brand Perceived Quality attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A.

H3: Brand Association attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A.

H4: Brand Loyalty attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A.

### **1.6 Significance of the Study**

The findings of this study help Moha soft Drinks Industry to solve the declining market share of Pepsi Cola brand. It also help other organizations on how to manage and sustain brand equity for organizations success. Besides, the finding of the study add knowledge on the existing brand equity. Moreover, It might serve as a stepping stone for other researchers to undertake further study. Finally, it enhances the research skill & knowledge of the researcher.

### **1.7 Scope of the Study**

This research investigated the role of brand equity on sales performance of Pepsi cola soft drink in Addis Ababa. Conceptually the study was focus on CBBE dimensions brand awareness, brand perceived quality, brand association and brand loyalty. Methodologically, the study was applied explanatory and descriptive research designs where quantitative and qualitative research approach had employed. Geographically, among 8 plants of Moha soft drinks industry the study was conducted at Techlemainot plant in Addis Ababa.

### **1.8 Limitation of the Study**

There are different limitations while preparing this study. The major one is time limitation. The time allocated to conduct this research and insufficient budget allocated for the study was the major limitations . The outbreak of Covid 19 was also other big challenge on the study while collecting data through questionnaire and conducting interview too.

## 1.9 Delimitation

The study will concentrate on brand equity, brand image and brand management areas of Moha Soft Drinks S.C. It will be conducted on Teklehaimanot plant of Moha Soft Drinks S.C. giving special consideration to brand equity dimensions brand awareness, brand perceived quality, brand association and brand loyalty. the major unit of analysis was customers of Moha soft drink industry S.C.

## 1.10 Organization of the Research

This study is organized into five chapters. The First chapter includes a general introduction of the study including background of the study, Statement of the problem, Research questions, Objectives of the study, Significance of the study, Scope and limitation of the study, organization of the study and Definition of key Terms. Chapter Two covered theoretical framework, empirical review and conceptual framework of the topic under the study. Chapter Three deal with research design and methodology: the type and design of the study. It included research method sampling technique, data collection method, validity and reliability, method of data analysis and ethical issues that will be used in the study. Chapter Four deal with data presentation, analysis and discussion. Chapter Five deals with summary, conclusion and recommendation of the study.

## 1.11 Definitions of Key Terms

**Brand** is a name, term, sign, symbol, or design, or a combination of them intended to identify the goods or services of one seller from among a group of sellers and to differentiate them from those of the competitors (Pekka 1999).

**Brand Equity** explains why different outcomes result from the marketing of a branded product or service than if it were not branded (Keller, 2013, p. 57).

**Customer-Based Brand Equity (CBBE)** is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand in which brand knowledge is conceptualized, based on an associative network memory model in terms of two components, brand awareness and brand image (Keller, 2003, p. 60). Brand Associations are linked sufficiently strongly to the brand will depend on how the marketing program and other factors affect customers' brand experiences (Keller, 2003, p. 71).

**Brand Loyalty** provides predictability and security of demand for the firm and creates barriers of entry that make it difficult for other firms to enter the market. Although manufacturing processes and product designs may be easily duplicated, lasting impressions in the minds of individuals and organizations from years of marketing activity and product experience may not be so easily reproduced (Keller, 2004, p. 35).

**Perceived Quality** is usually at the heart of what customers are buying and is often used to differentiate or position brands against others. It is also an important brand asset as, among all brand associations, only perceived quality has been shown to drive financial performance through the price premium that consumers are prepared to pay (Klopper, 2011, p. 38).

**Brand Awareness** according to Keller (2003, p. 67), brand awareness consists of two sub-dimensions: brand recall and recognition.

**Brand recognition** is related to picking out a brand whenever some sort of cue is provided whereas recall is done when there is no cue present. Positive Customer Based Brand Equity can lead to greater revenue, lower cost, and higher profit; it has direct implications for the firm's ability to command higher price, a customer's willingness to seek out new distribution channels, the effectiveness of marketing communications and the success of brand extensions and licensing opportunities Keller (2004, p. 104 ).

# **CHAPTER TWO**

## **THEORETICA, EMPEIRICAL AND CONCEPTUAL**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter provides an insight to the readers about theoretical framework, empirical review and conceptual framework of the topic under the study. In line with the objectives of the study, this chapter covered topics related to branding concept, brand equity perspectives, brand equity, customer based brand equity, dimensions of brand equity, prominent models of CBBE and relationships of brand equity and customer equity for the topic under study.

#### **2.2 Brand management**

The process of brand management covers four steps that contribute to a firms brand performance (Kotler& Keller, 2009). These steps cover the whole process of brand management, instead of only building a strong brand. Firms that have knowledge and implement brand management create high brand equity. The following brand management steps are to be discussed in this chapter: (1) developing brand positioning, (2) integrating marketing, (3) assessing brand performance, (4) growing and strategically sustaining the brand (Kotler& Keller, 2009; Keller & Lehman, 2006). Furthermore, the relation between market orientation and brand orientation is discussed.

##### **2.2.1 Developing brand positioning**

Brand positioning is based on associations that customers make (Kotler& Keller, 2009). Brand associations are defined as anything that is linked in memory to a brand (Aaker, 1991). That is; all brand-related feelings, thoughts, experiences, images, and perceptions. The information that we recall about the brand depends on the strength and way that we organize these associations (Kotler& Keller, 2009). Consumers may already have beliefs about brands (Bruner &Hensel,

1996). Marketeers need to define the knowledge structure that they want to have in the customer's mind (Keller, 1993). They have to investigate the overall evaluation of a brand (i.e. brand attitude), which is based on attributes and associated benefits (Wilkie, 1986; Mitchell & Olson, 1981; Keller, 1993). If brand associations are well elaborated, customers perceive the brand in their mind as preferable. Customers are looking for something unique that best fits their needs, which gives firms a chance to create a competitive advantage (Aaker, 1996; Keller & Lehman, 2006; Kotler & Keller, 2009; Keller et al., 2002).

From companies perspective, brands are built on the products itself (Keller & Lehman, 2006). Knowledge about firm's resources and segmentation, targeting, and positioning (i.e. STP) is crucial for the brand's positioning strategy (Srivastava, Fahey, & Christensen, 2001; Park, Jaworski, & MacInnis, 1986). Examples of resources are skills, finance, production experience, and interpersonal relations. Brands are marketing specific resources (Barney, 1991; Srivastava, Fahey, & Christensen, 2001). When brands are effectively coordinated with other resources in the firm, brand management is a core capability (Doyle, 2001; Yang, 2010). A resource can lead to competitive advantage when using STP (Hunt & Morgan, 1995a; 1995b). Choosing the right market position insulates the brand from competition on the market and it provides keys to create a clear and consistent image of the brand (Park, Jaworski, & MacInnis, 1986). Elaborating the positioning strategy causes significance of the brand (Urde, 1999). Despite the importance, there is little branding literature on how resources transform through managerial guidance (Delgado-Ballester & Munuera-Alemán, 2005; Srivastava, Fahey, & Christensen, 2001).

In conclusion, brand positioning covers both a firm's and consumer's perspective. Firms need to integrate brand positioning within the core of their company. Associations that customers make about the brand contribute in developing a clear brand position. Key associations that are most important are brand intangibles, personality, relationship, reputation, and corporate branding (Keller & Lehman, 2006).

### **2.2.1.1 Intangibles**

A product has tangible (e.g. price, colour, size) and intangible attributes (e.g. perceived quality, service, safety) (Keller & Lehman, 2006; Brady & Bourdeau, 2005). Tangible attributes are physical and more easily to evaluate prior to purchase, rather than the intangible ones (Mitchell

&Greathorex, 1993; Zeithaml&Bitner, 2000). Intangible attributes are more risky for consumers because intangibles cannot be evaluated prior to purchase (Srinivasan& Till, 2002; Zeithaml, 1981). However, brands can reduce this risk perception for consumers. Consumers memorize and identify branded products through experiencing intangibles (Srinivasan& Till, 2002; Erdem&Swait, 1998). The intangibles that consumers experience are experience and credence attributes. Experience attributes (e.g. reliability and quality) are evaluated after purchase or during use (Brady & Bourdeau, 2005; Nelson, 1970). Credence attributes (e.g. safety and healthiness) are difficult to verify even after use of the product (Darby & Karni, 1973) one has to believe in the product. For example, customers that consume the same branded product over and over are likely to give a positive evaluation on quality or safety (i.e. intangible attributes). A positive evaluation of the product reduces the risk (Srinivasan& Till, 2002). Customers memorize the branded product and it gains trust due to positive evaluation of intangibles (Srinivasan& Till, 2002; Erdem&Swait, 1998).

### **2.2.1.2 Personality**

Brands can refer to a set of human personality traits that lead to buying behavior. This is called brand personality (Kotler& Keller, 2009; Azoulay&Kapferer, 2003; Aaker, J., 1997). Brand personality gives symbolic meaning to brands and tend to serve the self-expressive function (Keller, 1993). Moreover, customers like to associate themselves with a brand that represents certain human characteristics that match their own ones (Kotler& Keller, 2009). Jennifer Aaker (1997) identifies five dimensions of brand personality, which are sincerity, excitement, competence, sophistication, ruggedness. The use of brand personality increases preference and usage (Sirgy, 1982), raise customer emotions (Biel, 1993) and more importantly; increases trust and loyalty towards the brand (Fournier, 1994; Sung & Kim, 2010).

The level of importance for brand personality contradicts in business to business markets. Keller (2003) argues that brand personality is less important for B2B brands compared to consumer brands. This is in line with findings from Chernatony& McDonald (1998) that emotionally influenced decision-making is rare in industrial markets. Consequently, most literature in brand personality focuses on consumer markets (Kuhn, Alpert, & Pope, 2008; Grohmann, 2009). Though, recent years it appears that brand personality gets more attention in B2B markets. Brand personality in business to business markets focuses on company level, and not on the individual

employees (Persson, 2010). Brand personality creates a premium price. This is especially the case when relationships, customer loyalty, and trust are important consequences of brand personality. Brand personality is important for selecting a channel partner by developing emotional connections and relationships (Campbell et al., 2010). Especially in industrial markets, a recent study shows that brand personality is an important instrument for brand management (Herbst&Merz, 2011). This suggests that entrepreneurs may use brand personality in brand management.

### **2.2.1.3 Relationship**

Brand relationship is the way that consumers relate to brands as if these brands are human beings (Aggarwal, 2004). Brand relationship is an extension of brand personality (Blackston, 1992). When brands are personified, consumers have a bond with the brand instead of only perceiving the brand as personality (Kapferer, 2012; Blackston, 1993). Consumer brand relationship focuses more on service brands and a combination of product and services (Aggarwal, 2004). In addition, personal connection and commitment with the product are more likely in consumer brand relationship (Fournier, 1998). In a business to business context, customer brand relationship seems to be more appropriate than consumer brand relationship. This is because in B2B markets there is no self-commitment with the brand. For example, consumers are more self-committed when consuming branded flower bouquets than buyers that purchase these bouquets in B2B markets. The brand relationship for buyers is based on personal and functional connections regarding the brand. Furthermore, companies have interpersonal relations and fewer customers in B2B compared to the B2C markets (Naudé et al., 2007; Esch et al., 2006).

Although it is known that customer brand relationship is a core component of customer brand loyalty (Fournier et al., 1998; Fullerton, 2003; Morgan & Hunt, 1999; Sirdeshmukh et al., 2002), little research is provided in this domain of customer brand relationship (Huber et al., 2010; Hess & Story, 2005). Hess & Story (2005) and Esch et al. (2006) argue that customer brand relationship is difficult to define because constructs relate to personal relationships in marketing literature. As described in the nineties by Arnold (1992)and McKenna (1990), customer brand relationship builds a special relationship between the customer and company or product, expressed through the brand. Especially brand relationships in B2B markets is complex (Ford et al., 2006; Hakansson, 1982). Decision making has been developed within the domain of



emotional aspects; based on firm's trust, prestige, friendship, security and social needs (Elsbach& Barr, 1999). These emotional aspects are important when buyers lack knowledge, motivation, and interest (Desai &Mahajan, 1998). Thus, customer brand relationship plays an essential role for decisions making in B2B markets.

#### **2.2.1.4 Corporate branding and reputation**

Corporate branding is creating and maintaining a favorable reputation of the company by sending signals towards stakeholders using the corporate brand (Riel, 2001). Corporate brands communicate the identity of a firm, as well as through the products they sell (Kay, 2006; Aaker, 2004). They can span the entire company and clearly communicates customer's expectations (Balmer, 2012; Argenti&Druckenmiller, 2004). Corporate brands enhance overall reputation; particularly in business to business markets. Argenti&Druckenmiller (2004) define reputation as a collective representation of constituencies' images of a company. This representation builds on consistency over time about identity, performance and how these constituencies perceive the firms behaviour (Herbig&Milewicz, 1993; Argenti&Druckenmiller, 2004). The impact of corporate brands on reputation is the greatest in high competitive markets where products look alike and cannot be seen (Argenti&Druckenmiller, 2004).

In marketing, there is a shift from product brands to corporate brands (Chernatony, 1999; Aaker&Joachinsthaler, 2000; Hatch & Schultz, 2003). According to Mitchell (1997) we have moved from the industrial to the information age. Intangibles (e.g. ideas and knowledge) are more important than tangible assets. Product brands are only customer oriented while corporate brands have multiple stakeholders like suppliers, employees and local communities (Balmer, 2001; Chernatony, 2002; Hatch & Schultz, 2003). Product brand associations are only related to the product itself and performance focuses on the product (Brown &Dacin, 1997; Balmer, 2001). Balmer& Gray (2003) argue that product brand values tend to be established by skills in marketing and advertising creatives. In contrast, corporate brand are well-grounded in the entire firm and it communicates a firm's identity (Balmer& Gray, 2003). So, where product brands enhance product reputation; corporate brands reach overall reputation of the firm (Xie& Boggs, 2006). Thus, corporate branding is more important in building loyalty among stakeholders and communicating a promise that is consigned by all levels of a firm (Balmer, 2001; Balmer& Gray, 2003).

## **2.2.2 Integrating marketing**

Marketing activities offer product information and show how, why, when, by whom, and where products are used (Keller, 2000). A brand uses the full range of marketing activities that helps to build brand equity and brand positioning (Keller & Lehman, 2006; Keller, 2000; Keller, 2003; Yoo, Donthu, & Lee, 2000; Keller, 2001; Hoeffler & Keller, 2003). Marketing activities that make use of brands have interaction effects among themselves. For example, product packaging relates to price perception that together enhances brand equity (Keller & Lehman, 2006). Thus, integrating marketing is about mixing and matching marketing activities to gain maximum effect; individually and collectively (Iacobucci & Calder, 2003). Three important parts of integrating marketing are brand elements, integration of marketing communication, and brand community (Keller & Lehman, 2006).

### **2.2.2.1 Brand elements**

Brand elements are trademark able instruments that offer differentiation and identification among brands. Examples of brand elements are brand name, logo, slogan, packaging, color, and design. Brand elements are easy to recall, especially when consumers do not have much information to make a purchase decision (Kotler & Keller, 2009). Keller (2003) uses six main criteria that a firm needs to consider in choosing elements to build brand equity. The first three are (1) memorability, (2) meaningfulness, and (3) aesthetic appeal. Consumers may perceive the element as likable, which is meant by aesthetic appeal (i.e. verbally, visually or in other ways) (Kotler & Keller, 2009). These first three criteria are building the brand. The last three criteria are (4) transferability, (5) adaptability, and (6) protective. These last three criteria are important for growing and sustaining the brand. Transferability refers to ability that brand elements can be transferred to different market segments, product categories and boundaries of cultural and geographical aspects. Furthermore, adaptable refers to the extent that elements can be updated to match environmental changes. These last three criteria are important when firms face external opportunities (e.g. brand extension) or threats (e.g. price competition). Thus, brand elements criterion provides clues to build, protect, and extent brands (Kotler & Keller, 2009).

A brand name helps consumers to understand what makes the brand so special (Kotler & Keller, 2009). The importance of a brand name is so large that visual elements of the product belong to

the background and the brand name catches most attention (Osselaer& Alba, 2000; Kristensen, Gabrielsen, & Zaichkowsky, 2012). Formulating a brand name depends on choosing a market segment and targeting product categories (Laforet, 2011). Creating a brand name requires trade-offs. On the one hand, firms lack flexibility when the brand name is too specific and creates inherent meaning. Firms with inherent brand names have trouble with adding different meaning and updating their positioning (Doyle & Bottomley, 2006; Keller, Heckler, & Houston, 1998; Frankel, 2005). Then, the brand name has low levels of adaptability and transferability. On the other hand, a brand name may lose its focus to their core customers. For example, coffee brand Nestlé introduces their corporate brand into the cereal breakfast market. A cause is that the firm grows rapidly. So, the brand name needs a clear sense of meaning (Laforet, 2011). Thus, developing a brand name is a well thought task in finding a balance between inherent and clear sense of meaning.

Brand logo and packaging design are next to brand name essential brand elements. A brand logo provides two main benefits. The first one is that logos give important meaning to identify a goal by symbols that are recognized and perceived. The second benefit is that it provides information about the corporate culture of a firm (Keller, 2003). However, little academic research covers consumer impacts of brand logos (Keller & Lehman, 2006; Schmitt & Simonson, 1997; Garber Jr, Burke, & Jones, 2000).

Packaging design has received more attention recent years (Keller & Lehman, 2006; Schmitt & Simonson, 1997; Garber Jr, Burke, & Jones, 2000). A study by Reimann et al. (2010) found that consumers are willing to pay more when the package has a strong likable appeal. In this case, consumers rather choose unknown than known brands (Reimann et al., 2010). Especially for food products, creating attention with packaging increases the probability to purchase (Garber, 1995; Garber et al., 2000). Moreover, consumers think that packages with attractive shapes have more value, compared to the once with standard packaging (Folkes&Matta, 2004). Sometimes the package provides a product picture that serves information. They only have high positive impact with products that have high levels of experiential benefits. In terms of experiential benefits, customers need to experience the product first before they can evaluate the product. For example, a picture helps with chocolate products. Chocolate is a product with values that are related to the process of consuming and enjoying the product. A picture on the package does not

help for plastic sandwich bags because it has low levels of experiential benefits (Underwood, Klein, & Burke, 2001). Thus, the effectiveness of brand packaging depends on experiential levels of the product.

#### **2.2.2.2 Integrated Marketing Communication**

Integrated Marketing Communication (i.e. IMC) is coordinating promotional elements and other marketing activities that communicate with customers (Fawcett, 1993). IMC leads to stronger message consistency and creates loyal relationships with consumers. It affects brand equity and provides more sales (Madhavaram, Badrinarayanan, & McDonald, 2005; Reid, Luxton, & Mavondo, 2005; Keller, 2009). Promotional elements in IMC refer to public relations, Word of Mouth, direct and interactive marketing, and so on (Nandan, 2005). Marketing communication should be collectively coordinated in how it communicates a uniform brand messages (Wells, Burnett, & Moriarty, 2000; Payne & Holt, 2001; Schultz & Schultz, 2004).

Communicating the brand is a complex process that involves customer's and company's perspective (Duncan & Moriarty, 1998; Nandan, 2005). Customers can perceive confusing messages and companies may ignore stakeholders (Duncan & Moriarty, 1998). It is important to strengthen brand communication through linking brand identity with brand image (Nandan, 2005). Brand image refers to information that is linked to a brand in customer memory (Keller, 1993). Brand identity originates from the company in how it seeks to identify itself (Marguiles, 1977). Examples of components that formulate the brand identity are positioning, personality, relationships and firm's vision. The connection between brand image and brand identity is crucial for building strong brand loyalty (Nandan, 2005). For example, when the brand positioning strategy of a firm is perceived similarly to customers' need, then the firm is likely to build brand loyalty. When the linkage between both concepts is there, the firm needs to manage IMC by speaking the brand message in one voice to reduce errors (Wells et al., 2000; Payne & Holt, 2001).

#### **2.2.2.3 Brand community**

A brand community is defined as 'a specialized, non-geographically bound community, which is based on a set of social relations among the admirers of the brand' (Muniz Jr & O'guinn, 2001). IMC can be improved by a brand community. Consequently, a brand community builds customer

loyalty (Ballantyne& Aitken, 2007; McAlexander, Schouten, & Koenig, 2002). Brand communities are customer centric and inhere in customer experience about the brand. Taken into account these shared experiences can strengthen the brand community (McAlexander et al., 2002). The use of customer's input within the community can deliver opportunities to improve brand communication and relationships (Muniz Jr&O'guinn, 2001; Jang et al., 2008). Thus, brand communities enhance value creation between and among customers and firms (Schau, Muniz Jr, &Arnould, 2009).

Brand communities provide premium prices in business to business markets (Persson, 2010). Within the B2B context, customers can be identified as members of a brand community. Customer may become brand admirers when the interest goes beyond searching product information about functional aspect (Andersen, 2005). Two brand community elements provide a premium price (Bondesson, 2012). The first one relates to social and economical benefits that communities offer (Andersen, 2005). The second dimension involves the psychological ties of belonging between members in the community (Carlson, 2008). These elements contribute to understand the brand image and strength of the brand (Bondesson, 2012). So, brand community is a potential source of brand image. A firm should develop and nurture a brand community in B2B markets (Persson, 2010).

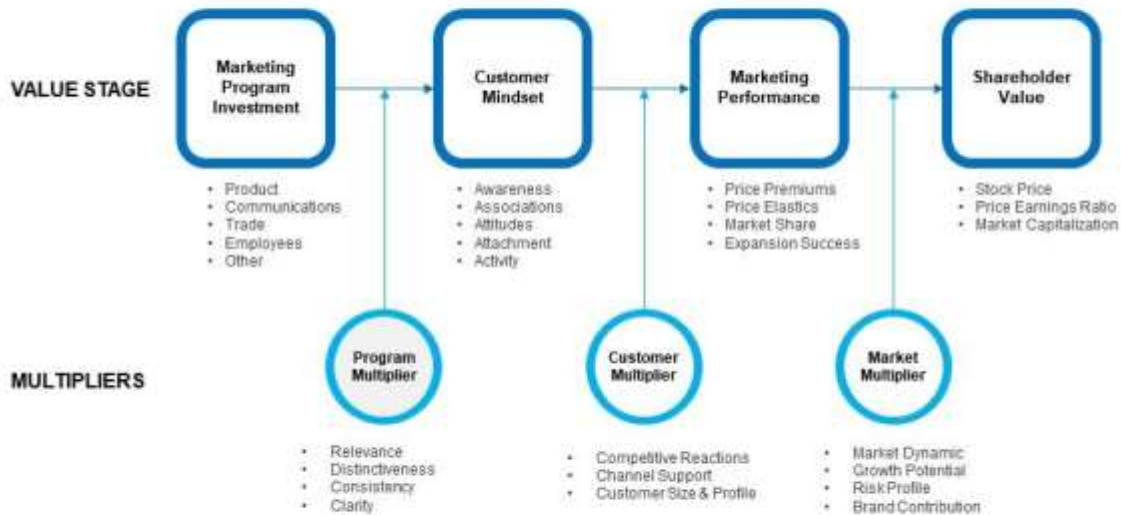
### **2.2.3 Assessing brand performance**

Firms should incorporate brand performance measures that are established by brand equity research (Baldauf, Cravens, & Binder, 2003; Aaker, 1996). As mentioned in the introduction, brand equity is 'a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm's customers' (Aaker, 1991). Brand equity also involves measurement information about issues related to intangibles (Baldauf et al., 2003; Wood, 2000). Brand equity can be expressed in different ways (Feldwick, 1996). Accountants value brand equity as total value of a brand when it is sold or included on the balance sheet (i.e. brand value). For example, the brand value of Coca Cola is estimated on 77.839 Million dollars in 2012 (Interbrand, 2012). Marketers see brand equity as associations and beliefs that customers have about the brand (i.e. brand image) and measure of strength customers attach to the brand (i.e. brand loyalty) (Feldwick, 1996;

Wood, 2000). Overall, if the firm has knowledge about its brand equity, it allows developing successful brand management (Aaker, 1996).

Assessing brand performance raises confusion about how it is conceptualized and measured in relation to brand equity (Wood, 2000; Vazquez, Del Rio, & Iglesias, 2002). Figure 1 provides schematic overview to make this concept clear. The model starts with firm's perspective in how it seeks to identify the brand (i.e. brand identity) (Marguiles, 1977; Wood, 2000). Examples of components that are covered by brand identity are brand vision, positioning, personality, relationships (Harris & Chernatony, 2001; Chernatony, 1999). The way that a firm develops its brand identity depends on how knowledgeable firms are about branding (Keller, 2003). Then, the customer perceives the brand with information that is linked in their memory (i.e. brand image) (Keller, 1993). Customers may have a favorable response and strong commitment towards the brand (i.e. brand loyalty) (Day, 1969; Jacoby & Chestnut, 1978). These three terms (i.e. brand identity/image/loyalty) are covered in Keller's (2003) customer-based brand equity (Keller, 2001). The outcome of customer-based brand equity is brand value (Wood, 2000; Keller, 1993).

## Brand Value Chain Model with Multipliers



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**Figure 1: Brand value Chain Model with Multipliers**

Brand performance is not totally covered by brand equity research (Baldauf et al., 2003). Brand performance is the relative price and market share that firms gain compared to other (un)branded products (Chaudhuri & Holbrook, 2001; Aaker, 1991; 1996; Agarwal & Rao, 1996; Ailawadi, Lehmann, & Neslin, 2003; O'Cass & Ngo, 2007). Brand performance is seen from a broader perspective that pays attention to competition, pricing and expenses (Baldauf et al., 2003; Ehrenberg, Uncles, & Goodhardt, 2004; Ailawadi, Lehman, & Neslin, 2003). Tactical decision making plays a crucial role in how to deal with market conditions that contribute to brand performance (Baldauf et al., 2003). For example, firms could reduce their budget for branding because of price competition, or invest in branding. Thus, firm's response on market conditions is taken into account when assessing brand performance measure.

### 2.2.3.1 Customer-based brand equity

The definition that Keller (1993) used for customer-based brand equity (i.e. CBBE) is ‘the differential effect of brand knowledge on consumer response to the marketing of the brand’. As proposed by Aaker (1991; 1996) and Keller (1993), brand equity measures four dimensions; brand loyalty, brand awareness, perceived quality, and brand associations. Positive customer-based brand equity provides a more favorable reaction to elements of the marketing mix for the brand, than when it is attributed to an unnamed or fictitious named product or service (Keller, 1993). In figure 1, brand value is the outcome of CBBE (Wood, 2000). The CBBE-concept could easily be extended to other constituencies (e.g. customers, buyers, partners, suppliers etc.) (Raggio& Leone, 2007).

Measuring and understanding CBBE is essential for successful brand management (Keller, 1993; Washburn & Plank, 2002). It enables a firm to critically evaluate the marketing program. CBBE provides feedback about product performance because brand equity is seen from customer’s perspective. Furthermore, solutions can be made for advertising and positioning problems (Lassar, Mittal, & Sharma, 1995). After Keller’s CBBE measurement, other researchers enrich the measurement of CBBE. Pappu et al. (2005) incorporate the dimension of brand personality to Keller’s measurement. Netemeyer et al. (2004) found antecedents (i.e. perceived quality, perceived cost value and brand uniqueness) for willingness to pay a premium price.

According to research from recent years, CBBE also focuses on the business to business context (Kuhn et al., 2008; Biedenbach, 2012). The four brand equity measures by Aaker (1991; 1996) and Keller (1993) have an impact on each other and on the overall formation of brand equity in both B2B and B2C markets (Aaker, 1996; Biedenbach, 2012). Importantly, human elements that represent a firm play a role in the B2B brand equity model (Kuhn, Alpert, & Pope, 2008). This finding relates to Pappu et al. (2005) about incorporating brand personality in B2C markets. In B2B markets, buyers pay more attention to staff and brand credibility (i.e. trustworthiness and expertise) (Kuhn et al., 2008; Erdem&Swait, 1998; 2004). Hence, measuring CBBE for corporate brands is more appropriate than for individual product brands. Corporate brands receive greater awareness than individual brands, which suggests corporate brand names need to receive major attention (Kuhn et al., 2008). Thus, the four dimensions of CBBE are appropriate for both markets and especially applicable for corporate branding in B2B contexts.



## **2.2.4 Growing and strategically sustaining the brand**

Brand equity needs to be retained by growing and sustaining the brand overtime (Chernatony, 2001). Growing the brand in the right direction depends on product and market development (Chernatony, 2001; Keller & Lehman, 2006). Marketers find this direction in new offerings and ways to market the brand. If brands fail to move forward, market leadership will diminish or disappear (Kotler& Keller, 2009). Therefore, brand extension and new product branding are important topics to grow the brand (Keller & Lehman, 2006).

The brand manager needs to make strategic decisions to manage the brand overtime (Keller & Lehman, 2006). It requires trade-offs between activities that reinforce the brand and its meaning (e.g. new product improvement or creative ad campaigns). If consumers fail to perceive the message that a firm had in mind, it reduces awareness and weakens brand image (Kotler& Keller, 2009). Sustaining the brand requires more insight in the design of brand architecture and effects of co-branding / brand alliance (Keller & Lehman, 2006).

### **2.2.4.1 Brand extension**

Brand extension is defined as ‘use of established brand names to enter new product categories or classes’ (Keller &Aaker, 1992). It is heavily been researched as one of the most influential areas in marketing (Czellar, 2003). Firms are likely to introduce new products under their strong brand name (Kotler& Keller, 2009). Kotler and Keller (2009) provide two main advantages of brand extension. The first one is that it facilitates new product acceptance and the second one is that it provides positive feedback to both the parent brand and firm. Furthermore, a study by DelVecchio and Smith (2005) concludes that firms could get a premium price for their extended brand through the ability of a known brand. This is because brand extension reduces perceived risk that customers experience in their purchase decision (DelVecchio& Smith, 2005). So, extensions reduce the risk in setting up positive expectation through parent brands (Milewicz&Herbig, 1994; DelVecchio&Smith, 2005).

Customer’s evaluation of brand extension depends on three criteria (Aaker& Keller, 1990). The parent brand and new extension need to fit based on customer perception (Aaker& Keller, 1990; Klink & Smith, 2001; Osselaer& Alba, 2003). Bottomley and Holden (2001) conclude that perceived quality of the original brand significantly drives brand extension success. Besides

taken into account cultural differences, the parent brand and extension also need to interact with each other. Moreover, extension's attributes need to be consistent with the parent brand beliefs (e.g. communicating the same quality level through both the parent brand as extension) (Loken& John, 1993).

It is possible to use different positioning strategies for brand extensions (Aaker& Keller, 1990). Still, this is risky because customers are likely to perceive more negative attitudes toward brand extension. Usually the brand category reduces fit between the extended and original brand (Sheinin, 1998). However, undesirable associations can be neutralized by elaborating on brand extension attributes rather than using the original brand (Aaker& Keller, 1990). Keller and Aaker (1992) found that only high quality core brands provide favorable extension evaluations. This is the case when introducing extensions in different product categories (Keller &Aaker, 1992). Thus, brand extensions that have high quality consistency across diverse product categories can broaden their opportunities in the brand extension domain (Keller &Aaker, 1992; Dacin& Smith, 1994).

### **Brand architecture**

Brand architecture organizes the brand portfolio that specifies brand roles and the nature of relationship between brands (Aaker&Joachimsthaler, 2000). Managing the structure of brand extension is complex because of external factors (e.g. market fragmentation, channel dynamics, changing business environments) (Aaker&Joachimsthaler, 2000). Brand managers deal with decisions whether to choose multiple brands, sub-brands, line extensions or vertical extensions (Keller & Lehman, 2006). It is a challenge to make all brands fit within the team.

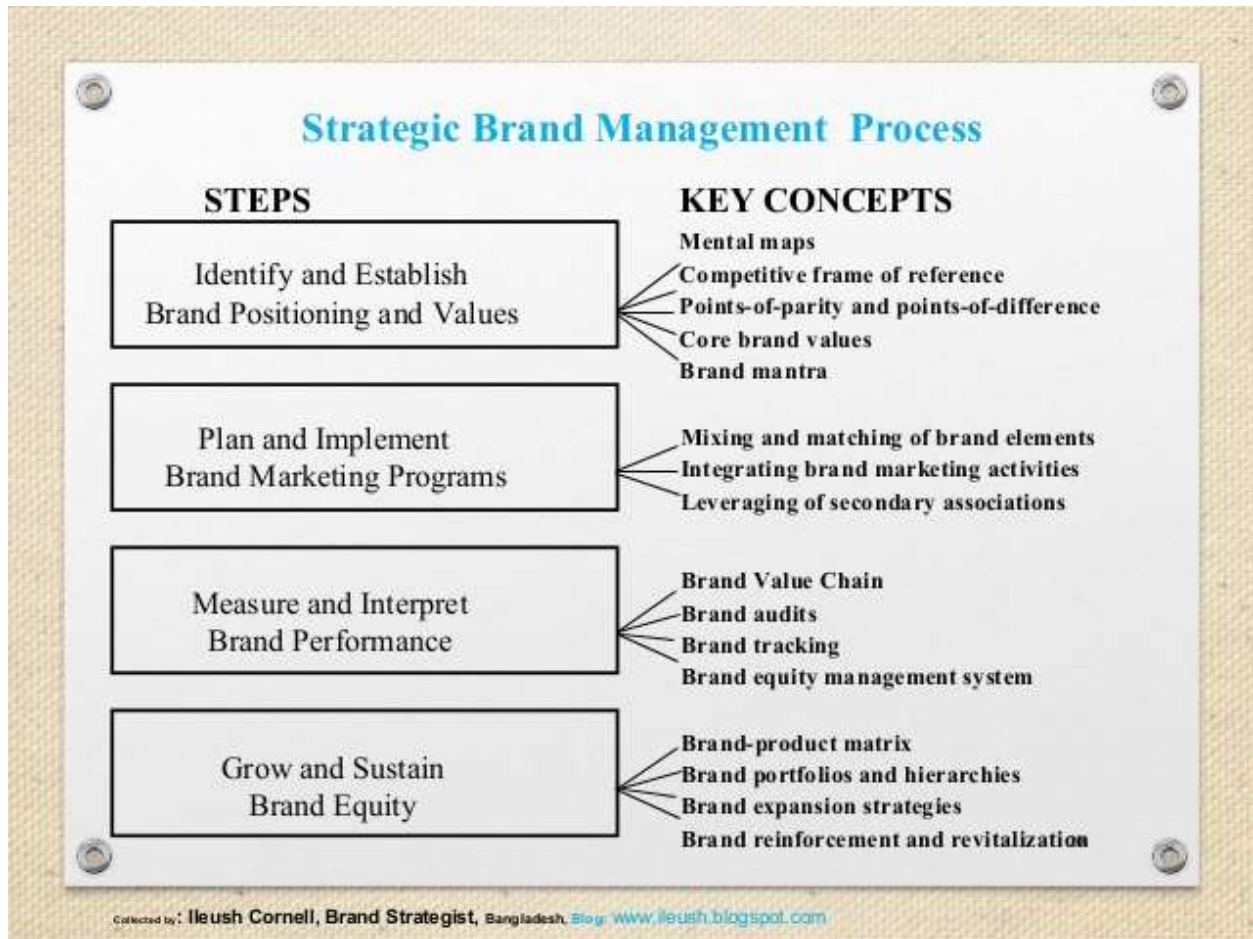
The 'branded house' and 'house of brands' are two extremes of brand architecture (Aaker&Joachimsthaler, 2000). A branded house uses a single master brand (i.e. corporate brand) that spans a set of offerings. Examples of master brands are IBM, Heinz, Coca Cola. The set of offerings operates with sub-brands. Sub-brands are connected to a master brand and provide associations of the master brand. When firms operate in more contexts, the master brand creates leverage and is more likely to be chosen by consumers. The house of brands involves a set of independent stand-alone brands (i.e. product brands). Examples of product brands are Windows, Xbox, Optimel, Avalanche, Red Naomi. The product brand is in between the

consumer and the firm. In this case, consumers perceive little connection between the product brands and the firm. Consequently, it allows firms to position brands more clearly on functional benefits and dominate niche segments (Aaker&Joachimsthaler, 2000). Thus, both ways of organizing the brand architecture have their own pros and cons.

It is important to know how to build a strong corporate brand image by enhancing the product brand image. The ‘holistic corporate brand’ fits most closely to the branded house, which is both a consumer as corporate brand (Muzellec& Lambkin, 2009; Aaker&Joachimsthaler, 2000). Muzellec and Lambkin (2009) found that these brands need a certain degree of consistency between the brand image of the product itself and the brand image and identity of the corporate brand. Successful corporate brands achieve high levels of coherence and consistency when brand image is similarly perceived by stakeholders (Hatch & Schultz, 2002; Urde, 2003). The ‘trade name’ corresponds to the house of brands with independent product brands. To make it more complex, corporate branding can provide a visual identity to a trade name (Muzellec& Lambkin, 2009). Corporate brands as trade names (e.g. Unilever) communicate values that define the organization (Ind, 1998a; Muzellec& Lambkin, 2009). Although these brands stand alone, symbols in the trade name can be associated with firms values (Ind, 1998a; Urde, 1999; 2003). Compared to holistic corporate brands, the definition of corporate trade names may not fully coincide building brand image (Chernatony, 2002; Balmer&Greyser, 2003; Fombrun& Riel, 2004).

### **2.3 Measuring practices of brand management according to Keller (2000)**

The Brand Report Card (BRC) consists of ten Brand Management Points that measure firm’s practices of brand management (Keller, 2000). The BRC does not only focus on building strong brands; it also consolidates key practices of brand management overtime (Berthon, Ewing, & Napoli, 2008). Keller (2000) describes the BRC as guideline for managers to think about how to grade their brand’s performance for each of the BMP. It helps to identify strength and weaknesses of the brand in certain areas. However, it does not mean that managers need to give more attention certain weak BMPs. The ten dimensions that Keller (2000) uses are traits that world’s strongest brands share. Figure 2 represents an overview of Keller’s (2000) Brand Management Points.



**Figure 2:Kellers Brand Management Processes**

Berthon et al. (2008) tested Keller’s (2000) ten Brand Management Points on Small and Medium sized enterprises. Micro, small and medium-sized enterprises (i.e. SMEs) are defined as ‘enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro’ (European Commission, 2005). Berthon et al. (2008) found significant differences along 7 out of 10 BMPs that separate high performing from low performing SMEs. High performing firms implement these BMPs to a significantly greater extent than low performing firms do. BMP3, BMP4, and BMP10 (see figure 2) were found to be not significant for separating high and low performing firms. Berthon’s et al. (2008) study was the first and last quantitative research study on SMEs brand management.

## 2.4 Market Orientation and Brand Orientation

Firms that manage brands need to be market oriented. This is because firms need to respond to market demand. Market orientation positively influences organizational performance and brand performance (Kohli&Jaworski, 1990; O'Cass& Ngo, 2007). Market orientation is defined as “the organization-wide generation of marketintelligence, dissemination of the intelligence across departments and the organization-wide responsiveness to it” (Kohli&Jaworski, 1990). Responsiveness relates to the extent that firms adapt to expressed customer needs and market structures (Verhees&Meulenberg, 2004). Furthermore, firms need to be brand oriented to achieve high brand performance. Urde (1999) defines brand orientation as “an organizational process that involves the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands”. Research in brand orientation and market orientation overlap, however, there are some perspectives between both concepts that are adversative (O'Cass& Ngo, 2007). Market orientation is a more short term perspective to satisfy the needs and wants of customers and branding has a more long term perspective (Urde, 1999). Customer preferences may change overtime and then the stable position of the brand is being questioned. Always being agreeable or avoiding these hard decisions does not contribute in building a strong brand identity. A firm needs to find a balance between both situations to sustain the brand in the long run. However, a recent study by Tuominen et al. (2009) shows that customer orientation as part of market orientation is major important for brand orientation. Both being market oriented as brand oriented are necessary to increase brand performance (Urde, 1999).

## 2.5 Empirical Review

This part has comprised prior researches that were conducted related with branding and Customer Based Brand Equity (CBBE) of different products with application of Aaker's CBBE Model; some of the studies mentioned as follows:

Vukasovič (2014) conducted a study on measuring CBBE in HE aiming to establish the key elements of brand equity for international students by exploring existing brand equity theory in its applicability to international higher education (HE). The empirical setting of the study was Slovenia, a country in Europe. The main objective of the research was to enhance academic understanding of brand equity in the he sector and explore the implications for management practice. The findings of the research provided evidence that the customer-based brand equity model can be applied to the he context as an element of competitive advantage and used to guide

AmandeepKaur and Dr. Garima Malik (2015) studied a research entitled "A Study of Consumers' Preferences in Choosing International Apparel Brand in Delhi" investigating factors affecting consumer preference towards International Brand Apparel. The study used descriptive analysis for frequency and percentage to examine the profile of the respondents. Independent sample t-test, one way Anova, Test of Pearson moment correlation, Two way Anova, Multiple Linear Regression. The study concluded Advertisement is strongest predictor towards international brand preference quality is also considered as one of the strong impact on consumer preferences towards international branded apparel.

Yi Zhang (2015), reviewed a literature entitled "The Impact of Brand Image on Consumer Behavior" argued that the concept "brand image" has drawn significant attention from academics and practitioners since it was put forward, because it played an important role in marketing activities. Although brand image was recognized as the driving force of brand asset and brand performance, few studies have elaborated on the relationship between brand image and brand equity. Based on the brand image theories, this study reviewed existing studies about the impact of brand image on consumer from perspective of customer equity. It also presented the short comings of current research and pointed out the trends for future study.

AmdemichaelAsaminew (2014) conducted a study entitled “assessment of brand preference of international vs. local mobile phone brands (the case of Addis Ababa university school of commerce students). The study aims to fill the lack of publication on brand preference of university students particularly in Addis Ababa. The researcher used one way ANOVA analysis and independent sample t-test. The conclusion of the research outlines that students of Addis Ababa University School of Commerce are influenced by Brand association and Brand perceived quality have shown a significant positive effect on their brand preference of international mobile brands over the local ones rather than consumer attribute dimensions like new technology applications, product attributes and price.

KassahunHailesilassie (2014) conducted a study entitled “determinants of beer brand preference the case of Addis Ababa beer market”. The major theoretical gap to fill by conducting the study was identifying determinant of beer brand preference, which actually fill the understanding gap on determinants of brand preference to all breweries in Ethiopia. The study was analyzed through descriptive statistic along with exploratory factor analysis and multiple regressions. The study concluded the finding in perception of beer consumer regarding the brand quality is important factor in shaping preference. Also price and normative influence are insignificant predictors of consumer beer brand preference.

Mohammed Seid (2015) conducted a study in “the impact of branding on consumer buying decision behavior of local leather footwear products”. The researcher aimed on manufacturers and distributors of local footwear products understand the impacts of branding on the consumer buying decision behaviors of local leather footwear products. The study used descriptive and inferential statistics methods. The research was concluded on brand name and brand logo has significant impact on consumer buying decision behavior.

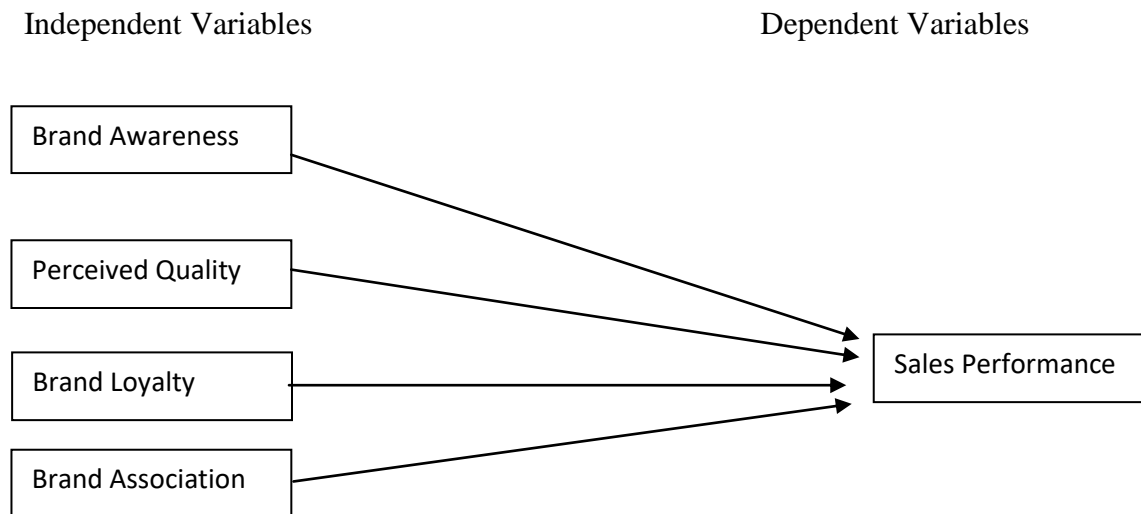
Metshet Araya (2014) conducted a study entitled “an assessment of brand preference in relation to product attribute and business buyers’ behavior: a case of heavy truck tyre in Addis Ababa”. The major aim of the study was to identify the relationship of brand preference with product attribute or else business buyers’ behavior in Addis Ababa market. The researcher used descriptive analysis and chi-square test to analyze the data collected. The conclusion of the study

indicated that the brands are highly monetary valued and has high performance in the market due to the prefer ability by the consumer in regard with the product attribute.

NuredinNegashAwel (2015) conducted a study entitled “the effect of brand equity upon customers’ service choices: the case of Dashen Bank S.C. in Addis Ababa”. The researcher believes that the study gave important insight to the managers or policy makers on the part of the bank about the effect of brand equity upon customers’ service choices. The study was analyzed through descriptive statistics. The study concluded that to satisfy and affect customers’ service choices, every organization have strong brand equity and deliver value upon which consumers can rely to be consistent over long period of time.

Aberra Adie (2015) conducted a thesis entitled “factors affecting consumers brand preference of dairy products in Addis Ababa outlet shops”. The study was done due to the fact to inform how to design and update marketing and branding of dairy products. The study used descriptive analysis method to analyze the quantitative data gathered in the outlets. The researcher concluded the study brand attributes (product price, quality, taste and brand familiarity), advertisement and sales promotion affect consumers brand preference on dairy products in Addis Ababa.

## 2.6 Conceptual Framework



Source: Aaker (1991; 1996) and Keller (1993)

Figure 3: Conceptual Frame work



# **CHAPTER THREE**

## **RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

In this chapter research approach, research design, sampling design, data collection method, research instrument, data analysis method, validity and reliability as well as ethical issues will be addressed briefly.

### **3.2 Research Approach**

A research approach as defined by Kothari (2004) is “the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.” Research approach is the conceptual structures with in which research is collected; it constitutes the blue print for the collection, measurement and analysis of data (Setltiz 1966). A research approach helps to decide upon issues like what, where, how much, by what means, etc., with regard to an enquiry or a research study. Thus, research approach provides an outline of what the research is going to do in terms of farming the hypothesis its operational implications and the final data analysis.

There are different ways followed in approaching a research problem. According to Creswell (2009), there are three research designs namely; quantitative, qualitative and combination of the two (mixed methods). The term “mixed methods” refers to an growing methodology of research that advances the systematic integration, or “mixing,” of quantitative and qualitative data within a single investigation or sustained program of inquiry. The basic premise of this methodology is that such integration permits a more complete and synergistic utilization of data than do separate quantitative and qualitative data collection and analysis. The researcher used mixed methods research approach in order to get answers for both research questions and the problem statement.

### 3.3 Research Design

According to Kothari(2009) research design constitutes the blue print for the collection, measurement and analysis of data. Research design is the arrangement of conditions for collecting and analyzing data in a manner that plan at combining relevance to the research purpose with economy in procedure (Kothari 2009). Orodho (2003) defined research design as the scheme, outline or plan that is used to generate answer to research problems. Explanatory research is known as a causal research design seeks to establish relationship between variable. Creswell (2005) asserts that explanatory research design can be used to predict an outcome such as distribution performance of manufacturing firms. Explanatory research is highly structured, confirmatory oriented and fairly conclusive with managerially actionable result.

Descriptive research aims to accurately and systematically describe a population, situation or phenomenon. It can answer what, where, when and how questions, but not why questions. A descriptive research design can use a wide variety of research methods to investigate one or more variables (Google 2019). On the other hand, explanatory research, aims at establishing the cause and effect relationship between variables. Explanatory research is mostly used within areas where extensive research has already been done (Saunders et al. 2003). Explanatory research is highly structured, confirmatory oriented and fairly conclusive with managerially actionable result.

Accordingly, the researcher employed both descriptive and explanatory research design with which to describe and explain the brand equity dimensions and the relationship between brand equity and overall sales performance. Moreover, clearly examine Moha's brand management practices of Pepsi Cola brand.

### 3.4 Population and Sampling Technique

#### 3.4.1 Population of the study

Target population is defined as the entire aggregation of respondent that meet the designated set of criteria (Kothari 2009). The target population of the research comprised two sides Moha's staff and their customers. On the Moha side the Marketing director at top management level and Sales & Marketing manager at plant level selected for interview while on the customers side distributors, hotels, cafeterias and retail shops were selected to collect data through questionnaire.

**Table 1: Constitute of the target population**

| <b>Segments</b>             | <b>Number of staff</b> | <b>Remark</b> |
|-----------------------------|------------------------|---------------|
| Marketing director          | 1                      | Staff         |
| Sales and Marketing manager | 1                      | Staff         |
| Distributors                | 9                      | Customer      |
| Hotels                      | 521                    | Customer      |
| Cafeteria                   | 1000                   | Customer      |
| Shops                       | 3000                   | Customer      |
| Total                       | 4532                   |               |

Source: Moha soft drink industry S.C Sales department (2019)

### 3.4.2 Sampling Technique

Sampling is the procedure a researcher uses to gather people, places or things to study (Kothari 2009). It is a process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of characteristics found in the entire group (Kombo and Tromp 2006). Kothari (2009) defines sampling technique as the procedure the researcher would adopt in selecting items for the sample. In this study multi-stage sampling techniques was used. It is a method of employing mix of different sampling techniques depending the situations demands.

The Marketing Directors, Sales & marketing manager were selected through purposive sampling method because they are appropriate to choose as sampling unit since they have best knowledge about the branding activities of Moha Soft Drinks Industry S.C. The population was classified in to certain strata based on type of customer such as Depot, Hotel, Cafeterias and shops. Finally random sampling was applied to select the respondents on each stratum.

According to Cochran's (1977) formula the sample size is calculated as follows:

i) Cochran's formula for calculating sample size when the population is infinite:

Cochran (1977) developed a formula to calculate a representative sample for proportions as

$$n_0 = \frac{z^2 pq}{e^2} \quad \text{-----FORMULA 1}$$

Where,  $n_0$  is the sample size,  $z$  is the selected critical value of desired confidence level,  $p$  is the estimated proportion of an attribute that is present in the population,  $q = 1 - p$  and  $e$  is the desired level of accuracy.

Suppose the researcher want to calculate a sample size of a large population whose degree of variability is not known. Assuming the maximum variability, which is equal to 50% ( $p = 0.5$ ) and taking 95% confidence level with  $\pm 5\%$  accuracy, the calculation for required sample size will be as follows:

$$p = 0.5 \text{ and hence } q = 1 - 0.5 = 0.5; e = 0.05; z = 1.96 \text{ So,}$$

$$n_0 = \frac{(1.95)^2(0.5)(0.5)}{(0.05)^2} = 384.16 = 384$$

ii) Cochran's formula for calculating sample size when population size is finite:

Cochran pointed out that if the population is finite, then the sample size can be reduced slightly. This is due to the fact that a very large population provides proportionally more information than that of a smaller population. Cochran's propose a correction formula to calculate the final sample size in this case which is given below

$$n = \frac{n_0}{1 + \frac{(n_0 - 1)}{N}} \text{-----FORMULA 2}$$

Here,  $n_0$  is the sample size derived from formula 1 and  $N$  is the population size. Now, suppose the researcher wants to calculate the sample size for the population of the study where, population size is  $N = 4,531$ . According to the formula 1,. If  $n_0/N$  is negligible then  $n_0$  is a satisfactory approximation to the sample size. But in this case, the sample size (384) exceeds 5% of the population size (4,531). So, we need to use the correction formula to calculate the final sample size.

Here,  $N = 4,531$ ,  $n_0 = 384$  (determined by using formula 1)

$$n = \frac{384}{1 + \frac{(384 - 1)}{4,531}} = 354.0708 = 354$$

According to Cochran's (1977) formula the sample size is 354. To accomplish the research effectively the following respondents selected as sample size.

**Table 2: Sample size**

| <b>Sampling Unit</b>        | <b>Population</b> | <b>Sample Size</b> | <b>Percentage</b> |
|-----------------------------|-------------------|--------------------|-------------------|
| Marketing director          | 1                 | 1                  | 0.28              |
| Sales and Marketing manager | 1                 | 1                  | 0.28              |
| Depots                      | 9                 | 6                  | 1.69              |
| Hotels                      | 521               | 69                 | 19.49             |
| Cafeteria                   | 1000              | 77                 | 21.75             |
| Shops                       | 3000              | 200                | 56.50             |
| Total                       | 4531              | 354                | 100               |

### **3.3 Data Type and Sources**

Primary data was adopted in this research. Primary data are those which are collected for the first time that was collected by the researcher from the sample respondents.

### **3.4 Methods of Data Collection**

#### **3.4.1 Questionnaires**

Questionnaires constituted a set of questions which are prepared by the researcher in written form in order to collect required data. The study used close ended questions which responses restricted to small set of responses that generate precise answer to develop empirical study. In designing the questionnaire, a five point likert-type scale used in order to provide the extent of the respondents feelings or opinions on the brand management of factory. The respondents of the questionnaire were customers of the company which are owners or representatives of Hotels, Cafes, Shops and Pepsi cola product distributors.

### **3.4.2 Structured Interview**

Interviews was conducted in order to collect additional information mainly qualitative data which the questionnaires might not be able to capture and enable the researcher to collect sufficient data. According to Kothari (2004), interviews are suitable for intensive investigations. On the same line Wellman (2001) stated that interviews are very useful because highly specified data can be obtained in a very short span of time and is also useful in providing a general overview of people's thoughts. In this study structured interview was used for two Moha managers one Marketing director at head office and a Sales & Marketing Manager at plant level.

### **3.5 Data Analysis Methods**

The quantitative data will be checked for completeness and then be coded accurately. Analytical computer software (Statistical Package for Social Sciences- SPSS) will be used to analyze the results of the questionnaires. The questionnaire used to address the objectives of the study, research questions of the study. A correlation and regression analysis tool will be employed to show the impact of those independent variables on the dependent one. Correlation analysis will deemed appropriate because the correlation coefficient indicates strength and direction of relationship between the variables of the study.

### **3.6 Validity and Reliability**

#### **3.6.1 Validity**

Validity is the extent to which a measuring instrument on application, performs the function for which it was designed. Onunkwo (2002) defines validity as the degree to which the instrument measures the qualities, abilities, skills, traits, information, etc it was designed to measure. Among the types of validity (face, content, construct, predictive, criterion related, etc), content and construct validity test will be practical in this research. Because it ensures full investigation of various aspects of the study and adequate coverage of a good representation of each dimension of the study. The questionnaire therefore passed through the inspection of the researcher's advisor to ensure content validity, i.e. appropriateness of language usage, relevance to the subject matter, objective of the study and coverage of the content areas. The questionnaire were shared to the respondents to know their responses and they attended to it.

### **3.6.2 Reliability**

Reliability tells about stability of the results that is how accurately the study or measuring has been carried out. It refers to whether a measurement instrument is able to yield consistent results each time it was applied. It is also the property of measurement device that causes it yield similar outcomes for similar inputs. Cronbach's Alpha is a reliability coefficient that indicates how well the items in a set are positively related to one another (Shuttleworth 2015). To test the internal reliability, most researchers use Cronbach's alpha, which calculates the average of all split-half reliability coefficients. In this study, Alpha reliability used to measure internal consistency of the mean of the items at the time of administration of the questionnaire. The Cronbach's alpha for calculating whether or not the hypotheses should be accepted or rejected, the alpha value greater than 0.70 is reliable.

### **3.7 Ethical Considerations**

The participants in this study were approached with full consent and informed to respond for questionnaires with confidence and understanding the purpose of the thesis and the researcher firmly assured that he would keep the information confidential and the data would be used only for intended purpose. The participants also informed that they could have freedom to withdraw from participation at any time without any unfavorable consequences and they would not be harmed as a result of their participation or non-participation in the project, as a result the participation was completely volunteer.



# **CHAPTER FOUR**

## **DATA PRESENTATION, ANALYSIS AND**

### **DISCUSSION**

In this chapter the data collected from respondents were analyzed and interpreted using quantitative analysis which involves analysis of the demographical information of respondents and the descriptive and inferential statistics employed to test the hypothesis and to investigate the influence of the independent variables on the dependent variable. To analyze the collected data in line with the overall objective of the research undertaking, statistical procedures were carried out using SPSS version 25. Besides the data obtained through interview was also incorporated.

#### **4.1 Descriptive Statistics**

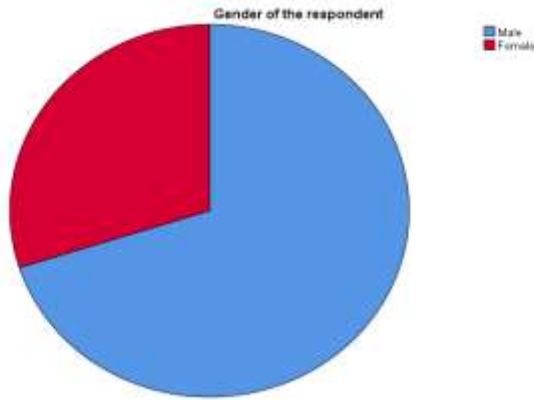
After distributing 354 questionnaires for customers, a total of 344 answered questionnaires were retrieved, which is 97% of the total distributed questionnaires. The remaining 5 (1.4%) questionnaires were not retrieved, and the rest 5 (5.7%) were found to be incomplete.

The questionnaire used for this study was made up of three sections. The first part is made up of general information questions aimed to capture information related to demographic characteristics of customers, the second part contained information about soft drink consumption of the respondents and the third part is comprised of questions aiming to address the basic research questions and has 22 indicator questions headed by five constructs, Brand awareness, Brand Perceived Quality, Brand Association and Brand Loyalty as independent variables and Overall Sales performance as the dependent variable.

##### **4.1.1 Demographic Analysis of Respondents**

In order to make the analysis more meaningful and interesting for the readers it is useful to present background information of respondents such as demographic data and Soft Drink consumption pattern of the respondents.

**Figure 4: Gender of the respondents**



Sources: Survey Result, SPSS (2021)

As indicated in figure 4.1 above the male respondents constituted the largest share of the gender composition representing 70.1% of the total respondents while 29.9% were female. This implies that males are mainly involved in the soft drink sales.

**Table 3.Age of the respondents**

|       |                           | Age of the respondents |         |               |                    |
|-------|---------------------------|------------------------|---------|---------------|--------------------|
|       |                           | Frequency              | Percent | Valid Percent | Cumulative Percent |
| Valid | <b>Less than 30 years</b> | 112                    | 32.6    | 32.6          | 32.6               |
|       | <b>Between 31-45</b>      | 174                    | 50.6    | 50.6          | 83.1               |
|       | <b>Between 46-60</b>      | 54                     | 15.7    | 15.7          | 98.8               |
|       | <b>Above 60</b>           | 4                      | 1.2     | 1.2           | 100.0              |
|       | <b>Total</b>              | 344                    | 100.0   | 100.0         |                    |

Sources: Survey Result, SPSS (2021)

The age groups were distributed shown 50.6% were from 31-45 age group, 32.6 % were from less than 30 years old,15.7% were from 46-60 years and the remaining 1.2% were above 60 age group. This implies that above 45 years age group were more health conscious and they prefer noncarbonated drinks.

**Table 4. Marital status of respondents**

|              |                | <b>Marital status</b> |                |                      |                           |
|--------------|----------------|-----------------------|----------------|----------------------|---------------------------|
|              |                | <b>Frequency</b>      | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
| <b>Valid</b> |                | 9                     | 2.6            | 2.6                  | 2.6                       |
|              | <b>Single</b>  | 134                   | 39.0           | 39.0                 | 41.6                      |
|              | <b>Married</b> | 201                   | 58.4           | 58.4                 | 100.0                     |
|              | <b>Total</b>   | 344                   | 100.0          | 100.0                |                           |

Sources: Survey Result, SPSS (2021)

Regarding the marital status of respondents 58.4% are married and 39% single. This implied that there are high market potential around single individuals.

**Table 5. Educational status of respondents**

|                       |                           | <b>Educational level</b> |                |                      |                           |
|-----------------------|---------------------------|--------------------------|----------------|----------------------|---------------------------|
|                       |                           | <b>Frequency</b>         | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
| <b>Valid</b>          | <b>Literate</b>           | 16                       | 4.7            | 4.8                  | 4.8                       |
|                       | <b>Primary Level</b>      | 16                       | 4.7            | 4.8                  | 9.6                       |
|                       | <b>High School</b>        | 67                       | 19.5           | 20.0                 | 29.6                      |
|                       | <b>Certificate</b>        | 51                       | 14.8           | 15.2                 | 44.8                      |
|                       | <b>Diploma</b>            | 92                       | 26.7           | 27.5                 | 72.2                      |
|                       | <b>Degree &amp; Above</b> | 93                       | 27.0           | 27.8                 | 100.0                     |
|                       | <b>Total</b>              | 335                      | 97.4           | 100.0                |                           |
| <b>Missing System</b> | 9                         | 2.6                      |                |                      |                           |
| <b>Total</b>          | 344                       | 100.0                    |                |                      |                           |

Sources: Survey Result, SPSS (2021)

Whereas educational status of respondents the above table shows 4.7% were literate, 4.7% were at primary school level, 19.5% were at high school level, 14.8% of the respondents were hold

certificate, 26.7% of the respondents were diploma holder and the remaining 27 % of the respondents have bachelor degree and above. This implies that educated peoples have high soft drink demand.

#### 4.1.2 Information about soft drink consumption of the respondents

**Table 6: Cola product consumption**

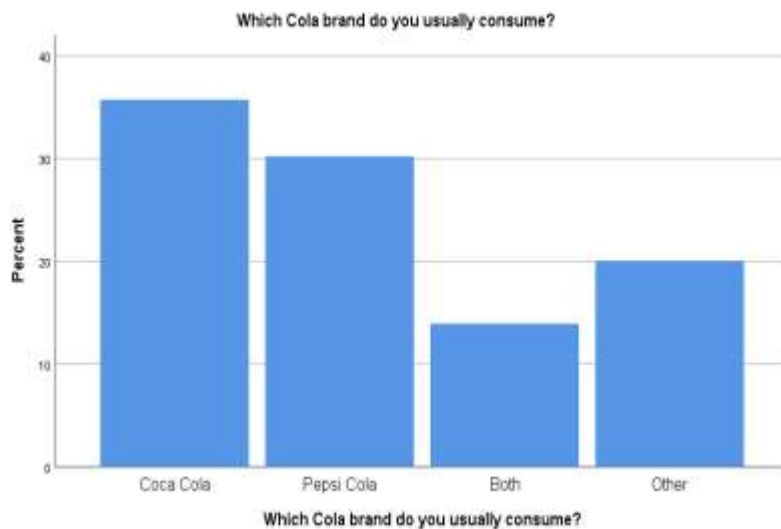
##### Do you regularly consume cola soft drinks?

|       |            | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|------------|-----------|---------|---------------|--------------------|
| Valid | Yes        | 216       | 62.8    | 62.8          | 62.8               |
|       | No         | 98        | 28.5    | 28.5          | 91.3               |
|       | Some times | 30        | 8.7     | 8.7           | 100.0              |
|       | Total      | 344       | 100.0   | 100.0         |                    |

Sources: Survey Result, SPSS (2021)

Regarding Soft drinks consumption habit of respondents the above table shows that 62.8% were consume soft drink, 28.5% were not use soft drink at all and the rest 8.7% were consume sometimes. This implies that there is about 37 % unexploited market so further market pulling activities should have to conducted.

**Figure 5: Type of Cola brand**



Sources: Survey Result, SPSS (2021)

Among those who consume soft drinks the above figure shows that 35.8 % of the respondents consume Coca Cola, 30.2 % of the respondents consume Pepsi Cola, 14% of them use both Coca and Pepsi brands and the rest 20.1% use other than the two brands.

**Table 7: Consumption rate**

**How do you rate your consumption level in bottle per day?**

|                |                                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------------------------------|-----------|---------|---------------|--------------------|
| <b>Valid</b>   | <b>One bottle</b>                 | 170       | 49.4    | 74.2          | 74.2               |
|                | <b>Two bottles</b>                | 51        | 14.8    | 22.3          | 96.5               |
|                | <b>Greater than Three bottles</b> | 6         | 1.7     | 2.6           | 99.1               |
|                | <b>One bottle occasionally</b>    | 2         | 0.6     | 0.9           | 100.0              |
|                | <b>Total</b>                      | 229       | 66.6    | 100.0         |                    |
| <b>Missing</b> | <b>System</b>                     | 115       | 33.4    |               |                    |
| <b>Total</b>   |                                   | 344       | 100.0   |               |                    |

Sources: Survey Result, SPSS (2021)

Table 7 shows that the consumption pattern of the respondents were 49.4% of the respondents consume a bottle per day, 14.8% consume two bottles a day, 1.7% take more than three bottle and above per day, 0.6% of the respondents a bottle occasionally and the rest 33.4% of the respondents unfortunately did not answer the question.

**Table 8: Purchase Quantity of the respondents**

**How do you rate your purchase quantity in cases per week?**

|                |                       | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------------------|-----------|---------|---------------|--------------------|
| <b>Valid</b>   | <b>1-5 Cases</b>      | 107       | 31.1    | 32.7          | 32.7               |
|                | <b>6-15 Cases</b>     | 117       | 34.0    | 35.8          | 68.5               |
|                | <b>16-30 Cases</b>    | 63        | 18.3    | 19.3          | 87.8               |
|                | <b>Above 30 Cases</b> | 40        | 11.6    | 12.2          | 100.0              |
|                | <b>Total</b>          | 327       | 95.1    | 100.0         |                    |
| <b>Missing</b> | <b>System</b>         | 17        | 4.9     |               |                    |
| <b>Total</b>   |                       | 344       | 100.0   |               |                    |

Sources: Survey Result, SPSS (2021)

Table 8 above shows the purchasing pattern of the Moha's customers for soft drinks. 34% of the respondents were purchase 6-16 cases per week, 31.1% were purchase 1-5 cases of soft drinks, 18.3% purchase 16-30 cases of soft drinks, 11.6 % were purchase above 30 cases per week and the rest 4.9% of the respondents were fail to answer the question.

**Table 9: Customer group**

**In which of the following category you are?**

|       |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | Agent | 6         | 1.7     | 1.7           | 1.7                |
|       | Hotel | 66        | 19.2    | 19.2          | 20.9               |
|       | Cafe  | 75        | 21.8    | 21.8          | 42.7               |
|       | Shop  | 190       | 55.2    | 55.2          | 98.0               |
|       | Staff | 7         | 2.0     | 2.0           | 100.0              |
|       | Total | 344       | 100.0   | 100.0         |                    |

Sources: Survey Result, SPSS (2021)

Regarding the customer type table 9 shows that 55.2% of the respondents were shops, 21.8% were cafes, 19.2% were hotels, 2% were Moha staffs and the rest 1.7 % were agents of Moha Soft Drinks Industry S.C.

**4.1.2 Test of Reliability and Validity**

The reliability test is an important instrument to measure the degree of consistency of an attribute which it is supposed to measure. As stated by Mahon and Yarcheski (2002), the less variation of the instrument produces in repeated measurements of an attribute, the higher its reliability. Reliability can be equated with the stability, consistency, or dependability of a measuring tool. Cronbach's alpha is one of the most commonly accepted measures of reliability. It measures the internal consistency of the items in a scale. It indicates that the extent to which the items in a questionnaire are related to each other. It also indicates that whether a scale is one-dimensional or multidimensional. The normal range of Cronbach's coefficient alpha value ranges between 0-1 and the higher values reflects a higher degree of internal consistency. Different authors accept different values of this test in order to achieve internal reliability, but the most commonly

accepted value is 0.70 as it should be equal to or higher than to reach internal reliability (Hair., 2003).

The variables were tested for reliability by using Cronbach's Coefficient Alpha and the overall reliability of the measurement constructs is found to be 0.825 which shows the measure has internal consistency.

**Table 10: Reliability Analysis of Variables**

**Reliability Statistics**

| <b>Variables</b>                 | <b>Cronbach's Alpha</b> | <b>N of Items</b> |
|----------------------------------|-------------------------|-------------------|
| <b>Brand Awareness</b>           | 0.888                   | 5                 |
| <b>Perceived Quality</b>         | 0.946                   | 5                 |
| <b>Brand Association</b>         | 0.835                   | 6                 |
| <b>Brand Loyalty</b>             | 0.735                   | 5                 |
| <b>Overall sales performance</b> | 0.825                   | 5                 |

Sources: Survey Result, SPSS (2021)

**4.1.3 Descriptive Statistics of Variables**

In this part descriptive statistics in the form of mean and standard deviation were presented to illustrate the level of agreement of the respondents. The main objective of the study is to identify influence of CBBE in sales performance, particularly in Pepsi brand at Moha's Soft Drinks Industry. To do so, Customers of Moha were asked to rate the level of agreement to each questions under the four attributes namely: Brand Awareness, Brand Perceived Quality, Brand Association and Brand Loyalty on a five point Likert scale with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree.

**Table 11: Descriptive Statistics of CBBE Dimensions**

| <b>Descriptive Statistics</b>    |          |             |                       |
|----------------------------------|----------|-------------|-----------------------|
|                                  | <b>N</b> | <b>Mean</b> | <b>Std. Deviation</b> |
| <b>Overall sales performance</b> | 344      | 4.3081      | 0.80330               |
| <b>Brand Awareness</b>           | 344      | 3.9756      | 0.90111               |
| <b>Perceived Quality</b>         | 344      | 4.2913      | 0.87754               |
| <b>Brand Association</b>         | 344      | 3.8974      | 0.96799               |
| <b>Brand Loyalty</b>             | 344      | 4.4390      | 0.53648               |
| <b>Valid N (listwise)</b>        | 344      |             |                       |

Sources: Survey Result, SPSS (2021)

As it can be seen from table 11 above, the mean score values of overall Sales Performance dimensions ranges between 3.89 (mean score value of Brand association) with standard deviation of 0.97 and 4.44 (mean score value of Brand Loyalty) with standard deviation of 0.54.

In order to identify the influence of CBBE in sales performance, particularly in Pepsi brand at Moha's Soft Drinks Industry S.C, a total of 22 questions were grouped into five dimensions, which were:- Brand Awareness, Brand Perceived Quality, Brand Association, Brand Loyalty and Overall brand influence on sales which is the dependent variable.

In order to compare the respondent's overall sales performance, descriptive statistics of mean and standard deviation were used. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. The higher the mean the more the respondents agree with the statement while the lower the mean the more the respondents disagree with the statement. In addition, standard deviation shows the variability of an observed response. Descriptive statistics of each dimension of overall brand influence on sales has been discussed one by one in the following section.

#### **4.1.3.1 Descriptive Statistics of Brand Awareness**

The mean scores have been computed for all the five sub constructs of Brand Awareness dimensions that are Pepsi Cola has good brand name, Pepsi's logo is attractive, Pepsi's bottle is attractive, Pepsi's color is attractive and Pepsi's slogan is attractive. The result is presented in Table 12 below.



**Table 12: Brand Awareness Descriptive Statistics**

**Descriptive Statistics**

|  | <b>N</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|--|----------|-------------|-----------------------|
| I know the logo or symbol of Pepsi                                       | 344      | 4.20        | 0.988                 |
| Some features of Pepsi Cola comes to my mind quickly                     | 342      | 3.70        | 1.148                 |
| I can recognize the brand Pepsi Cola quickly than other competing brands | 342      | 3.84        | 1.201                 |
| I am familiar with the Pepsi brand                                       | 342      | 4.02        | 1.041                 |
| I have no difficulty to image brand of Pepsi in my mind                  | 342      | 4.09        | 1.024                 |
| Valid N (listwise)   | 342      |             |                       |

Source: Survey Result, SPSS (2021)

As indicated in the above table the mean scores of brand awareness attributes for all the five items ranges from 3.70 to 4.20 which indicates that customers are well familiar with the symbol/logo Pepsi Cola known by the customer has got the highest mean score 4.20, whereas some features of Pepsi Cola comes on mind has got the least mean score value of 3.70. The overall mean score of brand awareness attributes was calculated to be 3.98.

**4.1.3.2 Descriptive Statistics of Perceived Quality**

The mean scores have been computed for all the five sub constructs of Perceived Quality dimensions that are, I trust the quality of Pepsi Cola brand, Pepsi Cola brand offer excellent taste, I think Pepsi Cola brand has a reputation of high quality brand, Pepsi Cola has good quality and Pepsi Cola brand is very. The result is presented in Table 13 below:

**Table 13: Perceived Quality Descriptive Statistics**

**Descriptive Statistics**

|   | <b>N</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|---|----------|-------------|-----------------------|
| I trust the quality of Pepsi Cola brand                         | 342      | 4.31        | 0.927                 |
| Pepsi Cola brand offer excellent taste                          | 342      | 4.28        | 0.988                 |
| I think Pepsi Cola brand has a reputation of high quality brand | 342      | 4.24        | 0.979                 |

|                             |     |      |       |
|-----------------------------|-----|------|-------|
| Pepsi Cola has good quality | 344 | 4.33 | 0.947 |
| Pepsi Cola brand is very    | 344 | 4.29 | 0.999 |
| Valid N (listwise)          | 342 |      |       |

Source: Survey Result, SPSS (2021)

As indicated in the above table, the mean scores of Perceived Quality for all the five items ranges from 4.24 to 4.33 which indicates that Pepsi Cola has good quality has got the highest mean score 4.33, whereas Pepsi Cola brand has a reputation of high quality brand has got the least mean score value of 4.24. The overall mean score Perceived Quality was calculated to be 4.29.

#### 4.1.3.3 Descriptive Statistics of brand association

The mean scores have been computed for the entire five sub constructs of brand association dimensions that are: Pepsi Cola has good memory recall, Pepsi Cola reminds me of special events, I like and trust Pepsi Company, Pepsi Cola brand has sensational feeling and Pepsi cola makes me feel very attached. The result is presented in Table 14 below.

**Table 14: Brand Association Descriptive Statistics**

| <b>Descriptive Statistics</b>                                     |          |             |                       |
|---|----------|-------------|-----------------------|
|   | <b>N</b> | <b>Mean</b> | <b>Std. Deviation</b> |
| Pepsi Cola has good memory recall                                 | 343      | 4.34        | 0.902                 |
| Pepsi Cola reminds me of special events                           | 342      | 3.63        | 1.222                 |
| I like and trust Pepsi Company                                    | 342      | 3.83        | 1.242                 |
| Pepsi Cola brand has sensational feeling                          | 344      | 4.02        | 1.810                 |
| Pepsi cola makes me feel very attached                            | 342      | 3.86        | 1.134                 |
| Compared to competing brands I admire people who drink Pepsi Cola | 342      | 3.72        | 1.369                 |
| Valid N (listwise)  | 339      |             |                       |

Source: Survey Result, SPSS (2021)

As indicated in the above table, the mean scores of brand association for all the five items ranges from 3.63 to 4.34 which indicates that Pepsi Cola has good memory recall has got the highest mean score 4.34; whereas Pepsi Cola reminds me of special events has got the least mean score value of 3.63. The overall mean score of brand association was calculated to be 3.90.

#### 4.1.3.4 Descriptive Statistics of Brand Loyalty

The mean scores have been computed for the entire five sub constructs of brand loyalty attribute dimensions that are: I consider myself to be loyal to Pepsi Cola brand, Pepsi Cola would be my first choice, I will keep on buying Pepsi Cola as long as its offering satisfies me, I am still willing to buy Pepsi Cola even if its price is a little higher than that of its competitor and I will not buy other brands where Pepsi Cola is available. The result is presented in Table 15 below.

**Table 15: Brand Loyalty Descriptive Statistics**

| <b>Descriptive Statistics</b>   |          |             |                       |
|---|----------|-------------|-----------------------|
|   | <b>N</b> | <b>Mean</b> | <b>Std. Deviation</b> |
| I consider myself to be loyal to Pepsi Cola brand   | 344      | 3.75        | 1.189                 |
| Pepsi Cola would be my first choice   | 344      | 3.76        | 1.238                 |
| I will keep on buying Pepsi Cola as long as its offering satisfies me                                 | 344      | 4.20        | 3.150                 |
| I am still willing to buy Pepsi Cola even if its price is a little higher than that of its competitor | 344      | 3.27        | 1.391                 |
| I will not buy other brands where Pepsi Cola is available   | 340      | 3.59        | 1.379                 |
| Valid N (listwise)  | 340      |             |                       |

Source: Survey Result, SPSS (2021)

As indicated in the above table, the mean scores of Brand Loyalty for all the five items ranges from 3.27 to 4.20 which indicates that as long as Pepsi Cola satisfies customers need they will keep on buying Pepsi has got the highest mean score 4.20, whereas I am still willing to buy Pepsi Cola even if its price is a little higher than that of its competitor has got the least mean score value of 3.27. The overall mean score of brand loyalty was calculated to be 4.44.

## 4.2 Inferential Statistics

### 4.2.1 Correlation Analysis

**Table 16: Correlation Matrix**

|                           |                     | <b>Correlations</b>       |                 |                   |                   |               |
|---------------------------|---------------------|---------------------------|-----------------|-------------------|-------------------|---------------|
|                           |                     | Overall sales performance | Brand Awareness | Perceived Quality | Brand Association | Brand Loyalty |
| Overall sales performance | Pearson Correlation | 1                         | .565**          | .561**            | .568**            | .513**        |
|                           | Sig. (2-tailed)     |                           | 0.000           | 0.000             | 0.000             | 0.002         |
|                           | N                   | 344                       | 344             | 344               | 344               | 344           |
| Brand Awareness           | Pearson Correlation | .565**                    | 1               | .563**            | .778**            | .168**        |
|                           | Sig. (2-tailed)     | 0.000                     |                 | 0.000             | 0.000             | 0.002         |
|                           | N                   | 344                       | 344             | 344               | 344               | 344           |
| Perceived Quality         | Pearson Correlation | .561**                    | .563**          | 1                 | .688**            | .275**        |
|                           | Sig. (2-tailed)     | 0.000                     | 0.000           |                   | 0.000             | 0.000         |
|                           | N                   | 344                       | 344             | 344               | 344               | 344           |
| Brand Association         | Pearson Correlation | .568**                    | .778**          | .688**            | 1                 | .210**        |
|                           | Sig. (2-tailed)     | 0.000                     | 0.000           | 0.000             |                   | 0.000         |
|                           | N                   | 344                       | 344             | 344               | 344               | 344           |
| Brand Loyalty             | Pearson Correlation | .513**                    | .168**          | .275**            | .210**            | 1             |
|                           | Sig. (2-tailed)     | 0.002                     | 0.002           | 0.000             | 0.000             |               |
|                           | N                   | 344                       | 344             | 344               | 344               | 344           |

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

Source: Survey Result, SPSS (2021)

To determine the existence and level of association, the researcher used bivariate correlation. Pearson correlation coefficient which falls between -1.0 and +1.0 and indicates the strength and direction of association between the two variables (Field, 2005). The Pearson's correlation coefficient (r) was used to conduct the correlation analysis to find the level and direction of the relationships between the dimensions of CBBE and overall sales performance. The classification

of the correlation coefficient ( $r$ ) is as follows: 0.1 – 0.29 is weak; 0.3 – 0.49 is moderate; and  $> 0.5$  is strong. The bivariate correlation of a two-tailed test confirms the presence of statistically significant difference at probability level  $p < 0.01$  i.e. assuming 99% confidence interval on statistical analysis.

The results of correlation analysis in the table 4.16 shows that three of the four independent variables were positively and strongly correlated with the dependent variable i.e. overall sales performance at 99 percent confidence level ( $P < 0.01$ ). The highest correlation is signified by brand association ( $r = 0.568$ ), followed by brand awareness ( $r = 0.565$ ), and perceived quality ( $r = 0.561$ ) while Brand loyalty attributes ( $r = 0.513$ ) is positively and strongly correlated with overall sales performance.

## **4.2.2 Test for Linear Regression Model Assumptions**

### **4.2.2.1 Normality Assumption**

Normality of a data should be tested before operating the regression analysis because multiple regressions require that the independent variables in the analysis be normally distributed. According to Brooks (2008), as cited by Abate (2012) if the residuals are normally distributed, the histogram should be bell-shaped and thus this study implemented graphical methods to test the normality of data. From the Histogram figure (see Appendix 3), it can be noted that the distribution is a normal curve, demonstrating that data witnesses to the normality assumption. Besides, the normal probability plots were also used to test the normality assumption as shown by the Normal P-P-Plot Figure as can be seen from Appendix 4.

As shown in the Figures from the Appendixes 3 and 4 residuals were normally distributed around its mean of zero which indicates that the data were normally distributed and it was consistent with a normal distribution assumption. As the figures confirmed the normality assumption of the data, this implies that the inferences made about the population parameters from the sample statistics tend to be valid.

The value of Skewness and Kurtosis and their respective standard errors were computed as follows. The values of Skewness and Kurtosis demonstrate the normality assumption has been met.

**Table 17:Skewness and Kurtosis measures**

| <b>Descriptive Statistics</b> |           |           |           |            |           |            |
|-------------------------------|-----------|-----------|-----------|------------|-----------|------------|
|                               | N         | Mean      | Skewness  |            | Kurtosis  |            |
|                               | Statistic | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Overall sales performance     | 344       | 4.3081    | -1.942    | 0.131      | 5.076     | 0.262      |
| Brand Awareness               | 344       | 3.9756    | -1.098    | 0.131      | 0.613     | 0.262      |
| Perceived Quality             | 344       | 4.2913    | -1.791    | 0.131      | 3.484     | 0.262      |
| Brand Association             | 344       | 3.8974    | -0.886    | 0.131      | 0.329     | 0.262      |
| Brand Loyalty                 | 344       | 4.4390    | -0.754    | 0.131      | 1.153     | 0.262      |
| Valid N (listwise)            | 344       |           |           |            |           |            |

Source: Survey Result, SPSS (2021)

#### **4.2.2.2 Multicollinearity Test Assumption**

Assumption one should check for the problem of multicollinearity which is present if there are high correlations between some of the independent variables. The study checks this with the Variance Inflation Factor (VIF) which calculates the influence of correlations among independent variables on the precision of regression estimates. The VIF factor should not exceed 10, and should ideally be close to one. Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variables in the model and is calculated using the formula  $1-R^2$  for each variable. If this value is very small (less than 0.10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity.

**Table 18: Multicollinearity Test**

**Coefficients<sup>a</sup>**

| Model             | Collinearity Statistics |       |
|-------------------|-------------------------|-------|
|                   | Tolerance               | VIF   |
| 1 (Constant)      |                         |       |
| Brand Awareness   | 0.394                   | 2.540 |
| Perceived Quality | 0.507                   | 1.973 |
| Brand Association | 0.303                   | 3.296 |
| Brand Loyalty     | 0.924                   | 1.083 |

a. Dependent Variable: Overall sales performance

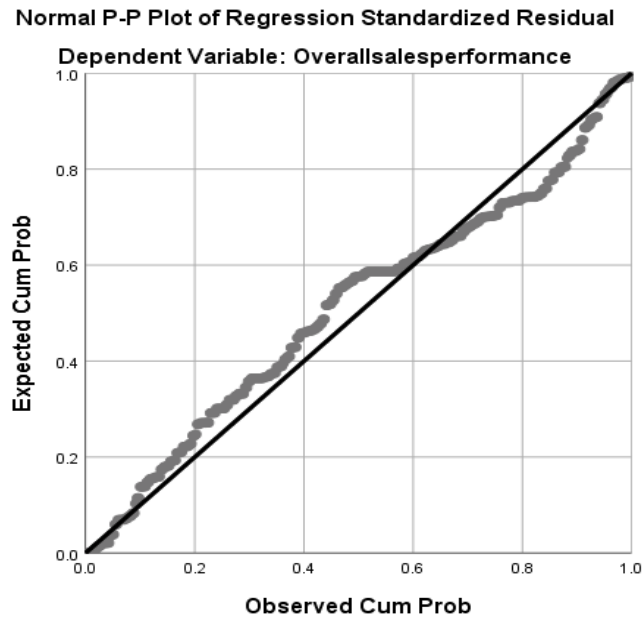
Source: Survey Result, SPSS (2021)

As can be seen from table 18 above, the tolerance level of all independent variables are greater than 0.1 and the VIF value of all the independent variables are also less than 10. This confirms the absence of multicollinearity.

**4.2.2.3 Linearity Test Assumption**

The other assumption is linearity. Multiple linear regression needs the relationship between the independent and dependent variables to be linear. It is also important to check for outliers since multiple linear regression is sensitive to outlier effects. Normal P P-Plot Figure as can be seen from Appendix 4 the distribution of the p-p plot follows a diagonal line across the plot. The residuals are normally distributed.

**Figure 6 : Normality Test**



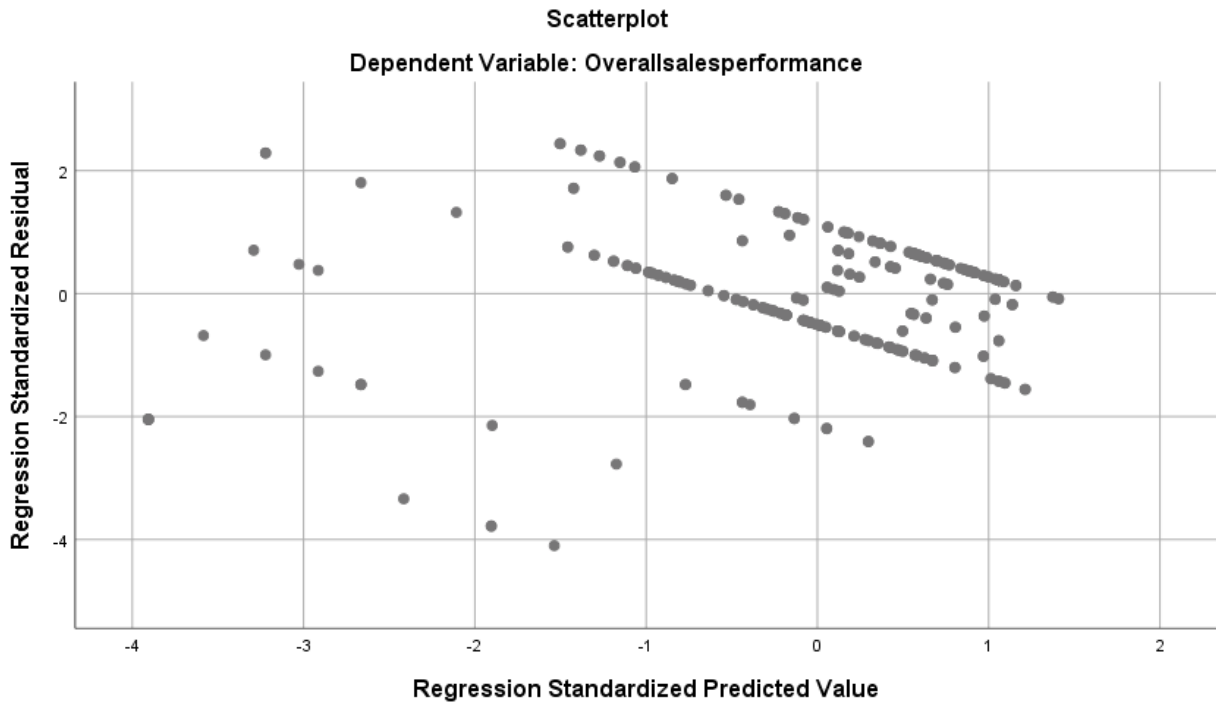
Source: Survey Result, SPSS (2021)

#### **4.2.2.4 Homoscedasticity Assumption**

Test the final assumption in multiple linear regression analysis is homoscedasticity. Which is the assumption that the variation in residuals are similar at each points of the model. The scatter plot is good way to check whether homoscedasticity (that is the error terms along the regression line are equal). In the scatter plot diagram the residuals should be equally distributed around 0. As can be seen from Appendix 5 the scatter plot diagram the residuals equally distributed around 0.



**Figure 7: Homoscedasticity Test**



Source: Survey Result, SPSS (2021)

### **4.3 Regression Analysis**

#### **4.3.1 Multiple Regressions of CBBE Dimensions on Overall Sales Performance**

The multiple regression analysis was conducted to investigate the influence of independent variable on the dependent variable and identify the relative significant influencer i.e., independent variable (Brand Awareness, Brand Perceived Quality, Brand Association and Brand Loyalty) to the dependent variable i.e. overall Sales Performance. The proposed hypotheses were tested using multiple regression analysis. The result of regression analysis of the independent variables on the dependent variable indicates existence of positive and statistically significant effect on overall Sales Performance. The model summary table shows an Adjusted R-Square value is 0.404 which means that 40.4% of the customer-based brand equity was explained by the

variation of the four CBBE dimensions. In other words, this means that 59.6% of the dependent variable i.e. overall Sales Performance cannot be explained by these four dimensions and that there must be other variables that have an influence on the outcome.

**Table 19: Model Summary**

**Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .641 <sup>a</sup> | 0.411    | 0.404             | 0.62014                    |

a. Predictors: (Constant), Brand Loyalty, Brand Awareness, Perceived Quality, Brand Association  
 b. Dependent Variable: Overall sales performance  
 Source: Survey Result, SPSS (2021)

**Table 20: Coefficient Matrix**

**Coefficients<sup>a</sup>**

| Model             | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.  |
|-------------------|-----------------------------|------------|---------------------------|-------|-------|
|                   | B                           | Std. Error | Beta                      |       |       |
| 1 (Constant)      | 1.620                       | 0.301      |                           | 5.379 | 0.000 |
| Brand Awareness   | 0.259                       | 0.059      | 0.291                     | 4.380 | 0.000 |
| Perceived Quality | 0.280                       | 0.054      | 0.306                     | 5.224 | 0.000 |
| Brand Association | 0.108                       | 0.063      | 0.130                     | 1.723 | 0.086 |
| Brand Loyalty     | 0.105                       | 0.065      | 0.125                     | 0.117 | 0.907 |

a. Dependent Variable: Overall sales performance  
 Source: Survey Result, SPSS (2021)

Table 20 presents the result of regression analysis which is based on the four independent variables (Brand Awareness, Brand Perceived Quality, Brand Association and Brand Loyalty). The independent variables that contribute to variance of the dependent variable are explained by the standardized Beta coefficient. The beta value on the coefficient table indicates level of effect each dimension has on the dependent variable which is overall sales performance.

The strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via standardized Beta coefficient. 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 roles in predicting the dependent variable.

The regression model of this study can now be properly written in an equation as follows:

$$Y \text{ (Overall Sales Performance)} = a \text{ (y intercept)} + (0.291) \text{ Brand Awareness} + (0.306) \text{ Brand Perceived Quality} + (0.130) \text{ Brand Association} + (0.005) \text{ Brand Loyalty} + \varepsilon \text{ (Error Term)}$$

$$SP = a + B1BA + B2BPQ + B3BASS + B4BL + \varepsilon \text{ (Error Term)}$$

$$SP = 1.62 + 0.291 BA + 0.306 BPQ + 0.130 BASS + 0.125 BL + \varepsilon \text{ (Error Term)}$$

**Where:**

**a:-** Constant

**SP:-** Sales Performance

**BA:-** Brand Awareness

**BPQ:-** Brand Perceived Quality

**BASS:-** Brand Association

**BL:-** Brand Loyalty

The regression model from table 20 above result shows that keeping other variables constant, a one unit increase in Brand Awareness will bring a 0.291 unit increase in the overall sales

performance of Pepsi in A.A, a one unit increase in Brand Perceived Quality will bring a 0.306 unit increase impact on overall sales performance of Pepsi in A.A, a unit increase of Brand Association will bring a 0.130 unit increase impact on overall sales performance of Pepsi in Addis Ababa and a one unit increase of Brand Loyalty will cause a 0.125 unit increase in overall sales performance of Pepsi in Addis Ababa.

#### 4.4 Hypothesis Testing and Interpretation of Results

**Table 21: Summary of findings**

| Hypothesis  | Result   | Reason                             |
|---|----------|------------------------------------|
| Ho: Brand Awareness attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A.         | Rejected | $\beta_1 = 0.291$ ,<br>$p > 0.05$  |
| Ho: Brand Perceived Quality attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A. | Rejected | $\beta_1 = 0.306$ ,<br>$p > 0.05$  |
| Ho: Brand Association attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A.       | Rejected | $\beta_1 = 0.1301$ ,<br>$p > 0.05$ |
| Ho: Brand Loyalty attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A.           | Rejected | $\beta_1 = 0.125$ ,<br>$p > 0.05$  |

H1: Brand Awareness attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A..

The result of multiple regression analysis of the table 4.21 indicates that sales performance of Pepsi brand in Addis Ababa, Brand Awareness attribute do not have significant influence on overall sales performance with p value of moderately  $> 0.05$ . Besides, the value of beta ( $\beta=0.338$ ) shows a strong impact on overall sales performance of Pepsi. This implies that a one percent increase in Brand Awareness attributes results in a 29.1 % increase in overall sales performance of Pepsi. Hence, the above proposed hypothesis is rejected. Of the brand awareness

attributes Pepsi Cola has good brand name, Pepsi's logo is attractive, Pepsi's bottle is attractive, Pepsi's color is attractive and Pepsi's slogan is attractive have more significant influence of sales of Pepsi Cola brand respectively.

H2: Brand Perceived Quality attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in Addis Ababa.

The result of multiple regression analysis of the table 4.21 indicates that sales performance of Pepsi brand in Addis Ababa, Brand Perceived Quality attribute do not have significant influence on overall sales performance with p value of moderately  $> 0.05$ . Besides, the value of beta ( $\beta=0.306$ ) shows a strong impact on overall sales performance of Pepsi. This implies that a one percent increase in Brand Perceived Quality attributes results in a 30.6% increase in overall sales performance of Pepsi. Hence, the above proposed hypothesis is rejected.

H3: Brand Association attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A.

The result of multiple regression analysis of the table 4.21 indicates that sales performance of Pepsi brand in Addis Ababa, Brand Association attribute do not have significant influence on overall sales performance of Pepsi with p value of moderately  $> 0.05$ . Besides, the value of beta ( $\beta=0.130$ ) shows a moderate impact on overall sales performance of Pepsi. This implies that a one percent increase in Brand Association attributes results in a 13 % increase in overall sales performance of Pepsi. Hence, the above proposed hypothesis is rejected.

H4: Brand Loyalty attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A.

The result of multiple regression analysis of the table 4.21 indicates that Brand Loyalty attributes do not have a positive and significant influence on overall sales performance of Pepsi brand in A.A with p value of moderately  $> 0.05$ . Besides, the value of beta ( $\beta=0.125$ ) shows a positive impact on overall sales performance of Pepsi in Addis Ababa was rejected. This implies that a one percent increase in Brand loyalty attributes results in a 12.5 % increase in overall sales performance of Pepsi. Hence, the above proposed hypothesis is rejected.

## **4.5 Discussion**

The purpose of this research is to measure the role of brand equity on sales performance of Pepsi cola soft drink in Addis Ababa based on the application of customer based brand equity model and a measurement scale proposed by Aaker (1996).

The findings of the study gave support for all Brand Equity dimensions (Brand Perceived Quality, Brand Association and Brand Loyalty) to have a positive and significant role on the overall sales performance of Pepsis Cola brands in Addis Ababa market. The role of brand perceived quality and brand association were the stronger among the brand equity dimensions in the determination of sales performance in the Addis.

The finding of this study was in line with other findings (Seifu 2016; Tewodros and Helina 2016), Abadi (2012) and Bezawit's (2014) had come to a conclusion that all the brand equity dimensions have positive influence brand equity. The study also further analyzed through the application of Pearsons coefficient of correlation and regression analysis, the test was focused on the dimensions of brand equity and how they determine the consumers' mind set towards building a customer based brand equity.

The adjusted R2 CBBE determinants can account for 40.4% of the customer-based brand equity was explained by the variation of the four CBBE dimensions in Addis Ababa city but 59.6% of the variation couldn't explained. The findings of the study gave support for all Brand Equity dimensions to have a positive and significant role on the overall sales performance of Pepsis Cola brands in Addis Ababa market.

## **4.6 Answers for Interview Questions**

The researcher made interview for Moha's Marketing Director and sales Manager at top management level in order to get replay for the third research questions. The structured interview

was contained 12 questions starting from general to specific questions to the research questions and the summary of their answers were presented below.

The interviewee replied that about the company's vision MOHA soft drinks Industry S.C was acquired from the Ethiopian Privatization Agency and established on May 15,1996 with the following vision, mission and core values.

Vision: MOHA's vision is to make each of our Pepsi products to be a drink of first choice among consumer and obtainable throughout the Ethiopian market. We intend to create superior value for our shareholders, our customers and our employees.

Mission: Our mission is to be the best beverage industry in the country we will continuously improve our responsiveness to the needs and concerns of our customers, employees, partners and communities in which we serve. This will be accomplished through the development of our employees, an emphasis on cost efficiency, market expansion and profitability. We will expand our marketing areas to both protect and improve our positions by placing emphasis on innovation and technological improvement to keep always ahead of competition.

Core Values: Customer satisfaction, enhancement of positive corporate identity and image, ensure employees empowerment, be committed to social responsibilities, sustainability of quality and excellence in what we do and build a winning team".

Regarding the types of brands that the company sell the interviewee said that Soft drinks such as Pepsi, Mirinda orange,7up,Mirinda tonic, Mirinda Apple and purified water products like:- Kool carbonated water, kool natural water and Tossa minch mineral water.

The interviewee replied that the sales of these brands in percentage are:-Pepsi 20%,mirinda orange 70%,mirinda apple 10%,7up 7%,tonic 3% and water products are very low in sales volume. The causes for the recent market share decline of Pepsi cola said the interviewee is that stiff competition of close substitute products and customers shift to water products.

The branding strategy of our company is to promote our brands to be known by all soft drinks users and to position our products in mind of customers as quality and preferable brand have said the interviewees.

The interviewees have replied the major features of Pepsi cola is best quality beverage, best taste and aroma for better satisfaction. Also replied the image of consumers regarding Pepsi Cola brand is be loved and preferred brand by our customers and also well recognized as corporate responsibility sharing.

Regarding how their company manage and build Pepsi cola brand has replied that "through improving taste and quality product continuously and promoting the brand to its target customers. Such as world championship events, and music events all over the world".

In relation to customers association of Pepsi cola brand to the company the interviewees have replied that "Customers association Moha and Pepsi brand with football games, the most donating company as corporate responsibility, quality product and customer service". In addition the interviewees said currently our customers are aware that Pepsi cola brand is very popular and well known in the nation".

To solve the problem market share decline of Pepsi cola brand the interviewees have suggested that increasing product supply through capacity expansions and improving delivery services.

Finally the interviewees have commented on the overall branding activities of the company is that "Over all branding activities are planned and done by Pepsi cola international as we are the market franchised partner. So branding activities are highly concerned and managed to the global communication standards".



# CHAPTER FIVE

## SUMMARY, CONCLUSIONS AND

### RECOMMENDATIONS

This chapter winds up the study undertaken so far by giving insights about summary, conclusions, recommendations and highlighting future research areas.

#### **5.1 Summary**

The purpose of this research is to measure the role of branding on sales performance of Pepsi cola soft drink in Addis Ababa based on the application of customer based brand equity model and a measurement scale proposed by Aaker (1996). In the introduction part of this study on the basis of theoretical background and previous empirical findings, determinants of CBBE were proposed and hypothesized to have a positive and significant influence on the research area. Accordingly, the relationships between multidimensional customer- based brand equity i.e. perceived quality, brand awareness, brand association, brand loyalty and overall sales performance was tested in Addis Ababa soft drinks market. The study also tried to identify which dimension of brand equity have the highest influence on the Overall sales performance among the four. In addition, it tried to answer how does Moha practices brand management of Pepsi Cola brand.

Explanatory and descriptive research designs and mixed method research approach were applied. The target population of this research comprised two senior managers and Moha's customers such as hotels, cafeteria, retail shops and distributors.

Interview was purposively conducted with a marketing director and a sales & marketing managements and stratified sampling technique was adopted to select sample from target customers. Out of 354 questionnaires distributed to respondents 344 questionnaires (97.18%) found complete and the collected data were analyzed and interpreted using quantitative analysis by using correlation and regression with the help of statistical package of social science (SPSS) version 25.

The study found out that males respondents were twice (70.1%) than females and majority (83.2%) of the respondent's age were less than 45 years old. Regarding the marital status married respondents (58.4%) were double than single one. In case of educational status of respondents very few (9.4%) were literate and at primary school level more than half (53.7%) of the respondents diploma, bachelor degree and above the remaining were minimum (14.8%) hold certificates. Regarding Soft drinks consumption habit above half of respondents (62.8%) were consume soft drink among those Coca Cola is first then Pepsi Cola and other brands last.

Cronbach's Alpha Coefficient shows that the overall reliability of the measurement constructs has internal consistency. The results of correlation analysis shows that three independent variables brand awareness, brand perceived quality, brand association and brand loyalty were positively and strongly correlated with the dependent variable i.e. overall sales performance This study explained the contribution of independent variables which are brand perceived quality, brand awareness, brand association and brand loyalty to variance of the sales performance by 0.306, 0.291, 0.13 and 0.125 respectively. The result of regression analysis of the independent variables indicates existence of positive and statistically significant effect on overall Sales Performance. The 40.5% of the customer-based brand equity was explained by the variation of the four CBBE dimensions.

The interviewee responded that the branding strategy of their company is to promote brands to be known by all soft drinks users and to position their products in mind of customers as quality and preferable brand have said the interviewees. Also the interviewees have replied that "Customers association Moha and Pepsi brand with foot ball games, the most donating company as corporate responsibility, quality product and customer service". In addition the interviewees said currently customers are aware that Pepsi cola brand is very popular and well known in the nation". Finally the interviewees have suggested that the market share decline of Pepsi cola brand can be solved through increasing product supply by building capacity expansions and improving delivery services.

## **5.2 conclusions**

This study presents the results of an analysis of the roles brand equity on sales performance in the context of Moha Soft Drinks Industry S.C. Brand equity was the outcome of long term

marketing efforts to build a sustainable, competitive advantage relative to competitors, any marketing programs will affect customer's brand knowledge. The following major conclusions were extracted from the finding of the study.

The entire research objectives of the study was attained. Four of brand equity variables have significant role on sales performance. Correlation matrix revealed that all coefficient of correlation independent variables were positive and strongly correlates with the dependent variable. The study also explained the extent of independent variables which are brand perceived quality, brand awareness, brand association and brand loyalty on sales performance were 0.306, 0.291, 0.13 and 0.125 respectively. Thus, the survey disclose that 40.5% of the sales performance was explained by the brand equity variables.

The research discover that over all branding activities of Pepsi Cola brand were designed and implemented by the parent company which is Pepsi Co. International at abroad. In general the branding activities are highly concerned and managed to the global communication standards.

## **5.2 Recommendations**

The asymmetric impact of various roles of brand equity provides guidance on how and where to focus on marketing efforts. Hence, based on the findings and conclusion drawn by the study the following recommendations are forwarded:

- ✓ The bottling soft drink industries should give priority for major CBBE attributes.
- ✓ CBBE can serve as competitive advantage to overcome competition.
- ✓ Soft drink bottling companies apply better brand equity management to enhance their sales performance.
- ✓ The company should have to conduct further research on other factors that can influence sales performances of Pepsi cola.
- ✓ Moha's marketing department should conduct further research on other factors that can influence sales performances of Pepsi cola brand.

Finally, managers should realize that brand equity plays a major role in influencing the sales performance especially in the soft drinks industry as it acts as a market developer. As a result,

focusing on developing and maintaining the roles of brand equity will help them in positioning their brand in the market and hence influencing the sales performance.

### **5.3 Directions for Future studies**

The study was conducted only on Tekelehaimnot Plant out of the eight plants throughout Ethiopia. However it would have been more fruitful if it considers all other plants. The study was conducted based on only four dimensions of brand equity if it considers other dimensions specially financial aspect it might have full picture of brand equity. Sales performance is affected by other variables than the variables under study (Brand awareness, Perceived quality, Brand association & Brand loyalty), therefore other variables which could affects sales performance of soft drinks is a potential area for further study.

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## **Appendices**



## Part II: Basic information on Soft Drinks Consumption

**Direction:** Please select an option by encircling the appropriate number against each question.

5. Do you regularly consume Soft Drinks?

1. Yes      2. No      3. Some times

6. If your answer for question No. 6 is 'Yes', Which Cola brand do you usually consume?

1. Coca Cola      2. Pepsi Cola      3. Both      4. Others

7. How do you rate your consumption level in bottle per day?

1. One bottle      2. Two bottles      3.  $\geq$  Three bottles      4. One bottle occasionally

8. How do you rate your purchase quantity in cases per week?

1. 1-5 cases      2. 6-15 cases      3. 16-30 cases      4. above 30 cases

## Part III: Customer-Based Brand Equity

**Direction:** Please rate the statements below designed to measure the level of agreement or disagreement in relation to dimensions of Customer-Based Brand Equity -Pepsi Cola brand. Select an option by encircling the appropriate number against each question. Where: 1- Strongly Disagree (SDA); 2- Disagree (D); 3- Neutral (N); 4- Agree; (A); 5- Strongly Agree (SA)

| I  | Brand Awareness  | SD<br>A | D | N | A | SA |
|----|--|---------|---|---|---|----|
| 1. | I know the logo or symbol of Pepsi                                       |         |   |   |   |    |
| 2. | Some features of Pepsi Cola come to my mind quickly                      |         |   |   |   |    |
| 3. | I can recognize the brand Pepsi Cola quickly than other competing brands |         |   |   |   |    |
| 4. | I am familiar with the Pepsi Cola brand                                  |         |   |   |   |    |
| 5. | I have no difficulty to imagine brand of Pepsi in my mind                |         |   |   |   |    |
| II | Brand Perceived Quality  | SD<br>A | D | N | A | SA |
| 1  | I trust the quality of Pepsi Cola brand                                  |         |   |   |   |    |
| 2  | Pepsi Cola brand offer excellent taste                                   |         |   |   |   |    |
| 3  | I think Pepsi Cola brand has a reputation of high-quality Brand          |         |   |   |   |    |
| 4  | Pepsi Cola has good quality  |         |   |   |   |    |
| 5  | Pepsi Cola Brand is very reliable  |         |   |   |   |    |

| III | Brand Association  | SD<br>A | D | N | A | SA |
|-----|--|---------|---|---|---|----|
| 1   | Pepsi Cola has good memory recall  |         |   |   |   |    |
| 2   | Pepsi Cola reminds of special events   |         |   |   |   |    |
| 3   | I like and trust Pepsi company   |         |   |   |   |    |
| 4   | Pepsi cola has a sensational feeling   |         |   |   |   |    |
| 5   | Pepsi Cola makes me feel very attached   |         |   |   |   |    |
| 6   | compared to competing brands I admire people who drink Pepsi Cola                                      |         |   |   |   |    |
| IV  | Brand Loyalty  | SD<br>A | D | N | A | SA |
| 1   | I consider myself to be loyal to Pepsi Cola brand  |         |   |   |   |    |
| 2   | Pepsi Cola would be my first choice  |         |   |   |   |    |
| 3   | I will keep on buying Pepsi Cola as long as its offering satisfies me.                                 |         |   |   |   |    |
| 4   | I am still willing to buy Pepsi Cola even if its price is a little higher than that of its competitor. |         |   |   |   |    |
| 5   | I will not buy other brands, where Pepsi Cola is available.  |         |   |   |   |    |
| V   | Sales Performance  | SD<br>A | D | N | A | SA |
| 1   | Brand awareness has significant influence on sales performance   |         |   |   |   |    |
| 2   | Perceived Quality has significant influence on sales performance                                       |         |   |   |   |    |
| 3   | Brand association has significant influence on sales performance                                       |         |   |   |   |    |
| 4   | Brand Loyalty has significant influence on sales performance   |         |   |   |   |    |

Thank You for Taking Your Time and Filling the Questionnaire!!!

## Appendix 2: Interview Questions

### Interview Questions for Moha Senior Staffs

Dear Interviewee,

*I would like to extend my deepest gratitude for your willingness and cooperation to provide me your precious time. This interview is organized to secure valuable information needed for the purpose of undertaking an academic research on “**the Roles of Branding on Sales Performance: In Case of Moha Soft Drinks**”. The information obtained from the interview will be kept confidential and only be used for the accomplishment of the academic objectives. Please, forward your ideas freely, and to the best of your knowledge.*

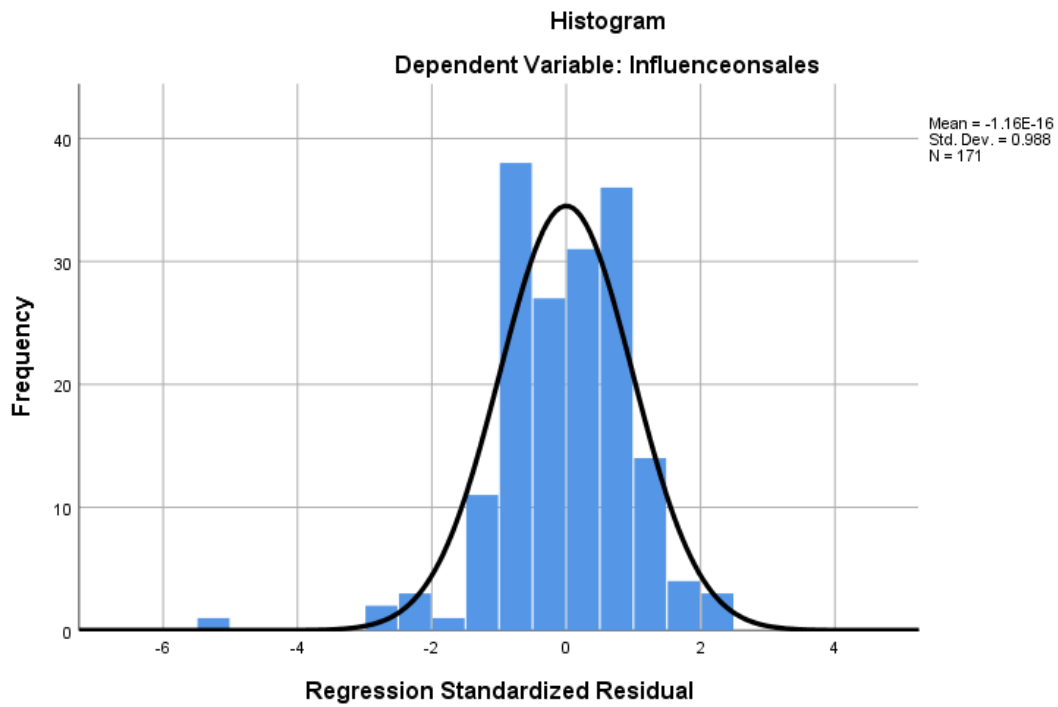
Thank you in advance for your active participation!

1. What is your company's vision?
2. What types of brands your company sell?
3. How do you rate the sales of these brands in percentage?
4. What do you think the causes for the recent market share decline of Pepsi cola?
5. What is the branding strategy of your company?
6. In your understanding what are the major features of Pepsi cola?
7. How do you explain about the image of consumers regarding Pepsi Cola brand?
8. Would you please explain how your company manage and build Pepsi cola brand?
9. Please reflect on the customers association of Pepsi cola brand to the company?
10. What is your assessment of the current customer’s awareness for Pepsi cola brand?
11. What do you suggest to solve the problem market share decline of Pepsi cola brand?
12. Please comment on the overall branding activities of the company?

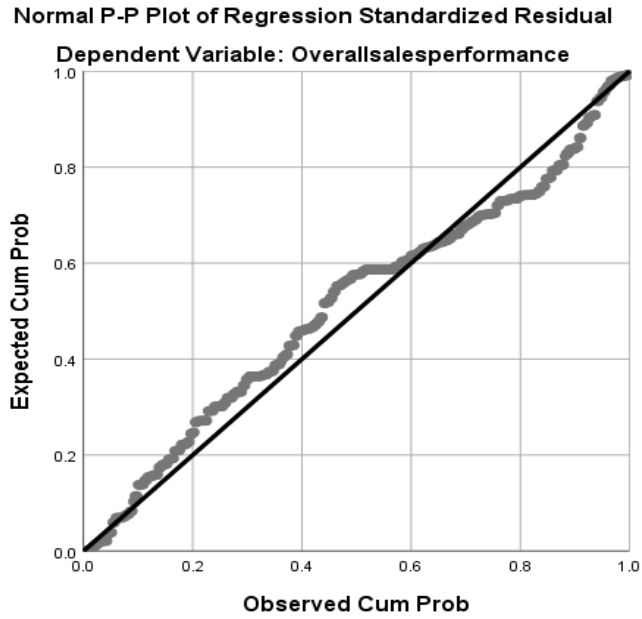
Thank you once again for your cooperation!!!



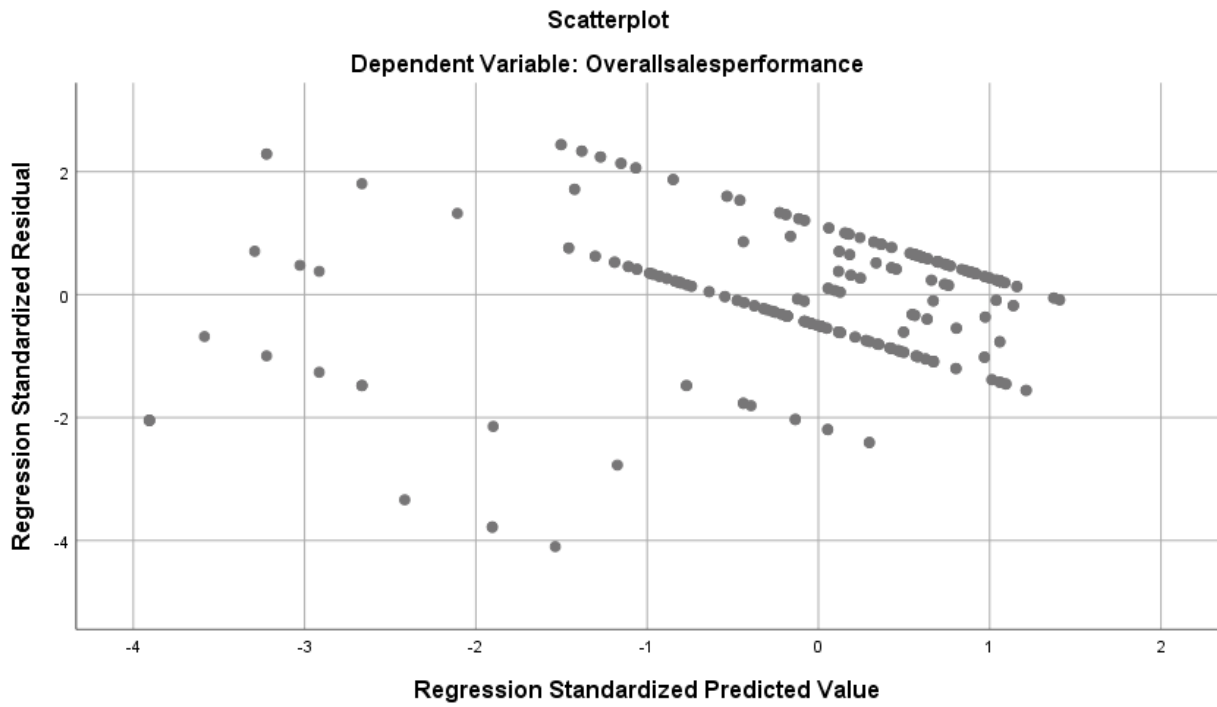
# Appendix 3 : Histogram for Normality Test of the Data



# Appendix 4: Normality P-P Plot to Test Normality of the Data



## Appendix 5: Homoscedasticity Test



## **Appendix 6: ANOVA**

**ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | df  | Mean Square | F      | Sig.              |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1     | Regression | 95.616         | 4   | 23.904      | 64.455 | .000 <sup>b</sup> |
|       | Residual   | 125.722        | 339 | 0.371       |        |                   |
|       | Total      | 221.337        | 343 |             |        |                   |

a. Dependent Variable: Overall sales performance

b. Predictors: (Constant), Brand Loyalty, Perceived Quality, Brand Awareness, Brand Association

## Appendix 6: Reliability Statistics and Test

### Scale: Brand Awareness attribute Reliability Statistics

#### Case Processing Summary

|       |                       | No  | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 342 | 99.4  |
|       | Excluded <sup>a</sup> | 2   | 0.6   |
|       | Total                 | 344 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

|                  |             |
|------------------|-------------|
| Cronbach's Alpha | No of Items |
| 0.888            | 5           |

### Scale: Brand Perceived Quality attribute Reliability Statistics

#### Case Processing Summary

|       |                       | No  | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 342 | 99.4  |
|       | Excluded <sup>a</sup> | 2   | 0.6   |
|       | Total                 | 344 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

|                  |             |
|------------------|-------------|
| Cronbach's Alpha | No of Items |
| 0.946            | 5           |

**Scale: Brand Association attribute Reliability Statistics**

**Case Processing Summary**

|       |                       | No  | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 339 | 98.5  |
|       | Excluded <sup>a</sup> | 5   | 1.5   |
|       | Total                 | 344 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

|                  |             |
|------------------|-------------|
| Cronbach's Alpha | No of Items |
| 0.835            | 6           |

**Scale: Brand Loyalty attribute Reliability Statistics**

**Case Processing Summary**

|       |                       | No  | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 340 | 98.8  |
|       | Excluded <sup>a</sup> | 4   | 1.2   |
|       | Total                 | 344 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

|                  |             |
|------------------|-------------|
| Cronbach's Alpha | No of Items |
| 0.735            | 5           |

## Scale: Overall Sales Performance Reliability Statistics

### Case Processing Summary

|       |                       | No  | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 344 | 100.0 |
|       | Excluded <sup>a</sup> | 0   | 0.0   |
|       | Total                 | 344 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

| Reliability Statistics |             |
|------------------------|-------------|
| Cronbach's Alpha       | No of Items |
| 0.825                  | 4           |