



**Factors Affecting Customer Based Brand Equity: The  
Case of Gold and Silver Members of Ethiopian Airlines**

**Addis Ababa University**

**College Of Business and Economics**

**School Of Commerce**

**Department Of Marketing Management**

**Graduate Program Unit**

**BY**

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**Addis Ababa, Ethiopia**

**Factors Affecting Customer Based Brand Equity: The  
Case of Gold and Silver Members of Ethiopian Airlines**

**Addis Ababa University College of Business and Economics  
School of Commerce Marketing Management Graduate Program  
Unit**

**A Thesis Submitted to the School of Graduate Studies of Addis  
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the Award of Masters of Arts degree in Marketing Management**

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**June, 2017  
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## **Statement of Declaration**

I hereby declare that **Factors Affecting Customer Based Brand Equity: The case of Gold and Silver Members** research is wholly the work of mine. I have carried out the study independently with the guidance and support of the research advisor, **Dr. Rakshit Negi**, other contributors or sources have been properly acknowledged. The study has not been submitted for award of any degree or diploma program in this or any other Institution. This research is done in partial fulfillment of Master of Arts Degree in Marketing Management.

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**Frework Alemayehu**

Date: June, 2017

## **Certification**

This is to certify that Ms. Fework Alemayehu has properly completed her research work entitled “Factors Affecting Customer Based Brand Equity: The Case of Gold and Silver Members of Ethiopian Airlines” under my supervision. In my opinion, her project work is appropriate to be submitted as a partial fulfillment requirement for the award of Degree in Masters of Marketing Management.

Rakshit Negi (PhD.)

Project Advisor

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Signature and Date

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## **Abstract**

*This study was intended to set measure determinants of brand equity of Ethiopian Airlines Gold and Silver member passengers based on the four dimensions proposed by Aaker (1991) i.e. brand awareness, brand association, brand loyalty and perceived quality and test interrelationship with each dimension and their influence on the overall brand equity of the Ethiopian Airlines for these loyal passengers. Quantitative research approach was used for the study followed by explanatory and descriptive research design. A sample of 395 international Gold and Silver passengers of Ethiopian Airlines departing from Bole International Airport, Addis Ababa were selected by convenience sampling method and a data was collected through questionnaire intending to identify their perception towards Ethiopian Airlines brand. The collected data was analyzed using SPSS 17.0 software. The finding implies that, respondents generally have a positive perception about Ethiopian Airlines. The correlation analysis shows that all dimensions of brand equity; brand association, brand awareness, brand loyalty and perceived quality are positively related with each other also with the overall brand equity of Ethiopian Airlines. Moreover, the regression analysis shows that perceived quality has the greatest influence on the overall brand equity. Therefore, it is advisable for the airline to concentrate its effort primarily on Perceived Quality but also the inter correlations among the four dimensions of brand equity must be taken in to consideration, when concentrating on enhancing perceived quality.*

**Keywords:** *Brand, Brand Equity, Customer Based Brand Equity, Brand Association, Brand Awareness, Brand Loyalty and Perceived Quality.*

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## **Acronyms**

**CBBE:** Customer Based Brand Equity

**ANOVA:** Analysis of Variance

**CBBE:** Customer Based Brand Equity

**ET:** Ethiopian Airlines

**MRO:** Maintenance Repair and Overhaul

**SPSS:** Statistical Packages for Social Sciences

**FFP:** Frequent Flyer Program

**CSR:** Corporate Social responsibility

## **1. Introduction**

### **1.1 Background of the study**

Beginning with the application of trademarks to products for the purpose of product differentiation, brands have developed and become one of the key success factors in firms achieving competitive advantage through differentiation (Wood, 2000). Moreover, brands create added value for both firms and customer. Brands play a key role in enhancing the value of products and protecting the product from being imitated by competitors (Aaker, 1991). A brand for a new product is shaped by creating a new name, logo, or symbol and as a result of this it receives “awareness, reputation, and prominence in the marketplace” (Keller, 2002).

Although there is no universally accepted definition of brand equity, there is at least some consensus. Brand equity is defined as the marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name (Aaker, 1991; Keller, 2003). Aaker has provided the most elaborate concept of brand equity and defined brand equity as “a set of assets and liabilities linked to a 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 that firm's customers” (Aaker 1991, 1996). Marketers are continually under pressure to justify the impact of marketing activities and this has renewed interest in measures of marketing performance (O'Sullivan & Abela 2007). Keller (2002) summarized the benefits created by strong brand equity as follows: Improved perceptions of product performance, greater loyalty less vulnerability to competitive marketing actions and marketing crises, larger margins more inelastic consumer response to price increases and more elastic consumer response to price decreases, greater trade cooperation and support, increased marketing communication effectiveness, licensing opportunities and additional brand extension opportunities.

According to the two most influential pioneers of brand equity conceptualizations, Aaker and Keller, there are two principal and distinct perspectives that have been taken by academics to study brand equity. The first one is financial and the second one is customer based. The first perspective of brand equity is from a financial market's point of view where the asset value of a brand is appraised (Farquhar, 1990). CBBE is evaluating the consumer's response to a brand name (Keller, 1993; Shocker et al., 1994). The CBBE is made up of five dimensions that help

measurement of brand equity through which the Brand Equity Model is envisaged: Brand Awareness, Brand Association, Perceived Quality, Brand Loyalty and other proprietary brand asset, (Aaker, 1991). The brand equity construct contributes in both theoretically and practically on CBBE, measurement and assisting managers in a way that it impacts organizations' business performance and profitability at high level. Based on this, attainable brand strategies can be devised and initiates further studies and elaboration of the theory and practice.

Brand equity research has largely concentrated on customer-based as opposed to firm-based (financial perspective) (Christodoulides&Chernatony 2004). This is because unlike the firm based approach which centers around financial valuation issues and provides little usable information for brand managers, the customer-based approach offers insights into customer behavior convertible into actionable brand strategies (Keller, 1993).

Passenger Loyalty is fundamental to any full service airline aiming to strengthen stable market share and competitive position in any market (Sara Dolnicar, 2011). Today almost all airlines operate their own Frequent Flyer program (FFP) or are partners in another carrier program (Shaw, 2007). These programs (FFP) are aimed at increasing the loyalty of customers through marketing induced campaigns and rewards (Dough Grisaffe, 2001 and Uncles 2002 and SaraDolnicar, 2011). These loyal customers happily support the Airlines whose Frequent Flyer Program they currently support.

Aaker developed brand equity model with brand awareness, brand association, perceived quality brand loyalty and other proprietary assets .as dimensions of customer based brand equity. This study focused on the first four dimensions of brand equity from customers perspective and their effect on overall brand equity by taking case study of Gold and Silver member of Ethiopian Airlines

### **1.1.1 Company Background**

Ethiopian Airlines (Ethiopian) (ET) is a government owned company found in the capital city of Ethiopia, Addis Ababa, with its head office located at Bole International Airport (Ethiopian Fact Sheet 2011). On April 08, 1946, the airline started operation by making its first domestic flight to Gondar and international flight to Cairo (Saunders 1971). Ethiopian Airlines (Ethiopian) is the flag carrier of Ethiopia. During the past seventy years, Ethiopian has become one of the continents leading carriers, unrivalled in Africa for efficiency and operational success, turning profits for almost all the years of its existence. Operating at the forefront of technology, the airline has also become one of Ethiopia's major industries and a veritable institution in Africa. It commands a lion's share of the pan African network including the daily and double daily east-west flight across the continent. Ethiopian currently serves 91 international destinations and 20 domestic destinations operating the newest and youngest fleets. ([www.ethiopianairlines.com](http://www.ethiopianairlines.com))

Today meeting customer's expectation is not alone enough, as this is the bare minimum requirement that does not result in customer satisfaction and subsequent retention. According to Ethiopian Airlines customer service statement, in order to satisfy customers and eventually retain them, the airline need to delight its customers and exceed their expectation so as to make them highly satisfied with the airline product and standards. It is where by satisfaction level that makes people repurchase and that is what is called customer retention, where by customer retention brings about a 10 % rise in profit. (Bezawit, 2014)

Eventually building strong, positive brand equity is the only path way to achieve the airline goal to be the first choice among customers' mind.

## **1.1.2 General Information on Ethiopian Airlines**

### **Vision Mission and Values of Ethiopian Airlines**

#### **Vision 2025**

Ethiopian will be the most competitive and leading aviation group in Africa by providing safe, market driven and customer focused passenger and Cargo Transport, Aviation Training, Flight Catering, Maintenance and Cargo Transport, Aviation Training, Flight Catering, Maintenance Repair and Overhaul (MRO), Ground Services, Domestic and regional services by 2025.

Ethiopian Airlines started “Vision 2010” in 2005, which aimed to increase passenger traffic to 3 million, revenue to US\$1 billion and employees to 6,000 by 2010. By the year 2010 Ethiopian had exceeded all goals set in “Vision 2010” and the company's net profit for the fiscal year ended 30 June 2010 was US\$121.4 million. The results were attributed in part to an aggressive marketing campaign and major cost cutting measures.

In 2010 Ethiopian adopted "Vision 2025", a 15-year development strategy, under which the airline anticipates increasing its fleet to 120, the number of destinations to 90, carrying more than 18 million passengers and 720,000 tones (710,000 long tons; 790,000 short tons) of cargo, with 17,000 employees. "Vision 2025" also considers a fourfold expansion of the capacity building for trainees in the airline's aviation academy.

#### **Mission Statement**

\*To become the leading Aviation Group in Africa by providing safe and reliable passenger and cargo transport, aviation training, flight catering, MRO and ground services whose quality and price “value proposition” is always better than its competitors.

\*To ensure being an airline of choice to its customers, employer of choice to its employees and an investment of choice to its owner.

\*To contribute positively to the socio-economic development of Ethiopia in particular and the countries it operates in general by undertaking its corporate social responsibilities and providing vital global air connectivity.

## **Value Statement**

\*As an airline, safety is our first priority.

\*ET is a high performance and learning organization.

\*We are an equal opportunity employer.

\*We treat internal and external customers the way we would want to be treated.

([www.ethiopianairlines.com](http://www.ethiopianairlines.com))

### **1.1.3 Overview of Ethiopian Airline's loyalty program**

Ethiopian Airline's has a frequent flyer program named as Sheba Miles .It started operation in 1999.This program is unique partly due to Ethiopian's unrivalled coverage of the African continent. Those flying within Africa or to any of ET's growing number of destinations across Middle East, Europe, Asia and the USA will accumulate miles quickly and will soon be enjoying the privileges of membership. The miles earned will entitle passengers to award tickets, upgrades; check in priority, executive lounge privileges, priority baggage handling, special baggage allowances and many more benefits.

The numbers of destinations extend to over1000 cities worldwide through the star alliance membership of Ethiopian Airlines and the Sheba Miles FFP. Over 27 carriers in all seven continents of the world recognize Sheba Miles membership card in earning miles and redeeming award tickets on their flights. Alongside this, members will also benefit from priority check in, priority boarding, special baggage allowance, priority baggage handling, worldwide airport lounges and much more at their airports.

Sheba Miles is designed in such a way that the more one fly, the more the benefits he/she receive and it has a world of opportunity to earn miles from scheduled international and domestic Ethiopian Airlines passenger flights, from star alliance member carriers on international and domestic flights, from rent a car mileage, from staying at service partner hotels and from shopping. Sheba Miles makes possible for members to redeem or spend miles for award tickets or upgrades on international and domestic Ethiopian Airlines passenger flights and on any star alliance member carriers international or domestic flights.

Currently Ethiopian airline has 9024 Gold member passengers and 28093 Silver member passengers. A Passenger has to travel more than 50,000 miles to have a Gold tier membership status and 25,000 miles per year to have a silver member tier level status. These passengers have a great share in the revenue of the airline. (Ethiopian Airlines, 2016)

## 1.2 Statement of the problem

According to Aaker (1996) strong brands benefit firms to retain old customers and attract new ones, to secure future financial returns and to charge premium prices, to reduce firm's vulnerability and minimizes costs of marketing communication. Strong brand also give firms an overall competitive advantage over the competition (Lassar et al., 1995).Such competitive advantage of having brands with high equity includes the opportunity for successful extensions, resilience against competitors' promotional pressures, and creation of barriers to competitive entry (Farquhar, 1989).

Thus, building a strong brand is one of the most popular marketing efforts for any company now a days. In today's competitive business environment, the concept of brand equity is an important source of strategic intelligence for marketers. High brand equity levels are known to affect consumer preferences and purchase intentions, profits and share returns, market power and sustainable competitive advantages, brand extension and consumer's willingness to pay premium prices (Goi& Fayrene, 2011).Whether a company is selling products or services, a strong brand is the most important and sustainable asset that the company could have.

Brymer(2009) argues that the value of a strong brand is more important than ever. At the same time, influencing in a community creates powerful leverage for strong brands. This could sustain a theory of focusing on the brand equity, not only will retain existing consumers, but they will also attract others disgruntled with the competition. ([http://www.ddb.com/pdf/yellowpapers/DDB\\_YP\\_AirlineBranding\\_Feb09.pdf](http://www.ddb.com/pdf/yellowpapers/DDB_YP_AirlineBranding_Feb09.pdf))

The need to build strong brands is important for all businesses whether engaged in producing physical product or services, durable or non durable, ordinary or luxury, (Knowles, 2008). Hence, researching the issue of brand equity, so as to have quality information on the sources of customer based brand equity, will help marketers to direct their marketing activities towards those sources so that build strong customer based brand equity to their products. However, recent attempts to research the issue of brand equity regarding its measurement from the customer's perspective concerning how a fast moving consumption goods manufacturing firms builds and measures its brand equity were researched in the Ethiopian context (e.g. Million, 2013; Ephrem, 2015; Beidemariam, 2014; Wasihun, 2014; Wengelawit, 2014).

On the other hand, in the aviation industry there had been many researches done regarding loyalty program. To mention some, The impact of Marketing And Service Quality On Customer Loyalty And Trust: A Case Study Of Ethiopian Airlines by Yonnas Tsegaye (2014), Factors Influencing Customer Loyalty: Implications for Strategic Customer Relationship Management At Kenya Airways by Grant Ochieng' Onyango(2014),Key Factors That Determine Return On Loyalty: Evidence From Ethiopian Airlines Loyal Customer Base by Hailemeleket Mamo (2014).

But Considering brand equity, there has been only few researches that were done by Bezawit (2014)on Measurement of CBBE in Ethiopian Airlines and Aypar Uslu and Berna Kobak Kolivar (2013)Analyzing the Brand Equity of Turkish Airlines Services: Comparing the Japanese and Turkish Perspectives.

All these studies have not specifically considered the perspective of loyal customers. Ever since Ethiopian Airlines started its operation it is expanding its routes to cover more destinations, implementing new technologies, acquiring new high tech aircrafts with extraordinary comfort level and improving both in flight and ground services to delight its customers. However, how premium customers perceive the effort by the airline is unknown. Additionally, the level of customer based brand equity should be investigated from premium customers' perspective to obtain the ultimate benefit of positive brand equity and to identify areas to focus on and point out weak links which needs special attention to build strong customer based brand equity and sustain long term return.

Based on the above gap the researcher developed an interest in this area. Aaker (1991) identified the conceptual dimensions of brand equity as brand awareness, brand associations, perceived quality, brand loyalty, and other proprietary brand assets. As there is lack of research on the relationship between customer-based brand equity of Ethiopian Airlines with the dimensions of brand equity, by retesting the most popularly adopted brand equity dimensions, this study aims to empirically test the customer-based brand equity components and how they interact in the context of Ethiopian Airlines Gold and Silver members as its measurement is felt important to develop and deploy adequate benefits by the airlines.

## **1.3 Research Questions**

### **1.3.1 Main research question**

1. Among the customer based brand equity dimensions, which contributes more to the overall brand equity in the case of Ethiopian Airlines?

### **1.3.2 Specific Research Questions**

1. How does brand awareness affect customer based brand equity of Ethiopian Airlines Gold and Silver members?

2. How does brand association affect customer based brand equity of Ethiopian Airlines Gold and Silver members?

3. How does perceived quality affect customer based brand equity of Ethiopian Airlines Gold and Silver members?

4. How does brand loyalty affect customer based brand equity of Ethiopian Airlines Gold and Silver members?

## **1.4 Research objectives**

### **1.4.1 General objectives**

The general objective of the study is to measure the customer based brand equity of Ethiopian Airlines from the perspective of Gold and Silver members.

### **1.4.2 Specific objectives**

1. To examine the relationship between

\*Brand awareness and customer based brand equity of Ethiopian Airlines Gold and Silver members

\*Brand association and customer based brand equity of Ethiopian Airlines Gold and Silver members

\*Perceived quality and customer based brand equity of Ethiopian Airlines Gold and Silver members

\*Brand loyalty and customer based brand equity of Ethiopian Airlines Gold and Silver members

2. To investigate the major influence imposer on customer based brand equity among the four dimensions of brand equity.

### **1.5. Significance of the study**

Currently the airline industry is in a very intense competition and in order to succeed, an airline should be aware of the perception of customers towards its brands and focus on its frequent travelers to identify which factors matter the most. This research is expected to give insight on the four dimensions of brand equity, their interrelationship and relationship with brand equity for Ethiopian Airlines brand. The airline could benefit from this research to get a clear understanding on how actual frequent travelers perceive the brand of the airline as compared to others and distinguish its weaknesses for the future in order to develop brand equity strategy. This brand equity strategy will in return help to make effective marketing decisions as it will guide to marketing strategy and tactical decisions and excel in the industry.

Besides the organizational significance, there is lack of research on customer based brand equity on the airline; it is more severe when we consider the service industry. Therefore, this research is expected to contribute to the existing literature. Also it is believed that this study helps other academicians in carrying out their studies in the area.

### **1.6 Scope of the study**

The study covers the passenger transport service and is confined to only Ethiopian Airlines Gold (9024) and Silver (28093) (Ethiopian Airlines, 2016) tier members, including those who are in transit and departing from Bole international airport Addis Ababa. Moreover, international passengers from selected routes of the airline are considered in the research.

This study seeks to examine the applicability of Aaker's customer-based brand equity model in Ethiopia Airlines Gold and Silver members. This study used only the first four variables of Aaker's customer based brand equity model which are, Brand awareness, Brand association, Perceived quality and Brand Loyalty. These four dimensions of brand equity represent consumer perceptions and reactions to the brand, while proprietary brand assets are not pertinent to consumer based brand equity. For this reason fifth element was not included

### **1.7 Limitations of the study**

Large sample sizes are desirable as they are more representative of the population and inversely proportional to sampling error. But on this research the sample size is limited and the sample will be collected on a specific time frame. The study can't represent the entire population as convenience sampling method is used for the research. The inherent bias in convenience sampling means that the sample is unlikely to be representative of the population being studied. This undermines the ability of the research to make generalization from the sample to the population being studied. But for the Airline it will give as insight on which areas to focus more and to apply the findings in developing strategies and tactics more applicable to these specific Gold and Silver member passengers. Due to lack of adequate published studies related to measuring customer based brand equity on local brands the research is based on foreign literature as a reference for the study. Even though Ethiopian Airlines is engaged in providing several services like, passenger transport, cargo transport, aviation training, flight catering, Maintenance Repair and Overhaul (MRO) and ground services the research only focuses on the passenger transport service of the airline. Specifically, Gold and silver tier level passengers of Ethiopian Airlines excluding Star alliance Gold and Silver members.

## **1.8 Definition of terms**

**Brand:** Brand is a trademark or distinctive name identifying a product or a manufacturer. It refers a name, term, symbol, sign or design used by a firm to differentiate its offerings from those of its competitors. The brand name is the vocalizable part of the brand and the brand mark is the non-vocalizable part (Czinkota&Ronkainen, 1999)

**Brand Equity:** Brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol add to or subtract from the value provided by a product or service to a firm and/or that firm's customers. (Aaker, 1991)

**Customer Based Brand Equity (CBBE):** customer-based brand equity is the differential effect that brand knowledge has on the consumer or how customers respond to the marketing of that brand. (Keller, 1998)

**Loyalty Program:** Loyalty program is long-term-oriented programs that allow consumers to accumulate some form of program currency, which can be redeemed later for free rewards. (Liu and Yang (2009, p. 94))

**Frequent flyer program (FFP)** –Frequent flyer programs (FFPs) represent loyalty programs typical of the airline industry. Consumers accumulate frequent flyer points for each purchased flight, with the number of points awarded usually equaling the distance of the flight (Lederman, 2007, p. 1137). These accumulated points can eventually be redeemed for rewards, the most common of which is a free flight or a free upgrade with the given airline or one of its alliance partners (IATA, 2007, p. 73; Lederman, 2007, p. 1137; Carlsson&Löfgren, 2006, p. 1470).

**Star Alliance:** is one of the world's largest global airline alliances with 27 member airlines. It has two-tier rewards program, Silver and Gold, with incentives including priority boarding and upgrades. ([www.staralliance.com](http://www.staralliance.com))

## **1.9 Organization of the study**

The research report is organized under five chapters: Chapter 1 will provide background of the study, an introduction to the problem statement, the research questions, the research objectives, Significance of the study, Scope of the study, limitations of the study and definition of terms Chapter 2 presents review of related literature Chapter 3 is a summary of research approach, research design, and methodology will be discussed. In Chapter 4 discussion and analysis of the data will be presented and at last in Chapter 5 summary, conclusion and recommendation for future research will be given. And other sections namely list of reference and Appendix

## **2. Literature Review**

### **2.1 Theoretical Review**

#### **2.1.1 Concept of Branding**

There are numerous definitions of a brand; different scholars provide their own explanation towards the meaning of a brand. According to Czinkota&Ronkainen(1999), the word Brand is a trademark or distinctive name identifying a product or a manufacturer. It refers a name, term, symbol, sign or design used by a firm to differentiate its offerings from those of its competitors. The brand name is the vocalizable part of the brand and the brand mark is the non-vocalizable part.

Kapferer (2008) also defines brand as a name that influences buyers. He further notes that brand commands people's attention because they have element of saliency, differentiability, intensity and trust. Successful brand conveys a consistent message and create an emotional bond with consumers.

Branding plays many roles for companies. According to Kotler (2009), brands are important valuable intangible assets for companies, a distinctive tool that builds a long-term relationship with the consumers, and protects its' rights. For consumers, brands reflect their experience and knowledge; simplifying the processing of information accumulated over time about the company and its products or brands. In addition, brands reflect consumer's experiences and knowledge; thus, simplify the processing of information accumulated over time about the company and its products or brands. Consequently, brands act as signals for products of high quality and low perceived risk, thus, enable the consumers to capture both cognitive and non-cognitive values expressed in the positive feelings or self-expression experienced (Aaker, 1996).

### **2.1.1.1 Branding in the Service Industry**

While brand equity associated with tangible goods has received a great deal of attention in the literature, a basic understanding of the nature of brand equity for services has yet to emerge. Most of what is known about brand equity for services is based on theoretical or anecdotal evidence (Krishnan and Hartline, 2001).

Simoes and Dibb , (2001) argue that branding plays a special role in service companies because strong brands increase customers' trust of the invisible, enabling them to better visualize and understand the intangible and reduce customers' perceived financial, social or safety risk.

Blankson and Kalafatis, (1999) suggest that service brands are particularly different in that service characteristics are different from those of physical goods and that they rely on employees' actions and attitudes. This difference is seen to focus around the belief that services are conceptually different from products in that services are seen to have a number of unique characteristics including intangibility, inseparability of production and consumption, heterogeneity of quality and perishability.

### **2.1.2 Brand Equity**

The concept of brand equity has been a popular and important marketing concept since 1980. The concept of brand equity, however, has been defined by various researchers for different purposes resulting in a number of definitions (Keller, 1998).

Aaker (1991) defined "brand equity as a set of brand assets and liabilities linked to a brand, its name and symbol add to or subtract from the value provided by a product or service to a firm and/or that firm's customers. "His approach to brand equity is viewed as a managerial and corporate strategy perspective. He stated that the assets and liabilities linked to a brand's name or symbol can be grouped into five dimensions: brand loyalty, brand awareness, perceived quality,

brand associations, and other proprietary brand assets. He suggested that we can generate brand equity by strengthening those dimensions.

Keller (1998) approached the concept of brand equity from the perspective of the consumer, he defined “customer-based brand equity as the differential effect that brand knowledge has on the consumer or how customers respond to the marketing of that brand.” He also suggested that as customers respond more favorably to a product whose brand is identified, the brand has positive customer-based brand equity and it exists when the consumer has a high level of awareness and familiarity and strong, favorable, and unique brand associations in their memory (Keller, 2002). The brand is established through the proper identity, the appropriate brand meaning, the right brand responses, and the appropriate brand relationships with customers by establishing six core brand values: brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance (Keller, 2001)

Keller (2002) classified the benefits of a “strong” brand into four different categories: Product related effects, price related effects, communication related effects and channel related effects. Product related effects of brand include consumer product evaluations, consumer confidence, perceptions of quality, and purchase rate positively related to a brand name. If consumers are well aware of a brand, their attitude and their purchase intention toward the brand are increased.

Price related effects refer to the fact that brand leaders have higher priced positions and consumers have a lower level of price sensitivity toward those leaders. Communication-related effects refer to how the evaluation of brand advertising can be positively biased when consumers have positive feelings toward a brand which is a well-known and well liked brand. The effect of the well-known brand, which is most likely to have competitive advantage in marketing activities, is the channel related effect. Brands are valuable assets and tools influencing consumer behavior which includes awareness, choice, use, satisfaction, recommendation, trust and loyalty. They reduce information search costs and risk for consumers and deliver quality, values, promises, and lifestyle enhancement (Kotler& Armstrong, 1996).

Keller (2002) summarized the benefits created by strong brand equity as follows:

- \*Improved perceptions of product performance
- \*Greater loyalty
- \*Less vulnerability to competitive marketing actions and marketing crises
- \*Larger margins
- \*More inelastic consumer response to price increases and more elastic consumer response to price decreases
- \*Greater trade cooperation and support
- \*Increased marketing communication effectiveness
- \*Licensing opportunities and additional brand extension opportunities

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 strong brand equity.

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

#### **2.1.3.1 Brand Awareness**

Aaker (1991) defines brand awareness as the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. Brand awareness plays an important role in consumer decision-making by influencing which brands enter the consideration set, which of these brands are used as a heuristic, and the perception of quality (Macdonald and Sharp, 2000). During the decision making process the consumer retrieves, from long term memory, those products and brands of which they are aware. This small set of brands (the consideration set) is important, since a brand that is not part of the consideration set is unlikely to be chosen (Mowen and Minor, 2001).

Aaker (1996) identifies other higher levels of awareness besides recognition and recall (Aaker 1991). He includes top of mind, brand dominance, brand knowledge and brand opinion. Brand knowledge is the full set of brand associations linked to the brand (Keller, 1993). According to Aaker (1996) for new or niche brands, recognition can be important. For well-known brands recall and of mind are more sensitive and meaningful. Brand knowledge and brand opinion can be used in part to enhance the measurement of brand recall. Similar measures are used by the Y&R and Total Research efforts. Aaker conceptualizes brand awareness must precede brand associations. That is where a consumer must first be aware of the brand in order to develop a set of associations (Washburn and Plank 2002).

### **2.1.3.2 Brand Associations**

A brand association is the most accepted aspect of brand equity (Aaker 1992). 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 2006, p. 188) and is anything linked in memory to a brand. Other researchers (Farquhar & Herr 1993, Brown & Dacin 1997, Biel 1992) identify different types of association that contribute to the brand equity. 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 (Pitta & Katsanis, 1995). 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.

Corporate social responsibility (CSR) must be mentioned as another concept that is influencing the development of brands nowadays, especially corporate brands as the public wants to know what, where, and how much brands are giving back to society. Both branding and CSR have become crucially important now that the organizations have recognized how these strategies can add or detract from their value (Blumenthal and Bergstrom 2003). CSR can be defined in terms of legitimate ethics or from an instrumentalist perspective where corporate image is the prime concern (McAdam and Leonard 2003).

### **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, 1992). 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. High objective quality does not necessarily contribute to brand equity (Anselmsson et al., 2007).

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 (1997) 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); on the other hand, extrinsic attributes are related to the product, but not in the physical part of this one e.g. brand name, stamp of quality, price, store, packaging and production information (Bernue's et al.2003).

#### **2.1.3.4 Brand Loyalty**

Oliver (1999) defines brand loyalty as a deeply held commitment to re buy or re patronize a preferred product/service consistently in the future, thereby causing repetitive same brand or same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. This definition emphasizes the two different aspects (behavioral and attitudinal) of brand loyalty that have been described in previous work on the concept (Chaudhari and Holbrook, 2001). More specifically, researchers have also suggested that focusing only on the behavior cannot completely capture the reasons behind the purchase and thus the attitudinal dimension is also relevant (Baloglu, 2002). Most researchers Chaudhari and Holbrook (2001); Oliver (1999) believe that the best way to operationalize brand loyalty is to measure both attitudes and behavior.

**Behavioral loyalty:** Behavioral loyalty can be indicated by a number of repeated purchases (Keller, 1998) or commitment to re-buy the brand as a primary choice (Oliver 1999). It is defined as the degree to which a buying unit, such as a household, concentrates its purchases over time on a particular brand within a product category (Schoell and Gultinan, 1990).

**Cognitive loyalty:** Cognitive loyalty refers to the consumers' intention to buy the brand as the first choice (Keller, 1998). It refers to the tendency to be loyal to a focal brand as demonstrated by the intention to buy it as a primary choice" (Oliver, 1997). It is a 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 1998).

**Price premium:** Price premium is defined as the amount a customer will pay for the brand in comparison with another brand offering similar benefits and it may be high or low and positive or negative depending on the two brands involved in the comparison. It is the customer's willingness to pay higher price for a brand in comparison with another brand offering similar benefits (Aaker 1996).

#### **2.1.4. Importance of Measuring Brand Equity**

Brand equity has been extensively discussed in marketing literature over the past decade and there seem to be a consensus amongst the scholars that a brand has high brand equity when it generates positive connotations in the consumers' minds and is therefore likely to be the preferred purchase over other brands or non-branded products (Pappu et al, 2005, Yoo et al, 2001).

Keller (1993) notes; that customer-based brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong and unique brand associations in memory. It has also been argued that brands with high brand equity can charge a premium price for their products (Kuhn et al, 2008). Nevertheless, measuring brand equity remains an important factor of brand management and can be used in order to 'guide marketing strategy and tactical decisions, to assess the extendibility of a brand, to evaluate the effectiveness of marketing decisions, and to track the brand's health compared to its competitors over time,'(Ailawadi , 2003).

Aaker (1991) adds to this idea and argues that as part of its role in adding value for the customer, brand equity has the potential to add value for the firm by generating marginal cash flows in at least a dozen ways. There seem to be a consensus in the scholarly community that the study of brand equity is of great importance in order to build and maintain a strong brand and it therefore seems relevant to the mobile phone industry, which is a fast moving industry where it is important to be able to keep up with the competitors.

### **2.1.5 Relationship between Brand Equity and Brand Equity Dimensions**

A number of researchers have proposed different dimensions of customer based brand equity over the years. Aaker's customer based brand equity model consists of the dimensions perceived quality, brand loyalty, brand awareness, brand association, and other proprietary brand assets such as patents, trademarks, and channel relationships.

#### **2.1.5.1 Brand Awareness Effect On Brand Equity**

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 (1993), brand awareness consists of two sub-dimensions: brand recall and recognition. Brand recognition is the basic first step in the task of brand communication, whereby a firm communicates the product's attributes until a brand name is established with which to associate them. Brand awareness can be a sign of quality and commitment, letting customers become familiar with a brand and helping them consider it at the point of purchase (Aaker, 1991).

#### **2.1.5.2 Brand Association Effect On Brand Equity**

Brand association is anything “linked” in memory to a brand (Aaker, 1991). It is believed to contain the meaning of the brand for consumers. Brand association can be seen in all forms and reflects features of the product or aspects independent of the product itself (Chen, 2001). A set of associations, usually organized in some meaningful way, forms a brand image. Brand associations create value for the firm and its customers by helping to process/retrieve information, differentiate the brand, create positive attitudes or feelings provide a reason to buy, and provide a basis for extensions (Aaker, 1991). CBBE occurs when customers have a high level of awareness and hold some strong, favorable, and unique brand associations in their memories.

### **2.1.5.3 Perceived Quality Effect On Brand Equity**

Perceived quality is the “core/primary” facet across the CBBE framework (Aaker, 1996; Farquhar, 1989). 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). Perceived quality lends value to a brand in several ways: high quality gives customers a good reason to buy the brand and allows the brand to differentiate itself from its competitors, to charge a premium price, and to have a strong basis for the brand extension (Aaker, 1991). Marketers across all product and service categories have increasingly recognized the importance of perceived quality in brand decisions (Morrton, 1994). Kotler (1994) notes the intimate connection among product and service quality, customer satisfaction, and company portability.

### **2.1.5.4 Brand Loyalty Effect On Brand Equity**

Brand loyalty is at the heart of brand equity. It is the major component (Aaker, 1991). Researchers have been challenged to define and measure brand loyalty. From a behavioral perspective, it is defined as the degree to which a buying unit, such as a household, concentrates its purchases over time on a particular brand within a product category (Schoell and Gultinan, 1990). From an attitudinal perspective, brand loyalty is defined as “the tendency to be loyal to a focal brand as demonstrated by the intention to buy it as a primary choice” (Oliver, 1997). This study conceptualizes brand loyalty not on the basis of consumer behavior but rather on the basis of retailer’s perception. 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. Loyal customers are less likely to switch to a competitor solely because of price; they also make more frequent purchases than comparable non-loyal customers (Bowen and Shoemaker, 1998).

## 2.2 Empirical Review

This section will cover prior researches that were done within this area in the past including both locally and foreign. It will discuss the purpose of the researches, problem, their methodology and findings.

According to Beidemariam (2014) research on Measuring Customer Based Brand Equity in the Ethiopian Beer Industry, the research was carried out as there were no significant researches that were done which could inform the relative importance of CBBE in building a strong brand in the Ethiopian beer industry. This study was done in such a way that it could give an insight to the major determinants that will have an impact on the brand equity of the breweries operating in Ethiopia. By using research methodology Descriptive statistics, correlation and regression analysis the following findings were developed. At the beginning of the study it was hypothesized that all the five determinants of CBBE had a direct and positive impact on the overall brand equity of the consumers. After the analysis was done, the findings revealed that: the major dimension which affects the customer based brand equity in the Ethiopian beer industry is Perceived Quality was developed.

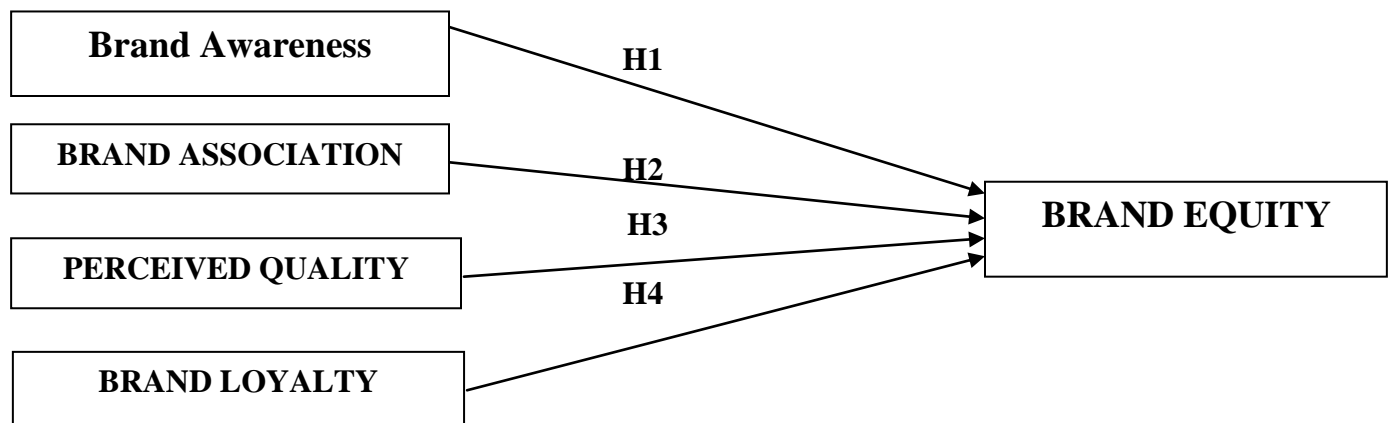
According to Ephrem (2015) research on Measuring Customer based Brand equity: Evidence from The Ethiopian Bottles Water Market, the research was carried out based on the problem described as let alone the water bottling industry the concept of brand equity and its importance to sustain long term return is neglected by many other industries players and researchers in the nation. Using the methodology Aaker's well known conceptual framework of brand equity and extended by Yoo &Donthu, the findings developed concluded that brand awareness and Perceived Quality are influential dimensions of brand equity in the Ethiopian bottled water market. However, the influence of brand loyalty was found to be insignificant which is in contradiction with both previous studies and the underlying brand equity theory that asserts brand loyalty to be the core component of brand equity.

According to Aypar Uslua ,Beril Dermus and Berna Kobak Kolivarc(2013) research on Analyzing the Brand Equity of Turkish Airlines Services: Comparing the Japanese and Turkish with the objective to empirically examine the four dimensions (brand awareness, brand loyalty, perceived quality and brand associations) of brand equity drawing upon a scale developed via Aaker (1991) in order to measure consumers brand equity of Turkish Airlines based on Turkish and Japanese customers perspectives once the brand has been purchased. This study attempts to evaluate the customer brand equity of Turkish Airline services in Turkey and Japan. 400 respondents were randomly selected and were asked their views through a structured questionnaire. The test was to determine whether there is a difference between Turkish customers and Japanese customers. Conducting factor and reliability analyses were satisfactorily valid and indicated that three dimensions were found instead of four dimensions of brand equity. Brand awareness and associations was uni dimensional. The customer based brand equity model analysis shows brand awareness/ associations is the most important factor among Turkish and Japanese, however brand awareness/associations is more important among Turkish than Japanese. In addition, the rest factors perceived quality and brand loyalty are also higher performed among Turkish customers than Japanese customers. Differences on cultures may be affecting brand equity related marketing strategies need to focus more on different dimensions of brand equity in different cultures. The findings suggest that when customers get attached emotionally to a brand (brand feeling) they go on to create strong associations with the brand, the quality of the services of a brand, its credibility, and its presence in the choice set

### 2.3. Conceptual framework and Hypothesis

Brand equity is a multidimensional concept and a complex phenomenon. Keller (2002) separated it into two components: awareness and association. Aaker (1991, 1996) grouped it 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 consumers (Barwise, 1993; Yoo & Donthu, 2001), it has been widely adopted to measure customer based brand equity in previous studies.

Though several dimensions of brand equity are identified in the literature, the interrelations among the various dimensions of brand equity are not well understood. In this study customer based brand equity concept is measured by breaking it down into sub components and testing the relations between these sub components. So the end results will give opportunity to managers to develop detailed brand strategies. And Customer Based Brand Equity Model Aaker (1991) is used as the conceptual frame work.



**Source:** Aaker (1991)

**Figure 2.1** A conceptual framework showing the relationship between brand equity and its dimensions.

## Model Specification

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + e$$

Where, Y= Brand Equity

a= y intercept

b<sub>1</sub>= regression coefficient of brand awareness

x<sub>1</sub>= brand awareness

b<sub>2</sub>= regression coefficient of brand association

x<sub>2</sub>= brand association

b<sub>3</sub>= regression coefficient of perceived quality

x<sub>3</sub>= perceived quality

b<sub>4</sub>= regression coefficient of brand loyalty

x<sub>4</sub>= brand loyalty

e= error term

### **2.3.1 Research Hypothesis**

In line with the objective of study the following hypothesis were formulated to be tested:

Brand awareness is the ability of the potential buyer to recognize and recall that a brand is a member of a certain product category (Aaker 1991). Awareness is argued as being a first and necessary (but not sufficient) step leading to trial and repeated purchases, because the effect of awareness results in product curiosity (Konecnik and Gartner 2007; Chen and Tseng 2010).

#### **H1: Brand awareness has a significant positive effect on customer based brand equity**

Aaker (1991) describes brand associations as everything linked in memory to a brand and a link to a brand will be stronger when it is based on many experiences or exposures to communications, and when a network of other links supports it (Jalilvand and others 2011).

#### **H2: Brand association has a significant positive effect on customer based brand equity**

Perceived quality is consumers' judgment about overall excellence or superiority, not the actual quality of the product (Zeithaml, 1988). Basic functional characteristics of the product, perfection, sustainable performance, the economic life of the product, such as quality of services and their supporting elements are considered as determinants of perceived product quality (Aaker, 1991).

#### **H3: Perceived quality has a significant positive effect on customer based brand equity**

Brand loyalty is the attachment that a customer has to a brand (Aaker 1991). Brand loyalty is determined to be the main concern for investing in or selling a brand, because high customer loyalty is expected to provide predictable flow of sales and profitability.

#### **H4: Brand loyalty has a significant positive effect on customer based brand equity**

### **3. Methodology**

#### **3.1 Research approach**

According to Bhattacharjee (2012) theories and observations are the two pillars of science, and scientific research also operates at two levels: theoretical level and empirical level. The theoretical level is concerned with developing abstract concepts about a natural or social phenomenon and relationships between those concepts (i.e., build theories), while the empirical level is concerned with testing the theoretical concepts and relationships to see how well they match with our observations of reality, with the goal of ultimately building better theories.

There are three different research approaches which are qualitative, quantitative and mixed. Quantitative research is the systematic and scientific investigation of quantitative properties and phenomena and their relationships (Kothari, 2005). In order to achieve the objectives of this study, the research followed a quantitative research method which deals with use of statistical tools and numbers to address the previously mentioned research questions. Quantitative approaches will be used for the data to be collected from respondents through questionnaire.

#### **3.2 Research design**

Research Design is the plan that draws the structure of investigation and the organization of the research project (David, 1987). It explains and justifies the type and method of data collection, source of information, sampling strategy and time-cost constraints (Saunders, 2012).

Saunders, Lewis and Thornhill (2000) as cited by Farhadi (2009) broadly classified research design 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 is said to be explanatory.

The research used Co relational / explanatory and descriptive study since the major focus of the study is identifying if there is a correlation among the independent variables perceived quality, brand awareness, brand association, brand loyalty with the dependent variable overall brand equity. This study explained the relationship between and among the research variables.

### **3.3 Population and sampling Technique**

#### **3.3.1 Target population**

All the items under consideration in any field of inquiry constitute a population. The target populations of the study are international Gold and Silver tier member passengers of Ethiopian Airlines selected from the 91 international flights of the airline, which departed from Bole International Airport Addis Ababa. Target population was classified in to two segments Gold and Silver tier members.

There are two reasons for choosing the target population; first, international passengers take the majority from the total of passengers of Ethiopian, which increases the generalizability of the research findings. Second international passengers specifically with Gold and Silver tier level due to their exposure, access and frequent travel, have greater chance to compare Ethiopian Airlines with other competing international airlines.

Ethiopian airlines currently have 9024 Gold and 28093 Silver member passengers globally. The study targeted Gold and Silver member passengers, which accounted a total of 37117 member passengers (Ethiopian Airlines, 2016).

#### **3.3.2 Sampling Technique**

Sampling is a strategy used to select elements from a population .The study was conducted using a convenience stratified proportional sampling technique. Convenience sampling refers to “The sampling procedure of obtaining those people or units those are most conveniently available”. This approach enables to obtain a large number of completed questionnaires quickly and economically (Zikmund 2003). In Stratified sampling the population is subdivided in to groups (strata) to make data collection manageable and proportionate sampling as the sample size in each stratum is proportionately determined based on some common ground in the case of this study mileage travelled per year.

Convenience sampling is selected as the total population members are from all over the world, the sample included only Gold and Silver member passengers who were found conveniently at Addis Ababa International Airport Gold and Silver lounge waiting for their flight.

The technique used is stratified sampling technique as the population of the study who are members of the Sheba miles program are classified into three based on their membership status which is Gold, Silver and Blue. Gold and silver member passengers are those who travelled more than 50,000 miles and 25,000 in the current fiscal year respectively (Ethiopian Airlines, 2016). The study only included two of the higher levels which are Gold and Silver. If passengers are active members of the program their tier level status will be printed on their boarding passes, the questionnaires were given to them specifically by cross checking their boarding passes to exclude guest passengers who were at the lounge as the airline allows Gold members to invite one guest.

### 3.3.3 Sample Size

To determine the sample size of the study, Solvin's 1960 formula is used by assuming a 95 percent confidence level and P (the estimated proportion of an attribute that is present in the population) = 0.05 are assumed as follows

$$n = \frac{N}{1+N(e)^2}$$

Where,

n = sample size

N= total population size which is 37,117 (Ethiopian Airlines, 2016)

e= the level of acceptable error with confidence level of 95%, which is 0.05

$$n = 37117 / (1 + 37117(0.05)^2)$$

$$n = 395$$

From a total population of 37,117, a sample of 395 member passengers was drawn conveniently.

From the total population Gold accounts for 24% while the rest 76% of the population are Silver.

**Table 3.1 Statistical presentation of Population**

<b>Customer category</b>	<b>Total population</b>	<b>Percentage (%)</b>	<b>Sample size</b>
<b>Gold members</b>	9024	24%	95
<b>Silver members</b>	28093	76%	300
<b>Total</b>	37117	100%	395

*Source : Ethiopian Airlines, 2016*

### **3.4 Data sources and types**

#### **3.4.1 Primary Sources**

According to Malhotra (2005), primary data are originated by the researcher for the specific purpose of addressing the problem at hand. Even if obtaining can be expensive and time consuming, primary data, being the most significant were gathered through structured questionnaires.

#### **3.4.2 Secondary Sources**

Malhotra (2005), states “examination of available secondary data is a prerequisite to the collection of primary data. Start with secondary data and proceed to primary data only when the secondary data sources have been exhausted or yield managerial returns.” A source of information is secondary when it is a second hand account of research. Secondary sources may take the form of summaries, news stories, journals.

Regarding this study, both primary and secondary data are used, the primary data will be collected through questionnaire and the secondary data was generated from previous research papers in the area of customer based brand equity, Ethiopian Airlines annual reports and official website.

### **3.5 Data collection Instrument and procedures**

#### **3.5.1 Questionnaire Design**

Questionnaires are extremely flexible and can be used to gather information on almost any topic involving large or small numbers of people (Catherine, 2007). The commonest type of questionnaire involves closed or open questions. There are advantages and disadvantages associated with each type of questionnaires. Open ended questions give a greater insight and understanding of the topic researched but may be difficult to classify and quantify and must be carefully interpreted. Fixed choice questions are easy to classify and quantify, require less time, effort and ingenuity to answer but do not allow the respondents to qualify, develop or clarify their answers (Catherine, 2007).

Questionnaire survey technique is used in this research to collect data. The questionnaire employed the typical form of fixed response alternative questions that required the respondent to select from a predetermined set of answers to every question. This survey approach is selected because it is simple for administration and for data consistency.

The questionnaire for this research consisted of items for measuring the dimensions of brand equity, and overall brand equity, demographic questions concerning the age, gender, nationality, number of years as a premium customer, and tier level of the respondents as well as a cover letter. The cover letter addresses the importance of this research to gain the respondents' attention and cooperation. Brand equity measuring items will be developed from existing scales to measure the five constructs on a five point Likert scale (1 = strongly disagree to 5 = strongly agree). Constructs and scales will be developed with reference to the empirical studies of Yoo & Donthu (2001) and Lassar et al (1995). The reason for referring to their scale development studies is that their scales are the most commonly accepted measure of customer based brand equity (Washburn and Plank, 2002).

### **3.5.2 Data Collection Procedure**

According to Zikmund (2003, p. 359), a pre testing study provides an opportunity for the researcher to determine whether the respondents has any difficulty understanding the questionnaire. There are different types of validity including face validity, criterion validity and construct validity (Zikmund, 2003).

Prior to actual distribution of the questionnaire, Pilot test will conducted on selected international passengers of Ethiopian Airlines to have construct validity. The questions were formulated in simple language for clarity and ease of understanding. Clear instructions were also given to the subjects. Respondents were also requested not to write their names on the questionnaires to ensure confidentiality.

And face validity was confirmed by airline staff selected by the researcher. Based on their feedback on the comprehensibility of the questions and constructs, amendments were done into the wording and the layout of the questionnaire before it is administered to the respondents.

Many of Ethiopian Airlines passengers especially those originating from Africa are French speakers and do not understand or speak English very well. As the researcher believed that legally operating translation offices have the experience and proficiency in translation, some of the questionnaires were translated into French by one of these offices. The French version of the questionnaire was intended for those respondents who have low command of the English language.

Upon approaching voluntary respondents the researcher has asked their language preference and provides them with their choice of questionnaire. The researcher also assisted if there is any confusion to acquire unbiased data.

### **3.6 Data Analysis Technique**

Data analysis is simply the process of organizing and summarizing a mass of raw data into meaningful form (Healey, 2011). Quantitative techniques were used for this purpose. This entails the generation of data that are numerical, or transforming what is observed, reported or recorded into quantifiable units (Denscombe, 2003).

The information that was obtained from the respondents by distributing questionnaire was analyzed by using SPSS 17.0 software package.

Descriptive statistics (frequency statistics) was applied to interpret the demographic variables of the respondents and mean as well as percentage scores of the measured dimensions.

Pearson correlation analysis was conducted to test the relationship between overall brand equity and the dimensions of brand equity as there are more than two variables.

Multiple linear Regression analysis was applied to test the proposed hypothesis and to examine the most dominant factor influencing overall brand equity. And the acceptability of the model was confirmed by ANOVA analysis.

### **3.7 Reliability and Validity of the Study**

#### **3.7.1 Reliability of the study**

Reliability analysis measures how consistent results are yielded over time and across situations. Cronbach's alpha, a statistical test used to examine the internal consistency of the attributes, was determined for each dimension. This statistical test shows how strongly the attributes are related to each other and to the composite score. The composite score for each section of the questionnaire was obtained by summing the scores of individual statements. According to Zikmund et al., (2010) scales with coefficient alpha between 0.6 and 0.7 indicate fair reliability, a Cronbach's alpha score of .70 or higher are considered as adequate to determine reliability. The closer the reliability coefficient gets to 1.0, the better.

To minimize the non-response rate 420 questionnaires will distributed even though the actual sample size is only 395. The specified number of questionnaires will be distributed on both the day and night operation of the airline.

### **3.7.2 Validity of the study**

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

There are different types of validity including face validity, criterion validity and construct validity (Zikmund, 2003). In order to ensure the quality the research design content and construct validity of the research will be checked.

For this research face validity will be confirmed by Ethiopian Airlines employees and construct validity will be evaluated by the pilot study conducted before the actual distribution of the questionnaire.

### **3.8 Ethical Considerations**

To maintain the broadly agreed upon norms of ethical research, the following issues were carefully considered which include approval that was requested and obtained from the management of the Ethiopian Airlines to access the necessary data. Participation in the research was voluntary, that is they had the freedom to withdraw from the study at any time without any consequences. The purpose of the research was clearly communicated to the participants and the stations on who is conducting the study, for what purpose, what outcomes are expected, and who will benefit from the results. The process of administrating the questionnaire ensured anonymity. All information obtained in the process of the research was maintained confidentially and the data was solely used for research purposes and final report will be made available to the organization for perusal.

## **4. Data Presentation Analysis and Interpretation**

### **4.1 Introduction**

This section of the chapter is dedicated to describe the major finding and analysis of the sample population based on the data gathered from the respondents at Bole Addis Ababa Internal Airport departure point by using questionnaire survey. The information obtained from the 395 questionnaires is summarized by using SPSS version 17.0. The summarized data is then analyzed by applying descriptive analysis method, reliability measurement, correlation analysis, regression analysis and ANOVA followed by explanations.

### **4.2 Data Screening**

In the data collection process, a total of 420 Questionnaires were distributed to international passengers of Ethiopian Airlines. From the distributed questionnaires, 412 completed questionnaires were returned giving a response rate of 98%. From the 412 returned questionnaires 17 of them were discarded since they were not filled properly.

### **4.3 Measurement of Reliability**

Cronbach's alpha is a coefficient (a number between 0 and 1) that is used to rate the internal consistency (homogeneity) or the correlation of the items in a test. A good test is one that assesses different aspects of the trait being studied. Cronbach's alpha will generally increase as the inter correlations among test items increase, and is thus known as an internal consistency estimate of reliability of test scores. Because inter correlations among test items are maximized when all items measure the same construct. For this study Cronbach's alpha was used to assess the internal consistency of variables in the research instrument. Cronbach's alpha is a coefficient of reliability used to measure the internal consistency of the scale; 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, a Cronbach's alpha score of .70 or higher are considered as adequate to determine reliability. The closer the reliability coefficient gets to 1.0, the better.

**Table 4.1 Measure of Internal Consistency Cronbach's alpha**

	<b>Cronbach's Alpha</b>	<b>N of Items</b>
<b>Brand Awareness</b>	.0.838	2
<b>Brand Association</b>	.772	11
<b>Perceived Quality</b>	.784	7
<b>Brand Loyalty</b>	.740	3
<b>Overall Brand Equity</b>	.926	3
<b>Overall Reliability</b>	.914	26

*Source: Own Survey Questionnaire, 2017*

**Table 4.2 Item-Total statistics**

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I don't have difficulty imagining Ethiopian Airlines in my mind.	10.22	7.585	<b>.246</b>	.698
I can recognize Ethiopian Airlines among competing brands.	10.09	7.146	<b>.376</b>	.631
Ethiopian Airlines is the only airline recalled when I need to make a purchase decision on an air ticket.	11.25	4.772	.554	.501
Ethiopian Airlines comes up first in my mind when I need to make a purchase decision on the product.	10.93	4.975	.612	.452

**Table 4.3 Brand Awareness Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.838	.840	2

**Table 4.4 Overall Reliability Statistics**

Cronbach's Alpha	N of Items
.914	26

*Source: Own Survey Questionnaire, 2017*

From 28 constructs used in the questionnaire, the lowest Alpha registered was 0.662 for Brand Awareness out of four constructs. As a result, two brand awareness statements were excluded from the final scale due to a low item-total correlation as shown on table 4.2. The value of Cronbach's alpha for "Brand Awareness" was then calculated as a score of 0.868, which was above the acceptable value of 0.70. The other constructs met the recommended cut-off value. A total of twenty six items with an overall reliability of .914 as shown on table 4.4 were then retained for the five constructs in the study for further analysis

#### **4.4. Demographic Background of Respondents**

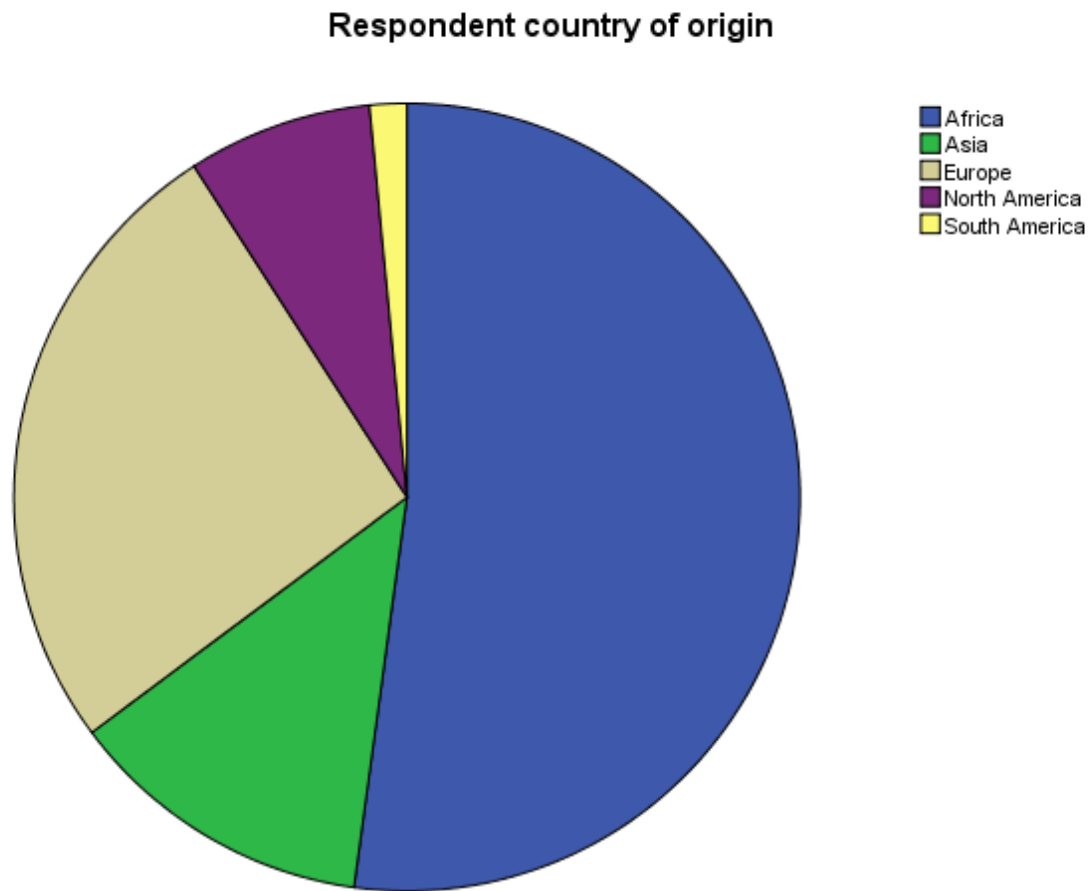
The demographic backgrounds of sample respondents in five parameters are presented on table 4.5 and figure 4.1. Out of the total respondents 21 % were female and 79 % are male. Of all the respondents 36.2% of them falls in the age range of 50 and above followed by age range of 40-49 accounting 31.6 %. Regarding the number of years as a premium passenger, the majority of respondents have been a premium passenger from one to five years 247(62.5%) followed by passengers who have been a premium passenger from five to ten years 89(22.5%) and the rest of the respondents have been a premium passenger for more than ten years 59(14.9%). Taking in to account respondents tier level from the total number of passengers of Ethiopian Airlines 39.7 % of the respondents are Gold member passengers and the remaining 60.3 % are silver member passengers. (See table 4.5)

**Table 4.5 Survey of Respondents Profile**

	<b>Frequency</b>	<b>Percentage</b>
<b>Gender of Respondents(N=395)</b>		
Male	312	79
Female	83	21
<b>Respondents Age(N=395)</b>		
18-29 years old	20	5.1
30-39 years old	107	27.1
40-49 years old	125	31.6
50 years and above	143	36.2
<b>Number of years as a premium customer(N=395)</b>		
1-5 years	247	62.5
5-10 years	89	22.5
more than 10 years	59	14.9
<b>Respondent tier level(N=395)</b>		
Gold	157	39.7
Silver	238	60.3

**Source: Own Survey Questionnaire, 2017**

**Figure 4.1 Pie-Chart Representations of Percentage of passengers from different continents.**



*Source: Own Survey Questionnaire, 2017*

As figure 4.1 shows, out of the total 395 respondents more than half 206 (52.2%) of them were from Africa, 103 (26.1%) were from Europe, 50 (12.7%) were from Asia, 30 (7.6%) were from North America, and the rest 6 (1.5%) were from South America respectively

## 4.5 Independent Samples T-test

The Independent-Samples T Test procedure compares means for two groups of cases. For this study respondents were assigned to two groups based on their tier level i.e. Gold and Silver, so that any difference in response is due to their tier level and not to other factors.

### 4.5.1 Group Statistics Box

The group statistic shows how many points were entered for each condition. Table 4.6 indicates that for each dimension all participants' data was entered which was a total of N=395(Gold 157 and Silver 238)

#### Group Statistics

	Respondent tier level	N	Mean	Std. Deviation	Std. Error Mean
Brandawareness1	Gold	157	2.8503	1.19355	.09526
	Silver	238	3.2227	1.15232	.07469
Brand Association	Gold	157	3.5999	.45534	.03634
	Silver	238	3.5775	.58418	.03787
Perceived Quality	Gold	157	3.5259	.55894	.04461
	Silver	238	3.5282	.68620	.04448
Brand Loyalty	Gold	157	3.2102	.87159	.06956
	Silver	238	3.2549	.83378	.05405
Overall Brand Equity	Gold	157	3.3163	1.04581	.08347
	Silver	238	3.4790	.93946	.06090

**Table 4.6** Group Statistics

*Source Survey Questionnaire 2017*

## **4.5.2 Comparison Based on Independent Sample T test**

### **Brand Awareness**

Silver members scored a higher mean compared to Gold members on brand awareness which shows that silver members agree relatively more to the statements raised regarding the dimension and also have relatively similar opinion based on the respective low standard deviation compared to Gold members.

### **Brand Association**

Gold members scored a higher mean compared to Silver members on brand association which shows that Gold members relatively agree more to the statements raised regarding the dimension and also have similar opinion based on the respective low standard deviation compared to Silver members.

### **Perceived Quality**

Silver members scored higher mean as well as standard deviation on the dimension perceived quality which indicates that they relatively agree more to the statements raised and had a diverse opinion considering the higher standard deviation compared to Gold members.

### **Brand Loyalty**

Silver members scored a higher mean compared to Gold members on brand loyalty which shows that silver members agree relatively more to the statements raised regarding the dimension and also have relatively similar opinion based on the respective low standard deviation compared to Gold members.

### **Overall Brand Equity**

Gold members scored a higher mean compared to Silver members on overall brand equity which shows that Gold members relatively agree more to the statements raised regarding the dimension and also have similar opinion based on the respective low standard deviation compared to Silver members.

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
								95% Confidence Interval of the Difference		
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Brandawareness 1	Equal variances assumed	.239	<b>.625</b>	-3.099	393	.002	-.37237	.12018	-.60864	-.13610
	Equal variances not assumed			-3.076	325.753	.002	-.37237	.12105	-.61051	-.13423
Brand Association	Equal variances assumed	1.969	<b>.161</b>	.405	393	.686	.02234	.05519	-.08615	.13084
	Equal variances not assumed			.426	382.136	.671	.02234	.05248	-.08085	.12554
Perceived Quality	Equal variances assumed	6.170	<b>.013</b>	-.035	393	.972	-.00228	.06567	-.13139	.12683
	Equal variances not assumed			-.036	375.856	.971	-.00228	.06299	-.12614	.12159
Brand Loyalty	Equal variances assumed	2.346	<b>.126</b>	-.512	393	.609	-.04471	.08729	-.21632	.12690
	Equal variances not assumed			-.508	323.577	.612	-.04471	.08809	-.21801	.12859
Overall Brand Equity	Equal variances assumed	2.146	<b>.144</b>	-1.609	393	.108	-.16264	.10107	-.36136	.03607

**Table 4.7** Independent Sample Test *Source: Own Survey Questionnaire, 2017*

This test for homogeneity of variance provides an F-statistic and significance value (P-value).As indicated on table 4.7 for brand equity and all its dimensions  $p > 0.05$ . For this reason, equal variances is assumed between Gold and Silver can be treated as equal for brand equity and its dimensions as there is no difference on average

#### 4.6 Descriptive Statistics

In order to compare the respondents overall brand equity, descriptive statistics of mean and standard deviation was 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.

**Table 4.8 Descriptive Statistics**

	N	Minimum	Maximum	Mean	STD Deviation
<b>Brand Awareness</b>	395	1	5	3.0747	<b>1.18155</b>
<b>Brand Association</b>	395	1	5	<b>3.5864</b>	.53618
<b>Perceived Quality</b>	395	1	5	3.5273	.63792
<b>Brand Loyalty</b>	395	1	5	3.2371	.84819
<b>Overall Brand Equity</b>	395	1	5	3.4143	.98504

*Source: Own Survey Questionnaire, 2017*

As indicated on table 4.8, the maximum and minimum responses of passengers are 5 and 1 respectively. The mean value depicts the average number of responses of all customers' on the given dimension. While, standard deviation describes how diverse the responses are for a given construct. For instance, high Standard Deviation is scored for Brand Awareness among all the dimensions implying, the data is wide spread, respondents have relatively diverse opinion on the other hand, the low standard deviation scored by brand association meaning, respondents have relatively matching responses. On the other hand the entire mean score for the constructs are above 3 which communicate respondents show somehow an agreement to the questions raised during the survey and a positive attitude to Ethiopian Airlines brand.

#### **4.7. Correlation Analysis**

A correlation analysis was performed to investigate whether there is association between the dimensions of brand equity and customer based brand equity (overall brand equity) of Ethiopian Airlines Gold and silver member passengers, besides, significance levels of the association were computed. A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 Field (2005). A correlation analysis with Pearson's correlation coefficient (r) was conducted on all variables in this study to explore the relationships between variables. To interpret the strength of relationships between variables, the guidelines suggested by Field (2005) were followed. Field's classification of the correlation coefficient (r) is as follows: 0.1 – 0.29 is weak; 0.3 – 0.49 is moderate; and > 0.5 is strong.

**Table 4.9. Pearson Correlation between Dimensions of Brand Equity and Overall Brand Equity**

**Correlations**

		Brand awareness 1	Brand Association	Perceived Quality	Brand Loyalty	Overall Brand Equity
Brandawareness1	Pearson Correlation Sig. (2-tailed) N	1 395				
Brand Association	Pearson Correlation Sig. (2-tailed) N	<b>.461**</b> .000 395				
Perceived Quality	Pearson Correlation Sig. (2-tailed) N	<b>.287**</b> .000 395	<b>.704**</b> .000 395			
Brand Loyalty	Pearson Correlation Sig. (2-tailed) N	<b>.409**</b> .000 395	<b>.523**</b> .000 395	<b>.614**</b> .000 395		
Overall Brand Equity	Pearson Correlation Sig. (2-tailed) N	<b>.552**</b> .000 395	<b>.594**</b> .000 395	<b>.639**</b> .000 395	<b>.648**</b> .000 395	1 395

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

*Source: Own Survey Questionnaire, 2017*

Table 4.9 illustrates the relationship between each dimension and overall brand equity. The results indicates that, there is a strong positive significant correlation between Brand Awareness and Overall Brand Equity ( $r = 0.552$ ,  $p=.000 < 0.01$ ), there is a strong positive significant correlation between Brand Association and Overall Brand Equity where ( $r = 0.594$ ,  $p=.000 < 0.01$ ), there is a strong positive significant correlation between Perceived Quality and Overall Brand Equity where ( $r = 0.639$ ,  $p=.000 < 0.01$ ),there is a strong positive significant correlation between Brand Loyalty and Overall Brand Equity where ( $r = 0.648$ ,  $p=.000 < 0.01$ ) there is a moderate positive significant correlation between Brand Awareness and Brand Association where ( $r = 0.461$ ,  $p=.000 < 0.01$ ), there is a weak but positive significant correlation between Brand Awareness and Perceived Quality where ( $r = 0.287$ ,  $p=.000 < 0.01$ ), there is a moderate significant correlation between Brand Awareness and Brand Loyalty where ( $r = 0.409$ ,  $p=.000 < 0.01$ ), there is a strong positive significant correlation between Brand Association and Perceived Quality where ( $r = 0.704$ ,  $p=.000 < 0.01$ ), there is a strong positive significant correlation between Brand Association and Brand Loyalty where ( $r = 0.523$ ,  $p=.000 < 0.01$ ),there is a strong positive significant correlation between Brand Loyalty and Perceived Quality where ( $r = 0.614$ ,  $p=.000 < 0.01$ ).

As a result a conclusion can be derived that Ethiopian Airlines brand dimensions are interrelated with each other and all the dimensions are positively related to the overall brand equity of Ethiopian Airlines. As per table 4.9 above, the coefficients show that the four factors measuring customer based brand equity of Gold and Silver members were all positively related with the overall brand equity within the range of 0.287 to 0.639.All were significant at  $p < 0.000$  level. Among the all the dimensions brand loyalty has strongest relationship with overall brand equity ( $r = .648$ ).

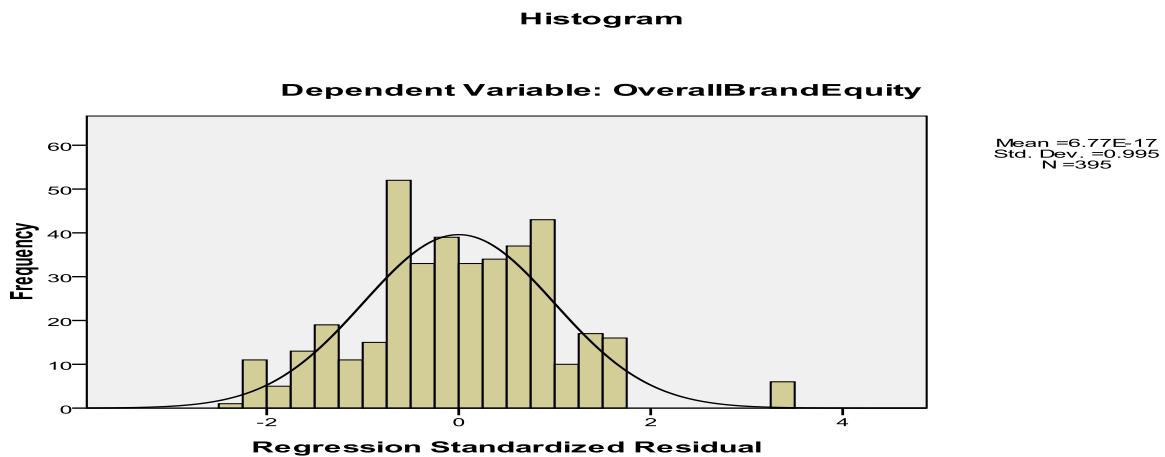
**Table 4.10 Summary of Results Based on Correlation Statistics**

<b>Independent Variables</b>	<b>Correlation value</b>	<b>Dependent Variables</b>
Brand Awareness	.552**	Customer Based Brand Equity
Brand Association	.594**	Customer Based Brand Equity
Perceived Quality	.639**	Customer Based Brand Equity
Brand Loyalty	.648**	Customer Based Brand Equity

## 4.8 Tests for Linear Regression Model Assumptions

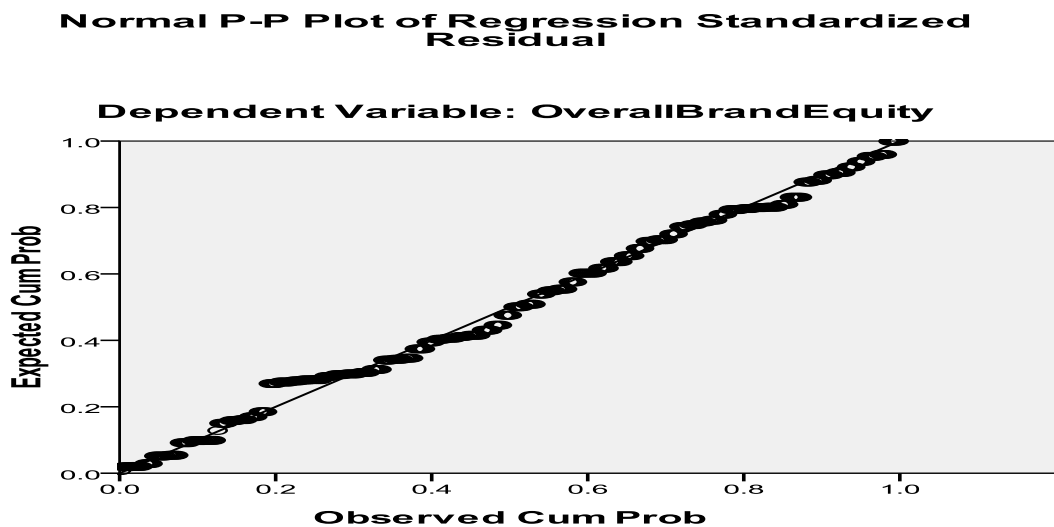
### 4.8.1 Normality Assumption

Normality of the data should be tested before running the regression analysis because multiple regression requires that the independent variables in the analysis be normally distributed. This figure signifies that normality assumption holds as the histogram is a bell-shaped and the residuals are normally distributed around its mean of zero.



**Figure 4.2:** Histogram for Normality Assumption

*Source: Own Survey Questionnaire*



**Figure 4.3:** Normal Probability Plot

*Source: Own Survey Questionnaire*

Considering the criteria proposed by George and Mallery(2010) of skewness and Kurtosis values within an absolute value of Skewness <2 all items show close to normal distribution

**Descriptive Statistics**

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Brandawareness1	395	-.109	.123	-1.033	.245
Brand Association	395	-.325	.123	.257	.245
Perceived Quality	395	-.290	.123	.477	.245
Brand Loyalty	395	-.132	.123	.036	.245
Overall Brand Equity	395	-.358	.123	.177	.245
Valid N (list wise)	395				

**Table 4.11** Skewness and Kurtosis

*Source: Own Survey Questionnaire*

#### 4.8.2 Multi co linearity Test Assumption

In regression, multi co linearity occurs when independent variables in the regression model are more highly correlated with each other than with the dependent variable. Multi co linearity can be detected using tolerance value and variance inflator factor (VIF) value. As it can be seen from table below multi co linearity does not exist among all the independent variables provided that the tolerance value of all the independent variables are greater than 0.1 and the VIF values of all the independent variables are less than 10.

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

Model		Co linearity Statistics	
		Tolerance	VIF
1	Brandawareness1	.728	1.374
	Brand Association	.430	2.324
	Perceived Quality	.409	2.442
	Brand Loyalty	.563	1.777

a. Dependent Variable: Overall Brand Equity

**Table 4.12** Multi co linearity Assumption

*Source: Own Questionnaire Survey*

#### 4.9. Regression analysis

Regression analysis is a statistical method to deal with the formulation of mathematical model depicting relationship amongst variables which can be used for the purpose of prediction of the value of dependent variable, given the value of the independent (Kothari,2004). Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable. The regression analysis has been conducted to measure the variables that explain the variance in the overall brand equity. Multiple linear regressions were conducted to identify the relationship and to determine the most dominant variables that influenced overall brand equity of Ethiopian Airlines Gold and Silver members. Moreover, in order to test the effect of independent variables (brand awareness, brand association, perceived quality and brand loyalty) on overall brand equity. The result has been shown in table 4.13 below.

**Table 4.13 Model Summary**

##### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.779 <sup>a</sup>	.606	.602	.62134

a. Predictors: (Constant), Brand Loyalty, Brandawareness1, Brand Association, Perceived Quality

b. Dependent Variable: Overall Brand Equity

*Source: Own Survey Questionnaire, 2017*

The result indicated that correlation of the dimensions of brand equity (independent variables) with customer based brand equity (dependent variable) is 0.779 and almost 60.2 percent of the variance in respondents' perception of Ethiopian Airlines brand was explained by the dimensions of brand equity .The R Square statistic tells us the proportion of variance in the dependent variable that is accounted for by the independent variables. In this case the co- efficient of determination (R<sup>2</sup>) 0.602 which means 60.2 percent of the variance on customer based brand equity (overall brand equity) can be explained by the four dimensions of brand equity; brand loyalty, perceived quality, brand association and brand awareness, and the rest 39.8 percent to be explained by other factors.

**Table 4.14 Predictors of Customer Based Brand Equity****Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.705	.215		-3.276	.001
	Brand awareness1	.257	.031	.308	8.265	.000
	Brand Association	.141	.089	.077	1.581	.115
	Perceived Quality	.498	.077	<b>.323</b>	6.496	.000
	Brand Loyalty	.330	.049	.284	6.711	.000

a. Dependent Variable: Overall Brand Equity

**Source: Own Survey Questionnaire, 2017**

The results of the regression analysis highlighted that not all the dimensions of brand equity contribute equally to the customer based brand equity of Ethiopian Airlines. The Beta values show the magnitude of relationship between variables, higher values being an indication of strong relationship. The study indicated that among the four brand equity dimensions, perceived quality is the first with the largest  $\beta$  value of 0.323 followed by brand awareness with  $\beta$  value of 0.308, brand loyalty with  $\beta$  value of 0.284 and brand association with  $\beta$  value of 0.077 respectively.

This signifies that when perceived quality goes up by 1 standard deviation, brand equity goes up by 0.323 standard deviations. When brand awareness goes up by 1 standard deviation, brand equity goes up by 0.308 standard deviations. When brand loyalty goes up by 1 standard deviation, brand equity goes up by 0.284 standard deviations and when Brand association goes up by 1 standard deviation, over all brand equity goes up by 0.077 standard deviations.

Brand awareness, brand loyalty and perceived quality are statistically significant as per their respective standardized coefficient (beta value). But the variable brand association is not statistically significant and did not contribute much towards overall customers based brand equity.

The interpretation for this outcome can be, among the four dimensions of overall customer based brand equity ,perceived quality makes relatively superior contribution in case of Gold and Silver member passengers of Ethiopian Airlines.

**Table 4.15. ANOVA Result for Regression Model**

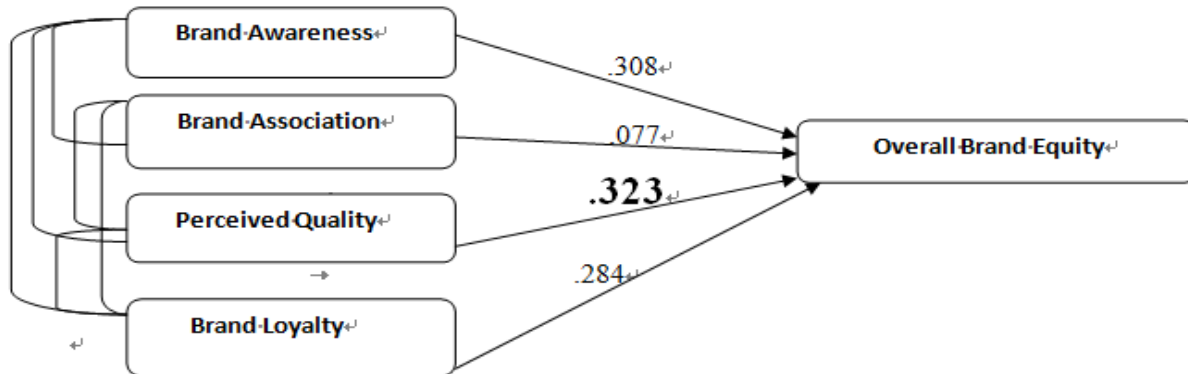
**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	231.731	4	57.933	150.059	.000 <sup>a</sup>
	Residual	150.566	390	.386		
	Total	382.296	394			

a. Predictors: (Constant), Brand Loyalty, Brandawareness1, Brand Association, Perceived Quality

The ANOVA table above shows that the F value 150.059, a value of (.000), with  $p < 0.05$  when the four variables are considered together. The model explains the relationship between the independent variables (brand awareness, brand association, perceived quality and brand loyalty) and the dependent variable (overall brand equity).The ANOVA test table confirms the acceptability of the model.

**Figure 4.4. Significance of Dimensions of Brand Equity on Customer Based Brand Equity**



*Source: Survey Questionnaire, 2017*

The implication of this result is that, perceived quality to Ethiopian Airlines Gold and Silver members is most significantly related to customer based brand equity among all the other dimensions of brand equity. Brand Awareness is the second to significantly relate to customer based brand equity. The level of influence of all dimensions can be an input for the airline by directing in which areas to concentrate and work on. For instance it is valuable for Ethiopian Airlines to give more weight to perceived quality contributing factors so that there is a significant effect on overall brand equity of the airline Gold and Silver member passengers.

## 4.10 Hypothesis Testing and Interpretation of the Results

**Table 4.16 Result of Hypothesis based on Regression Analysis**

<b>Hypothesis</b>	<b>Result</b>	<b>Reason</b>
H1:Brand Awareness has a significant positive effect on customer Based Brand Equity	Supported	$\beta= 0.308, p<0.05$
H2:Brand Association has a significant positive effect on customer Based Brand Equity	Rejected	$\beta= -0.077, p>0.05$
H3:Perceived quality has a significant positive effect on Customer Based Brand Equity	Supported	$\beta= 0.323, p<0.05$
H4:Brand Loyalty has a significant positive effect on Customer Based Brand Equity	Supported	$\beta= 0.284, p<0.05$

*Source: Own Survey Questionnaire*

### **Hypothesis 1**

#### **H1: Brand Awareness has a significant positive effect on customer Based Brand Equity**

The results of multiple regressions, as presented in table 4.16 above, revealed that brand awareness has a positive and significant effect on overall brand equity with a beta value ( $\beta=0.308$ ), at 95% confidence level ( $p < 0.05$ ). Therefore, the researcher supported that, brand awareness has a positive and significant effect on overall brand equity of Ethiopian Airlines Gold and Silver members.

### **Hypothesis 2**

#### **H2: Brand Association has a significant positive effect on customer Based Brand Equity**

The results of table 4.16 showed that the standardized coefficient beta and p value of brand awareness were positive but insignificant respectively ( $\beta= 0.077, p > 0.05 (.115)$ ). Thus, the researcher rejected the hypothesis and supported that, brand association has a positive but insignificant effect on overall brand equity of Ethiopian Airlines Gold and Silver members.

### **Hypothesis 3**

#### **H3: Perceived quality has a significant positive effect on Customer Based Brand Equity**

As shown in table 4.16, p-value is significant ( $p < 0.05$ ), and the beta value of perceived value was ( $\beta = 0.323$ ). Thus, the researcher supported the hypothesis that, perceived quality has a positive and significant effect on overall brand equity of Ethiopian Airlines Gold and Silver members.

### **Hypothesis 4**

#### **H4: Brand Loyalty has a significant positive effect on Customer Based Brand Equity**

Table 4.16 further depicts that, brand loyalty has a positive and significant effect on overall brand equity with a beta value ( $\beta = 0.284$ ), at 95% confidence level ( $p < 0.05$ ). Therefore, the researcher supported the hypothesis that brand loyalty has a positive and significant effect on overall brand equity of Ethiopian Airlines Gold and Silver member passengers.

In general as table 4.16 multiple linear regression (Beta Coefficient) analysis revealed, perceived quality is the first most significant variable followed by brand awareness, and brand loyalty and finally Brand Association is regarded as the fourth most important dimension of overall Brand Equity of Ethiopian Airlines Gold and Silver Members.

## **5. Summary, Conclusion and Recommendation**

### **5.1. Introduction**

This chapter reviews the research background and objectives, and summarizes the research findings, conclusion, recommendation and suggestions are given and finally further area for future research is discussed

.

### **5.2. Summary of Findings**

The general objective of the study is to measure the customer based brand equity of Ethiopian Airlines Gold and Silver member passengers through identifying the relationship between the different brand equity dimensions and the overall brand equity of Ethiopian Airlines brand. On the basis of these objectives, the study considered four dimensions of brand equity to understand factors affecting the overall brand equity and investigated the perception of Ethiopian Airlines Gold and Silver members towards the brand. Also this research tested if there is a relationship between every dimension and the customer based brand equity of the airline. After the analysis of the data the following findings are identified.

Male passenger respondents account for 79 % of all respondents.

Over 50% of the total respondents are more than 40 years of age.

More than half of the respondents have African descent.

More than half of the respondents have been premium customers with tier level of Gold and Silver for less than 5 years.

Most of the respondents were silver members with 60.3% percentage while the rest were Gold Members.

The results of the descriptive analysis shows, the mean value of all the responses of the respondents was around 3.5 manifesting the positive attitude of Gold and Silver members towards Ethiopian Airlines brand. Which is similar to Bezawit(2014) research result done on Measuring CBBE of Ethiopian Airlines.

Ethiopian Airlines brand dimensions are interrelated with each other and all the dimensions are positively related to the overall brand equity of Ethiopian Airlines. Among the all the dimensions brand loyalty has strongest relationship with overall brand equity.

Equal variances is assumed between Gold and Silver and can be treated as equal for brand equity and its dimensions as there is no difference on average

Brand awareness has a positive and significant effect on overall brand equity of Ethiopian Airlines Gold and Silver members.

Brand association has neither positive nor significant effect on overall brand equity of Ethiopian Airlines Gold and Silver members.

Perceived quality has a positive and significant effect on overall brand equity of Ethiopian Airlines Gold and Silver members.

Brand loyalty has a positive and significant effect on overall brand equity of Ethiopian Airlines Gold and Silver member passengers.

Based on the research made by Bezawit (2014) the regression result showed that Brand Association was not statistically significant while measuring CBBE on Ethiopian Airlines international passengers. The same result was drawn for this research which was specifically done on Gold and Silver members.

### 5.3. Conclusion

Based on the analysis made the following conclusions are drawn;

There is a positive significant relationship between brand awareness of Gold and Silver member passengers about the Airline and the overall customer based brand equity of the airline. This implies that, Ethiopian Airlines Gold and Silver members awareness about the company significantly determines the level of customer based brand equity of the airline.

There is neither positive nor significant relationship between customers association of the airline and the overall brand customer based equity of the airline. Ethiopian Airlines brand did not have any some sort of representation on the minds of Gold and Silver members; this symbolization at the side of the customers has not put a significant influence on the level of customer based brand equity of the airline.

There is a positive significant relationship between perceived qualities the airline by Gold and Silver members and the overall customer based brand equity of the airline. Customers' perception about the quality of service provided by Ethiopian Airlines has a significant influence on the level of customer based brand equity of the airline.

There is a positive significant relationship between brand loyalty of Gold and Silver members and overall customer based brand equity of the airline. Customers' loyalty to Ethiopian Airlines has a significant influence on the level of customers based brand equity of the airline.

Ethiopian Airlines brand dimensions are interrelated with each other and all the dimensions are positively related to the overall brand equity of Ethiopian Airlines. Among the all the dimensions brand loyalty has strongest relationship with overall brand equity. This means that this strong and moderate positive associations, awareness, loyalty and perceived quality supports a competitively attractive and distinct brand position which could create a favorable feeling and behavior toward the brand and lead to a strong airline brand.

Different brand equity dimensions contribute to overall equity in different ways, and that an order exists among the four dimensions. Perceived quality is the first most significant variable followed by brand awareness, brand loyalty and finally brand Association is regarded as the fourth most important dimension of overall Brand Equity of Ethiopian Airlines Gold and Silver Members. Furthermore, overall brand equity is known to depend on brand association but the study design used to generate the data does not have sufficient power to detect that dependence and got the result that brand association has neither positive nor significant effect on overall brand equity of Ethiopian Airlines Gold and Silver members.

#### **5.4. Recommendation**

Understanding the main determinants of airline's brand equity is important for the company to increase the customer based brand equity and improve its position in the industry. Based on the conclusions made above the following recommendations are given;

This study revealed that Gold and Silver Member passengers have a positive attitude towards the brand Ethiopian Airlines. However, this doesn't mean this attitude will continue same way forever, what is satisfying today may not be adequate for tomorrow. With the intense competition in the airline industry and ever growing technology, customers' expectation will also change. Therefore, Ethiopian Airlines must engage in conducting different researches to investigate the up to date desire of its customers so as to keep its customers satisfied. Ethiopian Airlines give out comment cards on board for passengers on every flight; this is one of the ways to receive feedback from the customers, in addition, for this specific loyal customers the Sheba Miles frequent flyer program customers profile list can be a straightforward way to specifically address this loyal customers and get their feedback. Social media can be another tool for the airline to make a two way communication with its customers with a limited amount of cost and time. By doing so; Ethiopian Airlines can make an improvement to its service in line with the changing needs.

Different brand equity dimensions contribute to overall equity indifferent ways, and an order exists among the four dimensions in addition as marketing/brand managers often have limited resources (e.g. money, time, and manpower) to implement branding strategies, these findings can help them prioritize and allocate resources across the dimensions. Based on the research Gold and Silver member passengers give more weight to perceived quality; for this reason, marketing managers should concentrate their efforts primarily on Perceived Quality for this specific type of customers. Ethiopian Airlines should strive on giving better service quality. The customer loyalty program of Ethiopian Airlines, Sheba Miles, should be enhanced through meeting customers' desired service levels, dealing effectively with dissatisfied customers, taking customer complaints positively for an input for future improvement, providing convenient flight schedules

and giving better recognition to this loyal customers and providing them with very attractive rewards as their loyalty to the airline ages. Managers should also consider, the inter correlations among the four dimensions of brand equity and when concentrating on creating perceived quality, they should not undervalue the effects of other dimensions of brand equity.

Service quality is one of the key success factors in achieving competitive advantage in the Airlines industry and is mainly based on front line staffs who have direct interaction with the customers. These service providers in case of Ethiopian Airlines include; ticket and reservation agents, customer service agents, ground crews and cabin crews. In order to provide this quality and standardized service they must be well trained as they are the brand representatives of the airline and can make or break the reputation of the Airline. Training is an important mechanism to increase the efficiency of employees in doing their job. They can gain skills on solving the problems of passengers easily, to show consistent performance, and to be sincere in resolving passengers' complaints.

Ethiopian Airlines provides lounge service to Gold and Silver members where they wait until their boarding time, the service provided in the lounge as well as its setup should be as per star alliance standard to meet these customers' expectations.

Frequent Flyer program benefit is one approach where Airlines differentiate their brand from others competitive brands. Ethiopian Airlines should keep on improving its tier status benefits by doing researches and benchmarking other competitive airlines to enhance benefits offered for loyal passengers.

## **5.5. Further Area of Research**

There is lack of empirical research in the area of customer based brand equity especially on the local brands; with this regard the findings of this research will have a significant insight for future researches.

Only quantitative data is used in this research, it is recommended for future researchers to include qualitative data by using in depth interviews.

Ethiopian Airlines is engaged in to providing services like, passenger transport, cargo transport, aviation training, flight catering, Maintenance Repair and Overhaul (MRO) and ground services. However, this research only focuses on the passenger transport service of the airline. Therefore, it is advised to incorporate other business units of the airline to measure the overall brand equity of Ethiopian Airlines

This research is limited to international passengers departing from Addis Ababa only. However, it is better to consider both international and domestic passengers as well as passengers departing from different stations in future studies.

Ethiopian Airlines is a member of Star Alliance. However, this study is limited to Gold and Silver members of Ethiopian Airlines only. Future studies should consider Star alliance Gold and Silver members as well.

This study has mainly focused on Aaker's four determinants of brand equity dimensions. Future studies should consider more variables and models which are specific to Airline industry to make more conclusive research.

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# APPENDIX 1

## Questionnaire

Dear respondent:

My name is Fework Alemayehu. I am a post graduate student of Marketing Management at Addis Ababa University School of Commerce. You are invited to participate in a research entitled: Customer Based Brand Equity: The Case of Gold and Silver Members of Ethiopian Airlines. The purpose of this research is to measure the customer-based brand equity of Ethiopian Airlines Gold and Silver members and to identify the relationship between the different brand equity dimensions and the value perception of Gold and Silver members of Ethiopian Airlines. This questionnaire was developed to ask you a few questions regarding your value perception of Ethiopian Airlines service and the airline as brand. The questionnaire is organized in two sections; the first section incorporates basic questions demanding your personal information. Regarding the second section please circle the appropriate response category against each question for Ethiopian Airlines Brand where 1=strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree. There is no right or wrong answer; you are only required to reflect your opinion and perception. Please take a few minutes today to answer each question on the questionnaire as completely and accurately as possible. Your responses will be processed confidentially and only group data will be made available.

If you have any question regarding the research or would like a copy of the research results, please contact through my E-mail [lilyalexs@yahoo.com](mailto:lilyalexs@yahoo.com) or Tel- +251913913943. I highly appreciate your participation and time.

## Part I. Personal information

### 1.1 Gender

Male     Female

### 1.2 Age

18-29 years old     30-39 years old     40-49 years old     50 years old and above

### 1.3 How long have you been a premium customer of Ethiopian Airlines?

One year -5 years     5-10 years     More than 10 years

### 1.4 Which tier level do you have currently?

Gold     Silver

### 1.5 Country of origin (Nationality)\_\_\_\_\_

## Part 2 Customers perceptions

Please select the degree of agreement/disagreement with the following statements associated with the determinants of your brand choice (Put a circle on the alternative number that best describe your view, 1=strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree)

No	Statements on Dimensions of Brand Equity	Level Of Perception				
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<b>1.Brand Awareness</b>						
1	I don't have difficulty imagining Ethiopian Airlines in my mind.	1	2	3	4	5
2	I can recognize Ethiopian Airlines among competing brands.	1	2	3	4	5
3	Ethiopian Airlines is the only airline recalled when I need to make a purchase decision on an air ticket.	1	2	3	4	5
4	Ethiopian Airlines comes up first in my mind when I need to make a purchase decision on the product.	1	2	3	4	5
<b>2.Brand Association</b>						
5	Ethiopian Airlines is safe to fly.	1	2	3	4	5
6	I can quickly recall the logo of Ethiopian Airlines.	1	2	3	4	5
7	In its status and style, Ethiopian Airlines matches my personality.	1	2	3	4	5
8	Ethiopian Airlines is well regarded by my friends.	1	2	3	4	5
9	I consider the company and people who stand behind the brand are very trustworthy.	1	2	3	4	5
10	Ethiopian Airlines brand has unique image compared to other competing brands.	1	2	3	4	5
11	I can get the same tier benefits from Ethiopian Airlines when compared to other airlines.	1	2	3	4	5
12	I use Ethiopian Airlines because it is African carrier.	1	2	3	4	5
14	I choose Ethiopian Airlines for the tier status benefit I get.	1	2	3	4	5
15	I believe that Ethiopian Airlines does not take advantage of customers.	1	2	3	4	5
16	I believe that Ethiopian Airlines is contributing to the society	1	2	3	4	5

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<b>3.Perceived Quality</b>						
17	Ethiopian Airlines has a good service quality.	1	2	3	4	5
19	Ethiopian Airlines provides better tier status benefits.	1	2	3	4	5
20	I'm given a better recognition because of my tier status.	1	2	3	4	5
21	I chose Ethiopian Airlines to get more mileage.	1	2	3	4	5
22	Ethiopian Airlines is very reliable.	1	2	3	4	5
23	I don't have difficulties in finding any information I require from Ethiopian Airline.	1	2	3	4	5
24	Ethiopian Airlines is better as compared to other airlines in terms of on time performance, customer service, safety.	1	2	3	4	5
<b>4.Brand Loyalty</b>						
25	I will keep on flying with Ethiopian Airlines.	1	2	3	4	5
26	I will definitely fly with Ethiopian Airlines although its price is higher than the other airlines that offer similar service.	1	2	3	4	5
27	I will not fly with other airlines, when Ethiopian Airlines is available.	1	2	3	4	5
<b>5.Over all Brand Equity</b>						
28	Even if another airline has the same level of service as the service from Ethiopian Airlines, I would prefer to fly with Ethiopian Airlines.	1	2	3	4	5
29	Even if another airline has the same level of Price as Ethiopian Airlines, I would prefer to fly with Ethiopian Airlines.	1	2	3	4	5
30.	Even if another airline is willing to accept me with the same tier status as Ethiopian Airlines, I would prefer to fly with Ethiopian Airlines.	1	2	3	4	5

***THANK YOU FOR YOUR TIME.***

**Chère répondant/te,**

Je m'appelle Fework Alemayehu. J'effectue actuellement mon année de Maîtrise de Marketing Management à l'université d'Addis Ababa école de Commerce. Je vous invite à participer à une recherche intitulée Valeur de la marque aux yeux des consommateurs : Le cas des membres Gold et Silver à L'Ethiopian Airlines. L'objectif de cette recherche est de mesurer la valeur de la marque Ethiopian Airlines aux yeux des membres Gold et Silver. Je vous prie de prendre quelques minutes de votre temps pour répondre aux questions de ce sondage le plus complètement and précisément possible. Votre donnée sera traitée confidentiellement et les résultats ne seront partagés qu'en groupe.

Si vous avez des questions à propos de la recherche où vous souhaitez avoir une copie des résultats de la recherche contactez-moi via E-mail [lilyalex@yahoo.com](mailto:lilyalex@yahoo.com) ou Tel- +251913913943.

J'apprécie votre participation et votre temps.

## Première partie : Fiche d'Identité

### 1.1 Sexe

Masculin  Féminin

### 1.2 Age

18-29 ans  30-39 ans  40-49 ans  Plus de 50 ans

### 1.3 Pour combien d'année avez-vous été membre du ShebaMiles Gold et Silver?

1-5ans  5-10 ans  Plus de 10 ans

### 1.4 A quel Sheba Miles program faites-vous partie?

Gold  Silver

### 1.5 Pays d'origine (Nationalité) \_\_\_\_\_

## Part 2 Perception clientèle

Indiquez votre degré d'accord ou de désaccord avec les propositions suivantes qui déterminent votre choix de marque (entourez le choix qui vous convient le plus 1=Pas du tout d'accord, 2= plutôt pas d'accord, 3= ni en accord ni en désaccord, 4= Plutôt d'accord et 5= tout à fait d'accord.)

No	Propositions sur la valeur de la marque	Degré de perception				
		Pas du tout accord	plutôt pas d'accord	ni en accord ni en désaccord	Plutôt d'accord	tout à fait d'accord
<b>1. Connaissance de la marque</b>						
1	Je n'ai pas de difficulté à imaginer Ethiopian Airlines dans ma mémoire	1	2	3	4	5
2	J'arrive à reconnaître Ethiopian Airlines parmi d'autres marques	1	2	3	4	5
3	Ethiopian Airlines est la seule compagnie aérienne évoquée quand je dois décider à acheter un billet de vol.	1	2	3	4	5
4	Ethiopian Airlines est la première compagnie aérienne à laquelle je pense quand je dois décider à acheter un billet de vol.	1	2	3	4	5
<b>2. Association à la marque</b>						
5	Ethiopian Airlines est une compagnie aérienne qui fournit des vols en toute sécurité.	1	2	3	4	5
6	Je me rappelle facilement du logo Ethiopian Airlines.	1	2	3	4	5
7	Avec son statut et style, Ethiopian Airlines convient à ma personnalité.	1	2	3	4	5
8	Ethiopian Airlines est bien reconnu par mes amis.	1	2	3	4	5
9	Je considère que la compagnie et les employés qui sont derrière la marque sont dignes de confiance.	1	2	3	4	5
10	Ethiopian Airlines a une image unique comparée aux autres marques compétitives.	1	2	3	4	5
11	Je peux avoir les mêmes tiers bénéficiaires à Ethiopian Airlines comparé aux autres compagnies aériennes.	1	2	3	4	5
12	J'utilise Ethiopian Airlines puisque c'est une compagnie africaine	1	2	3	4	5
14	Je préfère Ethiopian Airlines pour les tiers bénéficiaires dont je bénéficie.	1	2	3	4	5
15	J'estime qu'Ethiopian Airlines ne prend pas avantage de ses clients.	1	2	3	4	5
16	Je pense qu'Ethiopian Airlines est en train de contribuer à la société.	1	2	3	4	5

		Pas du tout accord	plutôt pas d'accord	ni en accord ni en désaccord	Plutôt d'accord	tout à fait d'accord
<b>3. Perception de la qualité</b>						
17	Ethiopian Airlines fournit un service de qualité.	1	2	3	4	5
19	Ethiopian Airlines donne les meilleurs bénéfices de statut tiers.	1	2	3	4	5
20	On me fournit une meilleure reconnaissance grâce à mon statut tiers.	1	2	3	4	5
21	Je choisis Ethiopian Airlines pour avoir de meilleurs kilométrages.	1	2	3	4	5
22	Ethiopian Airlines est digne de confiance.	1	2	3	4	5
23	Je n'ai pas de difficulté à avoir les renseignements dont j'ai besoin à propos d'Ethiopian Airlines.	1	2	3	4	5
24	Ethiopian est meilleur comparé aux autres compagnies aériennes en terme de temps, service clientèle et sécurité.	1	2	3	4	5
<b>4. Fidélité à la marque</b>						
25	Je continuerai à voler avec Ethiopian Airlines	1	2	3	4	5
26	Je vais définitivement utiliser Ethiopian Airlines même c'est plus coûteux que les autres qui fournissent le même service.	1	2	3	4	5
27	Je ne vole pas avec d'autres compagnies aériennes quand Ethiopian Airlines est disponible.	1	2	3	4	5
<b>5. Valeur de la marque en générale</b>						
28	Même si une autre compagnie aérienne fournit le même niveau de service que Ethiopian Airlines, je préférerai voyager avec Ethiopian Airlines.	1	2	3	4	5
29	Même si une autre compagnie aérienne offre le même prix qu'Ethiopian Airlines, je choisirai Ethiopian Airlines.	1	2	3	4	5
30.	Même si une autre compagnie aérienne est bienveillante de m'accepter avec le même statut tiers que Ethiopian Airlines, je préférerai voyager avec Ethiopian Airlines.	1	2	3	4	5

***Merci pour avoir sacrifié votre précieux temps pour remplir ce questionnaire.***

# APPENDIX 2

## 1. Reliability

### Brand Awareness

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.662	.651	4

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.838	.840	2

### Brand Association

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.772	.791	11

### Perceived Quality

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.784	.795	7

## Brand Loyalty

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.740	.750	3

## Overall Brand Equity

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.926	.926	3

Cronbach's Alpha	N of Items
.914	26

## 2 Frequency Statistics

### Respondents Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	312	79.0	79.0	79.0
	Female	83	21.0	21.0	100.0
	Total	395	100.0	100.0	

**Respondents Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-29 years	20	5.1	5.1	5.1
	30-39 years	107	27.1	27.1	32.2
	40-49 years	125	31.6	31.6	63.8
	50 years and above	143	36.2	36.2	100.0
	Total	395	100.0	100.0	

**Number of years as a premium customer**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 years	247	62.5	62.5	62.5
	5-10 years	89	22.5	22.5	85.1
	more than 10 years	59	14.9	14.9	100.0
	Total	395	100.0	100.0	

**Respondent tier level**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Gold	157	39.7	39.7	39.7
	Silver	238	60.3	60.3	100.0
	Total	395	100.0	100.0	

**Respondent country of origin**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Africa	206	52.2	52.2	52.2
Asia	50	12.7	12.7	64.8
Europe	103	26.1	26.1	90.9
North America	30	7.6	7.6	98.5
South America	6	1.5	1.5	100.0
Total	395	100.0	100.0	

### 3. Descriptive Statistics

#### Brand Awareness

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Ethiopian Airlines is the only airline recalled when I need to make a purchase decision on an air ticket.	395	1	5	2.92	1.331
Ethiopian Airlines comes up first in my mind when I need to make a purchase decision on the product.	395	1	5	3.23	1.214
Valid N (listwise)	395				

## Brand Association

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Ethiopian Airlines is safe to fly.	395	3	5	4.25	.633
I can quickly recall the logo of Ethiopian Airlines.	395	2	5	4.21	.912
In its status and style, Ethiopian Airlines matches my personality.	395	1	5	3.61	.923
Ethiopian Airlines is well regarded by my friends.	395	1	5	3.48	.941
I consider the company and people who stand behind the brand are very trustworthy.	395	1	5	3.60	.804
Ethiopian Airlines brand has unique image compared to other competing brands.	395	1	5	3.49	.908
I can get the same tier benefits from Ethiopian Airlines when compared to other airlines.	395	1	5	3.26	.980
I use Ethiopian Airlines because it is African carrier.	395	1	5	3.46	1.316
I choose Ethiopian Airlines for the tier status benefit I get.	395	1	5	3.13	1.123
I believe that Ethiopian Airlines does not take advantage of consumers.	395	1	5	3.22	1.093
I believe that Ethiopian Airlines is contributing to the society	395	1	5	3.74	.884
Valid N (listwise)	395				

## Perceived Quality

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Ethiopian Airlines is safe to fly.	395	3	5	4.25	.633
I can quickly recall the logo of Ethiopian Airlines.	395	2	5	4.21	.912
In its status and style, Ethiopian Airlines matches my personality.	395	1	5	3.61	.923
Ethiopian Airlines is well regarded by my friends.	395	1	5	3.48	.941
I consider the company and people who stand behind the brand are very trustworthy.	395	1	5	3.60	.804
Ethiopian Airlines brand has unique image compared to other competing brands.	395	1	5	3.49	.908
I can get the same tier benefits from Ethiopian Airlines when compared to other airlines.	395	1	5	3.26	.980
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I choose Ethiopian Airlines for the tier status benefit I get.	395	1	5	3.13	1.123
I believe that Ethiopian Airlines does not take advantage of consumers.	395	1	5	3.22	1.093
I believe that Ethiopian Airlines is contributing to the society	395	1	5	3.74	.884
Valid N (listwise)	395				

## Brand Loyalty

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Ethiopian Airlines has a good service quality.	395	1	5	3.67	.999
Ethiopian Airlines provides better tier status benefits.	395	1	5	3.39	1.010
I'm given a better recognition because of my tier status.	395	1	5	3.58	.884
I chose Ethiopian Airlines to get more mileage	395	1	5	3.43	1.091
Ethiopian Airlines is very reliable.	395	1	5	3.71	.842
I don't have difficulties in finding any information I require from Ethiopian Airlines	395	1	5	3.55	1.027
Ethiopian Airlines is better as compared to other airlines in terms of on time performance, customer service, safety.	395	1	5	3.35	.884
Valid N (listwise)	395				

## Brand Equity

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I will keep on flying with Ethiopian Airlines.	395	1	5	3.86	.831
I will definitely fly with Ethiopian Airlines although its price is higher than the other airlines that offer similar service.	395	1	5	2.88	1.147
I will not fly with other airlines, when Ethiopian Airlines is available.	395	1	5	2.97	1.128
Valid N (listwise)	395				

#### 4 Correlation Statistics

Correlations

		Brand awareness1	Brand Association	Perceived Quality	Brand Loyalty	Overall Brand Equity
Brandawareness1	Pearson Correlation Sig. (2-tailed) N	1 395				
Brand Association	Pearson Correlation Sig. (2-tailed) N	<b>.461**</b> .000 395				
Perceived Quality	Pearson Correlation Sig. (2-tailed) N	<b>.287**</b> .000 395	<b>.704**</b> .000 395			
Brand Loyalty	Pearson Correlation Sig. (2-tailed) N	<b>.409**</b> .000 395	<b>.523**</b> .000 395	<b>.614**</b> .000 395		
Overall Brand Equity	Pearson Correlation Sig. (2-tailed) N	<b>.552**</b> .000 395	<b>.594**</b> .000 395	<b>.639**</b> .000 395	<b>.648**</b> .000 395	1 395

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

## 5 Regression Analysis

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.776 <sup>a</sup>	.602	.598	.62472

a. Predictors: (Constant), Brand Loyalty, Brandawareness1, Brand Association, Perceived Quality

b. Dependent Variable: Overall Brand Equity

### ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	231.731	4	57.933	150.059	.000 <sup>a</sup>
	Residual	150.566	390	.386		
	Total	382.296	394			

a. Predictors: (Constant), Brand Loyalty, Brandawareness1, Brand Association, Perceived Quality