

Addis Ababa  
University

(Since 1950)



# **Pharmacist's Perception of Brand Equity in the Case of Lagap Pharmaceutical**

**By**

**Urael Gizachew**

**Addis Ababa University School of commerce**

**Department of Marketing Management**

**Graduate Program Unit**

**June 2017**

**Addis Ababa**

**Ethiopia**

**Pharmacist's Perception of Brand equity in the  
Case of Lagap Pharmaceutical**

**Addis Ababa University School of commerce  
Department of Marketing Management  
Graduate Program Unit**

**A Thesis Submitted to the School of Graduate Studies of Addis  
Ababa University School of Commerce in Partial Fulfillment for  
the Award of Masters of Arts degree in Marketing Management**

**By**

**Urael Gizachew**

**Advisor:**

**Rakshit Negi (Ph.D.)**

**June 2017**

**Addis Ababa**

**Ethiopia**

**Addis Ababa University**  
**School of Commerce**  
**Department of Marketing Management**  
**Graduate Program Unit**

This is to certify that the thesis is prepared by Urael Gizachew, entitled; Pharmacist's perception of Brand equity in the case of Lagap pharmaceutical: In partial fulfillment of the requirements for the award of the Degree of Master of Arts in Marketing Management with the regulation of the University and the accepted standards with respect to originality.

**Approved by Board of Examiners**

**Rakshit Negi (PhD)** \_\_\_\_\_

Thesis Advisor                      Signature                      Date

**Tewodros Mesfin (PhD)** \_\_\_\_\_

Internal Examiner                      Signature                      Date

**G/Kiros** \_\_\_\_\_

External Examiner                      Signature                      Date

## **Declaration**

I, Urael Gizachew, hereby declare that this research paper entitled **“Pharmacist’s perception of Brand equity in the case of Lagap pharmaceutical”** is my original work and has not been used by others for any other requirements in any other university and all sources of information in the study have been appropriately acknowledged.

**Urael Gizachew**

**Student**

\_\_\_\_\_

**Signature**

**June 20, 2017**

**Date**

## **Letter of Certification**

This is to certify that Urael Gizachew has carried out his thesis on the topic entitled: Pharmacist's perception of Brand equity in the case of Lagap pharmaceutical. This work is original in nature and suitable for the award of Masters of Arts (MA) in Marketing Management.

---

**Rakshit Negi (Ph.D.)**

**20<sup>th</sup>June 2017**

## **ACKNOWLEDGMENTS**

First and foremost I would like to express my deepest gratitude to the almighty God for his blessing and for making me accomplish this huge achievement. Secondly, I am greatly indebted to my thesis advisor Rakshit Negi (Ph.D.) for his unreserved attention and support in advising me for the better improvement of this thesis.

Thirdly, I am very grateful for my family who has been supporting me in every step of my life. I am very blessed to have you in my life. All my friends, especially Mahlet Mandefro, Surafel Ephream, Ashenafi Teka, Yodit Lemma and Kalabe Habtamu, you have played a great role in accomplishing this thesis, I have no words to express my heartfelt thanks. May God bless you all.

Finally and most importantly, I would like to acknowledge all the participants of this study who gave their time and provided their valuable information. Moreover, my heartfelt thanks goes to everyone that has contributed to this thesis directly or indirectly. THANK YOU.

# Table of contents

Acknowledgment .....	i
Table of Content .....	ii
List of Tables ....	vi
List of Figures ....	vii
List of Appendices .....	viii
List of Acronyms ....	ix
Abstract .....	x
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>1</b>
1.1 Background of the study .....	1
1.1.1. Company Background .....	3
1.2 Statement of the problem .....	4
1.3 Research questions .....	5
1.4 Research objectives .....	5
1.4.1. General Objective .....	5
1.4.2. Specific Objectives .....	5
1.5 Significance of the study .....	6
1.6 Scope of the study .....	6
1.7 Definition of terms .....	7
1.8 Organization of the study .....	8
<b>CHAPTER TWO</b> .....	<b>9</b>
<b>LITERATURE REVIEW</b> .....	<b>9</b>
2.1 Theoretical Review .....	9
2.1.1 Concepts of Branding .....	9
2.1.2 Concepts of brand equity .....	12
2.1.3 Customer based Brand equity .....	13

2.1.3.1 Brand awareness .....	13
2.1.3.2 Brand Association.....	14
2.1.3.3 Perceived quality .....	15
2.1.3.4 Brand loyalty .....	16
2.1.4 Financial approach to brand equity .....	16
2.1.5 Significance of Measuring brand equity .....	17
2.1.6 Retail based brand equity .....	19
2.2 Empirical Review.....	20
2.3 Conceptual framework and Hypothesis .....	22
2.3.1 Conceptual framework.....	22
2.3.2 Research hypothesis .....	23
2.3.2.1 Perceived Quality.....	23
2.3.2.2 Brand Awareness .....	23
2.3.2.3 Brand Association.....	24
2.3.2.4 Brand Loyalty .....	24
<b>CHAPTER THREE.....</b>	<b>25</b>
<b>RESEARCH DESIGN AND METHODOLOGY.....</b>	<b>25</b>
3.1 Research Approach .....	25
3.2 Research design .....	25
3.3 Population and Sampling .....	26
3.3.1 Population .....	26
3.3.2 Sampling technique.....	26
3.3.3 Sample size.....	27
3.4 Data collection instrument .....	28
3.5 Procedures of data collection.....	28
3.6 Data analysis technique .....	29
3.7 Reliability and Validity test .....	29
3.8 Ethical consideration.....	30

<b>CHAPTER FOUR .....</b>	<b>31</b>
<b>DATA ANALYSIS AND DISCUSSION .....</b>	<b>31</b>
4.1 Response Rate.....	31
4.2 Demographic profile of respondents.....	31
4.3 Normality Test .....	33
4.4 Descriptive Analysis .....	34
4.4.1. Mean and Std. Deviation of Brand Equity Dimensions.....	34
4.4.1.1 Perceived Quality.....	34
4.4.1.2. Brand Awareness .....	35
4.4.1.3. Brand Associations .....	36
4.4.1.4. Brand Loyalty .....	37
4.4.1.5. Overall Brand Equity .....	38
4.5 Inferential Statistics .....	39
4.5.1 Correlation Analysis .....	39
4.5.2. Test for Linear Regression Model Assumptions .....	40
4.5.2.1. Normality Assumption.....	40
4.5.2.2. Multicollinearity Test Assumption .....	41
4.5.3 Regression Analysis.....	42
4.5.4 Hypothesis testing and Results interpretation.....	44
 <b>CHAPTER FIVE .....</b>	 <b>45</b>
<b>FINDINGS, CONCLUSION AND RECOMMENDATION .....</b>	<b>45</b>
5.1 Summary of Findings.....	45
5.2 Conclusions.....	46
5.3 Recommendations.....	47
5.4. Limitations and Directions for Future Research.....	48

**REFERENCES .....49**  
**APPENDICES .....54**

## List of Tables

Table 3.1 Reliability Analysis of the Variables .....	30
Table 4.1 Demographic profile .....	31
Table 4.2 General information about respondents .....	32
Table 4.3 Skewness and Kurtosis for normality of data .....	33
Table 4.4 Perceived quality Analysis.....	34
Table 4.5 Brand Awareness Analysis .....	35
Table 4.6 Brand Association analysis .....	36
Table 4.7 Brand Loyalty Analysis .....	37
Table 4.8 Overall Brand Equity Analyses .....	38
Table 4.9 Correlation analysis .....	39
Table 4.10 Multicollinearity .....	42
Table 4.11 Analysis of overall brand equity dimensions.....	43
Table 4.12 Summary of the overall outcome of research hypothesis .....	44

# List of Figures

Figure 2.1 Conceptual Framework of the Study.....	22
---	----

**List of Appendices .....54**

APPENDIX 1: Questionnaire in English .....55

APPENDIX 2: Reliability Statistics and Tests .....58

APPENDIX 3: Histogram for Normality Test of the Data .....61

APPENDIX 4: Normal P- P Plot to Test Normality of the Data .....62

APPENDIX 5: Model Summary.....63

## List of Acronyms

B2B	Business to Business
B2C	Business to Consumer
CBBE	Customer Based Brand Equity
RBBE	Retailer Based Brand Equity
SPSS	Statistical Packages for Social Science
OBE	Overall Brand Equity
$\alpha, \beta$	Coefficients of an Equation

# Abstract

The objective of this research paper is to examine the applicability of the Aaker model of brand equity in pharmacist's perception towards Lagap pharmaceutical was analyzed. The most common and widely used conceptual framework of Aaker was used. A quantitative research design was applied to research the causal relationship of the brand equity measurement dimensions to that of overall brand equity. A simple random sampling technique was conducted to contact the sample respondents. Applying a structured questionnaire written in English was distributed to 270 peoples. The analysis was performed using descriptive and inferential statistics by using SPSS version 20 software. The finding shows that CBBE model can be applied in the business to business pharmaceutical retail sector as well. Perceived quality, Brand awareness and Brand loyalty were found to be positively and significantly affecting overall brand equity as they were hypothesized. But Brand association shows less significant with the overall brand equity and the hypothesis was not supported. Brand equity is inevitable in these sector therefore, Lagap pharmaceutical and agents in this sector must involve in high promotional activities by majorly focusing on the four independent variables of the Aaker model to increase the overall brand equity of Lagap pharmaceutical.

**Key words:** Perceived quality, Brand awareness, Band association, Brand loyalty, Overall brand equity, CBBE and SPSS.

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

As Kotler and Keller (2012) defines brand as a product or service whose dimensions differentiate it in some way from other products or services designed to satisfy the same need. These differences may be functional, rational, or tangible related to product performance of the brand. They may also be more symbolic, emotional, or intangible related to what the brand represents or means in a more abstract sense.

Brand equity has been an important concept in business practice as well as in academic research because marketers can gain a competitive advantage through successful brands such as opportunity for successful extensions, resilience against competitors' promotion pressure, and so on (Lasser, Mittal & Sharma, 1995). Aaker (1991) defined brand equity as a set of brand assets and liabilities linked to brand, its name, and symbol that add to or subtract from the value provided by a product or service to a firm and/or to the firm and/or that firm's customers.

Marketers and researchers use various perspectives to study brand equity. Two main approaches to brand equity are indicated as the financial and the customer perspective (Myers 2003). The financial approach, or company-oriented view, which focuses on the value provided to brand owners and Customer based approach view it from the perspective of the consumer-either an individual or an organization. The premise of customer-based-brand-equity model is that the power of a brand lies in what customers have seen, read, heard, learned, thought, and felt about the brand over time (Kotler and Keller, 2012).

Aaker (1991) divided the dimensions of consumer based brand equity into five: perceived quality, brand loyalty, brand awareness, brand association, and other proprietary brand assets such as patents, trademarks, and channel relationships. Barwise (1993) and Yoo & Donthu (2001) asserted that among these five brand equity dimensions, the first four represent customers' evaluations and reactions to the brand that can be readily understood by consumers and hence

they have been widely adopted to measure customer-based brand equity in prior researches. Despite the existence of a number of models on brand equity in the literature, this research applies the most commonly cited model of Aaker.

It is recognized that pharmaceutical industry is quite competitive. Due to that fact one of the possibilities is to offer customers more value with their products and services. If an organization to manage its presence on the market as well as to continuously grow it is needed to carefully manage value they provide to the customers. This value can be provided through organizations' brands. Moreover, creating value for customers is possible through enhancing customer satisfaction. So, for a customer to be satisfied an organization has to offer more value for customers and more value than competitors. Consequently, enhanced customer satisfaction will create customer loyalty (Day, 1998).

This Study tried to examine the brand equity of Lagap pharmaceuticals, a Switzerland based brand in Ethiopia, from the perspectives of Pharmacists by applying the Aaker model of brand equity.

### **1.1.1 Company Background**

Today, for many organizations creating strong brands, due to advantages such as revenues has become a priority into marketing programs. Strong brand will help company by creating identity in the market; less vulnerable against competitive action; earn higher profit margins; more cooperation and supports of intermediaries with company and earn the brand's development opportunities (Ballester, 2005).

In these research paper we did a study of one of the pharmaceutical companies who are distributing its products throughout the country and have big sales revenue with different kinds of therapeutic range. These is called Lagap Pharmaceutical. Lagap is a Switzerland origin company which starts its manufacturing drugs in the 1950. This company has its own manufacturing plant in Switzerland, Abu Dhabi and Poland. And works in different international market especially In Eastern Asia and Africa. The company manufactures many kinds of medicines in different category by more focusing on antibiotics.

The company is doing its marketing activities by having Four Medical Representatives and one Key account manager in Addis Ababa. They did there promotion by dividing the town into Four areas and have at least covering one regional towns with a monthly interval. The sole importer and distributor of this pharmaceutical company in Ethiopia is Eyasu drugs and medical supplies importer and distributor. Eyasu drugs is not only importing Lagap products, but also big multinational companies like MSD, Pfizer, Astra zenica and others products are also available.

## **1.2. Statement of the problem**

According to its nature the impact of brand equity with regard to the preference of pharmaceutical products is expected to have a significant value in the eyes of the decision maker. With the same consideration and as it is a market where there are a significant number of competing products, the Ethiopian pharmaceutical market is also expected to have the same feature where brand equity realize a high value whenever a pharmaceutical product is chosen by a particular users (Eyerusalem, 2015)

Many Organizations have come to the realization that one of their most valuable assets is the brand associated with their products or services. 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).

Since, there are no significant researches done which could inform the relative importance of pharmacists based brand equity in building a strong brand in the Ethiopian pharmaceutical industry, this study was done in such a way that it could give an insight to the major determinants that will have an impact on the brand equity of Lagap pharmaceutical. This study will examine the variables which determine the pharmacists based brand equity in the Lagap pharmaceutical so that associated companies will have a clear understanding of the market that they are participating on.

The motivation behind this study is the fact that the Lagap pharmaceutical is currently composed of strong brands which are in stiff competition. However, it is not clear which factors of brand equity have a strong influence on the pharmacist's brand preference. Developing a strong brand in the minds of customers will increase company's sales volume and market share in the competitive market.

Therefore Managers need to understand what constitute their brand value, which dimension of brand equity is more important, and where and when their brand equity adds value. So this study tried to examine the applicability of the Aaker model of brand equity in the case of Lagap pharmaceuticals in Addis Ababa retail outlets.

## **1.3 Research questions**

This study has answered the following research questions.

- What are the key determinants of pharmacist's based brand equity of Lagap pharmaceutical?
- How do the determinants of pharmacist's based brand equity relate with each other on Lagap pharmaceutical products in Addis Ababa?
- What is the most preferred brand equity dimension from the pharmacist's perspective in Lagap pharmaceutical case?

## **1.4 Research objectives**

This study has the following general and specific objectives.

### **1.4.1 General objective**

The general objective of this study was to examine the pharmacist's perception of brand equity in the case of Lagap pharmaceuticals.

### **1.4.2 Specific objectives**

- To examine the key determinants of pharmacist's based brand equity of Lagap pharmaceutical.
- To investigate the relationship among the brand equity dimensions in the pharmacists attitude towards Lagap pharmaceutical.
- To identify the most preferred brand equity measurement dimension in the minds of the pharmacist's towards Lagap pharmaceuticals.

## **1.5 Significance of the study**

In pharmaceutical industries that mainly uses branded medicines in the sector, the study of brand equity from the retailers' perspective which is pharmacists is very essential for the growth of the company. So this study tried not only to examine the Aaker model of brand equity dimensions of pharmacists towards Lagap pharmaceutical, but also helped the company to focus on which brand equity dimension is suitable for it.

This research will also contribute by being used as a reference by other researchers who want to conduct further study on the concept of pharmacist's based brand equity in the context of our country. The area business managers or national sales managers can also be use of these findings to know what pharmacist's perception on brand equity of pharmaceutical products in Addis Ababa looks like.

## **1.6 Scope of the study**

This study mainly concentrated on assessing the determinants of customer-based brand equity in the Ethiopian pharmaceutical industry. In order to do the assessment Aaker's Customer-based brand equity model was employed. The study only used the first four variables of Aaker's customer-based brand equity model, which are, Perceived quality, Brand awareness, Brand association and Brand loyalty. The fifth variable, other proprietary assets is a vast area to be covered and difficult to implement in these case, thus it will not be realistic to accomplish considering the resource, time and financial constraints. So these research used only the four independent variables.

## 1.7 Definition of terms

**Brand** a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors (Kotler & Keller 2012, p 241).

**Branding** is endowing products and services with the power of a brand. It's all about creating differences between products. Marketers need to teach consumers "who" the product is by giving it a name and other brand elements to identify it as well as what the product does and why consumers should care.(Kotler & Keller 2012, p 243)

**Brand equity** is the added value endowed on products and services. It may be reflected in the way consumers think, feel, and act with respect to the brand, as well as in the prices, market share, and profitability the brand commands (Kotler & Keller 2012, p 243).

**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)

**Retailer-based brand equity (RBBE)** is the effect of brand knowledge on the retailer's response to marketing activities of the brand manufacturer, in which positive attitudes of retailers towards the manufacturer's brand leads to the source of competitive advantage of the brand in the same category (Quan 2006, p 25).

## 1.8 Organization of the study

This study has been organized into five chapters. The **first chapter** provided a general introduction of the study including background of the study, statement of the problem, research questions and objectives, significance of the study, Scope of the study, limitation of the study, definition of terms and organizations of the study. The **second chapter** has dealt with the review of related literature where theoretical and empirical evidences are to be explored from different publications in the area of customer based brand equity.

The **third chapter** has presented the research design and methodology which focuses on the type of research, target population, sample size, sampling techniques, sources and instruments of data collection, procedures of data collection , Ethical considerations and finally method of data analysis. The **fourth chapter** was about the results and discussion that is concerned with the summarization and interpretation of the research findings with extensive literature review. Finally in **chapter five**, summary of findings, conclusions, recommendations and limitations of the study have to be discussed.

# CHAPTER TWO

## LITERATURE REVIEW

### 2.1 Theoretical Review

#### 2.1.1. Concepts of branding

Kotler & Armstrong (2012) defined a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Apart from its tangible feature, a product might also contain services, events, persons, places, organizations, ideas, or a mixture of these. A consumer is any individual who is frequently engaged in the process of analyzing, selecting, using and disposing a product. Consumers buy products for different reasons. Some buy simply to acquire the functional benefits which would satisfy unfulfilled needs of consumption. Others try to get self-expressive/symbolic benefits which would help them to see their self-image through the brand image of the product. And some others still buy products to get the intangible benefits of satisfying their sense organs.

In an effort to discriminate a product from that of its competitors, the need for branding was needed. The word brand comes from the old Norse word "brandr" which means "to burn" as brands were and still are the means by which owners of livestock mark their animals to identify them (Keller, Parameswaran & Jacob, 2011, p.2). Historically, brands were created to defend producers from theft. A cattle brand, a sign burned into the animal's hide, identified the owner and made it apparent if the animal had been stolen. 'Brands' or trademarks also identified the source of the olive oil or wine contained in ancient Greek amphoras, and created value in the eyes of the buyers by building a reputation for the producer or distributor of the oil or wine (Kapferer, 2008, p.10).

According to the definition of the American Marketing Association in the 1960's which is cited by (Hedging, Knudtzen & Bjerre 2009, p.9) , "A brand is name, term, sign, symbol, or design, or a combination of them which is intended to identify the goods or services of one

seller or a group of sellers and to differentiate them from those of competitors"

The Merriam Webster dictionary describes brand as "a class of goods identified by name as the product of a single firm or manufacturer". A product is something created by labor that can be marketed or sold as a commodity. A brand is created when you take that product and give it special meaning through names, logos or any form of identification that separates one seller's goods or services from their competition (Russell, 2010, p.72). According to Kotler and Keller (2005) as cited by Cerjak, Haas and Kovačić (2010) if a company treats a brand only as a name, it misses the point of branding. Branding is used to develop a deep set of meanings for the brand. Moreover, branding requires resources, high dedication, and skill to create the unique bond in the minds of consumers. What makes a certain brand recognizable from a number of other brands? According to Kapferer, "But what really makes a name become a brand are the saliency, differentiability, intensity and trust attached to these associations (Kapferer, 2008, p.11).

In the words of Kotler, a brand is described as "The ideas and impressions we might hope the consumer to have about our brands are subject to the competing ideas, which are available for consumer perception (Kotler & Pfoertsch, 2006, p.5). Brands assist us in every day of our lives to make our decisions easy; be the decisions of low involvement products to high involvement products. They facilitate the choice we make when buying a bread to the schools we enrolled in to the residential areas we live and the cars we chose to drive. Brands consist of different brand elements as name, logo, symbol, character, packaging and slogan. These brand elements have to incorporate characteristics such as memorable, meaningfulness, likable, transferability, adaptability and protectable which would make possible for consumers to identify a given product of a firm easily and create unique positioning in their minds and add value to a product. Creating a unique place in minds of consumers would allow the brand to have a competitive advantage over its competitors. As elaborated by White (2004) competitive advantage is then the ability to better satisfy customers than competitors can.

According to Porter (1990) as cited by Pappu, Quester & Cooksey (2005) brand is a powerful means of differentiation. In the absence of branding, all products would be taken as a commodity. A brand can be viewed as a kind of translation cipher, which, with the help of a unique brand name or symbol, reflects the performance characteristics and the quality of a product (Kotler & Pfoertsch, 2006, p.74). In today's market, there is minimal existence of unbranded products. This is due to each marketer's intention towards creating a specific identity for their firms' products. Firms making branded products not only strive to understand the motivations and wants of their consumers but come up with appropriate and appealing products in accordance with the demands of consumers. To consumers, brands depict something about a product; be it product quality or consistency (Ellwood, 2002).

Keller, Parameswaran & Jacob (2011) mentioned that brand benefits are the personal value and meaning that consumers attach to the product or service attributes. Brands have advantages to both the consumer and the firm. As per Keller, Parameswaran & Jacob (2011) brands help consumers in identifying source of product, assigning of responsibility to product maker, searching cost reducer, promising and bonding with maker of a product, being symbolic device and signaling of quality. Brands also minimize the risks that consumers are faced with when buying and consuming a product. These risks include function risks, physical risk, financial risk, social risk, psychological risk and time risk. On the other hand for the firms, brands are the means of identification to simplify handling, means of legally protecting unique features, signal of quality level to satisfied customers, means of endowing products with unique associations, source of competitive advantage and source of financial returns.

### **2.1.2. Concepts of Brand equity**

The concept of brand equity has been defined in a number of different ways. There are two perspectives from which brand equity can be viewed. One is customer-based, it focuses exclusively on the relationship customers have with the brand ( from total indifference to attachment, loyalty, and willingness to buy and re-buy based on beliefs of superiority and evoked emotions). The other relates to suppliers, brand equity is viewed as a financial asset. It aims at producing measures in monetary values. (Kapferer, 2008). According to Keller, (2004) brand equity is generated by consumers, who base their (re)purchase behaviors on the judgment of a brand's value to themselves.

According to Kotler and Keller (2012), brand equity is the customer's subjective and intangible assessment of the brand, beyond its objectively perceived value. Brand equity is the positive outcome that the customers show to the product or service. Moreover, as per the Official Marketing Science definition, brand equity is the set of associations and behavior on the part of a brand's customers, channel members and parent corporation that permits the brand to earn greater volume or greater margins that it could without the brand name. (Kapferer, 2008).

Furthermore, Keller (2004), developed a model that helps to understand brand equity from the customers perspective, how consumers react to marketing of a brand product compared to a product without a good brand. The model is based on the premise that the power of a brand lies in what customers have learned, felt, seen and heard about the brand as a result of their experiences over time. He defines CBBE "as the differential effect that brand knowledge has on consumer response to the marketing of that brand".

The detailed discussion on Customer Based Brand Equity based on the available literatures of both Keller and Aaker is as follows.

### **2.1.3. Customer-Based Brand Equity**

The concept of Customer-Based Brand Equity has been given a detailed analysis by Keller, (2003). He came up with a justifiable recommendation on how it is structured and how we can make use of many variables in order to build a strong brand equity.

The determinants of customer-based brand equity were conceptualized by Aaker (1996) as five elements namely Brand Awareness, Perceived Quality, Brand Association, Brand Loyalty and other proprietary brand assets. The elements are discussed in detail as follows.

#### **2.1.3.1. Brand Awareness**

Brand awareness is the first and prerequisite dimension of the entire brand knowledge system in consumers' minds, reflecting their ability to identify the brand under different conditions: the likelihood that a brand name will come to mind and the ease with which it does so.

Brand awareness can be depicted into brand recognition (consumers' ability to confirm prior exposure to the brand when given the brand as cue) and brand recall (consumers' ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other cues). Brand awareness is essential in buying decision-making as it is important that consumers recall the brand in the context of a given specific product category, awareness increasing the probability that the brand will be a member of the consideration set. Awareness also affects decisions about brands in the consideration set, even in the absence of any brand associations in consumers' minds. In low involvement decision settings, a minimum level of brand awareness may be sufficient for the choice to be final. Awareness can also influence consumer decision making by affecting brand associations that form the brand image (Keller,1993).

Considering approach of brand equity, the accessible attitude he refers to is related to how quickly a consumer can retrieve brand elements stored in his/her memory (brand awareness). The attitude activation is sometimes "automatic" (it occurs spontaneously upon

the mere observation of the attitude object) and sometimes “controlled” (the active attention of the individual to retrieve previously stored evaluation is required). It was also proven that only high accessible attitudes (brands with a high level of awareness) can be relevant when purchasing or repurchasing a brand. (Peter, 2013)

Aaker (1991) mentioned several levels of brand awareness, ranging from mere recognition of the brand to dominance, which refers to the condition where the brand involved is the only brand recalled by a consumer. He defines brand awareness as “the ability of the potential buyer to recognize and recall that a brand is a member of a certain product category”. According to Keller, brand recall refers to consumers’ ability to retrieve the brand from memory, for example, when the product category or the needs fulfilled by the category are mentioned. Keller (1993) argued that “brand recognition may be more important to the extent that product decisions are made in the store”. Customer-based brand equity occurs when the consumer has a high level of awareness and familiarity with the brand and holds some strong, favorable, and unique brand associations in memory.

### **2.1.3.2. Brand Associations**

A brand association is the most accepted aspect of brand equity. Associations represent the basis for purchase decision and for brand loyalty (Aaker, 1991).

Brand associations consist of all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes (Kotler and Keller 2012, p. 188) and is anything linked in memory to a brand. Chen (2001) categorized two types of brand associations - product associations and organizational associations.

#### **A) Product Associations**

Product associations include functional attribute associations and non-functional associations (Chen 2001). Functional attributes are the tangible features of a product (Keller 1993). While evaluating a brand, consumers link the performance of the functional attributes to the brand. If a brand does not perform the functions for which it is designed, the brand will have a low level of brand equity. Performance is defined as a consumer’s judgment

about a brand's fault-free and long-lasting physical operation and flawlessness in the product's physical construction (Lassar et al. 1995).

Non-functional attributes include symbolic attributes which are the intangible features that meet consumers' needs for social approval, personal expression or self-esteem. These include trustworthiness, perceived value, differentiation and country of origin of the brand (Keller 1993).

### **B) Organizational Associations**

Organizational associations include corporate-ability associations, which are those associations related to the company's expertise in producing and delivering its outputs and corporate social responsibility associations, which include organization's activities with respect to its perceived societal obligations (Chen 2001). According to Aaker (1996), consumers consider the organization that is the people, values, and programs that lies behind the brand. Brand-as-organization can be particularly helpful when brands are similar with respect to attributes, when the organization is visible (as in a durable goods or service business), or when a corporate brand is involved.

### **2.1.3.3. Perceived Quality**

Perceived quality is viewed as a dimension of brand equity rather than as a part of the overall brand association (Keller 1993). Perceived quality is the customer's judgment about a product's overall excellence or superiority that is different from objective quality (Zeithaml 1988). Objective quality refers to the technical, measurable and verifiable nature of products/services, processes and quality controls.

Perceived quality is hence formed to judge the overall quality of a product/service. Boulding (1993) argued that quality is directly influenced by perceptions. Consumers use the quality attributes to 'infer' quality of an unfamiliar product. It is therefore important to understand the relevant quality attributes are with regard to brand equity. Zeithaml (1988) and Steenkamp (1991) classify the concept of perceived quality in two groups of factors that are intrinsic attributes and extrinsic attributes. The intrinsic attributes are related to the physical aspects of a product (e.g. color, flavor, form and appearance).

#### **2.1.3.4. Brand Loyalty**

Loyalty is a core dimension of brand equity. Aaker (1991) defines brand loyalty as the attachment that a customer has to a brand in different levels of loyalty. Behavioral loyalty is linked to consumer behaviour in the marketplace that can be indicated by number of repeated purchases (Keller 1993) or commitment to rebuy the brand as a primary choice (Oliver 1997).

Cognitive loyalty which means that a brand comes up first in a consumers' mind, when the need to make a purchase decision arises, that is the consumers' first choice. The cognitive loyalty is closely linked to the highest level of awareness (top-of-mind), where the matter of interest also is the brand, in a given category, which the consumers recall first. Thus, a brand should be able to become the respondents' first choices (cognitive loyalty) and is therefore purchased repeatedly (behavioral loyalty) (Keller 1993).

#### **2.1.4 Financial approach to brand equity**

The financial approach refers to brand equity as a viable asset for manufacturers (Davis & Doughlass 1995). This asset is defined as the incremental cash flow resulting from revenues of products with a brand name over those of unbranded ones (Shocker & Weitz 1988). The reasons for the development of this research stream are based on the requirement to set a price when the brand is sold and the index to attract investors or stakeholders as an intangible asset on a balance sheet (Feldwick 1996).

There are three popular methods for measuring brand equity from a financial approach. The most common measures focus on stock prices and brand replacement (Myers 2003). The stock market reflects future prospects of brands by adjusting the prices of firms, then the movements in stock prices is used to capture the dynamic nature of brand equity (Simon & Sullivan 1993). The application of the second financial method, in the case of new product launches, is based on brand replacement, as funds requirements combined with the probability of success in establishing a new brand (Simon & Sullivan 1993). The third method used by the financial world is based on the annual list of world-wide brand valuations (Ourusoff & Panchapakesan 1993). This method calculates the net brand-related

profits and assigns a multiple factor based on brand strength, defined as a combination of leadership, stability, trading environment, internationality, ongoing direction, communication support and legal protection (Ourusoff & Panchapakesan cited in Myers 2003, p. 40). This is one of the most publicized financial methods (Myers 2003).

The financial approach to brand equity is generally adopted by financial accountants (Wood 2000) and works best when the information is recorded and the future market response is not strong (Barwise 1993). The major disadvantage of this approach is its focus on maximising short term goals (Aaker 1992; Davis & Doughlass 1995), for the reason that present and future investors require the quarterly report as a means to monitor the company's operating performance; consequently, a large number of senior managers are not committed to long-term brand building (Davis & Doughlass 1995). Davis and Doughlass (1995), cited in Woods 2000) also suggest that marketing strategists and planners must move away from concentrating on short-term objectives by incorporating strategies to somehow satisfy both short-term and long-term stakeholders.

### **2.1.5. Significance of measuring brand equity**

A brand gives value not only for firms but also to consumers. For example, for firms brands are intangible assets used to offend and defend their customer base. Similarly, brands present reason to buy to customer either rational or emotional. Thus, especially firms need to measure the value of their brand equity in order to identify which of the brand equity dimensions can be used as a strong base to attack competitors, as well as protect the existing angel customers. In addition measuring brand equity will give a clue in which of the dimensions an investment made in order to strengthen as well as minimize the erosion or decay of a strong brand equity dimensions. The short term financial benefit versus the long term brand building exercise will be evaluated based on a perpetual measurement of brands.

This section will explore the significance of measuring brand equity with the context of values to both firms and consumers.

## **A. Value to Customers**

What value brands will offer to consumers and why customers are brand loyal? Processing of information, confidence in the purchase decision, and use satisfaction are the three values brands given to customers (Aaker, 1991).

Processing information is an obvious step of purchase decision in consumer behavior. Consumer behavior can be defined as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires. For many products and services, purchase decisions are the result of a long, detailed process that may include an extensive information search, brand comparisons and evaluations, and other activities (Belch 2003). Brand thus, create value to consumers in collecting, processing and interpreting huge amount of information about products and brands (Aaker, 1991).

Consumer purchase decision may vary based on whether consumers had past-experience or familiarity about the brand or not. The higher the familiarity of the brand, the greater the confidence of consumer in their purchase decision will be (Aaker,1991).

Kapferer on the other hand, explains the values of brands from the perspective of reducing perceived risk. He argued that brands reduce risk, and exist as soon as there is perceived risk. (Kapferer 2008). With some similarity Keller identified the roles that brands play to consumers including: identification of source of a product, assignment of responsibility to product maker, risk reducer, search cost reducer, promise, bond, or pact with the maker of product, symbolic device and signal of quality (Keller 2003).

## **B. Value to Firms**

How brands create value for the company/firm? Why financial analysts do prefers companies with strong brand over others? Due to being their risk is low. Financial firms with a strong brand are in turn having a large customer base and are able to outperform their competitors. Firms are willing to pay a huge amount of money to acquire strong brands. Building a strong brand from scratch is seriously a risky business as the cost of advertising and installing

distribution system is very costly. The success rate of new brands is too low. On top of this, facing a fierce fight in order to occupy a space upon the customer mind still needs huge finance. This huge finance and the creativity of the firms marketing effort cannot guarantee success. ((Aaker, 1991), (Kapferer 2008))

According to Keller (2003) a brand resides in the minds of consumers and it is a perceptual entity rooted in reality but reflecting the perceptions and idiosyncrasies of consumers it generates value to firms. Because Branding creates mental structures that help consumers organize their knowledge about products and services in a way that clarifies their decision making. However, obtaining value needs a hard work on the side of the firms or marketers to teach their customers about what the product is-by giving its brand name and other elements to identify it- as well as what the product does and why consumers should care about the brand (Keller 2013).

Brands fundamentally serve an identification purpose simply produce handling or tracing for the firm. Operationally, brands help to organize inventory and accounting records. A brand also offers the firm legal protection for unique features or aspects of the product. A brand can retain an intellectual property rights, giving title to the brand owner (Keller 2003).

### **2.1.6. Retailer-based brand equity**

Although retailer buying behaviour is identified as the difference between the end- consumer and the organisation (Fairhurst & Fiorito 1990), customer-based brand equity from the individual consumer perspective can be used as the foundation to develop retailer-based brand equity theory. The fact is that consumer-based brand equity theories can be used as the foundation to direct and guide the development of brand equity theories in business-to-business models (Lynch & Chernatony 2004).

Van Riel (2005) confirmed that a customer-based method developed in consumer research can be adapted to the specific situation of the industrial buyer. For example, although several dimensions such as brand awareness, perceived quality, brand image, brand association and

brand loyalty are conceptualized as part of customer-based brand equity (Aaker 1991; Keller 1993; Kim & Kim 2004), there are only a few of these dimensions that appear directly transferable to industrial branding, while others appear irrelevant (van Riel 2005). The current study intends to re-investigate the issue of brand equity from the retailer perspective by transferring the general ideas of consumer-based brand equity into the retailer context in the Ethiopian pharmaceutical sector.

## **2.2 Empirical Review**

This part has comprised prior researches that were done within this area in the past. It discusses the rationale of the researches which have related concepts with the research questions of this study. Their findings, methodologies, implications and recommendations for researchers and practitioners will be discussed.

A paper done by Quan (2006) with the title retailers' perceptions of product brand equity: an empirical study of Vietnamese independent grocers indicates that brand equity plays an important role in the retailing context and it is comprised of three dimensions – brand association, brand trust and brand loyalty. Brand association is reflected in the positive image of a brand in the retailer's perceptions, related to their needs and wants. This leads to a positive feeling towards that brand, which is the trust a retailer holds in a manufacturer's brand. As the result of a strong brand, retailers commit to a long – term business relationship with the brand's manufacturer. Two of these three dimensions of retailer- based brand equity, (brand association and brand loyalty) are positively and significantly related to the brand's performance at the retail outlet. Manufacturer support, including advertising, sales promotion and trade promotions has been confirmed by this study to be an antecedent of retailer based brand equity. Moreover this study indicated that there is a difference between the retailers based brand equity model for local brands compared to international brands, in that brand association is the most important factor in retailer – based brand equity in international brands model while brand loyalty is the most important factor in the local brands model.

A doctoral dissertation done by Biedenbach (2012) was investigated factors affecting B2B branding building by applying the brand equity perspective in the professional services context.

The impact of customer experience on brand equity in a business-to-business services setting” (Biedenbach and Marell 2010) investigates the impact of customer experience on brand equity in the professional services setting. The study shows that customer experience has significant positive effects on brand awareness, brand associations, perceived quality, and brand loyalty.

A paper done by (Jasmina and Elvedina 2014) has several practical implications that can be used by marketing and brand managers. Therefore, for enhancing customer loyalty an organization can work on brand awareness among its customers. It is important to enhance brand awareness as its perception and recognition among present and potential customers is contributing to the customer loyalty and consequently better business results. Also, brand awareness adds to the respect of brand in high competitive pharmaceutical market. This can be done through several marketing communication methods that will make certain brand more visible on the market such as advertisements in point of sales or in magazines. Perceived quality of a brand has to be maintained and nurtured as its quality and effectiveness in category of pain killers is important for customers. Therefore, as customer loyalty creates positive business results it can be seen that enhancing brand equity elements will consequently also contribute to these positive business results.

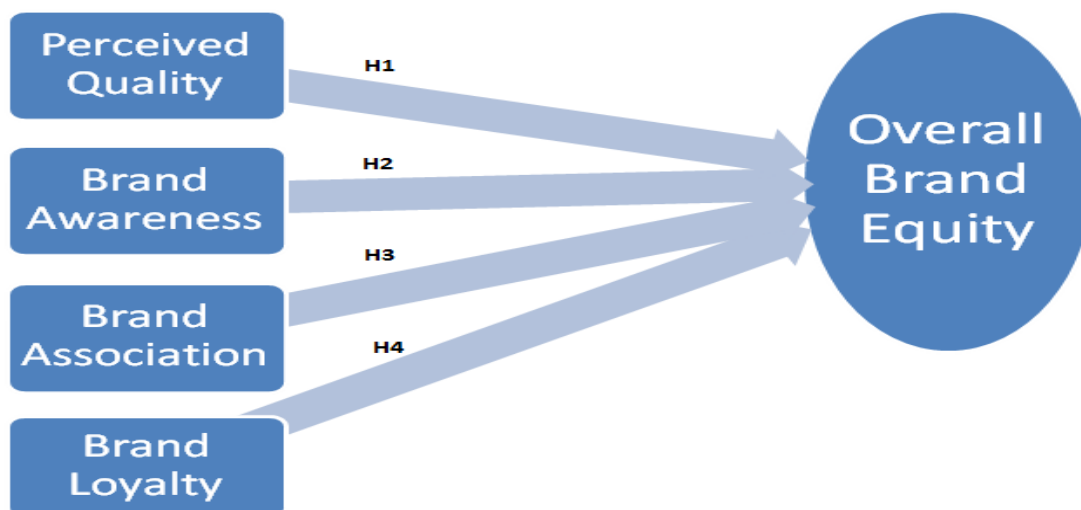
Sunil (2012) has conducted a doctoral dissertation titled as measuring Brand Equity of selected fair trade retail shops. The study assessed the brand equity of selected retail shops in Nepal, India, Spain and New Zealand using Aaker ‘s model. Accordingly, it was found that brand awareness has the least correlation with brand equity. Perceived quality dimension has insignificant contribution for brand equity. In addition, brand loyalty has a strong positive influence on brand equity.

## 2.3 Conceptual framework and Hypothesis

### 2.3.1. Conceptual framework

Aaker (1991) grouped brand equity into five categories: namely perceived quality, brand loyalty, brand awareness, brand association, and other proprietary brand assets such as patents, trademarks, and channel relationships. Among these five brand equity dimensions, the first four represent customers' evaluations and reactions to the brand that can be readily understood by customers.

The researcher has used the most common and widely used conceptual framework of Aaker for the measurement of pharmacists perception of brand equity in the case of Lagap pharmaceuticals in accordance to customer based brand equity. The conceptual framework is illustrated in the figure below.



**Figure 2.1 Conceptual Framework of the Study**

Source: Adopted from Aaker (1996) with little modification

## **2.3.2 Research Hypothesis**

Aaker (1996) grouped the components of brand equity into five categories: perceived quality, brand loyalty, brand awareness, brand association, and other proprietary brand assets such as patents, trademarks, and channel relationships. Among these five brand equity dimensions, the first four represent customers' evaluations and reactions to the brand that can be readily understood by customers, so they have been widely adapted to measure customer-based brand equity in previous studies.

To retest Aaker's customer-based brand equity model, the following four hypotheses are proposed.

### **2.3.2.1 Perceived Quality**

Perceived quality is the “core/primary” facet across the CBBE framework (Aaker, 1996). It is not the real quality of the product but the customer's perception of the overall quality or superiority of the product (or service) with respect to its intended purpose, relative to alternatives (Zeithaml, 1988). Marketers across all product and service categories have increasingly recognized the importance of perceived quality in brand decisions (Morton, 1994). Kotler & Armstrong (2012), points out the intimate connection among product and service quality, customer satisfaction, and company profitability. Based on the above definition and the suggested relationship of perceived quality and brand equity in the literature, the following hypothesis is formulated:

**H1: Perceived Quality has a significant and positive effect on brand equity of Lagap pharmaceuticals.**

### **2.3.2.2 Brand Awareness**

Brand awareness is an important component of brand equity. It refers to the ability of a potential buyer to recognize or recall a brand as a member of a certain product category (Aaker, 1991). According to Keller (2003), 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. Based on this definition the following hypothesis is formulated.

**H2. Brand awareness has a significant and positive direct effect on brand equity of Lagap pharmaceuticals.**

### **2.3.2.3 Brand Association**

Brand association is anything “linked” in memory to a brand (Aaker, 1991). Aaker (1996) also states that brand equity is supported in great part by the associations that consumers make with the brand. Customer-based brand equity occurs when consumers have a high level of awareness and hold some strong, favorable, and unique brand associations in their memories. Thus, the following hypothesis is formulated.

**H3. Brand association has a significant and positive effect on brand equity of Lagap pharmaceuticals.**

### **2.3.2.4. Brand Loyalty**

Brand loyalty is at the heart of brand equity. It is the major component (Aaker, 1991). According to Aaker (1991), brand loyalty adds considerable value to a brand and/or its firm because it provides a set of habitual buyers for a long period of time. Hence, the following hypothesis of the relationship between brand loyalty and brand equity is proposed:

**H4. Brand loyalty has a significant and positive effect on brand equity of Lagap pharmaceuticals.**

# CHAPTER THREE

## RESEARCH DESIGN AND METHODOLOGY

### 3.1. Research Approach

Research approach can be divided into three types; these are deductive, inductive and abductive research approaches. The relevance of hypothesis to the study is the main distinctive point between deductive and inductive approaches. Deductive approach tests the validity of assumptions or hypotheses in hand, whereas inductive approach contributes to the emergence of new theories and generalization. Abductive research approach, on the other hand, starts with surprising facts or puzzles and the research process is devoted there explanations (Bryman 2015).

If you have formulated a set of hypothesis for your research that need to be confirmed or rejected during the research process you would be following a deductive approach. So in this research of pharmacist's perception of brand equity in the case of Lagap pharmaceutical, we used deductive approach.

### 3.2. Research design

When conducting a research, there are different ways to consider in approaching the research problem. According to Creswell (2009), there are three research designs which involve quantitative, qualitative and combination of the two. Quantitative research helps to determine the relationship between an independent variable and a dependent variable in a population. It also used to explain causal relationships to facilitate generalization and to predict the future whereas qualitative research methods provide a complete picture of the situation by increasing the understanding of social process and interrelations.

Based on the objectives of the study and the availability of relevant information, this study has used quantitative research design which helps to arrive at possible research final destination efficiently. The quantitative approach was applied to examine the relationship between the dependent variable (i.e. Brand equity) and the independent variables (i.e. perceived quality, brand awareness, brand association and brand loyalty).

Research design can also be broadly classified as exploratory, descriptive, and explanatory. The author further defined exploratory research as a research design which has a primary objective to insights into and understanding of the problem situation tackling the research and descriptive research as a type of a research design that has a purpose to describe something. Moreover, if the research is concerned with learning of why (i.e. how one variable produces changes in another) the research designs is said to be explanatory (Farhadi 2009). This study has employed explanatory research design.

### **3.3 Population and Sampling Technique**

#### **3.3.1 Population**

Population is defined as “the complete set of units of analysis that are under investigation, while element is the unit from which the necessary data is collected” (Davis 2000, p 220). The research will try to examine the applicability of brand equity model in the pharmaceutical retail market in Ethiopia. But due to time and financial constraints, the study has been limited to Addis Ababa region.

The study has involved pharmacists working in private and government owned Retail pharmacy stores as a source of data. The unit of analysis was the factors that affect brand equity from the perspectives of these people. In view of this, the population, which is the number of retail outlets for dispensing, is taken from Addis Ababa city Administration Health Bureau. By taking the number from them the updated list was taken from Eyasu drugs and Medical supplies importer and distributor list of customer as a sampling frame. Accordingly, the total numbers of Retail houses who were practicing and dispensing of medications in Addis Ababa from the health bureau as of March 27, 2017 were found to be 680 (Health bureau, 2016).

#### **3.3.2 Sampling Technique**

The sampling method selected was simple random sampling for the selection of the retail stores where the questioners have been administered. The reason for the selection of probability sampling technique is every item of the universe has an equal chance of inclusion in the sample and all choices are independent of one another. It also gives each possible sample combination

an equal probability of being picked up and each item in the entire population to have an equal chance of being included in the sample, (Kothari, 2004).

### 3.3.3 Sample size

According to Israel (2013), there are different strategies to calculate sample size. These include using census for small population, using a sample size of similar study, using published tables that is given based on the number of the population without doing any calculation to get the sample size and using formula to calculate sample size.

The researcher has used a formula suggested by (Kothari, 2004) and has got a sample size of 246

$$n = \frac{Z^2 pqN}{e^2 (N-1) + Z^2 pq}$$

n = sample size required

N = number of population = 680

p=sample proportion, q=1-p,

e= acceptable sample error = 5%

Z=the value of standard deviation at a given confidence level and to be worked out from the z table which shows area under the normal curve= confidence level = 1.96 for 95% confidence

$$n = \frac{1.96^2(0.5^2)680}{(0.05^2(680-1) + (1.96)^2(0.5)^2}$$

$$n = 245.79 \approx 246$$

Many researchers commonly add 10% to the sample size to compensate for persons that the researcher is unable to contact (Israel, 2013). Sampling error is inversely related to the size of the sample i.e., sampling error decreases as the sample size increases and vice-versa (Kothari, 2004, p.154). Taking all into consideration, the researcher has distributed a total number of 270 questionnaires by adding 10% (on 246) and collected 253 questionnaires from both private and public pharmacies.

### **3.4 Data collection instrument**

Both primary and secondary data has been used as a source. The sources of data for the study were pharmacists working in different retail pharmacies. For this purpose, structured questionnaire was used as main tools to collect the data by self-administered questionnaire needed through survey.

The questionnaire had two sections. The first section covered the socio-demographic data of the participants like. Sex, age, professional experience, position in the pharmacy and type of pharmacy working now have been collected. The second section encompasses the items to measure the four dimensions of brand equity and the overall brand equity adopted from Aaker (1998). All the items will be placed on a Likert scale of 1-5 where in 1 represented by strongly disagree with the indicated statement and 5 indicated by strongly agree with the statement. These included perceived quality, brand awareness, brand association and brand loyalty as an independent variables and overall brand equity the dependent variable.

### **3.5 Procedures of data collection**

Based on the data collection structure of the study, there have been four data collectors in which they distributed and collected the questioner from the selected respondents as per the purpose of the study. Thus the selected respondents has got a support from the data collectors in clarifying whatever doubt is in the questioner.

In addition pilot survey has been carried out with a small group of 20 respondents to examine if there were inconsistencies in the questions and confirm the scale validity. The questioner is not translated to Amharic language because all of the respondents are professionals who have at least a diploma holder in pharmacy and it's also better to be in English than in Amharic to understand these question. And the data collectors were also around them if there is any not clear statement on the questions.

### **3.6 Data analysis techniques**

The data analysis consisted of examining the surveys for correctness and completeness, coding and entering data into a database and performing an analysis of responses in line with research objectives.

To conduct the analysis exhaustively, the data has been analyzed with the combination of both descriptive statistics like mean, frequency, cross tabulation and standard deviation of the variables and inferential statistics like regression analysis to examine the relationship between the dependent (Overall brand equity) and the four independent variables (perceived quality, brand awareness, brand association ,and brand loyalty).

### **3.7 Reliability and Validity test**

Reliability is one of the major criteria for evaluating research instruments'. Reliability refers to the consistency or stability of a measuring instrument. In other words, the measuring instrument must measure exactly the same way every time it is used. This consistency means that individuals should receive a similar score each time they use the measuring instrument (Kothari, 2004).

Cronbach's Alpha is a reliability coefficient that indicates how well the items in a set are positively related to one another. For this study Cronbach's alpha was used to assess the internal consistency of variables in the research instrument. it represented as a number between 0 and 1. According to Zikmund et al., (2010) scales with coefficient alpha between 0.6 and 0.7 indicate fair reliability.

Validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested, (Kothari, 2004). In other words, Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. In order to ensure the quality of the research design content and construct validity of the research were checked

**Table 3.1 Reliability Analysis of the Variables**

<b>Measurement</b>	<b>Number of items</b>	<b>Cronbach's alpha</b>
<b>Perceived quality</b>	4	0.739
<b>Brand awareness</b>	4	0.826
<b>Brand association</b>	3	0.650
<b>Brand loyalty</b>	4	0.973
<b>Overall brand equity</b>	3	0.974
<b>Over all Scale Reliability</b>	18	0.943

(Source: Researcher's survey, 2017)

### **3.8 Ethical Considerations**

The participants in this study was selected with full consent and informed to respond for questionnaires with confidence and understanding the purpose of the thesis; and the researcher was assure that as he will keep the information confidential and the data will used only for intended purpose only.

# CHAPTER FOUR

## DATA ANALYSIS AND DISCUSSION

In this chapter, the collected data were summarized and analyzed in order to realize the ultimate objective of the study. The purpose of this study was to examine the major factors that determine overall brand equity of Lagap pharmaceutical products from pharmacists' perspective in Addis Ababa. The demographic profiles of the respondents, determinant factors correlation and hypothesis testing based on multiple regression analysis have been discussed. The data analysis was made with the help of Statistical Package for Social Science.

### 4.1 Response Rate

During the research 270 questionnaires was sent out to different pharmacists, only 262 were returned during a period of Three weeks' interval time. Out of the total 262 questionnaires which were returned, 9 of them were discarded because the respondents were not fully completed all the answers, and the rest of 253 respondents' response are taken for the Research.

### 4.2 Demographic profile of respondents

**Table 4.1 Demographic profile**

	<b>Demographic character</b>	<b>Frequency</b>	<b>percent</b>
<b>Gender</b>	<b>Male</b>	<b>176</b>	<b>69.6</b>
	<b>Female</b>	<b>77</b>	<b>30.4</b>
	<b>Total</b>	<b>253</b>	<b>100.0</b>
<b>Age Group</b>	<b>Less than 25</b>	<b>44</b>	<b>17.4</b>
	<b>26 – 35</b>	<b>77</b>	<b>30.4</b>
	<b>36 – 45</b>	<b>56</b>	<b>22.1</b>
	<b>46-55</b>	<b>51</b>	<b>20.1</b>
	<b>above 55</b>	<b>25</b>	<b>9.9</b>
	<b>Total</b>	<b>253</b>	<b>100.0</b>

(Source: Researcher's survey, 2017)

From the total respondents, the male pharmacists constituted the highest percentage (69.6%) while their female counterparts only constituted (30.4%) of the total respondents. This implies that the majority of pharmacists who are dispensing medicines in the pharmacy are Male.

As per table 4.1, 30.4% of the respondents were from the age group of 26-35 constituting the largest percentage. This group was being closely followed up by the age group of 36-45 years that had 22.1% representation from the total number of respondents. The age group between 46-55 constitutes 20.1%. The other age groups less than 25 and above 55 years old only accounted for 17.4% and 9.9% respectively. This shows that the majority of the respondents are younger.

**Table 4.2 General information about respondents**

	<b>Character</b>	<b>Frequency</b>	<b>percent</b>
<b>Type of Retail pharmacy</b>	<b>Public Pharmacy</b>	<b>22</b>	<b>8.7</b>
	<b>Private Pharmacy</b>	<b>231</b>	<b>91.3</b>
	<b>Total</b>	<b>253</b>	<b>100.0</b>
<b>Position in the pharmacy</b>	<b>Dispenser</b>	<b>137</b>	<b>54.2</b>
	<b>Technical manager</b>	<b>84</b>	<b>33.2</b>
	<b>Owner</b>	<b>32</b>	<b>12.6</b>
	<b>Total</b>	<b>253</b>	<b>100.0</b>
<b>Work Experience</b>	<b>Below 1 year</b>	<b>49</b>	<b>19.4</b>
	<b>1-3 years</b>	<b>64</b>	<b>25.3</b>
	<b>3-5 years</b>	<b>74</b>	<b>29.2</b>
	<b>More than 5 years</b>	<b>66</b>	<b>26.1</b>
	<b>Total</b>	<b>253</b>	<b>100.0</b>

(Source: Researcher's survey, 2017)

Due to the context of this research, there were 91.3% respondents were from private pharmacies and the remaining 8.7% was from public pharmacy. According to table 4.2 the position profile of respondents within the pharmacy is led by the Dispensers by 54.2%, followed by technical managers and owners by 33.2% and 12.6% respectively. This shows that

most of the time the Technical managers and Owners are not mostly available in the pharmacy. In addition to this, the respondents higher experience was from 3-5 years' category with 29,2% and the others like more than 5 years of experience is 26.1%, so as result their respond would bring a significant effect on purpose of the study.

### 4.3 Normality Test

In order to test the Normality of the data the researcher used an analysis technique of both Skewness and kurtosis analysis. According to Field (2005), normally distributed data assumed that the data are from one or more normally distributed populations. The rationale behind hypothesis testing relies on having normally distributed populations and so if these assumptions are not met then the logic behind hypothesis testing is flawed.

Therefore, value of S (Skewness) and K (Kurtosis) and their respective standard errors were computed. An absolute value between -2 and +2 score for Skewness and Kurtosis is expected to be significant at  $p < 0.05$ . Large sample will give rise to small standard errors and so when sample sizes are big, significant values arise from even small deviations from normality for both skewness and Kurtosis (Field, 2005)

**Table 4.3 Skewness and Kurtosis for normality of data**

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
MPQ	253	-.639	.153	.165	.305
MBAW	253	-.757	.153	-.420	.305
MBAS	253	-.128	.153	.076	.305
MBL	253	-.728	.153	-1.049	.305
MOBE	253	-.889	.153	-.507	.305
Valid N (listwise)	253				

(Source: Researcher's Survey, 2017)

As we can see from table 4.3 above all the absolute values of skewness and the kurtosis are between -2 and +2.

## 4.4 Descriptive Analysis

### 4.4.1. Mean and Std. Deviation of Brand Equity Dimensions

In order to analyze the respondents overall Customer Based Brand Equity, a total of 18 questions were grouped into five dimensions of Customer Based Brand Equity which are: brand awareness, brand loyalty, perceived quality, brand association and overall brand equity.

In order to compare the respondents brand equity descriptive statistics of mean and standard deviation is 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. Below the results are discussed one by one.

#### 4.4.1.1 Perceived Quality

Perceived quality is the customer's judgment about a product's overall excellence or superiority that is different from objective quality Aaker (1996). Since it's impossible for consumers to make complete and correct judgments of the objective quality, they use quality attributes that they associate with quality. Perceived quality is hence is formed to judge the overall quality of a product. Therefore, 4 items related to perceived quality was put to the respondents and the results of the analysis is displayed in table 4.4 below.

**Table 4.4 Perceived quality Analysis**

<b>Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>
I trust the quality of products from LAGAP pharmaceutical	4.06	.721
Products from LAGAP pharmaceutical offer excellent efficacy and less side effect	4.15	.765
I think LAGAP pharmaceutical has a reputation of high quality	4.47	.531
When compared with Competitors. overall quality of LAGAP products is best	4.59	.524
Perceived Quality	4.32	.483

(Source: Researcher's survey, 2017)

As illustrated on Table 4.4 all of the variables of Perceived Quality scored relatively high with an overall mean score of 4.32. The respondents also gave the highest mean score to “When compared with Competitors. Overall quality of LAGAP products is best with a mean score of 4.59 while they gave a low mean score of 4.06 to the item “I trust the quality of products from LAGAP pharmaceutical.” The results indicate that the respondents have a high level of perceived quality towards Lagap products.

#### 4.4.1.2. Brand Awareness

According to Keller (2001) brand awareness is the customers’ ability to recall and recognize the brand as reflected by their ability to identify the brand under different conditions and to link the brand name, logo, symbol, and so forth to certain associations in memory. Accordingly, the respondents were asked 4 questions related to brand awareness. Table 4.5 presents respondents result of brand awareness with mean and standard deviation of values for each variable.

**Table 4.5: Brand Awareness Analysis**

<b>Variables</b>	<b>Mean</b>	<b>Std. Deviation</b>
I know LAGAP is a pharmaceutical products selling company	3.77	.888
Some features of LAGAP products come to my mind quickly	4.66	.521
LAGAP pharmaceutical has effective sales promotion campaign quickly among other competing companies	3.58	1.090
I am familiar with LAGAP pharmaceutical	3.64	1.421
Brand Awareness	3.91	.837

(Source: Researcher's survey, 2017)

As per table 4.5, the list of items comprising of brand awareness, the mean score for the item “Some features of LAGAP products come to my mind quickly” Scored the highest with a mean score of 4.66 While the item " LAGAP pharmaceutical has effective sales promotion campaign quickly among other competing companies " scored the lowest with a mean score of 3.58. The overall mean score for the Brand Awareness dimension is 3.91 which indicates that the respondents have a good brand awareness of Lagap pharmaceutical.

### 4.4.1.3. Brand Associations

Consist of all brand related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes (Kotler and Keller 2012) and is anything linked in memory to a brand. Hence, 3 items related to brand association was put to the respondents. Table 4.6 below shows the analysis about brand association.

**Table 4.6: Brand Association analysis**

<b>Variables</b>	<b>Mean</b>	<b>Std. Deviation</b>
LAGAP pharmaceutical has a very unique brand image, compared to other competing brands	3.90	.862
I like and trust the company, which manufactures LAGAP products	3.38	.925
I like the brand image of LAGAP pharmaceutical	4.47	.500
Brand Association	3.91	.602

(Source: Researcher's survey, 2017)

Table 4.6 shows that the respondents scored the highest for the item " I like the brand image of LAGAP pharmaceutical. " with a mean score of 4.47 while the lowest went to the item which states " I like and trust the company, which manufactures LAGAP products." with a mean score of 3.38 This implies that although the respondents have a good level of association with their chosen brand, their association doesn't go to the level of personal attachment with Lagap pharmaceutical products.

#### 4.4.1.4. Brand Loyalty

Loyalty is a core dimension of brand equity. Aaker (1991) defines brand loyalty as the attachment that a customer has to a brand. Based on this definition 4 item related to brand loyalty was put to the respondents. Table 4.7 shows the outcome to these questions with mean score and standard deviation.

**Table 4.7 Brand Loyalty Analysis**

<b>Variables</b>	<b>Mean</b>	<b>Std. Deviation</b>
When am selling a medicine, LAGAP products will be my first choice if the product is available	3.60	1.343
I will keep on selling LAGAP products as long as it has good quality	3.66	1.317
I am still willing to sell LAGAP products even if its price is a little higher than that of its competitor	3.24	1.504
I consider myself to be loyal to LAGAP pharmaceutical	3.37	1.544
<b>Brand Loyalty</b>	<b>3.47</b>	<b>1.375</b>

(Source: Researcher's survey, 2017)

Table 4.7 shows that " I will keep on selling LAGAP products as long as it has good quality " scored the highest among the list of items related to brand loyalty with a mean score of 3.66 while the respondents gave the least score of 3.24 to the item " I am still willing to sell LAGAP products even if its price is a little higher than that of its competitor. " This clearly indicates that even though the respondents see themselves as loyal customers, they are also sensitive to price changes.

#### 4.4.1.5. Overall Brand Equity

In order to test the respondents overall brand equity, three items were given for the respondents to answer. Table 4.8 shows the analysis regarding the overall brand equity of the respondents.

**Table 4.8 Overall Brand Equity Analyses**

<b>Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>
Even if another brand has the same features as LAGAP, I would prefer to sell LAGAP product.	3.77	1.190
If another brand is not different from LAGAP in any way, it seems smarter to sell LAGAP products	3.72	1.331
Compared to all other brands in the pharmacy, the profitability of carrying LAGAP products is the highest share	3.55	1.255
Overall Brand Equity	3.68	1.228

(Source: Researcher's survey, 2017)

As can be seen from Table 4.8, the respondents gave a low mean score of 3.62 to the item Compared to all other brands in the pharmacy, the profitability of carrying LAGAP products is the highest share. And the highest mean score goes to Even if another brand has the same features as LAGAP, I would prefer to sell LAGAP product with a score of 3.77. So from the table we can say that Most of the respondents are over all satisfied with Lagap products.

## 4.5 Inferential Statistics

### 4.5.1 Correlation Analysis

This study employs correlation analysis, which investigates the strength of the relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 + 1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo and Festinger, 2005).

**Table 4.9 Correlation analysis**

		Perceived Quality	Brand Awareness	Brand Association	Brand Loyalty	Overall Brand Equity
Perceived Quality	Pearson Correlation Sig. (2-tailed)	1				
Brand Awareness	Pearson Correlation Sig. (2-tailed)	.623**	1			
Brand Association	Pearson Correlation Sig. (2-tailed)	.039	.103	1		
Brand Loyalty	Pearson Correlation Sig. (2-tailed)	.564**	.909**	.079	1	
Overall Brand Equity	Pearson Correlation Sig. (2-tailed)	.627**	.908**	.094	.958**	1

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

(Source: Researcher's survey, 2017)

According to the general guide lines of correlations of .01 to .03 are considered small, correlation of 0.3 to 0.7 are considered large and correlations of 0.9 to 1.00 are considered to be very large ( Marczyk, Demattos and Festinger, 2005). So that relying on this assumptions the correlations of independent variables to dependent variables specified on the above table 4.9 indicates that the independent variables ( brand awareness and brand loyalty) have a very large positive relation with over all brand equity with the value of .908 and .958 respectively. Additionally, perceived quality of independent variable has moderate correlation with dependent variable (over all brand equity) by having .627. As it is Brand association with .094 has small relationship with the overall brand equity. This implied that brand awareness, brand loyalty and perceived quality are good predictors of overall brand equity in the market but brand association is not good predictor.

On the other hand, among the degree of correlations between independent variables each other. Brand awareness and brand loyalty have strong relations with each other which is 0.909 and also perceived quality and brand awareness have a significant relation with each other by having 0.623. But brand association with the other three independent variables, which is perceived quality, brand awareness and brand loyalty, have a lesser positive correlations between 0.039, 0.079 and 0.103 respectively.

## **4.5.2. Test for Linear Regression Model Assumptions**

### **4.5.2.1. Normality Assumption**

Normality of a data should be test before running 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 normal curve, demonstrating that data witnesses to the normality assumption.

As the assumption holds as the histogram was a bell- shaped and the residuals were normally distributed around its mean of zero. Besides, the normal probability plots were also used to test the normality assumption as shown by the Normal P P-Plot Figure as you can see 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.

#### **4.5.2.2. Multicollinearity Test Assumption**

In regression, multicollinearity occurs when independent variables in the regression model are more highly correlated with each other than with the dependent variable. When the independent variables the regression model is highly correlated with one another; they are basically measuring the same thing. In other words, when two variables are highly correlated, they both communicate essentially similar information. One way to assess multicollinearity is to examine correlations among the independent variables. If a correlation matrix demonstrates correlations of 0.90 or higher among the independent variables, they may be a problem with multicollinearity. Hair et al. (2006) argued that correlation coefficient below 0.90 may not cause serious multicollinearity problem, cited by Muhammed (2012). Multicollinearity can also be detected using tolerance value and variance inflator factor (VIF) value. An insignificant tolerance value point to the variable under discussion is almost a perfect linear combination of the independent variables already in the equation and that it should be dropped out from to the equation. Multicollinearity does not exist among all the independent variables provided that the tolerance value of all the independent variables was greater than 0.1 and the VIF values of all the independent variables are also less than 10. As you can see from table 4.10 below all independent variables are greater than 0.1 and the VIF value of all the independent variables are also less than 10.

**Table 4.10 Multicollinearity**

<b>Model</b>	<b>Collinearity Statistics</b>	
	<b>Tolerance</b>	<b>VIF</b>
<b>Perceived quality</b>	<b>.611</b>	<b>1.637</b>
<b>Brand Awareness</b>	<b>.155</b>	<b>6.437</b>
<b>Brand Association</b>	<b>.987</b>	<b>1.013</b>
<b>Brand Loyalty</b>	<b>.174</b>	<b>5.742</b>

(Source: Researcher's survey, 2017)

### **4.5.3 Regression Analysis**

Table 4.10 shows that the tolerance values of all the independent variables were greater than 0.1 and the VIF values of all the independent variables were less than 10. This indicates that model I was free from multicollinearity. Hence, there was no problem of multicollinearity between the independent variables in the model. Therefore, regression analysis was done.

As it is indicated in appendix 5 the R- 0.965 implies that the positive relationship between the dependent variable (overall brand equity) and independent variable (brand awareness, perceived quality, brand loyalty and brand association). Hence the R-square measures the goodness of the fit of those variables in having positive impact on overall brand equity as a result the R-square 0.932 value for the regression model revealed that the independent variables contributions for the overall brand equity is 93.2% shows of the dependent variable (i.e. overall brand equity) can be explained by the independent variables (i.e. perceived quality, brand awareness, brand association and brand loyalty), leaving about 6.8% to be explained by other exogenous factors. There are less other variables that have a positive impact on overall brand equity of Lagap pharmaceuticals products in the market area of Addis Ababa.

**Table 4.11 Analysis of overall brand equity dimensions**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.792	.238		-3.328	.001
1 MPQ	.262	.054	.103	4.868	.000
MBAW	.223	.062	.152	3.616	.000
MBAS	.029	.034	.014	.841	.401
MBL	.679	.035	.760	19.171	.000

(Source: Researcher's survey, 2017)

Based on the above results the following general formula of regression model has been generated

The regression Equation

$$OBE = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \Sigma$$

$$OBE = \alpha + \beta_1PQ + \beta_2BAW + \beta_3BAS + \beta_4BL + \Sigma$$

$$OBE = (-.792) + (0.103PQ) + (0.152BAW) + (0.014BAS) + (0.760BL) + \Sigma$$

As per the regression analysis results, overall significance or acceptability of the model from the statistical view, the strength of each independent variable in having the level of impact on the overall brand equity of Lagap pharmaceuticals product can be obtained through standardized beta coefficient in which a unit change in the independent variable brings the average amount of change in the dependent variable.

The regression model from table 4.11 above result shows that keeping other variables constant Accordingly, the independent variable perceived quality with 0.103 unit change in perceived quality leads to a one unit change in overall brand equity as it is both brand awareness of 0.152 and brand loyalty 0.760 unit increase will have an impact on a one unit increase in overall brand equity. Those variables indicate that they do have strong positive and significant relationship with the dependent variable so that those hypothesis are accepted. What so ever, brand association with 0.014 of has a lesser significant relationship with overall brand equity by having a 0.014 increase of brand association will have a unit increase of overall brand equity.

## 4.5.4 Hypothesis testing and Results interpretation

Table 4.12 Summary of the overall outcome of research hypothesis

HYPHOTHESIS	RESULTS	REASONS
<b>H1: Perceived Quality has a significant and positive effect on brand equity of Lagap pharmaceuticals.</b>	<b>H1: Supported</b>	$\beta=0.103, p<0.05$
<b>H2. Brand awareness has a significant and positive direct effect on brand equity of Lagap pharmaceuticals.</b>	<b>H2: Supported</b>	$\beta= 0.152,p<0.05$
<b>H3. Brand association has a significant and positive effect on brand equity of Lagap pharmaceuticals.</b>	<b>H3:Not Supported</b>	$\beta= 0.014,p<0.05$
<b>H4. Brand loyalty has a significant and positive effect on brand equity of Lagap pharmaceuticals.</b>	<b>H4: Supported</b>	$\beta=0.760, p<0.05$

According to the above table 4.12, among the independent variables brand loyalty is the first most significant variable that have an impact on the overall brand equity of Lagap pharmaceuticals product in Addis Ababa market context which is followed by brand awareness and perceived quality as the second and the third place respectively. And brand association is considered as the fourth variable that has a least significant impact on overall brand equity of Lagap products in the market rivalry.

# **CHAPTER FIVE**

## **FINDINGS, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Summary of Findings**

In accordance to the Ethiopians pharmaceuticals tough competition in the market based on overall brand equity of their products, this study had the major objective of identifying what were the major determining factors of overall brand equity in Lagap pharmaceuticals products from pharmacists' perspective. Thus the study has tried to investigate the degree of determinant factors as brand equity dimensions' influence on over all brand equity in the following aspect

In the inferential statistics part, the following results were achieved.

- The results indicate that although all three variables perceived quality, Brand awareness and Brand Loyalty had a significant and positive influence on the overall brand equity of Lagap pharmaceuticals. And brand association had less influence on Lagap pharmaceuticals brands equity in the Addis Ababa.
- The first hypothesis which states that Perceived Quality has a significant and positive effect on brand equity of Lagap pharmaceuticals was accepted.
- The second hypothesis was also accepted in the same manner which claims Brand awareness has a significant and positive direct effect on brand equity of Lagap pharmaceuticals.
- The third hypothesis which states Brand association has a significant and positive effect on brand equity of Lagap pharmaceuticals has less significance and not accepted.
- The fourth hypothesis were also accepted as they claim that Brand loyalty has a significant and positive effect on brand equity of Lagap pharmaceuticals brands.
- Lagap pharmaceutical were found to be less reactive on brand association relative to other brand equity measuring dimensions.
- The key determinants of pharmacists based brand equity of Lagap brands in Addis Ababa has been identified up on their impact on the overall brand equity.
- Among the identified brand equity dimensions in terms of their degree of relations to each other brand awareness and brand loyalty have significant correlations but brand association has lesser positive relationship with the rest other three independent variables.

- As per the respondent's view, among the four major brand equity dimensions that have influence on overall brand equity of Lagap pharmaceuticals product which are namely brand awareness, brand loyalty, perceived quality and brand association. The findings indicate that the primary determinant factor is brand loyalty and followed by brand awareness plus perceived quality sequentially. In to the contrary, brand association has the least impact on the overall brand equity of Lagap pharmaceuticals products.

## **5.2 Conclusions**

According to the promising market aspiration of pharmaceuticals sector in Addis Ababa, there are key influencing factors as the vital determinants of the sector to penetrate and sustain in the market arena. This study underlined on the brand equity dimensions' impact on the overall brand equity of Lagap products only from the pharmacist's angle who were working in both private and public pharmacies. Because of there is stiff competition it is undeniably important to examine the impact of brand equity dimensions on overall brand equity matter.

Moreover, both suppliers and local agents have their own direction towards their products brand equity strength in the competitive market for the purpose of having competitive advantage and market share in respect to existing market scenario so that this study has tried to investigate what were the major determinants factors of brand equity dimensions and indicated the pharmacists view resemblance in to the three factors that have significant impact.

To sum up the relationship of determinants factors with the overall brand equity has been examined and the findings has been obtained to generalize what should be taken in to account in respect to the pharmaceuticals companies brand based strategy. Thus both Lagap pharmaceuticals and Eyasu Drug import and distribute shall compromise the brand equity dimensions' reflection towards the systematic achievements in progressive improvement of sales volume, conquering of competitive advantage, expanding market share, creating brand awareness and finally rewarded with sustainable magnificent return on investment in the near future.

## 5.3 Recommendations

Based on the findings of the study and conclusion the researcher came up with some vital solutions so as to put clear points to the pharmaceutical companies related to brand equity dimensions.

- Pharmaceutical sectors should focus on identifying and managing the key factors for their products brand equity improvement.
- Pharmaceutical companies should give great attention to enhance and strengthen the Factors that have the least (Brand association) and the highest (Brand loyalty) impact on brand equity respectively.
- Pharmaceutical sectors such as Lagap and Eyasu drug should design and allocate brand and product manager to analyze the brand equity through marketing intelligence.
- The regulatory authorities have to control and evaluate existing brand products quality and standard based on the country context of specifications of standards.
- The regulatory bodies should distribute the important procedures and implementations of quality guidelines to the concerned bodies such as pharmaceutical suppliers, pharmaceutical importers and pharmacies.
- Health care professionals particularly pharmacists have to perform their duty of dispensing in a very good manner of keeping ethical and technical aspect in order to grantee equal opportunity to the brand equity dimensions.
- Finally, both Lagap pharmaceuticals and Eyasu drugs importer and distributor companies should focus on the major determinants of brand equity dimensions so as to get sustainable expand of market share in the pharmaceuticals market rivalry of capital city of Ethiopia, Addis Ababa.

## **5.4. Limitations and Directions for Future Research**

- This study has mainly focused to examine the applicability of Aaker's customer based brand equity model to Lagap pharmaceutical company in the Ethiopia retail market which is not enough. The research would have been more conclusive if it had considered more models which were specific to the Ethiopian pharmaceutical retail sector.
- Examining Lagap pharmaceutical brands equity only from pharmacists' perspectives can be seen as a limitation for this study. The research would have been more influential if it had considered the ideas of Doctors who prescribes it and wholesalers who distributes it in most of the pharmacies in Addis Ababa and regional towns.
- This study has covered only Pharmacists perception towards Lagap pharmaceuticals who works only in Addis Ababa retail outlets only. Therefore, it would be better for any forthcoming researchers who wants to investigate similar issue including different kinds of pharmaceutical companies including locally manufactured products.

## REFERENCES

- Aaker, D.A., 1991, *Managing Brand Equity*, Free Press, New York, NY.
- Aaker, D.A., 1996, 'Measuring Brand Equity Across Products And Markets', *California Management Review*, 38 (3), 102-120
- Abate Ayele, 2012, Factors Affecting Profitability of Insurance Companies in Ethiopia: Panel Evidence, Unpublished Master Thesis, Addis Ababa University, Addis Ababa, Ethiopia.
- Addis Ababa City Administration Health Bureau, Number of Retail Out lets licensed and approved to sell Medications in 2009, March 6, 2017
- Ballester and M. Aleman, "Does brand trust matter to brand equity?," *Journal of Product & Brand Management*, pp. 187-96, 2005.
- Barwise, P. (1993) Brand equity: snark or boojum? *International Journal of Research in Marketing*. 10 (1). p.93-104
- Belch, G. E. (2003). *Advertising and promotion: an integrated marketing communication perspective* (6th ed.). The McGraw-Hill
- Biedenbach, G., 2012, *Brand Building In The Business-To-Business Context: The Brand Equity Perspective*, Umea Schools Business And Economics.
- Biedenbach, G. & Marell, A., 2010, 'The Impact Of Customer Experience On Brand Equity In A Business-To-Business Services Setting', *Journal Of Brand Management*, 17 (6), 446-458.
- Boulding, K. (1993). *The Image: Knowledge In Life and Society*. Ann Arbor, MI: University of Michigan Press
- Chen, A. C., 2001, 'Using Free Association To Examine The Relationship Between The Characteristics Of Brand Associations And Brand Equity', *Journal Of Product & Brand Management*, 10 (7), 439-451
- Cerjak, M., Haas, R. & Kovačić, D., 2010, 'Brand Familiarity And Tasting In Conjoint Analysis: An Experimental Study With Croatian Beer Consumers' *British Food Journal*, 112 (6), 561-579.
- Creswell, J. W., 2009, *Research Design; Qualitative, Quantitative, And Mixed Methods Approaches*, 3rd. ed, California

- Day, G.S. (1998). What does it mean to be Market-Driven? *Business Strategy Review*, 9 (1), 1-14.
- Davis, S., & Doughlass, D., 1995, 'Holistic Approach to Brand Equity Management', *Marketing News*, 29 (2), 4-5.
- David A. Aaker, V. S. (1998). Marketing Research (6th ed.). Canada: John Wiley & Sons.
- Davis, D., 2000, *Business Research for Decision Making*, Canada Brooks/Cole: Thomson.
- Ellwood, I., 2002, *The Essential Brand Book; Over 100 Techniques To Increase Brand Value*, 2nd Ed. Kogan Page Limited: London.
- Eyerusalem, S. 2015, *The impact of Brand equity on brand preferences of pharmaceutical products: the case of private health sector*, MBA thesis, St Mary's University, Addis Ababa
- Fairhurst, A., & Fiorito, S. (1990), Retailer buyers' decision-making process: an investigation of contributing variable. *International Review of Retail, Distribution and Consumer Research*, 1 (1), 87-100.
- Farhadi, M., 2009, *Improving Profitability Model In Insurance Industry, Considering Inflation: The Case Study Of Automobile Insurance In Iran*. Unpublished Master Thesis, Lulea University of Technology. Iran
- Feldwick, P., 1996, 'What Is Brand Equity Anyway, And How Do You Measure It?', *Journal Of The Market Research Society*, 38 (2), 85-104.
- Field, A., 2005, *Discovering Statistics using SPSS*, 2nd ed., Sage publication, Alden group, Lonodon.
- Heding, T., Knudtzen , C.F., & Bjerre, M. (2009) *Brand Management (Research, theory and practice)*. 2nd Ed. Routledge: Oxford
- Israel, D.G. (2013) *Determining sample size*, University of Florida, p.1-5
- Jasmina D, Elvedina K., 2014, *Exploring relationship between brand equity and customer loyalty on the pharmaceutical market*, *Economic and business review journal*, vol 16, p 121-131
- Kapferer, J.-N, 2008, *New Strategic Brand Management: Creating And Sustaining Brand Equity Long Term*, 4th Ed., MPG Books Ltd, London, Bodmin, Cornwall.

Keller, K. L., 1993, *Conceptualizing, Measuring, and Managing Customer-Based*, Prentice Hall, New Jersey

Keller, L.K., 2001, *Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands*, Marketing Science Institute (MSI). Report No. 01-107.

Keller, L.K., 2003, *Strategic Brand Management Building, Measuring and Managing Brand Equity*, New Jersey: Prentice Hall.

Keller, L.K. (2004) *Strategic brand management: Building, Measuring and managing brand equity*. 2nd Ed. Prentice-hall of India: New Delhi

Keller, L.K., Parameswaran, M.G. & Jacob, I. (2011) *Strategic brand management*. 3<sup>rd</sup> Ed. Dorling Kindersely: India

Keller, K., 2013, *Strategic Brand Management: Building, Measuring, And Managing Brand Equity*, Essex, Pearson.

Kim, W.G., & Kim, H-B. (2004). *Measuring Customer-based Restaurant Brand Equity: Investigating the Relationship between Brand Equity and Firms' Performance*. *Cornell Hotel & Restaurant Administration Quarterly*, 45 (2), 115-131.

Kotler, P & Armstrong, G. (2012). *Principles of Marketing*. 14Ed. Prentice Hall: New Jersey

Kotler, P. & Pfoertsch, W. (2006) *B2B brand management*. Springer Heidelberg: New York.

Kotler, P. & Keller K.L. (2012) *Marketing management*, prentice hall. One lake street, New jersey

Kothari, *Research Methodology Methods & Techniques, Second Edition*, New Delhi: NewAge International publisher, 2004, PP. 1-2

Lassar, W., Mittal, B. and Sharma A. (1995) *Measuring customer-based brand equity*. *Journal of Consumer Marketing*. 12 (4). P.11-19

Lynch, J. & de Chernatony, (2004). *The power of emotion: brand communication in business to business markets*. *Journal of Brand Management*, 11 (5), 403-19

Malcom McDonald and Martin Christopher, (2003) *Marketing: A Complete Guide*, Palgrave, Macmillan, and Basingstoke.

- Marczyk, DeMatteo, D; & Festinger, D, 2005, Essentials of Research designand Methodology, 1st ed John Wiley & Sons, Inc; Hoboken, New Jersey.
- Mekonen. 2016, Addis Ababa pharmacy and drug store list for Eyasu Drugs, unpublished book, Addis Ababa
- Morrton, J., 1994, 'Predicating Brand Perference', *Marketing Management*, 2 (4), 32-44.
- Muhammed , N., 2012, Determinants of Dividend Policy of Insurance Companies in Ethiopia Unpublished Master Thesis , Addis Ababa University , Addis Ababa , Ethiopia.
- Myers, C.A., 2003, 'Managing Brand Equity: A Look At The Impact Of Attributes', *Journal of Product And Brand Management*, 12 (1), 39-52.
- Oliver, R.L., 1997, Satisfaction: A Behavioral Perspective On The Consumer, Mcgraw- Hill, New York, NY.
- Ourusoff, & Panchapakesan, 1993, Who Says Brands Are Dead, *Financial World*, September (1), 40-52.
- Pappu, R., Quester, P.G. & Cooksey, R.W. (2005) Consumer- based brand equity: Improving the measurement - empirical evidence. *Journal of Product and Brand Management*. 14 (3). p. 143-154.
- Peter A., Dadson, A. (2013). Assessing the role of branding in the marketing of pharmaceutical products in Ghana: A case of three pharmaceutical companies. *African Journal of Business management*. Vol. 8 pp. 502-510.
- Quan, 2006, “ Retailers” Perceptions Of Product Brand Equity: An Empirical Study Of Vietnamese Independent Grocers', *DBA Thesis*, Southern Cross University, Lismore, NSW
- Russell, E. (2010). The fundamentals of marketing. AVA Publishing: Switzerland.
- Shocker, A.D. & Weitz, B., 1988, A Perspective in Brand Equity Principle and Issues, 88-104.
- Simon, C.J. & Sullivan, M.W., 1993, 'The Measurement And Determinants Of Brand Equity: A Financial Approach', *Marketing Science*, 12 (1), 28-53.
- Steenkamp, J-B.E.M., & Van Trijp, H.C.M. (1991). The use of LISREL in validating marketing constructs. *International Journal of Market Research*, 8 (4), 283-99.

Sunil, C., 2012, Measuring Brand Equity of selected fair trade retail shops, in Nepal, Tribhuvan University

Van Riel, A.C.R., Pahud de Mortanges, C., & Streukens, S. (2005). Marketing antecedents of industrial brand equity: An empirical investigation in specialty chemicals. *Industrial Marketing Management*, 34 (8), 841-47.

White, C. (2004). *Strategic management*. 2nd Ed. Palgrave Macmillan: New York.

Wood, L., 2000, 'Brands and Brand Equity: Definition And Management' *Management Decision*, 38 (9), 662-669

Yoo, B. & Donthu, N. (2001). Developing and validating a multidimensional consumer-based brand equity scale. *Journal of business research*. 52. p.1-14.

Zeithaml, V.A., 1988, Consumer Perceptions of Price, Quality, and Value: A Measure Model and Synthesis Of Evidence, *Journal Of Marketing*, 52 (3), 2-22.

Zikmund, 2000, *Business Research Methods*, 6th Ed., Dryden (Harcourt) Fort Worth, Orlando

# Appendices



## **Part II      Brand equity dimensions**

Please reply to the following questions by putting a "√" mark on the scale of 1 to 5

<b>Item Code</b>	<b>Perceived quality</b>	<b>Strongly Disagree (1)</b>	<b>Disagree (2)</b>	<b>Neutral (3)</b>	<b>Agree (4)</b>	<b>Strongly Agree (5)</b>
<b>PQ1</b>	I trust the quality of products from LAGAP pharmaceutical	1	2	3	4	5
<b>PQ2</b>	Products from LAGAP pharmaceutical offer excellent efficacy and less side effect	1	2	3	4	5
<b>PQ3</b>	I think LAGAP pharmaceutical has a reputation of high quality	1	2	3	4	5
<b>PQ4</b>	When compared with Competitors. overall quality of LAGAP products is best	1	2	3	4	5
	<b>Brand Awareness</b>					
<b>BAW1</b>	I know LAGAP is a pharmaceutical products selling company	1	2	3	4	5
<b>BAW2</b>	Some features of LAGAP products come to my mind quickly	1	2	3	4	5
<b>BAW3</b>	LAGAP pharmaceutical has effective sales promotion campaign	1	2	3	4	5
<b>BAW4</b>	I am familiar with LAGAP pharmaceutical	1	2	3	4	5
	<b>Brand Association</b>					
<b>BAS1</b>	LAGAP pharmaceutical has a very unique brand image, compared to other competing brands	1	2	3	4	5
<b>BAS2</b>	I like and trust the company, which manufactures LAGAP products	1	2	3	4	5
<b>BAS3</b>	I like the brand image of LAGAP pharmaceutical	1	2	3	4	5

<b>Item Code</b>	<b>Brand Loyalty</b>	<b>Strongly Disagree (1)</b>	<b>Disagree (2)</b>	<b>Neutral (3)</b>	<b>Agree (4)</b>	<b>Strongly Agree (5)</b>
<b>BL1</b>	When am selling a medicine, LAGAP products will be my first choice if the product is available	1	2	3	4	5
<b>BL2</b>	I will keep on selling LAGAP products as long as it has good quality	1	2	3	4	5
<b>BL3</b>	I am still willing to sell LAGAP products even if its price is a little higher than that of its competitor	1	2	3	4	5
<b>BL4</b>	I consider myself to be loyal to LAGAP pharmaceutical	1	2	3	4	5
	<b>Overall Brand Equity</b>					
<b>OBE1</b>	Even if another brand has the same features as LAGAP, I would prefer to sell LAGAP product.	1	2	3	4	5
<b>OBE2</b>	If another brand is not different from LAGAP in any way, it seems smarter to sell LAGAP products	1	2	3	4	5
<b>OBE3</b>	Compared to all other brands in the pharmacy, the profitability of carrying LAGAP products is the highest share	1	2	3	4	5

*Thank You For Your Kind Response and Cooperation*

## APPENDIX 2: Reliability Statistics and Tests

### Scale: Perceived Quality Reliability

#### Case Processing Summary

	N	%
Valid	253	100.0
Cases Excluded <sup>a</sup>	0	.0
Total	253	100.0

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

#### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.739	.743	4

### Scale: Brand Awareness Reliability

#### Case Processing Summary

	N	%
Valid	253	100.0
Cases Excluded <sup>a</sup>	0	.0
Total	253	100.0

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

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.826	.810	4

### Scale: Brand Association Reliability statistics

#### Case Processing Summary

	N	%
Valid	253	100.0
Cases Excluded <sup>a</sup>	0	.0
Total	253	100.0

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

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.650	.661	3

### Scale: Brand Loyalty Reliability statistics

#### Case Processing Summary

	N	%
Valid	253	100.0
Cases Excluded <sup>a</sup>	0	.0
Total	253	100.0

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

#### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.973	.974	4

### Scale: Overall Brand Equity Reliability statistics

#### Case Processing Summary

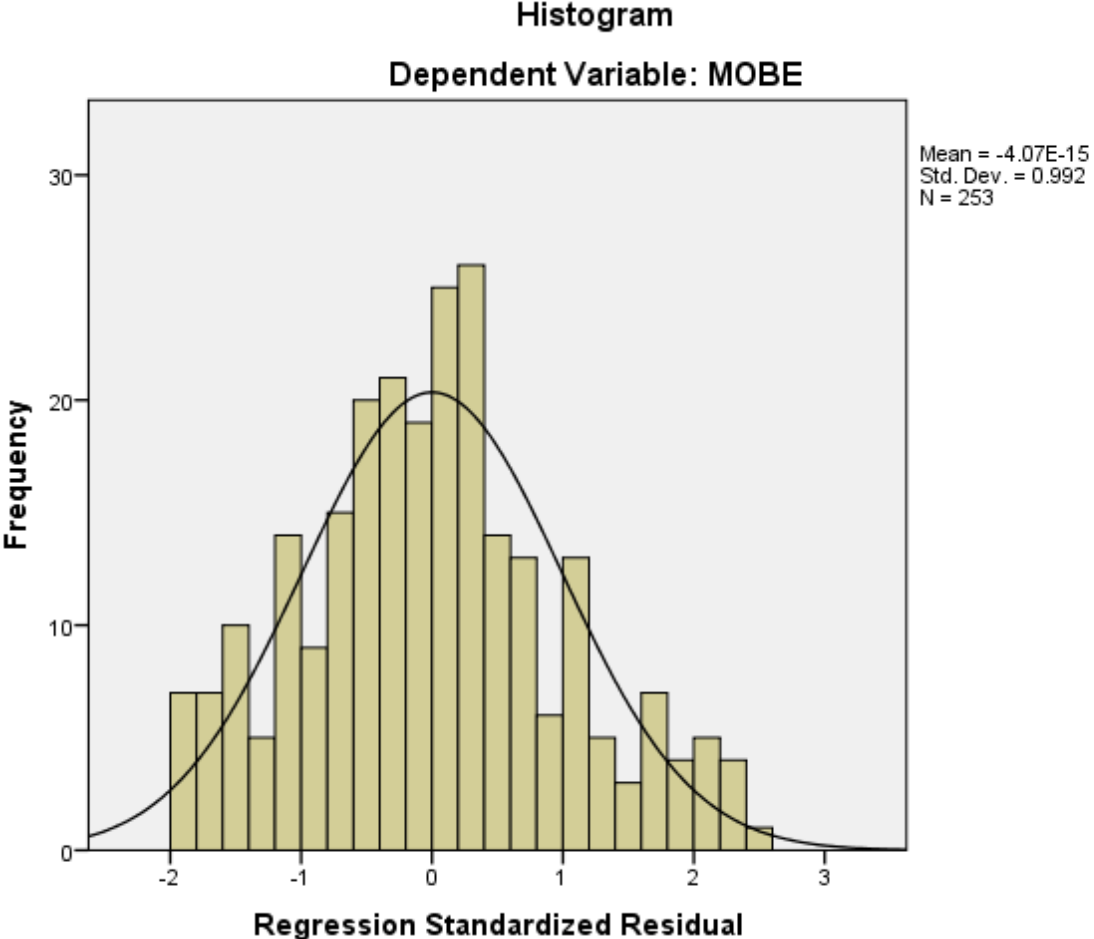
	N	%
Valid	253	100.0
Cases Excluded <sup>a</sup>	0	.0
Total	253	100.0

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

#### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.974	.975	3

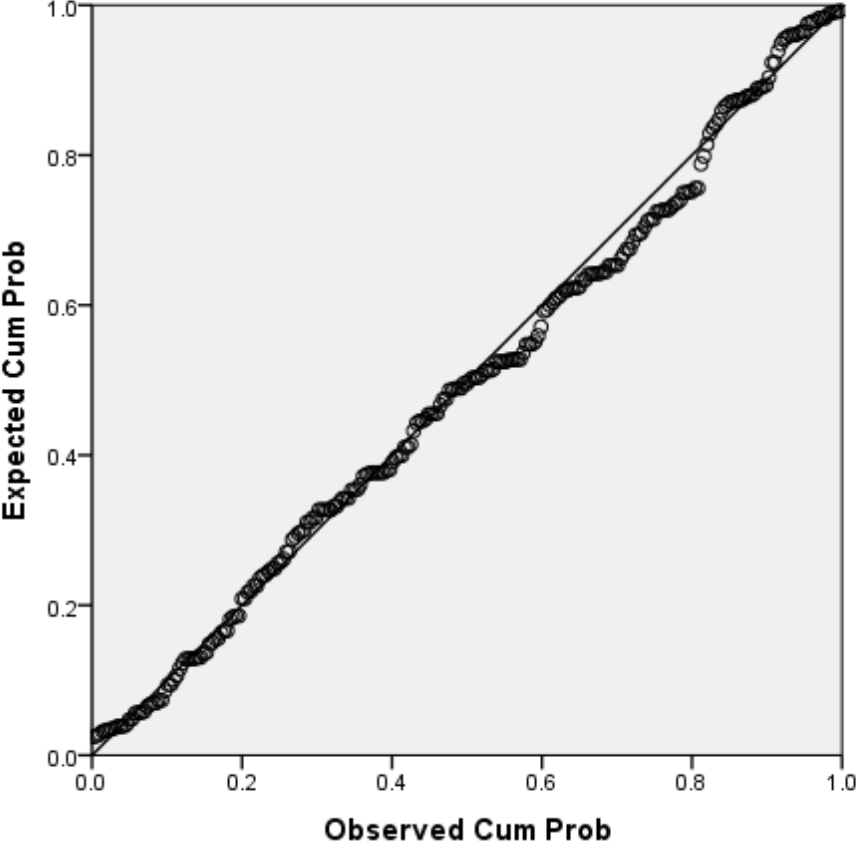
# APPENDIX 3: Histogram for Normality Test of the Data



**APPENDIX 4: Normal P- P Plot to Test Normality of the Data**

**Normal P-P Plot of Regression Standardized Residual**

**Dependent Variable: MOBE**



## APPENDIX 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.965 <sup>a</sup>	.932	.931	.32286	1.970

a. Predictors: (Constant), Perceived quality, Brand awareness, Brand association, Brand Loyalty

b. Dependent Variable: Overall brand equity