

ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES DEPARTMENT OF MARKETING MANAGEMENT THE EFFECT OF DIGITAL MARKETING ON BRAND

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LOYALTY: THE CASE OF ST. GEORGE BEER SC

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ADDIS ABABA, ETHIOPIA

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THIS THESIS IS SUBMITTED TO ST. MARY'S UNIVERSITY,
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This is to certify that the thesis is prepared by Asres Mekuriaw, entitle as "The effect of digital marketing on Brand Loyalty: the case of St. George brewery s.c.," in partial fulfillment of the requirements for the award of the degree of Master of Arts in Marketing Management.

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DECLARATION

I, the author of this thesis, have written the thesis entitled "The effect of digital marketing on Brand Loyalty: the case of St. George brewer." to be submitted to St. Mary's University as a partial fulfillment of the Master of Arts in Marketing Management. I declare that it is my original work prepared under a close supervision of my advisor Zemenu Aynadis (Asst.prof)

. All sources of materials used for this thesis have been duly acknowledged and I confirm that this thesis has not been previously submitted either partially or fully to any higher learning institute.

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ENDORSEMENT

This thesis titled as "The Effect of Digital marketing on Brand Loyalty: the case of St. George brewery s.c." prepared with my supervision by the graduating student Asres Mekuriaw is submitted to St. Mary's University, School of Graduate Studies for examination by my approval as a university advisor.

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ACRONYMS / ABBREVIATIONS

BL----- Brand loyalty

CS----- Customer satisfaction

SM ----- Social Media

OA ----- online advertising

ROI----- Return on investment

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ABSTRACT

This study applied quantitative research approach. Primary data were gathered through questionnaire and supplemented by secondary data sources. The research targeted all consumers of St. George Beer in Addis Ababa above age of 21. The researcher was adopted convenience sampling of non-probability technique and Data were gathered from 235 consumers of St. George beer from 246 samples. Data were processed via SPSS version 20 and analyzed through descriptive and inferential statistics. Determining factors such as knowledge of the respondents about social media, Branding, Digital marketing, and knowledge about the St. George beer products were all taken into consideration on the questionnaire and adequate responses were given that have been analyzed on SPSS version 20. As per the findings, all the three affecting factors which are online advertisement, social media and customer satisfaction have been shown to have a positive influence on Brand loyalty. And on overall conclusion the research shows the relationship between Brand loyalty (dependent variable) and a digital marketing (independent variables) have positive relationship. In case of St. George beer being active on Digital marketing makes the brands noticeable at the same time, the digital marketing helps the company to have loyal consumers. In generally speaking, the regression model developed under the study was considered as a good fit or predictor of Brand loyalty of St. George beer products form their customers. The Dependent variable is Brand loyalty which can be explained by their respective beta coefficients. The individual effects of the independent variables can be explained by their respective beta coefficients, as per the regression result.

Key Words: Brand loyalty, Digital marketing, social media, Customer satisfaction and online advertisement.

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

According to the marketing definition, a brand is a distinguishing symbol, mark, logo, name, phrase, and/or sentence used by corporations to differentiate their product from others. A brand identity can be created using a mix of one or more of those factors. The regularity with which individuals see a brand in search results, social media, email marketing, and other online marketing channels is known as brand visibility. Engaging in active internet marketing to help capture clients' attention to a brand is what brand visibility is all about. Advertising supplied using digital channels such as search engines, websites, social media, email, and mobile apps is referred to as digital marketing. Digital marketing is the process of using these internet media platforms to promote a product or service. Michael.(1998).

New marketing paradigm is being witnessed in the world, where all organizations in an industry are struggling to attract new set of customers and retain existing ones in a lot many ways even while offering similar product or services at similar prices. According to Gaurav (2016), Vilfredo Pareto (1848 – 1923), a French born Italian economist once argued that an organization derives 80% of its profit from 20% of its customers (a theme known as 80:20 rule, p. 1). This therefore calls for stronger relationship with the customers who enable the organization to have a competitive edge over competitors in an industry (Rizan, Warokka and Listyawati, 2014) while at the same time seeking for new customers.

Winning organizations, irrespective of the nature of their business or size, have one thing in common; the loyalty of their customers. Organizations capable of providing trust and commitment to their consumers are the organizations that stay on top of the market with their loyal customers (Fallon, 2012). Long term customers often provide free advertising by talking positive about the organization and its business for years. The tendency of loyal customers to provide new customers to the organization on gratis - is mostly beneficial as a company grows, particularly if it operates in a mature industry (Wali, Wright, and Uduma, 2015). Customers' recommendation leads to increase in organizations' overall profit as it reduce the cost of attracting and retaining customers.

Loyal customers' base is often considered as a vital asset to the organization as it can be leveraged in both good and bad times. Reichheld&SasserJr (1990) claimed that "Companies can boost profits by almost 100% by retaining just 5% more of their customers". Alrubaiee& Al-Nazer (2010) noted that cultivating customer loyalty is one of the most important drivers for long term financial performance of the organizations as it leads to increased market share &higher sales at lower cost. Rai&Srivastava (2013) noted that in the market that is characterized by intense competition and intensifying customer expectations, cutting on defection and building long lasting relationship with the customers seem to be the only way of achieving sustainable profitable growth.

Marketers regard advertising as one of the most powerful and effective promotional tools to reach customers. Advertising gives information, persuades, reminds, corrects false impressions and convinces as well as creates a brand image for buyers of a product or service. Not surprisingly, advertising expenditures has shown astronomical growth in recent years. This is due to strongly held perceptions that advertising spending has direct as well as indirect effect on brand loyalty (Ha et al., 2011). Whereas some believe that advertising is effective when it generates sales, others are of the opinion that advertising is effective when it generates activity in the cognitive and affective stages of the hierarchy of effects model. The former belief can be interpreted to mean that advertising can develop brand loyalty and hence ensure repeated purchases which can enhance revenue flows.

Many scholars regard brand loyalty as an enormous asset for the business. Noted that loyal customers are less costly; they are not too responsive to changes in price, and hence ensures that there is a regular and smooth flow of income and revenue for the business. Guráu (2012) himself noted that such customers make repetitive purchases and also recommend the brand to their friends.

Marketing refers to activities a company undertakes to promote the buying or selling of a product or service. Marketing includes advertising, selling, and delivering products to consumers or other businesses. Some marketing is done by affiliates on behalf of a company. Brand visibility is one of the two dimensions from brand perception, an associative memory model (Will Kenton, 2020).

In Ethiopian Context brand visibility is main point to have great sales on the product sales and revenue generation. The modern advertisement techniques of the countries techniques on the beverage industry includes digital marketing (Which include social media and digital platforms), Trade activations, TV, and Radio advertisements, print advertisement and others that can increase Brand visibility in the market.

In Ethiopia, beer is a catalyst for holiday and celebration part of peoples' lives. Peoples especially during holiday's celebrations and recreations they buy and consumed. There are hard facts indicating that beer market in Ethiopia has been growing and the demand for it is rising. Consumption of these beers are also said to be largely urban.

The study was conducted on consumers of St. George beer S.C located in Addis Ababa in connection with the effect of Digital marketing to explore whether Digital marketing tools affects the Brand loyalty.

Addis Ababa is the capital and largest city of Ethiopia, the country's commercial, manufacturing, and cultural center. It is situated in central Ethiopia at an elevation of about 2440 m. The city is populated by individuals from various districts of Ethiopia. Addis Ababa is the capital city of Ethiopia, and it has 11 sub cities. According to the Central Statistical Authority (CSA) the population of Addis Ababa in 2020 estimated as 12 million. Since the population of the study is infinite the detailed description of population of consumer city region picked from respective area. The study area is strategic since the city is hallowed with different types of beverage industries with large number of consumers hence it is simple to collect data as due to large number of people consume different beer brands in this city.

1.2 Statement of the Problem

Advertising supplied using digital channels such as search engines, websites, social media, email, and mobile apps is referred to as digital marketing. Digital marketing is the process of organizations endorsing goods, services, and brands through the use of these online media channels. Consumers rely largely on digital tools to conduct product research (Keller &Kotler 2006). Digital marketing, online marketing, internet advertising, and marketing a company online is a huge deal these days, according to (French,-2003). After all, internet usage has more than doubled in the last decade, and this shift has had a significant impact on how people buy things and engage with businesses. Given the significance of conserving money, customers examine and compare prices while purchasing food (Nevin& Suzan Seren, 2010).

Surprisingly, some authors disagree with this definition, claiming that digital marketing encompasses all online marketing efforts and assets. Digital marketing includes email marketing, social media marketing, and even blogging—all of which help to introduce people to a brand and persuade them to buy (Dodds, Monroe, &Grewal, 1991; Kerin, Jain, & Howard, 1992). Because digital marketing has so many possibilities and ideas, a business may get creative and try out a range of marketing tactics on a limited budget. You can utilize

tools like analytics dashboards to track the success and ROI of your campaigns more easily with digital marketing than you could with traditional promotional content like a billboard or print ad. According to Figuie and Moustier (2009), the finest digital marketers have a clear understanding of how each digital marketing effort contributes to their overall objectives. Marketers can also support a wider campaign using the free and paid channels available to them, depending on the aims of their marketing plan. According to the central place theory (Craig, Ghosh, &McLafferty, 1984), retail establishments in central locations may draw customers from afar apart. Food customers choose supermarkets with longer operating hours, enough parking, product availability, and accessibility, according to the findings of an India study (Jabir et al., 2010).

In terms of context, the research aims to provide information on whether digital marketing affects consumers' understanding of a brand by evaluating key digital marketing features and looks that were once commonly employed in marketing. In St. George Beer in Digital marketing and finally identify the degree of influence of social media on brand loyalty in Ethiopian beverage industry, specifically Beer drinks,

More importantly, there are few researches done on effect of Digital marketing on brand loyalty beer products in Ethiopia. This study, therefore, seeks to empirically reveal effect of Digital marketing and to examine their effect on the brand loyalty in the case of St. George beer products.

1.3 Research Question

- 1. What are the effects of online advertisement on brand loyalty in the case of St. George Beer S.C?
- 2. What are determining effect of social media marketing on brand loyalty in the case of St. George Beer S.C?
- 3. What are the effects of customer satisfaction on Brand Loyalty in the case of St. George Beer S.C?

1.4 Objectives of the Study

1.4.1 General Objectives

The main objective of this study was to examine the effect of digital marketing on brand Loyalty in the case of St. George Beer S.C.

1.4.2 Specific Objectives

The specific objectives of the study were:-

- To test the effect of online advertisement on brand loyalty in the case of St. George Beer S.C.
- To determine the effect of social media marketing on brand loyalty in the case of St. George Beer S.C.
- To assess effect of customer satisfaction on Brand Loyalty in St. George Beer S.C.

1.5 Significance of the study

The research gives new and updated information to St. George Beer S.C., as a survey of the literature reveals that prior research on digital marketing done globally was scattered, with limited information about the influence of digital marketing, such as visibility on advertisements, e-commerce, and social media on brand visibility, and no research on this problem has been done in the Ethiopian setting. In the past, research has been conducted on narrowed and common factors that affect Brand loyalty; however, in this study, the researcher will determine how the above factors affect beer consumers' brand visibility, as well as how digital marketing affects the beer industry's brand loyalty in Ethiopia. As a result, marketers can benefit from this research by taking into account the findings.

Generally the finding of the study can give the following benefit

- To give new and updated information for St. George Beer S.C.
- Customers
- > further research investigation
- policy makers
- Market competitors and others

1.6 Scope and Limitation of the Study

1.6.1 Scope of the Study

The scope of the study can be discussed in terms of the issue under investigation, conceptualization, geographical and methodological adopted. In this study, data on the effect of digital marketing on brand loyalty in the context of St. George beer S.C was acquired in detail from marketing department personnel and St. George beer consumers in Addis Ababa. This study bridged the gap by examining all of the possible and widely known effects of digital marketing on brand loyalty.

1.6.2 Limitation of the Study

The first limitation of this study were time and sample size limit, which does not represent other brewery industries .Further more, the study applied questioner to collect the responses from the beer customers may lie . This may study bias or limitation.

1.7 Organization of the Study

This thesis was encompassed five chapters. The first chapter contains the introduction part starting with a briefed background of the study, stated problem, research questions, main and specific objectives, significances, scope and limitations of the study mentioned. The second chapter was comprised literate reviews related to the topic, and definitions of terms to give a good understanding of brand loyalty. The third chapter was about the methodologies on how the research was done, which include the research approaches, design, sampling frames, techniques and size, data collection methods and analysis methods. Chapter four analyses, presentation and interpretation of the findings. Finally chapter five comprise of three sections which include summary findings, conclusions, and recommendations.

1.8 Definition of Term

Beer: is an alcoholic beverage produced by the saccharification of starch and fermentation of the resulting sugar. The starch and saccharification enzymes are often derived from malted cereal grains; most commonly malted barley and malted. Wikipedia

Brand is a distinguishing name and/or symbol, intended to identify a product or producer. Aaker, (1991).

Brand loyalty is where customers will choose your brand time and time again, even if they experience the occasional poor service or if another product comes along that seems to be better suited to their needs. Aaker. (1991.)

Customer satisfaction customer's psychological response to his/her or her positive evaluation of the consumption outcome in relation to his/her expectation This analysis of the product performance is based on comparison between expected and actual performance of that particular brand. Paurav Shukla, (2004).

Digital marketing is online marketing through the internet and other means of digital communication in order to engage with potential clients. Kotler, (2006).

Online advertising is the process of advertising using technological developments in communication and advertising of products and services through use of the internet. Wikipedia

CHAPTER TWO: REVIEW OF LITERATURE

2.1 Theoretical Reviews

2.1.1 Digital Marketing

Digital marketing, often known as online marketing, is the promotion of brands through the internet and other means of digital communication in order to engage with potential clients. As a marketing channel, this covers not only email, social media, and web-based advertising, but also text and multimedia messaging. Any type of marketing that makes use of electronic gadgets to deliver promotional messages and track their effectiveness. Digital marketing refers to marketing initiatives that display on a computer, phone, tablet, or other device in practice. It can come in a variety of formats, such as internet video, display adverts, and social network updates. Traditional marketing methods such as magazine ads, billboards, and direct mail are frequently compared to digital marketing. Surprisingly, television is frequently grouped with traditional marketing (Keller &Kotler, 2006).

2.1.1.1 Social Media Marketing

It is known that 2.3 billion people use social media in the World, making it a valuable digital marketing component. Social media allows a company to connect with current and potential customers and develop relationships with them. If they have questions about a products and services, they can connect and ask the provider directly on social media. In addition, social media listening allows a company to uncover key trends and insights into consumers' thoughts and opinions related to a brand, industry, products, services, and even competitors. The companies can use this information for other strategies Underwood (2001); Garber (2000); Goldberg (1999); Schoormans (1997).

2.1.1.2 Search Engine Optimization (SEO)

The foundation for successful digital marketing, search engine optimization (SEO) refers to several strategies designed to boost rankings in online search results. Staggering 75 percent people don't look past the first page of search results. You can have the best-designed website in the world, but if it doesn't rank on the first page, most people were never found it. Essentially, all the content you issue online should be optimized so that a search engine was index your content and serve it to the most people feasible. The key to SEO is researching effective keywords for the kind of people you are trying to catch the attention and then developing content decisive on those keywords. When a website ranks at the top of search

engine results pages (SERPs), more qualified leads to find and contact you when searching for products or services related to your business. In other words, higher search rankings translate into more leads, phone calls, and revenue for your company (Hawkins et al., 2001).

2.1.1.3 Email marketing

In the 1990s, when email was originally called postal mail, it was considered direct marketing medium by marketers (Hoekstra & Zwart 1993). The original aim of emailing was not limited to the establishment of new customer interaction and communication, but also to maintain the existing customer connection, as well as the creation of customer loyalty (Khuu & Do, 2018). Digital marketing has however been recognized as a new and powerful way of digital marketing today (Chittenden & Rettie, 2003). Khuu & Do (2018) described it as a seamless means of delivering advertising, promotional, and commercial campaigns to the inboxes of customers directly, thereby proving to be an effective tool for the attraction of customers. E-mail marketing is an important medium of marketing communication especially for companies seeking to build and maintain closer relationships with customers (McCloskey, 2006). Widespread adoption of e-mail as a means of distributing promotional messages has the advantages of low setup and distribution costs, targeted distribution of promotions such as discounts and coupons, and affordability by small and medium-sized businesses (Moustakas, Ranganathan, and Duquenoy, 2006).

2.1.1.4 Online Advertising

Positively affected brand loyalty. The same results were also exposed in Khan and Islam's (2017) research that digital marketing, including online advertising, had a significant positive influence on brand loyalty. In the same way, a study conducted by Erdogmus and Cicek (2012) found that campaigns on social media, comprising online advertising, were the independent variables that had the most significant positive effect on brand loyalty compared to content relevance and brand popularity among friends of consumers. Also, the research results of Bakator, Boric, and Paunovic

(2017) showed that online advertising significantly and positively influenced brand loyalty. Hence,

2.1.2 Digital Marketing Models

Direct effects model (DEM)

To provide a base comparison, we begin with the direct effects of advertising spending, store image, perceived quality, and satisfaction, on brand loyalty. Thus, the first model allows one-

way direct effects for the independent constructs on the dependent construct – brand loyalty, and is termed the direct effects model (DEM). For the theoretical justification, such linkages as the advertising spending-loyalty (Agrawal, 1996; Yoo et al., 2000), store image-loyalty (Corstjens and Lal, 2000; Gommans et al., 2001; Yoo et al., 2000), perceived quality-loyalty (Bloemer et al., 1998; Olsen, 2002; Fornell et al., 1996; Tepeci, 1999), and satisfaction-loyalty (Bloemer and Ruyter, 1998; Chen, 2001; Olsen, 2002) are supported extensively in prior literature.

Simple Mediation Model (SMM)

The simple mediation model (SMM) is the second model with an alternate view that changes the effect of advertising spending on brand loyalty through perceived quality as mediator. The role of perceived quality as a mediator has also been shown by Bloemer et al. (1998). Yoo et al.'s (2000) study suggests that the initial evaluation of advertising spending leads to consumers' judgments that, in turn, drive behavioral loyalty. In this simple mediation model, the advertising spending! Perceived quality! Loyalty linkage represents the indirect effect of advertising spending as one of the general class of "exclusive cues" (Yoo et al., 2000) that would enhance or diminish the impact of message exposure and frequency.

Flywheel Model

The flywheel model is a customer-centric digital marketing strategy framework. The goal of all functions in the flywheel model is to optimize the customer journey, removing "frictions" that slow the buyer process, such as inconsistent brand messaging.

The flywheel model breaks down the customer journey into three phases:

- Attract: Focuses on attracting customers' attention through organic or inorganic digital marketing strategies
- Engage: Focuses on creating a relationship with your audience and making them aware of your products
- **Delight:** Focuses on supporting and enabling customers to have positive experiences and meet their needs. When customers have positive experiences with a brand or company; they're more inclined to recommend them to their network.

Forrester's 5 Is

Forrester's 5 is model looks at the level of involvement, interaction, intimacy, and influence an individual has with a brand over time. The model proposes that the marketing funnel is

out of date. Instead, you must engage customers throughout a product's life cycle to create successful digital marketing campaigns.

Forrester's 5 Is are:

- 1. **Involvement:** The act of getting the customer involved with the brand or product. Involvement may be quantified through website statistics, such as page views, website traffic, and average time spent on a page.
- 2. **Interaction:** This stage encompasses the customer's activities with your brand or product, such as making a purchase, signing up for a newsletter, and sharing photos.
- 3. **Intimacy:** Intimacy reveals the sentiment and emotions behind the actions customers take with your brand or product. Examples include the sentiments behind a product review, social media mention, or customer testimonials.
- 4. **Influence:** The Influence stage refers to the likelihood that customers and stakeholders outside your organization recommend your products to others. This can be measured via share rate, referrals, and online mentions.
- 5. **Individual:** The Individual implies focusing on a single person rather than a group or community. The 'Individual' is more granular and specific and less generic.

Proposed Research Model (PRM)

Cronin et al. (2000, p. 198) have also suggested that "in order for a more pragmatic picture of the underlying relationships that exist among these variables to emerge, an investigation of a more collective model is needed in a comparison of competing models." In addition to the mediating role of store image in the effect of advertising spending on brand loyalty from RMM, the PRM adds a second mediating role for perceived quality in the effect of store image on brand loyalty. Both the store image! Perceived quality! Satisfaction! Brand loyalty (Bloemer et al., 1998) and advertising spending! Store image (Gable et al., 2000; Miller and Berry, 1998) links are also supported by the literature. Thus, the role of advertising spending in developing brand loyalty is comprehensively specified in this proposed model allowing for the testing of multiple mediating roles of store image, perceived quality, and satisfaction, while simultaneously allowing its own direct effect on brand loyalty as well. We expect that this comprehensive model for the effects of advertising spending on brand loyalty will obtain the best fit.

McKinsey's Consumer Decision Dourney

Customers make their purchase decisions based on several criteria. Most people start their online buying journey by searching for product reviews and social media suggestions. A consumer's decision journey includes the following steps:

- 1. **Trigger:** This is when users realize they have a problem and require a product or service to provide a solution. This trigger starts the consumer decision journey.
- 2. **Initial consideration set:** When contemplating a purchase, people reflect on their first consideration set the familiar brands that come to mind instantly.
- 3. **Evaluation:** Consumers seek and acquire information from several sources and review websites to discover which brand provides what they want or need.
- 4. **Buying:** The consumer picks a brand and makes a purchase after filtering the alternatives based on information from the Evaluation step.
- 5. **Ongoing exposure:** After buying the product or service, customers develop post-buy expectations that influence their decision-making process for future purchases.
- 6. **Loyalty loop:** Depending on how well the product solves a user's needs, they may become loyal customers and brand advocates, attracting more customers to your business.

As the digital marketing landscape changes, digital marketing strategy frameworks help predict variables while keeping a set formula in place. Even the most experienced digital marketing strategist can leverage strategy frameworks to guide their decision-making and achieve the best marketing results.

The Commitment Trust Theory

The commitment-Trust theory was developed by Robert and Shelby (1994), as a means of explaining the value of commitment and trust to the buying decisions of individuals. This was done to contrast the then believed notion that the major influencing factor in any relationship is power (Robert & Shelby, 1994). The theory argues that there should be a central means of understanding relationship marketing, and this must be able to distinguish productive, effective, and relational exchanges from unsuccessful ones, and therefore presents two constructs as the means of achieving this; relational commitment, and trust. The theory further states that when both (not one) commitment and trust are present between businesses and customers; it creates a conducive environment for direct cooperative behavior for relationship marketing.

According to Spekman (1998, p. 79), trust is so vital to any strategic relations that it can be seen as the cornerstone of it. In addition to this, Hrebiniak (1974) says that when trust is evidently present in any relationship, all parties involved will strive to maintain it cause of the immense value that be will attach to it. These show that trust has an impact on the value attached to any and all kinds of relational exchanges, and can lead to building commitment in all parties involved. Commitment on the other hand has been seen by Berry and Parasuraman (1991,) as the foundation of relationships. It has further been conceptualized by Assael (1987) to be the same thing as brand loyalty.

2.1.1.3 Customer Satisfaction

Brand satisfaction has a positive influence on brand loyalty (Youl& John, 2010). A satisfied customer is likely to use same brand in future as well. The satisfied customer is expected to continue purchasing same brand. Trust and satisfaction are two factors that lead to positive purchase outcome. When customers have been sure that the company or firm is honest and truthful, then the customers trust the brand and form a positive buying retention towards the brand. Moreover trust can lead to customer's satisfaction and loyalty to the brand (Anderson &Narus, 1990). When customers feel pleasure and satisfaction after using a product, it leads to long-term relationship and repeated purchases. Another factor that influences customer satisfaction and expectation is the spreading of word of mouth. It means when customers are satisfied with a brand, they would recommended it to their friends. The customer satisfaction results in improved customer loyalty towards the brand (Dick &Basu, 1994).

According to, Serkan&Gökhan (2009) customer satisfaction is the result of overall consumer satisfaction. This satisfaction can be due to collective experience of the product and its different features. The customer satisfaction can also be due to purchase expectation and post purchase experiences by the customer, having got a satisfactory product after paying a suitable cost. However consumer's satisfaction also depends on expectation of a brand and its performance, and subsequent post purchase experiences (Serkan&Gökhan, 2009).

Paurav (2004) argued that customer satisfaction is his or her psychological response to the product performance and an outcome of the customer's expectations. This analysis of the product performance is based on comparison between expected and actual performance of that particular brand. The expectation of a customer from a specific product and its different features depends on his personal interests. The brand performance depends on its different attributes and features, which are required by a customer. These operating characteristics can be hardware, software, style or other functionality (Gilbert & Carol, 1982).

These different characteristics and performance of the product determines the satisfaction level of the consumers. The customer satisfaction leads to brand loyalty and a positive attitude towards the product. It also results in customer's repeat purchasing behavior (Youl& John, 2010).

PauravShukla (2004, p. 85) states that customer satisfaction is —customer's psychological Response to his/her or her positive evaluation of the consumption outcome in relation to his/her expectation". Satisfaction is a subjective evaluation of the consumption experience. The argument is based on disconfirmation satisfaction theory. The theory state that customer evaluation of product/brand is based on comparison between expected performances with actual performance. Disconfirmation theory of satisfaction has conceptualized as expectation, performance, disconfirmation and satisfaction Gilbert & Carol Surprenant (1982).

Expectation indicates the customers anticipated performance. There are various expectation indicators that customers might expect from brand performance. Customers might expect brand provide functional or other expectation, but that depends on customer's interest. Although all customers might not be able to list out the entire possible brand benefits due to the fact that customers might have little awareness or motivation to do so Joss & Hans (1995). Their brand performance rating is based on the attributes' that they are familiar with or the Attributes that customers want to have from the brand.

Performance is how the product or brand carries out the intended purpose or operating Character Gilbert & Carol Surprenant (1982). It is highly influenced by customer expectation. Brand performance is a baseline for comparison with the customer expectation. Brand performance might exceed, meet or below expectation. The performance criteria are highly based on tangible and intangible's brand attributes. Brand specific performance attributes include hardware, software, stylishness or other attributes.

2.1.3 Brand Loyalty

Brand loyalty. This is where customers will choose your brand time and time again, even if they experience the occasional poor service or if another product comes along that **seems to be better suited to their needs**. To achieve brand loyalty, you need to provide a product that is highly differentiated, with plenty of value added, but also you need to offer them remarkable service at a level they will not get anywhere else. Providing this level of service will ensure that they will never switch. As indicated by (Aaker.1991, p.39), brand loyalty is "the connection that a client has to a brand".

(Yoo&Donthun, 2001) additionally referred to brand loyalty as the propensity to be loyal to a brand and this can be shown by the intention of the consumer to purchase the brand as an issue decision. Brand loyalty characterized by (Oliver R.L., 1999, p.34) as "deeply held duty to re-purchase or re-patronize a preferred product or service reliably later on, in this way brings about repetition of same-brand or same brand set purchasing, despite situational impact and influence marketing having the capacity to cause exchanging habit". (Odin et al., 2001) announced that brand loyalty can either be behavioral or attitudinal. Behavioral loyalty consist repeated buys of the brand. As indicated by (Dekimpe et al., 1997), one point of interest of this is that it quantifies perceptible practices instead of reported toward oneself affidavit or intention. It is less demanding and less expensive to quantify.

Brand loyalty is believed to be one of the main components of brand equity. Brand loyalty shows customer preferences to purchase a particular brand; customers believe that the brand offers the enjoyable features, images, or standard of quality at the right price. Agreeing to Oliver (1997), brand loyalty is a held commitment to repurchase or support a preferred product continually, despite other brands.

Today marketers are seeking information on how to build brand loyalty. The increased profits from loyalty come from reduced marketing costs, increased sales and reduced operational costs. Further, loyal customers provide strong word -of-mouth, create business referrals, provide references and serve on advisory boards (Bowen and Chen 2001). Hence, customer loyalty has a powerful impact on firm's performance and is considered by many companies an important source of competitive advantage (Lam et al. 2004).

According to Aaker (1991), consumers tend to continue to purchase the same brand despite the demonstrated benefits (including better features, lower price or convenience) by competitors' products. Aaker (1991, p.39) claimed that brand loyalty is the measure of an attachment a customer has for a brand.

The four brand loyalties according to Aaker (1991) are:

- i. Switchers: they do not look at the brand name and they tend to purchase brand in the sales and they are no loyalty to any brand.
- ii. Habitual buyers: These are the customers who purchase a brand out of the habitude and do not see a need to change a brand. However, these buyers may change a brand if they face some troubles. The buyer would relatively purchase

another brand instead of solving additional problems stopping from purchasing a regular brand.

- iii. Satisfied buyers: These customers are satisfied clients who tend to switch to another brand due to thresholds raised (i.e., distance, additional costs, time consumption, etc.). In order to retain clients and attract new buyers' marketers are encouraged to create strategy based on increasing perceived quality.
- iv. Committed buyers: The most loyal customers are committed buyers. The brand plays important role in their lives, and they do not raise question about switching the brand Committed buyers purchase the brand due to ties closely related between brand and personal values.

2.1.2.1 Creating Brand Loyalty

Promoting brand visibility online requires having a web domain or a web location where customers can find brand, get information about a brand, and initiate a transaction. The first item in a communication plan should be to create a brand identity. The brand identity of an organization is elements of the company that enables it to assume a personality of its own and gives it the legal status of a corporate citizen. The brand identity of a company is the corporate image it wants to be identified with by its customers. A company brand identity as how that business entity wants to be seen by customers of the brand. Some of the visible elements of the brand consist of the company name, logo, tone, tagline, typography, and they are all creation of the business to represent the set value the company is trying to bring to the market and appeal to its customers. Once a company has created a brand, it is time to start creating brand visibility and spreading the word of the brand through promotions and advertisement using various available channels. The reputation of a company is associated with its brand identity; just the same way the integrity of an individual is associated with their reputation. People like to do business with companies they can identify and have a name, registered office address, and good reputation. Customers also use these criteria and others in rating businesses. Other considerations as timely service delivery, good refund policy, courteous customer relation and 24/7 customer service, and open communication channels such as phone, website, live chat, email, Skype, and social media

2.1.2.2 Media and Branding

Media has greatly influenced the relationship between consumers and businesses, especially the social media. They have a large number of connections with the most attention commanded from user base. The connections built in real life by networking have lots of

potential (De Chernatony, et al., 2010). Products and services are introduced to consumers meaningfully, that is through a two way conversation. The social media can be a very important channel of a brand. Feedback on a company's products is easily accessed. Social media users say what the product means to them at that time and so the data collected from such forums is real. This is beneficial in the improvement of strategies for better customer satisfaction. It will enable the business to know and understand the situation on the market for better strategizing (De Chernatony, et al., 2010). The media can; however, be disastrous too. If constant attention is not given to the website or the social media account such that the correct information is posted and customers' questions are answered, it could lead to a loss of customers and a decrease in market share. There has to be someone constantly online, which can be tiresome (Farris, Paul, et al., 2010). Sometimes the service provider loses network for a while. Depending on the duration taken, the potential market could be acquired by someone else elsewhere. It is; therefore, risky sometimes. With the current technological advances, many people are now hacking into other people's accounts on the social network. The business page could; therefore, be hacked and the information tampered with, which could maybe result in wrong information being fed to customers, who might forego any purchasing.

2. 2 Empirical Review

Much has been written about how customers perceive brands and about positive outcomes in terms of brand loyalty. However, an area that has been almost totally neglected by marketing researchers is brand identification. For a number of years, identification based on social identity theory has been examined in the sociological and psychological disciplines and lately in organization behavior and human resource management. (Jensen, et al., 2008)

There are a number of reasons why brand identification should receive more attention from marketing managers and researchers. For example, brand identification may lead to important positive behavioral outcomes such as brand loyalty. According to social identity theory, people articulate their sense of self and typically go beyond their personal identity to develop a social identity in the marketing context, consumers do so by identifying and associating themselves with brands that reflect and reinforce their self-identities. In addition, a consumer may regard the brand as an extension of the self. This is a great importance because it is vital for marketing managers and researchers to understand the dynamics of self, the symbolic meaning of goods and the role played by brands. Bhattacharya, et al., (2003)Another reason for this research study is that despite the recent increased interest in the concept of brand personality, there is also a lack of research that investigates the effect of brand personality

congruence on consumer attitudes and behaviors and brand identification and brand loyalty are such outcomes. It is of interest and importance to look at this issue of customer identification with the brand using social identity theory, and the outcomes of the study will be theoretically and managerially relevant. Freling, T.H. and Forbes, L.P. (2005).

Beer consumption in developing countries is often seen as one revealing (if crude) proxy for gauging the strength of economic activity. If beer sales are high and rising, incomes and economic activity are presumably growing strongly while the reverse should be true if beer sales are flat or falling (accesses capital res).

In Ethiopia, growth in beer consumption has been a surprisingly high 24 percent per year according to Access Capital estimates, roughly double the average annual growth rate in real GDP. Even after such a rapid increase, however, per capita beer consumption in Ethiopia is still only a fraction of the level seen in other African countries. With estimated consumption of 3.1 million hectoliters and a population of near 80 million, annual beer consumption per head is only around 4 liters in Ethiopia.

Trends in beer consumption in developing countries are often taken as one revealing proxy for economic activity. Economic growth, rising incomes, and a growing share of disposable to total income all tend to drive the consumption of beer in developing countries. As statistics for beer production are easily measurable and tend to be well documented by the industry, trends in this area can potentially provide one indicative measure of trends in incomes and economic activity.

Cross-country data do indeed corroborate the broad relationship between economic activity and beer consumption: in recent years, for example, growth in beer consumption has been a modest 2 percent per annum in most developed markets but several times that rate in fast-growing developing countries (Global Beer Industry Guide (2009). Beer demand is on the rise particularly in Asia (especially China), Eastern Europe, and rapidly growing African economies. This is propelled by economic recovery, expanding population, rising disposable income, improvement in beer quality, and improving distribution systems. Within Africa, according to Business Monitor International's "Beer in Africa Report 2008", beer consumption has been experiencing impressive growth on the back of foreign investments in new production, rising disposable incomes, and changing consumption patterns. For example, a gradual shift is taking place away from home-brewed beer or other traditional drinks towards commercially produced brews, reflecting aggressive advertising campaigns

by major brewers, rising urbanization, and the growing prevalence of drinking as a social activity.

Digital marketing and Brand visibility shows a general positive relationship between Digital marketing and Brand visibility. Found that a 10% increase in Sales (ROI) leads to a 7% increase in Visibility on social media. Kumar et al (2007)

Relationship between Digital marketing and Brand visibility Showed that perceptions of being digitally visible have a direct linear relationship with Brand visibility even in same product line with low product availability in the market. Isabel Buil a, Leslie de Chernatony, Eva Martínez (2003). Examined as a prime consideration in choosing a product people believe on their appearance on digital Claimed that approximately 40 percent of customers switched products because of what they considered to be not visible on the social media. Leeds further argued that nearly three-quarters of the given product customers mentioned that a product with low appearance on social medias, (Leeds 1992).

Investigate the Relationship between Brand Equity, Brand Loyalty and Customer Satisfaction the results of the analysis showing the existence of a significant and positive relationship of brand equity on customer satisfaction and loyalty. (Farbod Souri. 2017) .The Effect of Brand Image on Customer Satisfaction and Loyalty showed that brand image benefits and customer satisfaction are positively correlated, and customer satisfaction and customer loyalty are also significantly affected by brand image (Samuel H. 2017) .The effect of brand equity on Consumer purchase intention indicates there is positive significance relationship between Brand awareness, brand association, perceived quality, and brand loyalty with purchase. (Hanna K. 2016).

Relationship between corporate image and customer loyalty in the digital marketing in in Kenya showing that brand image significantly forecast customer loyalty. Agyei & Kilika (2014). The Effect of Brand Equity on Purchase Intention is direct causal relationship between that brand equity dimensions and purchase intention (Latwal&Sharm,

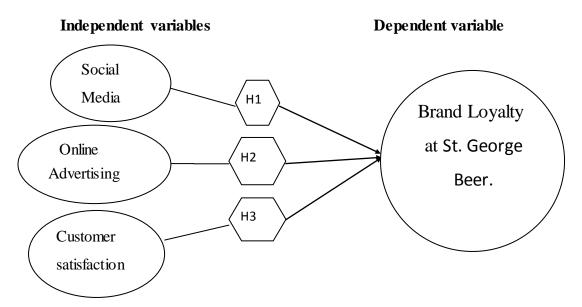
2012). Investigating antecedents and consequences of brand identification shows that brand identification fully mediates the influences of prestige, satisfaction, and communication on word of mouth and brand repurchase Sven Kuenzel, and Sue Halliday(2008) .Examined of several factors that influence Brand" decisions to stay with or leave their banks in New Zealand suggested that the most important factors for Brand visibility is where customer satisfaction, followed by the corporate image, and switching barriers and now a days the digital visibility of a product. Cohen et al. (2006).

2.3 Conceptual Framework

This research was primarily an explanatory research because it aimed at examining the relationship between Brand loyalty as a dependent variable and Digital marketing as independent variables. The finding of this research explains the relation of the independent variable with the dependent variable that makes the research type causal.

However, it has also some features of descriptive research in the sense that it views how customers express their sentiment regarding St. George beer sc. using the dimensions provided. The associations between the dependent variable and independent variables was analyzed individually with the applications of SPSS version 20.so, the Dependent variable are Brand Loyalty while the independent is Digital marketing (social media, online advertising and Customer satisfaction (see fig.1 below).

Figure 2.3.: conceptual framework of the study



Sources (Aklisiya Mitiku, 2020, Sofanit kebede, 2015)

The study basically studies the factors affecting Brand loyalty with the digital marketing. Given that Digital marketing has different types, the paper also study the main digital marketing platforms which are e-commerce, Social media marketing and Advertisement and there effect of brand loyalty in the case of St. George beer. Below the hypothesis has been put:

- H1. social media marketing activities has significant positive effect on brand Loyalty
- **H2.** Online advertising has significant positive effect on brand Loyalty.
- **H3.**Customer satisfaction has significant positive effect on Brand loyalty.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

Research design is a logical and systematic plan prepared for directing research study. It deals with issues as techniques for data collocation, sampling technique as well as time and cost constrain. (Kothari, 2001). According to Bryman and Bell (2007),

In this study the researcher will be used explanatory research design to enable the researcher accomplishes the objectives of the study. The main aim of explanatory research is to identify any causal links between the factors or variables that pertain to the research problem.

3.2 Research Approach

Quantitative research approach was employed. It involves collecting and converting data into numerical form so that a statistical calculation was made, and conclusions drawn. A quantitative approach is a means for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures (Creswell, 2008). Collecting and analyzing of data using quantitative approach requires an understanding of the relationships among effect of Digital marketing on the Brand Loyalty growth of a product. The assumptions generalize to the population from a selected sample. (Trochim, 2006)

3.3 Target population

The research targeted all consumers of St. George Beer in Addis Ababa above age of 21.

3.4 Sampling Techniques and Sample Size.

The researcher was adopted convenience sampling of non-probability technique for the study. Convenient Sampling refers to researching subjects of a population that are easily accessible to the researcher and it is affordable, easy, and the subjects are readily available (Sakaran, 2003).

Sample size of total number of St. George consumers is infinite as a result the sample size. The sample size for more than 50,000 since the population of the study were infinite, the researcher was applied infinite statistical formula in the sampling size estimation. The sample size was determined by using the following formula as presented below:

$$n = z^2 P \frac{1-P}{e^z}$$

Where: n = required sample size

Z= Degree of confidence (i.e., 1.96)²

P = Probability of positive response

 $e = Tolerable error (0.05)^2$

Therefore, the sample size determined as follows:

$$n= 1.96^{2} \frac{8}{10} \frac{1-\frac{8}{10}}{0.05^{2}}$$

n=3.8416x0.8 (80)

n=246

SS= 245.8 Approximately 246 samples were taken.

3.5 Data Type and Source

Primary data is original research that is obtained through first-hand investigation, and it includes information collected from interviews, surveys, questionnaires and measurements (Sakaran, 2003). This information was received directly from the respondent based on the researcher needs. Primary data was collected from selected respondent by using questionnaire.

Since secondary data is also as important as the primary data, the researcher was collected essential data from secondary sources. The Company's data about the Digital marketing trend, Impact etc. were taken from the Company's annual report. Other secondary sources of data also include books, research papers (both published and non-published), internet sources, and articles from different magazines have taken.

3.6 Data Collection Instrument

The questionnaires have been designed in survey based on the conceptual framework. Each question has been analyzed from different aspects of brand loyalty. It was designed in a way that was cleared, brief and understandable to the respondents as well as covers the relevant aspects of the model used. According to Fisher (2007) it is recommended to keep the questionnaire as short as possible and give it a logical and sequential structure so that the respondent can easily see what the questionnaire is about and can follow its themes as they go through them. For that reason, the questionnaire was designed in English languages considering that target audiences of Ethiopian citizens.

3.6.1 Data Collection Procedure

The data in this report was collected from both primary and secondary data collection procedure to be able to compare empirical findings of primary research with existing knowledge in the form of a theoretical framework built on secondary research.

Questionnaire, a structured form, consists of a formalized set of questions designed to collect information on some subject or subjects from one or more respondents. In other words, a data collection technique was asked to give answers to the series of questions about a pertinent topic.

Secondary data was collected from relevant books, articles, journals, and other relevant materials which was help to assist the research.

3.7 Reliability and Validity of Data Collection Instrument

3.7.1 Validity

Validity was concerned with whether the findings are really about what appear to be (Saunders et. al; 2003), validity defined as the extent to which data collection methods accurately measures what they were intended to measure Saunder, et. al, (2003). The researcher was carried out a pre-test and did some revision before setting out the questionnaire. Therefore, the questionnaire as a measuring tool used in this study meet the requirement of content validity.

3.7.2 Reliability

According to Saunder et al (2003), reliability refers to the degree to which data collection method was yield consistent findings, similar observations would be made, or conclusions reached by other researchers or there is transparency in how sense was made from source.

The purpose of reliability is to examine the level of non-error in measurement, which means to examine the consistency of measurement.

This study was adopted Cronbach's alpha test, or the reliability coefficients have been used to measure the internal consistency between the multiple measurements of a variable in a questionnaire. According to Hair et al. 2006 (p.137), this test is the most widely used to assess the consistency of the entire scale. Cronbach's alpha ranges in value from 0 to 1 and used to describe the reliability of factors extract from questionnaires.

According to Gliem and Gliem (2003), the closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of theitems in the scale. The following rules of thumb indicated acceptable of Cronbach's alpha coefficient: "_ > .9 - Excellent, _ > .8 - Good, _ > .7 - Acceptable, _ > .6 - Questionable, _ > .5 - Poor and _ < .5 - Unacceptable" In this paper, the authors were applied Cronbach's alpha test to measure the internal consistency of questionnaires to test its reliability.

Reliability Statistics Testing of variables Test of reliability table

Research variables	Cronbach's Alpha	Level of reliability
Brand Loyalty	.828	Good
Online advertising.	.915	Excellent
social media	.832	Good
customer satisfaction	.746	Acceptable
Total variables	.917	Excellent

Sources SPSS result 2022

3.8 Ethical consideration

This section considers ethical issued that needs Special attention while conducting the research.

- Voluntary participation of respondents in the research was guaranteed.
- Respondents were participating based on informed consent.
- The use of offensive, discriminatory, or other unacceptable language needs to be avoided in the formulation of Questionnaire.
- Privacy and anonymity or respondents is a paramount importance.
- Adequate level of confidentiality of the research data should be ensured.
- The research was independent and impartial.

CHAPTER FOUR

4. Data analysis, Presentation and Interpretation

4.1 Introduction

In this chapter, analysis of data and research findings have been interpreted in relation to the objectives of the study and with respect to the research questions developed to guide the study. Questionnaires were distributed to 246 respondents selected by convenience sampling of non-probability technique. From these only 235 were properly filled. Thus, the analysis is based on the valid 235 questionnaires response from customers.

The data collected through questionnaire, were analyzed through descriptive statistics, correlation, and regression analyze techniques. Demographic characteristics of respondents were summarized by using frequencies and percentages for all variables including age, sex, and educational attainment.

4.2 Demographic Profile of Respondents

Table 4.1 Demography characteristic of respondent

Demograph	ny characteristic	Frequency	Percent
Gender	Male	153	65.1
	Female	82	34.9
	Total	235	100
Age Groups.	21-30 Years	125	53.2
	31-40 Years	51	21.7
	41-50 Years	24	10.2
	Above 50 Years	35	14.9
	Total	235	100
Marital Status	Married	67	28.5
	Single	88	37.4
	Widowed	39	16.6
	Divorced	41	17.4
	Total	235	100
Employment	Employed	60	25.5
status	Unemployed	93	39.9
	Self Employed	82	34.9
	Total	235	100

Source: own survey on 2022

As shown the above table, Character of Respondents on Gender, out of 235 participants153 (65.1%) were males and 83 (34.9%) respondents were female.so the researcher was used both female and male respondents, but male respondent were dominated compared from females to use digital marketing on St. George beer products. so the study found that both genders were involved in the study and thus the findings could not suffer from gender biasness.

According to the table above the age of 21-30 were 125 (53.3%) respondents, 31-40 were 51 (21.7%), 41-50 were 24 (10.2%) and above 50 were 35 (14.9%) Generally 21-30 age groups have many respondents compared to other groups, but different age groups employed in this research.

As it is shown on the table above 88 (37.4%) were Single, 67 (28.5%) were Married, 39(16.6%) were widowed, and 41(17.4%) were divorced. This shows that the research had addressed all categories of marital status. From theses singles respondent more dominated compared from the others.

Concerning about the Employment status of respondents the greater proportion were Unemployed which were 93(39.6%) of the respondents, 82(34.9%) were self-employed and the rest 60(25.5%) respondents were employed both government and non-government organization to the researcher concluded that unemployed were the majority users of digital marketing in St. George beers products compared from the others.

4.3 Regression Analysis on the Effect of Digital marketing on Brand Loyalty in St. George Beer Product.

The study was used a multiple linear regression model and examine the effect and magnitude the effect of Digital marketing on Brand loyalty of St. George beer products.

Before analyzing the data gathered by the questionnaires, the researcher has been checked the necessary assumptions that have to fulfill to undertake analysis by multiple regression models.

4.3.1 Assumption of Multiple Linear Regression Models.

Five tests for CLRM assumptions namely normality, linearity, homoscedasticity, multicollinearity, and independence of residual are conducted and discussed as follows.

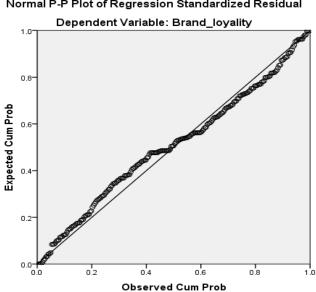
4.3.1.1Linear in the Parameters

The relationship between the dependent and independent variables is linear in the population. are linear.

$$y = \alpha + \beta_{1x_1 + \beta_1} x_2 + \beta_3 x_3 + \mu$$

4.3.1.2 Test of Normality

Test for normality, its determining whether the data well modeled by normal distribution or not. This test of normal distribution could be checked by graphical (histogram and dot plot) method of tests. The normality assumption assumes a critical role when a study is dealing with a small sample size, data less than 100 observation. (Gujarati, 2004) Even though the normality assumption is not a treat since the observation or sample size of the study is large enough, more than 100 observations, the researcher tested it using normal probability plot (NPP). The decision rule is, if the fitted line in the NPP is approximately a straight line, one can conclude that the variables of interest are normally distributed (Gujarati, 2004).

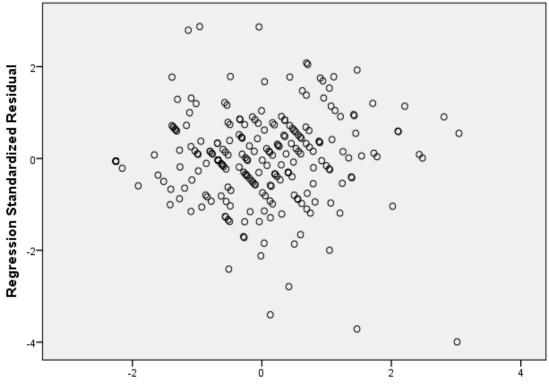


Normal P-P Plot of Regression Standardized Residual

4.3.1.3 Homoscedasticity

 σ^2 is the variance of the error term. High variance in the error term will lead to high variance of the coefficients. Estimators with lower variance are also called more precise and are desirable. This means that high variance in the independent variables and low variance in the error term are desirable.

Scatterplot Dependent Variable: Brand_loyality



Regression Standardized Predicted Value

4.3.1.4 Test of Multicollinearity.

Another assumption that has to be met to undertake multiple linear regression model is the assumption of multicollinearity. It is an indication for a linear relationship between the independent variables. (Gujarati, 2004). There is no formal VIF value for determining presence of multicollinearity. Values of VIF that exceed 10 are often regarded as indicating multicollinearity, but in weaker models values above 2.5 may be a cause for concern. The decision rule for Tolerance is a variable whose TOL value is less than 0.1 shows the possible existence of multicollinearity problem. (Gujarati, 2004)

VIF independent variable

The following table showed that VIF values for all variables were less than the tolerable value, i.e. 10. And Tolerance value of all variables also was above 0.1 which indicates that this model is free from multicollinearity problem between the independent variables.

4.2 Table VIF value of predictors

C	Coefficients ^a								
	Model	Unsta	andardized	standardized	t	Sig.	Sig. Collinearity Statis		
		Coefficients		Coefficients					
		В	Std. Error	Beta			Tolerance	VIF	
	(Constant)	.033	.106		.311	.756			
	social media	.217	.050	.224	4.376	.000	.479	2.087	
1	customer satisfaction	.151	.034	.197	4.40	.000	.628	1.593	
	online advertising	.622	.054	.548	11.571	.000	.561	1.782	

a. Dependent Variable: Brand Loyalty

Source: SPSS 2022 Results

4.3.1.5 Test of Independent Residual

Multiple linear regression model assumes the residuals are independent of one another.

The Durbin-Watson statistic is used to test for the presence of serial correlation among the residuals. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are not correlated if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.5

Table 4.3Test of Independent Residual

Model Summary ^b	
Model	Durbin-Watson
1	1.880
a. Predictors: (Constant	nt), online advertising, Customer Satisfaction, Social Media
b. Dependent Variable	: Brand Loyalty

Source; SPSS 2022 Results

From the table above, the assumption of independence of residuals was meeting. Generally, the study discussed five major assumptions to be fulfilled for one to analyze data using multiple linear regression model. So, since all the five assumptions were not violated, the

b. Predictor variables: Social Media. Customer Satisfaction and online advertising

researcher examined the data collected by the questionnaires using multiple regression model.

Table 4.4 ANOVA (Brand Loyalty)

ANOVA ^a							
	Model	Sum of Squares	df	Mean Square	F	Sig.	
	Regression	92.124	3	30.708	187.424	.000 ^b	
1	Residual	37.848	231	.164			
	Total	129.972	234				
a. Dependent Variable: Brand Loyalty							
b. Pı	b. Predictors: (Constant), online advertising, Customer Satisfaction, Social Media						

Source; SPSS 2022 Results

Table 4.5 Correlations Analysis

Correl						
Contr	ol Variables		customer	social	online	Brand
			satisfaction	media	advertising	loyalty
customer		Correlation	1.000	.594**	.492**	.600**
	satisfaction	Significance (2-tailed)		.000	.000	.000
		df	0	233	233	233
	social	Correlation	.594**	1.000	.649**	.698**
	media	Significance (2-tailed)	.000	•	.000	.000
_		df	233	0	233	233
none	online advertising	Correlation	.492**	.649**	1.000	.791**
	advertising	Significance (2-tailed)	.000	.000		.000
		df	233	233	0	233
	Brand	Correlation	.600**	.698**	.791**	1.000
	loyalty	Significance (2-tailed)	.000	.000	.000	
		df	233	233	233	0

^{**}Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Result 2022

AS per table above, the coefficient show that the three determinants measuring brand loyalty were all positively related with the with brand loyalty within the range of 0.6-0.791, all were significant at p<0.01 level.

The independent variables online advertising and social media showed highest and strong positive relation (0.791, 0.698 respectively). While the other independent variable, customer satisfaction showed a moderate level of positive relation (i.e. 0.600) with brand loyalty in digital of St. George Brewery company.

Table also shows that the correlation of the independent variables within themselves. It can be noted that all variables are positively correlated with each other where the strongest correlation goes to the one between online advertising and social media. While weak Correlation seen between online advertising and customer satisfaction.

4.4 Model Summary (Brand Loyalty)

Table 4.6 model summary (Brand Loyalty)

Model	Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.842ª	.709	.705	.40477	1.880
a. Predic	tors: (Constan	t), online adver	rtising, Customer Sa	tisfaction, Social Me	edia —

b. Dependent Variable: Brand Loyalty

Source; SPSS 2022 Results

The other major result under the model summary table showed the R or coefficient of correlation of the model is 0.842 or 84.2% and Adjusted R-Square or coefficient of determination of the model is 70.5% and R² is 0.709(70.9%) which mean that the independent variables (Customer Satisfaction, Visible on advert and Social media) explained the dependent variable of brand loyalty by 70.9%. The following table depicted the analysis's result as follows.

4.5 Coefficients (Brand Loyalty)

Table 4.7 Coefficients (Brand Loyalty)

			Coefficients ^a			
	Model	Unstandardiz	ed Coefficients	Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
	(Constant)	.033	.106		.311	.756
1	social media	.217	.050	.224	4.376	.000
1	customer satisfaction	.151	.034	.197	4.400	.000
	online advertising	.622	.054	.548	11.571	.000

a .Dependent Variable: Brand Loyalty

b. Independent Variables: online advertising, Customer Satisfaction, and Social Media.

Source; SPSS 2022 Result

The above table shows that, all the independent variables have statistically significant relationship with the dependent variable since their p-value is below the alpha level which is 0.05. Considering the standardized beta coefficients, the strongest predictor of the dependent variable (Brand loyalty of customers towards St. George beer product) is **social media** with 0.217 values, **online advertisement** with 0.622 value and **customer satisfaction** with 0.151. Therfore; all the independent variables have positive relationship with the dependent variable.

From the above table the researcher drive the following model:

$$y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \mu$$

It imply that BL=0.033+0.622VA+0.217SD+0.151CS+ μ

BL=brand loyalty (dependent variable)

VA=Visible on advert (independent variable)

SD=Social Media (independent variable)

CS=Customer Satisfaction (independent variable)

μ=error term

4.6 Discussion

The first thing that must be discussed here should be the overall fitness of the model; this fact has been confirmed by different types of statistical results.

The first method is to use the ANOVA test, which yielded a P-value of 0.000, which is less than the alpha threshold of 0.05. That is, the overall independent variables have a statistically significant link with the dependent variables, implying that brand loyalty in St. George beer has a positive relationship with independent variables such as social media, online advertising, and customer Satisfaction.

The R (Coefficient of Correlation) is a simple metric for determining the degree of (linear) relationship between the dependent and independent variables. It just assesses the degree to which the two variables are linked. Gujarati, 2014.

In this case, the value of R is 0.842, showing that the independent variables as a whole and Brand loyalty have a significant relationship. Last but not least, the adjusted R square (Coefficient of Determination) can be defined as the proportion of total variation or dispersion in Brand loyalty of St. George beer product (dependent variable) explained by variation in independent variables (online advertising, Customer Satisfaction, and Social Media) in the regression. So, with an adjusted R Square of 0.705, the linear connection with all the independent variables explains 70.5 percent of the variation in Brand loyalty of St. George beer products. When adjusted R square is high, it means that the independent variables play an important role in affecting the dependent variables in the study that it was included.

In generally speaking, the regression model developed under the study was considered as a good fit or predictor of Brand loyalty of St. George beer products form their customers. The Dependent variable is Brand loyalty which can be explained by their respective beta coefficients. The individual effects of the independent variables can be explained by their respective beta coefficients. As per the regression result,

The First variable was customer satisfaction has the strongest positive relationship. One unit increment in the customer satisfaction level Brand Loyalty increased by 15.5% other variables remain constant. This finding aligns with **Farbod Souri.** (2017), **Samuel H.** (2017) and **Cohen et al.** (2006). As a result customer satisfaction have positively correlated, with customer loyalty and also significantly affected brand loyalty.

The second variable was Social media, this factor also have a positive relationship with the Brand loyalty. A magnitude of one unit increase in Social media and brand loyalty increased by 21.7% other variables remain constant in St. George beer products of digital marketing. This finding align with **Kumar et al (2007)**, **Isabel Buil a, Leslie de Chernatony**, and **Eva Martínez (2003)**, also got along with that of effect of marketing channels on the brand loyalty of monitor publications limited, that stated on their respective findings that the having a well operating Social media visibility have a big effect on the sales along with good mechanics and allow better chances to retain loyal customers than attracting new customer through swift measures.

The Third variable was online advertising with the corollary of this study was 62.2% which mean that one unit increased online advertising in digital marketing brand loyalty increased by 62.2%. This finding align with **Advertising and Promotion Attacks effect on Brand awareness Jan-Benedict E. M. Steenkamp Tilburg University** as a result Digital marketing and Brand visibility shows a general positive relationship between Digital marketing and Brand loyalty .Therefore advertising on digital marketing has been a huge impact in Alcoholic beverage particularly St. George beer products..

4.7 Hypothesis Test table

Hypothesis	Independen	Correlati	Regression		Results
	t Variables	on	standardized	Reason	
		values	Coefficients.		
			В		
H _O . social media	social	.698**	0.224	B=0.22	Ho: Rejected
marketing is not	media			4	Supports the
contributed significantly				P<0.05	model.
on brand Loyalty					
Ho: online advertising is	online	.791**	0.548	B=0.54	Ho: Rejected
not contributed	advertising			8	Supports the
significantly on brand	_			P<0.05	model.
Lovalty					
· y · · · y					
Ho Customer	Customer	.600**	0.197	B=0.19	Ho: Rejected
satisfaction is not	satisfaction			7	Supports the
contributed significantly				P<0.05	model.
on brand Loyalty.					
• •					
	marketing is not contributed significantly on brand Loyalty Ho: online advertising is not contributed significantly on brand Loyalty Ho Customer satisfaction is not contributed significantly	Ho. social media social marketing is not contributed significantly on brand Loyalty Ho: online advertising is not contributed advertising significantly on brand Loyalty Ho Customer satisfaction is not contributed significantly	Ho. social media marketing is not contributed significantly on brand Loyalty Ho: online advertising is not contributed significantly on brand Loyalty Ho Customer satisfaction is not contributed significantly Customer satisfaction satisfaction social media .698** Online advertising significantly Customer satisfaction satisfaction	Ho. social media social marketing is not contributed significantly on brand Loyalty Ho: online advertising is not contributed significantly on brand Loyalty Ho Customer satisfaction is not contributed significantly	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$

Source: SPSS result 2022

4.7.1 Hypothesis Testing and Discussion

Proposed hypothesis was tested based on the results of the correlation analysis. It is possible to interpret whether the independent variable has a significant relationship with the dependent variables or not. Hypothesis is supported when the Sig. value is smaller than 0.05; and a null hypothesis is rejected and alternative hypothesis accept then it is significance to the model. The calculated values (t) of variables were greater than 1.96.

Hypothesis #1

There is significant effect of social media marketing activities on brand Loyalty in beverage industries. Regarding the association between social media and Brand loyalty, Pearson correlation analysis reported that it has 0.698 for Brand loyalty at a significance level of .000 and a positive strong relationship between social media and brand loyalty. Hence, it is possible to conclude that Social media have strong effect on customers' Loyalty St. George beer products.

Therefore, the hypothesis is accepted because Brand Loyalty and social media have a positive relationship with Brand Loyal customers.

Hypothesis #2

There is positive effect of online advertisement on brand Loyalty.

Concerning on the association between online advertisement and Brand Loyalty, Pearson correlation analysis reported that it has 0.791 at a significance level of .000 and a positive strong effect on customers brand Loyalty too. Hence, online advertisement has a positive relationship with Brand Loyalty customers for St. George beer products.

Hypothesis #3

There was a positive effect of customers' satisfaction on Brand Loyalty.

Concerning on the association between customers' satisfaction and Brand Loyalty, Pearson correlation analysis reported that it has 0.6 at a significance level of .000 and has a positive strong effect on customers brand Loyalty. So, customers' satisfaction has a positive relationship with Brand Loyalty for St. George beer products.

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY OF FINDING

The purpose of the study was to test the effect of Digital marketing on Brand loyalty in the case of St. George beer plc. Customer satisfaction, social media and Online advertisement were the key factors identified by the study where the data was collected using a question from the consumers of St. George beer. As the study was conducted using the structured questionnaire it helps the researcher to understand and to get insight on factors that are affecting the loyalty.

As shown on the ANOVA, R (coefficient of correlation) and adjusted R-square (coefficient of determination) on the thesis were used to test the model's overall good fitness, and it turns out all the factors identified before to determine social media on the study had a statistically significant relationship with the dependent variable (Brand loyalty) which mean that social media has a positive impact on Brand Loyalty. As shown in Table 4.4.

The R and adjusted R-square results indicated that the factors which identified independent variable and Brand Loyalty have highly positive relationship with the dependent variable. The identified factors explained the dependent variable by 70.9%. In other words, Social media marketing and Brand Loyalty have a positive relationship. When social media marketing, increased by one unite, Brand Loyalty increased by 21.7% in St. George beer products. In that case the researcher recommended that Social media marketing increased brand loyalty also increased to increase its products selling in digital marketing for St. George Beer Company.

Concerning the second independent variable of this paper which is online advertisement with strongest positive relationship with Brand Loyalty with 62.2% which mean that magnitude of one unit increased advertisement visibility Brand Loyalty also increased by 62.2%. The third independent variable was customer satisfaction with 15.1% which has a positive relationship with the Brand Loyalty with a magnitude of one unit increase in Customer Satisfaction Brand loyalty increased by 15.5% in digital marketing.

5.2 CONCLUSION

In conducting this study, the required data was obtained through structured questionnaires. The Instrument (structured questionnaires) was adopted from prior related studies, in order to measure all variables of the study. To check the validity and reliability of the adopted instruments validity and reliability test was also carried out. To determine the sample size from the total population of the study, the researcher uses formula based-sample size determination. To select respondents 'convenience sampling technique was adopted. Basically, a total of 246 questionnaires were distributed to the sampled Customers, among these 235 questioners were returned. Thus, 235 returned questionnaires were analyzed using statistical package for social science (SPSS version 20). In the analysis descriptive statistics, correlation analysis and regression analysis were performed.

The study had three specific objectives these were to test the effect of Online advertisement on brand loyalty in the case of St. George Beer S.C, to determine the effect of social media marketing on brand loyalty in the case of St. George Beer S.C. and to assess effect of customer satisfaction on Brand Loyalty in St. George Beer S.C.

After data collection from St. George beer product consumers (customers) in digital market identified those factors of social media, customer satisfaction and online advertisement .The researcher was used regression analysis to know and examine the relationship between dependent and independent variables in St. George beer products in digital marketing. Based on the finding the researcher identified personal and social factors that inhibit Brand Loyalty in beverage industries in general and particularly St. George beer to use digital marketing.

The relative importance of the factors to determine Brand loyalty of St. George beer was looking at their respective beta coefficients. With beta coefficient of 0.622, online advertisement has the highest effect on the Brand Loyalty. That indicates for a one-unit change in online advertisement there will be 62.2% change in Brand Loyalty. The second determinant factor of Brand Loyalty was Social Media with beta coefficient of 0.217.it indicated that one unit change in Social Media there will be 21.7% change in brand Loyalty other thing remain constant. The least effect on Brand Loyalty was Customer satisfaction, but it also positive relationship with Brand Loyalty with beta coefficient of 1.51.one unit change in customer satisfaction there will be 15.5% change Brand Loyalty other things remain constant.

5.3 RECOMMENDATIONS

- ➤ The company would repeatedly online advertisement as to lead the market by keeping Brand loyalty to its target consumers.
- To sustain competitive advantage the brewery industry in digital marketing should Focus on attracting new segments of the market like the under age groups by producing non-alcoholic beers.
- ➤ Customers continue to understand the significance of e-marketing and online activities and improving the security of the website would be important. The customers tend towards avoiding risks and security is important in e-commerce and online business transactions and related actions.
- > To ensure the customers appreciate the perceived value and encourage towards customer satisfaction and loyalty, it is important for businesses and organization to secure their site.
- Utilization of online advertisement provides feedback; the firm should ensure that the feedback is taken seriously to retain consumers and building the name of the company.

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ANNEXES

Questionnaire

St. Mary's University School of Graduate Studies

Marketing Management Program

(Questionnaire to be filled by beer customers)

Sir/madam,

This questionnaire is a part of a study for a master's degree at St. Mary university school of graduates in marketing management program. The purpose of this questionnaire is to gather data about **the Effect of Digital marketing on Brand loyalty in the case of St. George Beer sc.** The study is used purely for academic purpose and thus it does not affect you in any case. You are genuine, frank, and timely response is vital for the success of the study. Therefore, I kindly request you to respond to each question item carefully.

Instruction:

- •No need of writing your name.
- •Use "√" up on given choices alternatives in side the box.
- Please return the completed questionnaire in time, thank you in advance for your cooperation and timely response.
- The researcher assures that the responses you provide will be kept confidential.

For further comments and information, you may contact me at: - +251941688020 cell phone.

Your sincerely

Asres Mekuriaw

Thank you for your cooperation!!!

Appendices I

Part I: General information
1.your Gender (Sex):
2.Indicate your age groups.
□ 21-30 years □ 31-40 years □ 41-50 years □ above 50 years
3. Marital Status:- Married Single Widowed Divorced
4. Occupation:
5. How often do you use Digital marketing/social media?
Every day once every three day once every two wee once every week
6.Are you a drinker of beer? Yes
7.If you say yes, how often do you purchase beer?
☐ Once in a week ☐ Occasionally ☐ Daily ☐ Twice a week ☐ On Holidays ☐ Never
Part II: Branding loyalty and Digital marketing question
1. What do you understand usually about branding?
□ Name □ Slogan or Motto □ Company image □ labeling □ other
2. Which brand of beer comes to your mind when you think of beer products?
St. George beer Dashen Beer Walya Beer Bedele Beer Other
3. How do you come to know about this brand?
Social media Activation Availability and accessibility other
4. What encourages you to take the decision for purchasing your most preferred been
brand?

☐ Brand loyalty ☐ Product quality and test ☐ Familiarity ☐ Duration of						
promotion						
5.From the following Digital marketing plat form, which once are you familiar with?						
Social Media Advertisement on TV and Radio E-mail marketing						
Website promotion						
6. Which of the following Digital marketing media platforms do you use?						
☐ Social media ☐ online advertisement ☐ Telegram ☐ other						
Part III: Determinants of brand loyalty						

Using the scale below, please indicate your responses to each of the item that follows, by marking $(\sqrt{})$ against the number that best describe your answers.

1- Strongly disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly agree

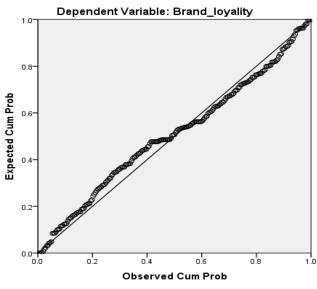
No	Brand loyalty determinants		
	Customer satisfaction towards St. George beer		
	My beer has a good value for the money I paid.		
	I would recommend St. George Beer to my friends.		
	I am satisfied with the taste of St. George Beer.		
	Social media towards St. George beer products		
	I am satisfied with brand that appeared on social media.		
	I usually use St. George Beer brand from social media.		
	I would recommend St. George Beer brands to others through the social media		
	St. George beer social media easily achievable and trust.		
	Online Advertising towards St. George Beer products		
	I think Online advertising is easy to reach huge number of subscriber in daily basis.		
	Online advertising of St. George Beer company is more efficient compared		
	from other media channel.		
	Online advertisement has positive effect on brand loyalty.		
	In general, online advertising is easily memorable and recognizable.		
	Online advertisement empowers customer's satisfaction.		

Online advertising helps to build brand transparent and stronger relations with	i		
them.			
Online advertisement offers them personalized experiences in St. George been			
products.			
Online advertisement only thing that will sustain and help grow a business in	1		
the long term.			
Brand Loyalty			
I am drinking only St. George Beer.			
I am proud by St. George beer product.			
I am So happy St. George Beer Participation on Social Responsibility program.			
I am likely to continue to buy it without considering other brands.			

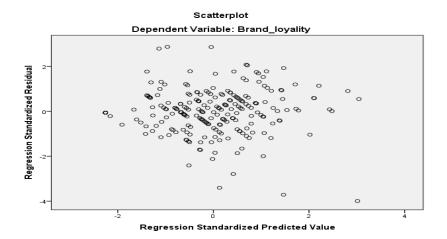
$\label{eq:Appendix II} \mbox{Multiple linear regression assumption}$

1. Test of normality





2. TestHOMOSCEDASTICITY



3. Test of Multicollinearity

VIF Table

Coefficients ^a									
Model		Unstandardized		standardized	t	Sig.	Collinearity		
		Coefficients		Coefficients			Statistics		
		В	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	.033	.106		.311	.756			
	social media	.217	.050	.224	4.376	.000	.479	2.087	
	customer satisfaction	.151	.034	.197	4.40	.000	.628	1.593	
	Visible on advert	.622	.054	.548	11.571	.000	.561	1.782	

a. Dependent Variable: Brand Loyalty

b. Predictor variables: Social Media. Customer Satisfaction and Visible On Advert

4. Test of independent residual

Model Summary ^b							
Model	Durbin-Watson						
1	1.880						
a. Predictors: (Constant), Visible on Advert, Customer Satisfaction, Social Media							
b. Dependent Variable: Brand Loyalty							