



**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE**  
**Marketing Management Graduate Program**

**THE EFFECT OF BRAND IMAGE BENEFIT ON CUSTOMER SATISFACTION:**  
**The Case of Horizon Addis Tyre**

**Prepared By:- Redeat Mamo**

**Thesis Submitted to the School of Graduate Studies of Addis Ababa University**  
**in Partial Fulfillment for the Award of the Degree of Master of Arts in**  
**Marketing Management**

**Advisor: Mulugeta Gebere-Medhin (PhD)**

**June,2019**  
**Addis Ababa, Ethiopia**

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## **Declaration**

I, hereby declare that this Master Thesis titled “**The Effect of Brand Image benefit on Customer Satisfaction : The Case of Horizon Addis Tyre**” is an original work. Any other research or academic sources used here in this study have been duly acknowledged. Besides, this study has not been submitted for the award of any Degree Program in this or any other institution.

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**Place: School of Commerce, Addis Ababa University, Ethiopia**

**Date of submission: June, 2019**

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## **Abstract**

*This study was conducted under a title called, “The effect of brand image benefits on customer’s overall satisfaction in the case of Horizon Addis Tyre.” The study was conducted with the purpose to investigate if there is a positive relationship between brand image benefits and customers overall satisfaction. Satisfaction plays an important role in influencing the overall consumer reaction towards a brand image acceptance thus, discovering, and elaborating the importance of brand image from the perspective of brand image benefits on customer’s satisfaction is very essential. Hence, this study investigated on how brand image benefits could contribute to customer’s satisfaction in particular to Horizon Addis tyre (HAT).*

*This study uses a quantitative method approach. It also implemented a cross sectional explanatory research design. The sample size of the study was 384. This study also concluded that the brand Horizon Addis Tyre has a significant and positive relationship among the dependent and independent variables. All brand image benefit dimensions were found to be significantly and positively related to customer overall satisfaction.*

*Based on the findings, the researcher recommends that the company should assess the elements of desirable product characteristic ,quality and brand attributes that the customers requires to position the brand positively in the minds of consumers. Additionally, the company should create awareness on commercialization of newly developed and produced technologically advanced products through different media to generate positive and favorable attitudes toward the brand.*

**Key words: brand image, brand image benefits, customer overall satisfaction,**

<b>TABLE OF CONTENTS</b>	<b>Page</b>
Acknowledgment.....	V
Abstract.....	VI
Table of content .....	Vii
List of tables .....	IX
List of figures .....	X
<b>1.Chapter one Introduction</b> .....	<b>1</b>
1.1.Background of the study.....	1
1.2. Background of the organization .....	2
1.3. Statement of the problem .....	3
1.4. Research Questions .....	4
1.5. Research Objectives .....	4
1.5.1. General Objective.....	4
1.5.1. Specific Objective.....	4
1.6. Research Hypothesis .....	5
1.7. Significance of the study.....	5
1.8. Scope of the study .....	5
1.9. Limitations of the study.....	5
1.10. Definition of terms .....	6
1.11.Organization of the study report.....	6
<b>2. Chapter Two Review of Literature</b> .....	<b>7</b>
<b>2.1 Theoretical framework</b> .....	<b>7</b>
2.1.1 Brand .....	7
2.1.2 Brand Knowledge .....	7
2.1.3 Brand Image .....	8
2.1.4 Brand Image Benefits .....	9
2.1.5 Conception of Brand image. ....	10
2.1.6 Brand image Measurement.....	11
2.1.7 Customer Satisfaction .....	11
2.1.8 Customers satisfaction dimensions .....	12
<b>2.2. Empirical review</b> .....	<b>13</b>
<b>2.3. Conceptual Framework</b> .....	<b>15</b>
<b>3. Chapter Three Methodology</b> .....	<b>17</b>
3.1. Research approach.....	17
3.2. Research Design .....	17
3.3. Population and Sampling .....	18
3.3.1. Population of the study .....	18
3.3.2. Sampling technique.....	18
3.3.3. Sample size.....	18
3.4. Data Source & type .....	18
3.5. Data collection procedure .....	18
3.6. Validity and reliability .....	19
3.6.1. Validity.....	19
3.6.1. Reliability.....	19
3.6. Ethical consideration .....	20
3.7. Data analysis and interpretation .....	20

<b>CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION ..</b>	<b>21</b>
4.1. Introduction.....	21
4.2. Overall response rate .....	21
4.3. General characteristics of the respondents .....	21
4.4. Descriptive Analysis.....	23
4.5. Correlation Analysis .....	25
4.6. Regression Analysis.....	26
4.6.1. Multicollinearity.....	26
4.6.2. Linearity .....	27
4.6.3.Normality Test.....	27
4.6.4.Homoscedasticity.....	29
4.6.4. Regression Analysis of Brand Image Benefits and Customers’ Satisfaction.....	31
4.7. Hypothesis testing .....	33
4.8.Discussion of Result.....	34
<b>CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>36</b>
5.1. Introduction.....	36
5.2. Summary of Findings.....	36
5.3. Conclusion.....	37
5.4.Recommendations .....	38
5.5. Direction for Future Research.....	39
<b>REFERENCES</b>	
<b>APPENDIXES</b>	

## List of tables

<i>Table</i>	<i>Page</i>
<i>Table:1 Brand image conception.....</i>	<i>10</i>
<i>Table:2 Empirical Review on Brand Image and Customer Satisfaction.....</i>	<i>13</i>
<i>Table 3.1: Reliability Test.....</i>	<i>20</i>
<i>Table 4.1: Gender of the Respondents.....</i>	<i>21</i>
<i>Table 4.2: Age of the Respondents.....</i>	<i>22</i>
<i>Table 4.3: Number of years as a customer .....</i>	<i>22</i>
<i>Table 4.4: Frequency of Functional Benefits.....</i>	<i>23</i>
<i>Table 4.5: Frequency of Symbolic Benefits.....</i>	<i>23</i>
<i>Table 4.6: Frequency of Experiential Benefits.....</i>	<i>.24</i>
<i>Table 4.7: Frequency of Customer overall Satisfaction .....</i>	<i>24</i>
<i>Table 4.8: Correlation Analysis .....</i>	<i>25</i>
<i>Table 4.9. Collinearity statistic .....</i>	<i>27</i>
<i>Table 4.10. Skewness and Kurtosis.....</i>	<i>28</i>
<i>Table 4.11: Model summary .....</i>	<i>31</i>
<i>Table 4.12. Anova Table .....</i>	<i>32</i>
<i>Table 4.13: Coefficient of correlation .....</i>	<i>33</i>
<i>Table 4.14: Hypothesis testing.....</i>	<i>33</i>

## List of Figures

<b>Figures</b>	<b>Page</b>
<i>Figure 2.1: Dimensions of Brand Knowledge, Keller (1993)</i> .....	8
<i>Figure 2.1: Conceptual Framework of the Study</i> .....	16
<i>Figure 4.1: linearity test Scatter plots</i> .....	27
<i>Figure 4.2: Normal distribution curve of the data</i> .....	29
<i>Figure 4.3 Normal probability plots</i> .....	29
<i>Figure 4.4. scattered residual plots for functional brand image benefits with customers overall satisfaction</i> .....	30
<i>Figure 4.5. scattered residual plots for functional brand image benefits with customers overall satisfaction</i> .....	30
<i>Figure 4.6. scattered residual plots for functional brand image benefits with customers overall satisfaction</i> .....	31

## **Chapter one**

### **Introduction**

#### **1.1. Back ground of the study**

Brand image is an essential element of brands, differentiating them from their competitors (Aaker, 1996; Kapferer, 1997) which means brand image plays a significant role in distinguishing one company from the other or one seller to the other. Keller define brand Knowledge in two dimensions, brand awareness and brand image. “Brand awareness is the consumers’ ability to identify the brand under different conditions and consists of brand recognition and brand recall”. On the other hand, he defined Brand image as perceptions about a brand as reflected by the brand associations held in consumer’s memory. Yet brand association also further classified. (Keller,1993), classified associations into three major categories: attributes, benefits, and attitudes. These associations will differ in accordance to their favorability, strength, and uniqueness.

Brands are considered to be the key element when developing relationships between companies and consumers. (Kotler, 2009) again, brands are the key to winning a position in the marketplace because they deliver unique benefits and build deep connections with customers. (Kotler, 2009). The central idea is that the relationship between customers and company brands are highly associated through its benefits that will leads customers to be satisfied. (Keller, 1993) discover that an image benefits can be classified into functional ( a basic essential features of the product) , experiential (what it felt like to use the product) and symbolic (favorable opinion, needs for social approval or personal expression) benefits.

Oliver (1980), reveals that consumer is formed by expectations referring to the performance or quality of a product. Thus, customer satisfaction shows the level of pleasure that the customer obtained from the product of a certain brand.

According to Oliver (1997), satisfaction is defined from the mixture of both affection (emotion) and cognition approach as “the consumer’s fulfillment response. In another words it is a combination of strong feeling and knowledge acquired through reasoning, intuition, or perception. Levesque and McDougall,( 1996) argue that satisfaction is conceptualized as an overall, customer attitude towards a service provider.

Satisfaction plays an important role in influencing the overall consumer reaction towards a brand image acceptance thus, discovering, and elaborating the importance of brand image from the perspective of brand image benefits on customers satisfaction is very essential.

Hence, this study investigated on how brand image could contribute to customer's satisfaction in particular to Horizon Addis tyre (HAT).

### **1.2. Background of the Organization.**

Addis Tyre S.C. was established in 1972 G.C as state owned company by the help of Czechoslovakian government. The factory yearly production capacity was 60,000 tyres & 45,000 tubes with a total labor force of 260. Latter, as of 1973, government established a joint venture (JV), with the Japanese known tire company called YOKOHAMA, and jointly worked for about 22 years. In 1994, the JV agreement was dissolved and the government runs the business with full ownership up to May 2004.

On June 2004 , due to the determination of government to introduce new category of tires, it decided to establish J.V with Slovakian renowned tire manufacturer called MATADOR, then after called MATADOR-ADDIS TYRE S.C. Latter, due to the shift in Business focus, MATADOR Europe transferred its share to Continental AG on October 23, 2007.

Finally, in January 2011, the known investment group, MIDROC ETHIOPIA, had bought the share of Continental AG through one of its group companies, called Horizon Plantation P.L.C. and hold its new name, "**Horizon Addis Tire Manufacturing Plc**" The company has now created job opportunity for more than 800 Ethiopians and invested a lot to equip the factory with state-of-the-art technology. Despite the improvement works done on the quality level of the existing products, the company has developed more than 40 different types of radial and bias construction new tires for different applications. Currently the factory's production capacity has reached to 600 thousand and plus units of tire per annum

*Company Profile (2019)*

### **1.3. Statement of the problem**

Brand image has been broadly used in a diversity of applications different researchers have examined and categorized the dimensions of brand image e.g., Park et al.(1986); Dohbi & Zinkhan, (1990); Aaker (1996),and put their perspective. According to Keller (1993), brand image is a set of associations linked to the brand that consumers hold in their memory. As it is stated earlier associations are classified into three major categories: attributes, benefits, and attitudes. In order to understand the concept and to investigate further Keller's brand image dimensions, which are functional, symbolic, and experiential benefits were considered and utilized.

The technology of rubber industry is dynamic. The type and quality of tyre required by the users are persistently changing from time to time because of technology evolvement. 80% of HAT product portfolio is a bias tyre the remaining 20% are radial constriction tyres. According to National tyre and wheeler, radial tyres are the preferred tyre of choice in most applications for several key reasons. Using the existing facility and skill for the current product portfolio and with a new investment to market driven products, HAT can produce a different sizes of tire to feed the market however, Radialization of tyre requires huge investment and time. To keep the current product portfolio alive HAT should differentiate itself through building a strong brand image benefits.

In addition, the tyre industry is a price sensitive industry. The motivation of this study is that Horizon Addis tyre is the only local manufacturers, which provide its products with less price in relative to other imported products. Tyre manufacturers from overseas countries like china and India are dominating Ethiopian tyer market because of low cost tires and extensive existence of Chinese and Indian tyre brands throughout the country. However, HAT's products are less priced but consumers negative thoughts towards local products in general put the company in unfavorable position. To fill the gap HAT should focus on building strong brand image.

Customers select an item for its value as well as for the image related with the item and for the identification of the brand with different users. According to Bennett and Rundle-Thiele (2005), Product quality and price are no longer product differentiators. Satisfying customers is an important element in marketing concept Kotler & Armstrong ( 2004). A differentiated "own-able"

brand image can build an emotional and rational bridge from customers to a company, product, or service Kotler and Pfoertsch (2006).

Different researchers tried to prove the relationship between brand image and customer satisfaction in their research papers findings. Hagos (2017), concludes that there is a significant relationship between brand image benefits and customer satisfaction the case of Ethiopian insurance cooperation. Another case study on Ethiopian Airlines by Ibrahim (2014), concluded that Brand image highly affects the customer satisfaction. The results verified that experiential benefit of brand highly affects the customer satisfaction followed by the symbolic benefit. However, these studies are related to the service industry only. Zhang (2015), argue that a majority of researches related to brand image and customers satisfaction were conducted in a service industry, such as hotel, supermarket and bank,. Whether the results generated from the service industry can apply to other sectors remains to be examined.

Building a strong brand is an essential tool that will lead the company to be competitive and survive in the ever-changing market environments. However, the relationship between brand image benefits and customer satisfaction is not identified in the manufacturing industry particularly the tyre industry of Ethiopia. This research investigated brand image benefits contribution to the customer's satisfaction in the case of Horizon Addis Tyre.

#### **1.4. Research Questions.**

1. How does brand image benefits affects customers overall satisfaction

##### **Sub research questions**

1. How do functional benefit of brand image affects customers overall satisfaction.
2. How do symbolic benefit of brand image affects customers overall satisfaction.
3. How do experiential benefit of band image affects customers overall satisfaction.

#### **1.5. Research Objectives**

##### **1.5.1. General objective**

To measure the effect of brand image benefits influence on customers overall satisfaction

##### **1.5.2. Specific objective**

1. To examine the relationship between functional brand image benefit and customers overall satisfaction.
2. To examine the relationship between symbolic brand image benefit and customers overall satisfaction.

3. To examine the relationship between experiential brand image benefit and customers overall satisfaction.

### **1.6. Research Hypothesis**

- H<sub>1</sub>.** There is significant and positive relationship between functional brand image benefits and customer overall satisfaction.
- H<sub>2</sub>.** There is significant and positive relationship between symbolic brand image benefits and customer overall satisfaction.
- H<sub>3</sub>.** There is significant and positive relationship between experiential brand image benefits and customer overall satisfaction.

### **1.7. Significance of the Study**

The study will help HAT to be competitive in the business or market and it will assist managers to recognize the most significant brand image benefit, which is the foundation for its recognition, acceptance, and increased customer satisfaction.

The study will provide an important and clear perception and develop a better understanding concerning brand image benefits and its effect on customer satisfaction in the manufacturing sector. Finally it can be used as a reference for further studies.

### **1.8. Scope of the study**

This study was concentrated on effect of brand image benefits on customers satisfaction in the case of horizon Addis Tyre. The study utilized quantitative data using close-ended questioner. To make the study in a manageable size the study only focuses on customers who are geographically located in Addis Ababa.

### **1.9. Limitation of the study**

The company has different customer category and to make it convenient in regards to time this study exempted customer who are located outside of Addis Ababa. The other limitation of this study is that convenience samples are in general less representatives than random samples beside,

the researcher is unable to control the representativeness of the sample. For that reason, the result obtained from this research cannot be generalized.

#### **1.10. Definition of terms**

**Brand** A brand is a term, design, name, symbol, or any other features that distinguish one company's product to the others (American Marketing Association, 2013).

**Brand image:** (Keller's, 1993) conceptualization of brand image, it is considered as perception about a brand as reflected by the brand associations held in consumers' memory.

**Brand image benefits:** (Keller, 1993) discover that an image benefits can be classified into functional (a basic essential features of the product), experiential (what it felt like to use the product) and symbolic (favorable opinion, needs for social approval or personal expression) benefits.

**Customers satisfaction:** "the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment" (Oliver, 1997)

#### **1.11. Organization of the study report**

This study encompass of five chapters. The first chapter covers the introduction of the study including background of the study, background the organization, statement of the problem, research questions, research objectives, significance of the study, scope of the study, limitation of the study, definition of terms, and organization of the study. The second chapter was review of related literature. In this chapter, both theoretical and empirical evidences related to the topic under study are discussed. The third chapter portray the research methodology which includes research approach, research design, population and sample, data sources and types, data collection procedures, ethical consideration and data analysis. The fourth chapter explains the data analysis and interpretation part. This chapter summarized the results or findings of the study, and interprets and discusses of results. Finally, chapter five, which deals with summary, conclusions and recommendations and areas of future research, were addressed and lastly, list of references and appendix were incorporated.

## **Chapter Two**

### **Literature review**

#### **2. Introduction**

This chapter enlightens theoretical review, empirical review, and conceptual framework of the study. The meaning of brand, brand knowledge Brand image and its benefits, Brand image measurements, the meaning of customer's satisfaction and its dimensions are incorporated in the theoretical review section. The Empirical review section contains the relationship between brand images with customer satisfaction. Finally, based on the literature review conceptual framework and hypothesis of the study are discussed.

#### **2.1. Theoretical Framework**

##### **2.1.1 Brand**

A brand is a term, design, name, symbol, or any other features that distinguish one company's product to the others American Marketing Association (2013). In the same way Kotler (2004), defines brand as the name, term or their combination created in order to identify the seller's assets or services or their group and distinguish them from the competition. Keller (2003), also mention that it is a set of mental associations in customers' perceptions which increase the value of products or services. Kotler and Pfoertsch (2006), explain that brands facilitate the identification of products, services and businesses as well as differentiate them from the competition Moreover, Brands are a guarantee of quality, origin, and performance, thereby increasing the perceived value to the customer and reducing the risk and complexity involved in the buying decision Kotler and Keller (2006)

##### **2.1.2. Brand knowledge**

It encompass brand associated concepts, brand awareness, and brand image that relates various information such as awareness, attributes, benefits, images, thoughts, feelings, attitudes and experiences to a brand constitutes brand knowledge and directly affect consumer responses Keller (1993,2003)

Keller (2003), defines consumer brand knowledge as all descriptive and evaluative brand-related information, which was individualistic inference about a brand stored in consumer memory.

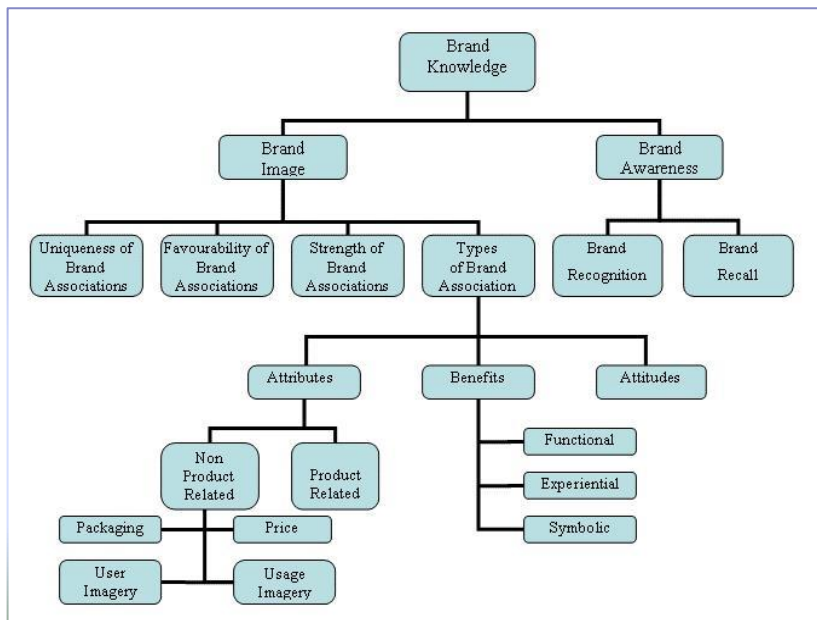


Figure 2.1. Dimensions of Brand Knowledge, (Keller, 1993).

Keller (1993), classifies brand awareness into “brand recognition” and “brand recall”.

Brand recognition relates to consumers' ability to confirm prior exposure to the brand when given the brand as a cue. Brand recall relates to consumers' ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other type of probe as a cue Keller (1993). Brand image is also described as “the perceptions and beliefs held by consumers, as reflected in the associations held in consumer memory” Kotler and Keller (2009).

### 2.1.3. Brand Image

Dobni and Zinkhan (1990), have define brand image as the sum of the total perceptions (reasoned or emotional) attached by consumers to specific brands. According to Park et al. (1986), brand image “is the understanding consumers derive from the total set of brand-related activities engaged in by the firm”. As per American Marketing Association, brand image is defined as a perception of a brand in the minds of people. Brand image further defined as an insight of a brand that is reflected by the brand associations in customers’ memory Keller (1993). Keller states that brand associations are formed by brand attributes, brand benefits and brand attitudes. Islam & Rhaman(2016) mention Aaker, (1997), Consumers are more likely to create stronger emotional bonds with those brands whose image is congruent with the consumer’s self-concept. Keller affirms that brand associations are formed by brand attributes, brand benefits, and brand attitudes. In addition, Aaker (1991), explain brand image as a set of associations, usually

organized in some meaningful way. Ibrahim (2014), quotes Dobni and Zinkhan( 1990), stating that brand image is not inherent in the technical, functional, or physical concerns of the product/service or brand. Rather, it is influenced and shaped by marketing activities, by context variables, and by the characteristics of the perceiver. A brand image is the understanding of consumers, originated from brand- related activities performed in by the firm, which should not be alone as a perceptual phenomenon affected, by the company's activities Aaker (1991).

According to Park, Jaworski and MacInnis (1986), if a company, its product or service, constantly holds a favorable brand image among the public, it will certainly gain a good position in the market, sustainable competitive advantage and increase market share and performance. In conclusion, an effective brand image makes it feasible for buyers to decide the requirements that the brand satisfies and separate the brand from the competitor.

#### **2.1.4. Brand Image Benefits**

Park, Jaworski, & MacInnis, (1986), states that based on their correlation, brand benefits are classified in to functional benefits, experiential benefits, and symbolic benefits. Functional benefits are related to physiological and safety needs that are designed to solve externally generated consumption needs. Symbolic benefits are internally generated needs related to non-product-related attributes. Park, et al. (1986), further explain that experiential benefits, is a desire for product that provide Sensory pleasure, variety, and cognitive stimulation to use the product. Keller (1993), also expresses that image benefits can be classified into functional, experiential, and symbolic benefits, supporting Park et al. (1986).

Functional benefits are the intrinsic advantages of product or service consumption and usually correspond to the product-related attributes. Keller mention Maslow (1970), that these benefits often are linked to fairly basic motivations, such as physiological and safety needs, Experiential benefits relate to what it feels like to use the product or service and also usually corresponds to the product-related tributes. He also explained that these benefits satisfy experiential needs such as sensory pleasure, variety, and cognitive stimulation. Symbolic benefits are the more extrinsic advantages of product or service consumption. They usually correspond to non-product-related attributes and related to underlying needs for social approval or personal expression and outer-directed self-esteem.

Furthermore, Hagos (2017) quotes Hague (2001), and pointed out that the benefits of strong brand image for a company make the brand acceptability enhanced and satisfaction will be improved. He also mention Joshi (2012), give details on the benefits of brand image in terms of the advantage of branding to both producer side and consumer side.

### 2.1.5. Conception of Brand image

Perspective	Sources	Definition of brand image
Blanket definitions	Herzog (1963)	Consumers' general perception and impression of a brand
	Newman (1985)	Consumers' perception of a product's total attributes
	Dichter (1985)	Consumers' general impression of the product or service
Meanings and messages	Noth (1988)	The symbolic meaning embedded in the product or service
	Sommers (1964)	Consumers' perception and recognition of a product's symbolic attribute
	Levy (1973)	The symbolic meaning of purchasing the product or service
Personification	Martineau (1957)	Brand image reflects consumers' characteristics, and they purchase the brand to express themselves
	Bettinger (1979)	The personification of a product, which can be manifested as "adult" and "children"
	Sirgy (1985)	Image of the brand resembles human personality
Cognitive or psychological elements	Gardner & Levy (1955)	Brand image is consisted of consumers' opinion, attitude and emotion toward a brand, which reflects the cognitive or psychological elements of the brand
	Levy (1978)	Consumers' overall impression about a brand or product, which includes recognition, feeling and attitude toward it
	Bullmore (1984)	Consumers' general perception and opinion of a brand's total attributes
	Kapferer (1994)	Consumers' general perception about the brand feature's association

Table:2.1. Brand image conception Source (Zhang,2015)

### **2.1.6. Brand image Measurement**

There are three brand image measurement techniques that can be applied to measure brand image associations: rating, ranking, and pick-any Driesener and Romaniuk (2006). Using the rating technique respondents generally asked to rate each brand attribute on a 5- or 7- point scale, which ranges from, for example strongly agree to strongly disagree.

Beside, Driesener and Romaniuk (2006), further explains about the measurement techniques that the ranking technique consists in asking respondents to rank brands relative to competitors according to their association with a particular attribute. The pick-any measure is used when respondents are asked to select the brands that they associate with each attribute. pick-any technique only indicates if there is, or not, an association with the brand while, rating and ranking techniques indicate the degree of association between brand and attribute.

### **2.1.7. Customer Satisfaction**

According to Oliver (1997), satisfaction is the consumers' fulfillment response. It is a judgment that a product or service features, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related satisfaction including levels of under-or over-fulfillment. It is also a degree of satisfaction or dissatisfaction depends on the relationship between customer's expectations and supplier's performance. Customer satisfaction generally means the perception of a product in customer's mind about your product Oliver (1997). Beside, Oliver 1981), again defines customer satisfaction as the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feeling about the consumption experience.

Gebre-Medhin & Semu (2015), explain about customer satisfaction from the perspective of disconfirmation model that

Customer's satisfaction is a function of the discrepancy between the customer's expectation and perception of the service. Gebre-Medhin & Semu (2015), affirm that different authors improvised the disconfirmation model with an addition of a third factor in the model. They suggested that importance weight should be attached to each measurement item, as not all measurement items can have equal impact to the customer's satisfaction. Thus, customer

satisfaction (S) is a function of customer expectation (E), customer perception (P), and importance (I). Finally it can be articulated as:  $S = (E - P) \times I$

Fornell, et al. (1996), stated that perceived value and perceived quality are the determining factors to judge that whether the customer is satisfied or not. Fornell, et al. (1996), further explain that the former is about how much output the consumer gets from the use of the product and the later is about how much output the consumer gets from the use of the product, whether it matched his observation or not. In addition Kotler & Armstrong (2012), states that product perceived performance also determines customers' satisfaction and dissatisfaction of customers which means customers satisfaction depends on the product's perceived performance for example, if performance exceeds expectations, the customer will be delighted and the customer will be dissatisfied if expectations exceeds performance finally customers will be satisfied if performance matches expectations.

### **2.1.8. Customers satisfaction Dimensions**

Hagos (2017) discuss that customer satisfaction is explained in terms of ten dimensions of satisfaction, which include quality, value, timeless, efficiency, ease of access, environment, interdepartmental teamwork, frontline services, behavior, comment to the customer and innovation.

Customer satisfaction is determined by the attributes of the product, the purchasing process, and the feelings of the buyer. Customer requirements fulfillment and his/her perception of good's quality is a natural base of satisfaction. Perception of quality and value of product, its full compliance with customer requirements, and the positive emotions associated with purchasing are the main determinants of satisfaction. Biesok & Wyrud-wroble (2011).

## 2.2. Empirical Review

### 2.2.1. Relationship between Brand Image and Customer Satisfaction empirical studies

Different researchers have studied the relationship between brand image and customers satisfaction. A survey conducted by Thakur & Singh (2012), investigates the impact of Five brand image benefits consisting of functional, social, experiential, appearance enhances and symbolic benefits on customer satisfaction and resulted that only the first four items are positively related to overall satisfaction. Which means is that social brand image benefits have no significant effect on customers satisfaction. They also indicated that overall satisfaction dose influence customer's loyalty. Neupane (2015) also supports this finding; conclude that overall brand image has significant positive effects on customer satisfaction. In contrary Malik, Ghafloor & Iqbal (2012), suggests that brand image is not the only source of customer's satisfaction but also service quality and price are correlated to customer satisfaction. Other researchers Dunuwille & Pathmini( 2016), evaluate brand image effects on customers satisfaction from the perspective of perceived quality, brand loyalty , brand awareness and brand association the result revels that customer satisfaction can be increased by increasing brand image on brand awareness, and brand loyalty in the mobile phone market in Sri Lanka. They claim that their research findings were supported by previous literature of Kumar (2014).

A research conducted in the Ethiopian context by Hagos( 2017), identified that the effect of brand image benefits individually more affect customer satisfaction than customer loyalty. Ibrahim (2014), also shows that brand image benefits: Functional, experiential, and symbolic benefits have positive impact on the customer perception affecting the customer satisfaction and customer loyalty. This and other researches with their findings are summarized in the below table.

Author and year	Title	Country	Findings
Thakur & Singh (2012)	Brand image, customer satisfaction and loyalty intention: A study in the context of cosmetic product among the people of central India	India	Functional, social and appearance enhance are positively and significantly related to customer satisfaction and loyalty intention. And experimental and symbolic has no positive and significant relationship with customer

			satisfaction and loyalty
Lahap, Ramli, Mohd Said, Mohd Radzi, & Adli Zain (2016)	A study of brand image towards customer's satisfaction in the Malaysian hotel industry.	Malaysia	Brand image could influence customer satisfaction. Brand image will attract more potential customers and able to retain the existing customers.
Lada, Rizal, William, Suki, Rahman & Tanakinjal (2018)	Brand image and Satisfaction on: Role of Symbolic, Functional, Social and Experiential Benefits	Malaysia	symbolic, functional, and experiential benefits are significant determinant of golfers sense of satisfaction Experiential benefits are the most significant predictor towards satisfaction. symbolic benefits negatively influence golfers' sense of satisfaction.
Ibrahim(2014)	Effect of brand image on Customer satisfaction and Loyalty the case of Ethiopian Airlines	Ethiopia	Brand image benefits are positively related to customer satisfaction and customer loyalty. experiential benefit has the most value for the customers followed by the functional benefit Symbolic benefit also has a positive relation with both customer satisfaction and customer loyalty.
Hagos (2017)	The Effect of B r a n d Image on Customer Satisfaction and Loyalty : The Case of Ethiopian Insurance Corporation	Ethiopia	customer satisfaction is significantly affected by functional benefits, experiential benefits and symbolic benefits respectively.

			effect of brand image benefits individually more affect customer satisfaction than customer loyalty.
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*Table:2.2. Empirical Review on Brand Image and Customer Satisfaction*

### **2.3. Conceptual Framework.**

**Functional brand image benefits** are the intrinsic advantages of product or service consumption and usually linked to the product-related attributes. Besides, it is associated with physiological and safety needs Keller (1993). Brand functional value has to do with the brand’s ability to satisfy consumer functional needs and wants Keller (2001). Park et al., (1986), also define it that functional brand image concepts are designed to solve externally generated consumption needs.

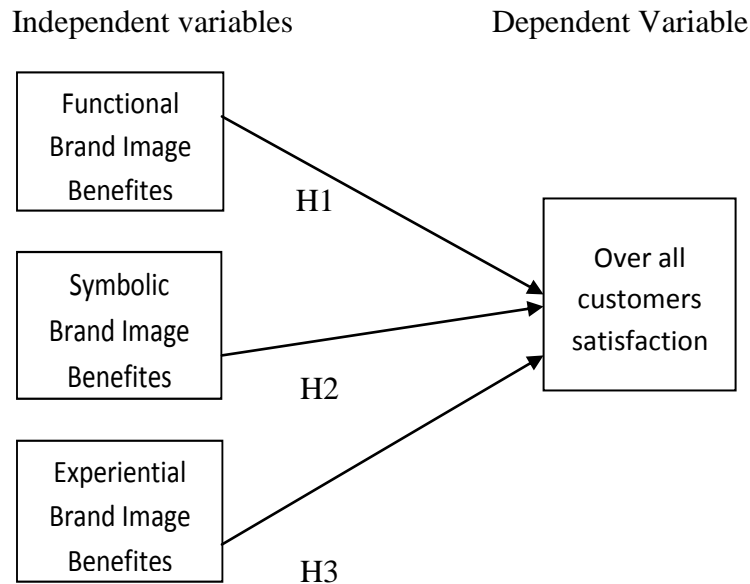
A **symbolic brand benefit** is one that is designed to associate the individual with a desired group, role, or self-image Park et al., (1986). Thus, symbolic benefits are intended to connect the person with the group that the person preferred to be associated with. Jeon (2017), mention McCracken, (1990); Park et al.,(2010) , Brands with symbolic benefits have the potential to not only express brand-self associations but also to reinforce and strengthen them, thus enhancing customers’ willingness to exert effort and invest resources towards sustaining their relationship with the brand. That means symbolic benefit upgrades customers readiness towards enduring their association with the brand.

**Experiential brand image benefits** according to Park et al., (1986), are designed to fulfill the internally generated needs for stimulation and variety. Delgado-Ballester & Sabiote (2015), also stated that it is a benefit emphasizing on non-functional product characteristics such as brand-related stimuli (e.g. colors, shapes, slogans, background design elements, music). As Keller (1993), defines it, It is a benefits relate to what it feels like to use the product or service. Therefore, experiential brand image benefits are associated with the customers sensation to utilize the product or the service.

**Customer satisfaction** generally means the perception of a product in customer’s mind about your product Oliver (1997). Thus, Hanif et al.,( 2010) quote Hennig-Thurau and Klee, (1997), that overall customers satisfaction with products and services of a company is considered as most important factor leading toward competitiveness and success Hennig-Thurau and Klee ( 1997). As

it is stated earlier, satisfying customers is an important element in marketing concept Kotler & Armstrong (2004).

Based on the theoretical and empirical review of different researches, the researcher drive the following conceptual framework



*Figure :2.2. Conceptual framework*

*Source: researchers own based on the adaptation of Keller(1993) brand knowledge model.*

Based on the above theoretical literatures and empirical findings the researcher proposed the following hypothesis

- H<sub>1</sub>.** There is significant and positive relationship between functional brand image benefits and customer overall satisfaction
- H<sub>2</sub>.** There is significant and positive relationship between symbolic brand image benefits and customer overall satisfaction
- H<sub>3</sub>.** There is significant and positive relationship between experiential brand image benefits and customer overall satisfaction

## **Chapter 3**

### **Methodology**

#### **3.1. Research approach**

Creswell (2003) classified scientific research approaches into three: quantitative, qualitative, and mixed research. Quantitative research is an approach for testing objective theories by examining the relationship among variables, which can be measured and analyzed using statistical procedures. Qualitative research is an approach for exploring and understanding the meaning individuals or groups ascribe to a social or human problem” Whereas, mixed research approach involves collecting and analyzing both quantitative (numeric) and qualitative (descriptive) forms of primary data in a single study Creswell (2014). Hagos(2017), mention Creswell (2003), the quantitative research is critical to show the cause and effect relationship between dependent and independent variables. To address the research question, to test hypotheses and investigate the cause and effect relationship between brand image benefits and customer satisfaction the study employed quantitative type of research approach.

#### **3.2. Research design**

Research designs are plans and the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis. Cresswell (2009). Descriptive research defines the research aspects of who, what, where, when, why and sometimes how of the research in contrary while in an explanatory study, the researcher uses theories or hypotheses to represent the forces that caused a certain phenomenon to occur Yin (1994). An explanatory research goes beyond description and strive to explain the cause for the occurrence that the descriptive study only observed.

The purpose of this study is to explain the effect of brand image benefits on customers satisfaction. When the focus is on cause-effect relationships, the study can be explanatory explaining which causes produce which effects Yin (1994).Thus; this study implemented a cross sectional explanatory research design.

### **3.3. Population and Sample**

#### **3.3.1. Population.**

The target population of this study was customers who are owner or drivers of passenger cars, owner or drivers of commercial vehicles, taxi drivers , privet and government organization general service managers, purchasing managers or drivers in Addis Ababa who at least fitted horizon Addis Trye products.

#### **3.3.2. Sampling technique**

Due to non-availability of the sample frame of the population, the researcher was forced to use convenience-sampling method. In order to get an inclusive sample, convenience-sampling procedure was employed to select respondents and to collate primary data from the selected respondents who are located in Addis Ababa.

#### **3.3.3. Sample Size**

Since the population of the study is unknown, the researcher used the formula developed by Kothari (2004), to determine the sample size of the study. The sample size of the study was 384 which is determined by using the following formula,

$$n_0 = \frac{z^2 p (1-p)}{e^2}$$

$$n_0 = \frac{(1.96)^2 0.5 (1-0.5)}{(0.05)^2}$$

Sample size= 384 respondents were chosen as a sample.

### **3.4. Data Source and Type**

Primary data was gathered from the selected respondents who are a customer of HAT located in Addis Ababa city. Secondary data related to the subject was reviewed from books, articles and journals related, newspapers, and online.

### **3.5. Data Collection Instrument**

Data was gathered through a structured, five-point Liker Scale close-ended questioner, which ranged from 1 for "strongly disagree" to 5 for "strongly agree." The questioner has been distributed to the selected respondents in Addis Ababa city. According to (Park et al. (1986), and Keller (1993), There are three dimensions in brand image benefits: experiential, symbolic, and

functional benefits .To measure brand image benefits questionnaires originally developed by Del Rio, Vazquez and Iglesias (2001) , Cho (2011), Sweeney and Soutar's (2001), Tsai (2005) and Park et al. (1986) which was utilized by Ibrahim (2014) and Hagos (2017), adjusted in accordance with the context of this study and utilized to measure brand image benefits.

Similarly questionnaire developed by Oliver (1980), Grace and O'Cass (2005), Taylor and Baker (1994), Ibrahim (2014) and Hagos( 2017), customized and utilized to measure overall customer satisfaction. The respondents were requested to answer the questions by indicating their level of agreement/ disagreement to the question stated, using the scale from 1 for "strongly disagree" to 5 for "strongly agree". Considering the nature of the industry some of the questions was self-developed for both variables.

### **3.6. Validity and Reliability**

**3.6.1. Validity:** According to Field (2009), validity evidence that a study allows correct inferences about the question aimed to answer or that a test measures what it set out to measure conceptually. Saunders et. al.,( 2003), also defines validity as the extent to which data collection method or methods accurately measure what they were intended to measure. Which means it is to check that the questions evaluate what it is planned to measures. This study utilized content validity that is the extent to which the measurement device, which is the questioner, provides adequate coverage of the investigative questions Saunders et. al., (2009). Content validity of the measurement instrument was confirmed as per the literature reviewed related to the subject .The advisor of this research also verified the appropriateness of the questions and the scales of measurement.

**3.6.2. Reliability:** reliability refers to consistency. For a questionnaire to be valid, it must be reliable. Saunders et. al., (2009). Reliability is a means that a measure or a questionnaire should consistently reflect the construct that it is measuring. Field(2009). This means the outcome of the measurement instrument yields the same result with a replicated test. There are varieties of methods for calculating internal consistency, of which one of the most frequently used is Cronbach's alpha Saunders et. al. (2009). Cronbach alpha should result in a number between 0 and 1. In general, a questionnaire or measurement instrument with  $\alpha$  value of 0.7 is considered reliable Field (2009). The study uses Cronbach alpha method to evaluate the internal consistency of the research instrument and the result showed in acceptable range.

	No. Items	Cronbach's Alpha
Functional brand image benefits	4	0.77
Symbolic Brand image benefits	5	0.71
Experiential brand image benefits	5	0.79
Customer overall satisfaction	4	0.85

*Table 3.1: Overall Reliability test*

*Source : survey result*

As it is shown on, the above table the alpha coefficients of dependent and independent variables was conducted and found to be more than 0.70. Hence, it can be concluded that all the items in the measurement instrument are internally consistent.

### **3.7. Ethical consideration**

The intentions of the research were explained for the respondents in the preliminary part of the questioner. Data were collected from voluntary participants and for confidentiality purpose; respondents were not required to write their names. Additionally the researcher guarantees that the responses will be used for this research purpose only.

### **3.8. Data analysis and interpretation**

Data collected through questioner was analyzed using descriptive statistics, correlation, and regression analysis. Frequency and percentage used to illustrate the demographic part. Correlation and regression analysis was also employed to evaluate the relationship among the variables, which is brand image benefits and customer satisfaction using SPSS.

## Chapter Four

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1. Introduction

In this chapter, the data collected from respondents have been analyzed and interpreted. It contains general characteristics of the respondents, descriptive analysis, correlation analysis and regression analysis of the study. Based on the data collected through questioner from the customers of Horizon Addis Tyre analysis and interpretations were conducted.

#### 4.2. Overall response rate

From the 384 questionnaires, distributed 341 were returned. Therefore, 341 were used for analysis. This means that the response rate was 88%.

#### 4.3. General Characteristics of the Respondents

##### 4.3.1. Gender of the respondents

Form the total of 341 respondents 92% of the respondents were Males and 7% of respondents were females. The below table indicates the respondents gender with their respective frequency of occurrence and percentages.

##### Gender

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid men	312	91.5	92.3	92.3
Valid Female	26	7.6	7.7	100.0
Total	338	99.1	100.0	
Missing System	3	.9		
Total	341	100.0		

Table:4.1 Gender of respondents  
Source: Survey result

### 4.3.2. Age of respondents

The below table indicates the age group of the respondents. Accordingly, the age group of 18-30 was 38% , age category of 31 -45 was 46% and age category above 45 years was 15%. As the table shows age category from 31 -45 found to be the dominant category.

#### Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-30	128	37.5	38.0	38.0
Valid 31-45	158	46.3	46.9	84.9
Valid 45 above	51	15.0	15.1	100.0
Total	337	98.8	100.0	
Missing System	4	1.2		
Total	341	100.0		

Table:4.2 Age of respondents

Source: Survey result

### 4.3.3. Number of years as a customer of Horizon Addis Tyre

The respondents were asked to the number of years as a customer of Horizon Addis Tyre. They chose from the alternative provided as less than three years, 3-5 years, 5-10 years, and more than ten years and the result was as follow:

#### Number of years as a customer

Number of years		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 3 years	142	41.6	41.9	41.9
	3 to 5 years	92	27.0	27.1	69.0
	5 to 10 years	45	13.2	13.3	82.3
	more than 10 years	60	17.6	17.7	100.0
	Total	339	99.4	100.0	
Missing	System	2	.6		
Total		341	100.0		

Table:4.3 Number of years as a Customers

Source: Survey result

As the above table indicated majority of the respondents which is 41% has been a customer of Horizon Addis Tyre for less than three years. 27% , 13% and 17% of respondents has been a customers of the company for 3 to 5 years, 5 to 10 years and more than 10 years respectively.

#### 4.4. Descriptive Analysis

##### 4.4.1. Functional brand image benefit descriptive analysis

As per the survey result the mean scores of the items under functional brand image benefits fall within the range of 3.06 to 3.54, this implies that the brand has positive functional benefits. This also shows that the majority of respondents choose ‘agree’ to show their reaction towards functional brand image benefits of Horizon Addis Tyre

Functional Benefit	Mean	Std. Deviation
The brand is easily available	3.4137	1.23082
The brand has all products that I want	3.0680	1.20019
The brand executes as it promise	3.2929	1.17087
The brand offers good product quality & reasonably priced	3.5430	1.20221

Table:4.4: Frequency of Functional Benefits  
Source: Survey result

##### 4.4.2. Symbolic benefit descriptive analysis

The below table shows the descriptive analysis of symbolic brand image benefits. As per the survey result the mean scores of the items under symbolic brand image benefits fall within the range of 2.81 to 3.54, this implies that the brand has positive functional benefits.

#### Descriptive Statistics

Symbolic Benefits	N	Mean	Std. Deviation
The brand image is outstanding and gives me a good impression	337	3.3531	1.21373
This is the leading brand in the market	338	2.8136	1.23651
The brand helps me to better fit in to my social group	334	3.2036	1.12059
The brand prevented me from looking cheap	333	3.1441	1.23098
Using this brand increases myself-esteem	335	3.5164	1.20087
Valid N (listwise)	329		

Table:4.5: Frequency of Symbolic Benefits  
Source: Survey result

#### 4.4.3. Experiential brand image benefit descriptive analysis

The below table shows the descriptive analysis of experiential brand image benefits. Five items were provide for respondents to rate their felling towards experiential brand image benefits of Horizon Addis Tyer. As per the survey result the mean scores of the items under experiential brand image benefits fall within the range of 2.99 to3.488, this implies that the brand has positive experiential brand image benefits.

##### **Descriptive Statistics**

<b>Experiential benefit</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Using HAT's product feels good	336	3.4702	1.17651
I feel safe with HAT's product	336	3.4881	1.08167
This brand is dependable for use	338	3.3669	1.19160
The company provides adequate support at all time	336	2.9970	1.28713
The brand increased my frequency of use	338	3.3462	1.20644
Valid N (listwise)	332		

Table:4.6: Frequency of Experiential Benefits  
Source: Survey result

#### 4.4.3. Overall customer satisfaction descriptive analysis

The below table shows the descriptive analysis of overall customer satisfaction. Four items were provide for respondents to rate their felling towards overall satisfaction towards the brand Horizon Addis Tyer. As per the survey result the mean scores of the items under overall customer satisfaction fall within the range of 2.97 to3.47, this implies that the brand has positive overall customer satisfaction.

<b>Customer overall satisfaction</b>	<b>Mean</b>	<b>Std. Deviation</b>
I did the right thing when I used this brand	3.4793	1.19141
The brand perfectly fits my expectation	3.0888	1.17508
The brand is an excellent brand	2.9793	1.22880
Overall I am satisfied with the brand HAT	3.4201	1.15085
Valid N (listwise)		

Table:4. 7: Frequency of customer overall satisfaction  
Source: Survey result

#### 4.5. Correlation Analysis

Bivariate Pearson correlation coefficient was used to examine the relationship between independent variables (Functional brand image benefit, symbolic brand image benefit and experiential brand image benefit) against the dependent variable that is customer Overall satisfaction.

The below table showed the result of Pearson correlation coefficient of the variables namely brand image benefits dimensions along with the dependent variable overall customer satisfaction.

**Correlations**

		MeanFunctional	MeanSymbolic	MeanExperen	MeanOverallsat
MeanFunctional	Pearson Correlation	1	.425**	.351**	.335**
	Sig. (2-tailed)		.000	.000	.000
	N	338	338	338	338
MeanSymbolic	Pearson Correlation	.425**	1	.600**	.490**
	Sig. (2-tailed)	.000		.000	.000
	N	338	338	338	338
MeanExperen	Pearson Correlation	.351**	.600**	1	.645**
	Sig. (2-tailed)	.000	.000		.000
	N	338	338	338	338
MeanOverallsa	Pearson Correlation	.335**	.490**	.645**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	338	338	338	338

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

Table4.8 Correlation analysis

Source: Survey result

According to Field (2005), the strength of relationship is 0.1to 0.29 shows week relationship; 0.3 to 0.49 is moderate; >0.5 shows strong relationship between the two variables. The survey result shows that, there is strong positive relationship between experiential brand image benefit and the dependant variable, overall customer satisfaction .The other two independent variables which are Functional and Symbolic brand image benefits shows, positive but moderate relationship with the dependent variable.

Sequentially, the highest positive correlation is found to be Experiential brand image benefit with Overall customer satisfaction (r=0.645, P<0.05) followed by symbolic brand image benefit (r=0.490, P<0.05) and functional brand image benefit (r=0.335, P<0.05) respectively.

## 4.6. 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) cited in by Yonnas,(2014).

Meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represented the sample and that researcher has obtained the best results (Hair et al., 1998) cited in by Gudeta,(2014). He also pointed out that multi-collinearity and linearity should be tested

### 4.6.1. Multicollinearity

If there is a high degree of correlation between independent variables, we have a problem of what is commonly described as the problem of multicollinearity (Kothari,C.R. (2004) as cited in by Yonnas (2014).

Yalemberhan (2014) explained that Tolerance value below 0.10 indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity. He also stated that the value of Variance Inflation Factor (VIF), which is the largest VIF value is greater than 10, then there is a cause for concern. This implies that collinearity exists between variables.

The survey result shows the collinearity statistics analysis of variance inflation factor (VIF) value ranging from 1.24 - 1.70 for the independent variables brand image benefits. Moreover, tolerance value ranges within the value of 0.587 to 0.805. According to this values both VIF and tolerance level indicate that nonexistence of multicollinearity problem.

Model	Collinearity Statistics	
	Tolerance	VIF
1		
(Constant)		
MeanFunctional	.805	1.242
MeanSymbolic	.587	1.703
MeanExperiential	.628	1.592

a. Dependent Variable: Mean Overallsat

Table 4.9 Colinearity

Source: Survey result

### 4.6.2. Linearity

The linearity of the relationship between the dependent and independent variable represented the degree to which the change in the dependent variable is associated with the independent variable (Hair et al., 1998). Linearity means that there is a straight line relationship between the independent variable and the dependent variable. To test the linearity between brand image benefit and customers overall satisfaction the scatter plot of standardized residuals versus the fitted values for the regression models were visually inspected. The plots did not reveal any systematic pattern, thus we conclude that the linearity assumption is satisfied.

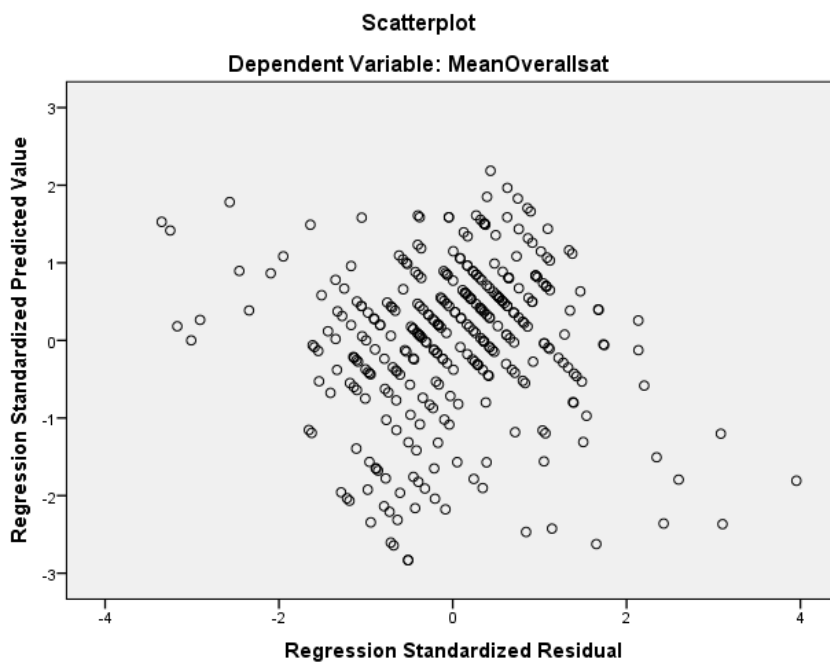


Figure: 4.1. scatter plots  
Source: Survey result

### 4.6.3. Normality Test

Normality is used to determine where the data set is modeled for normal distribution. To evaluate the normality graphical and statistical evaluation methods can be used. Graphically it can be evaluated using Histograms and normality plot. Statically it can be evaluated using two numerical measures of shape, which is skewness and kurtosis.

To test the normality of residuals, we must look at the histogram and normal probability plot. The histogram should look like a normal distribution (a bell-shaped curve) Field, (2005) . Figure 4.2 and 4.3 shows histogram and normal probability plot of the study. As it is indicated, the histogram

shows a bell-shaped curve to show the normal distribution. Field (2005) mentioned that the straight line in normal probability plot represents a normal distribution, and the points represent the observed residuals. Therefore, in a perfectly normally distributed data set, all points will lie on the line. As Figure 4.2 shows, the straight line and almost all points lie on the straight line. This confirms that a normal distribution of the data.

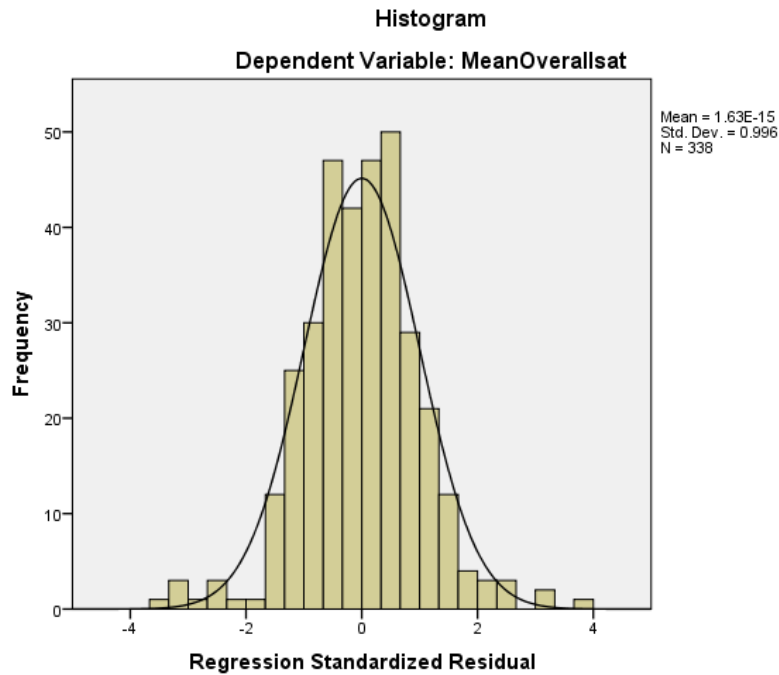


Figure: 4.2. Normal distribution curve ( Histogram)  
 Source: Survey result

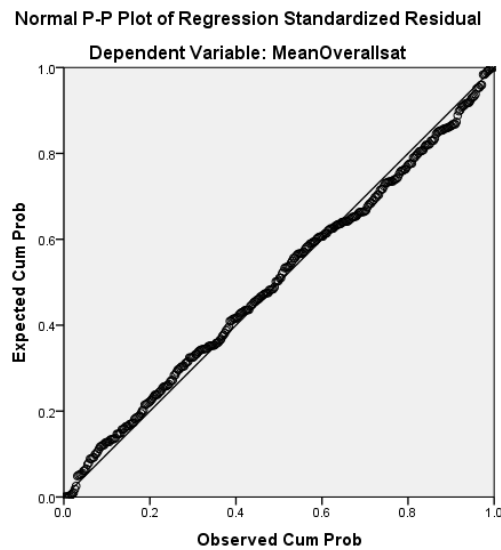


Figure:4.3: normal probability plot  
 Source: Survey result

#### 4.6.4. Homoscedasticity

At each level of the predictor variable(s), the variance of the residual terms should be constant. This just means that the residuals at each level of the predictor(s) should have the same variance Field (2005). The data below shows the homoscedasticity test of this study. As it is indicated in the graphs below the residuals plot is the same width for almost all values of the predicted dependent variable which is customers overall satisfaction.

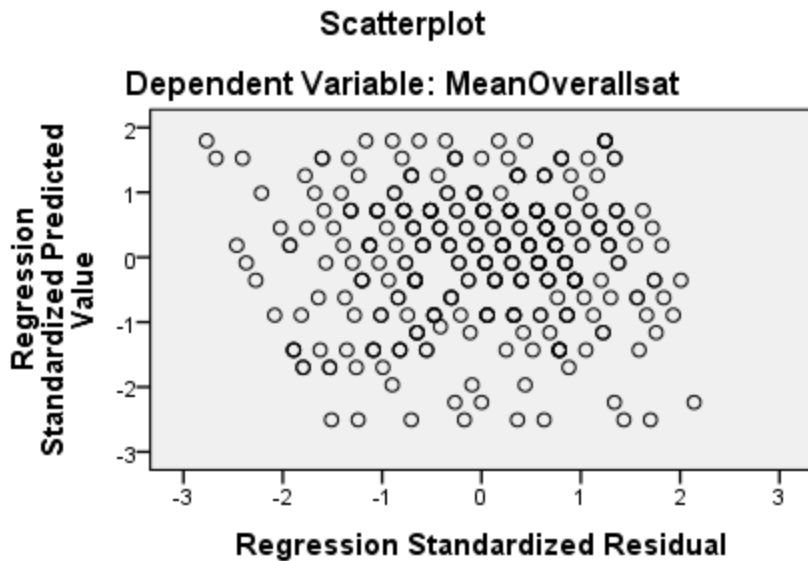


Figure:4.4 scattered residual plots for functional brand image benefits with customers overall satisfaction

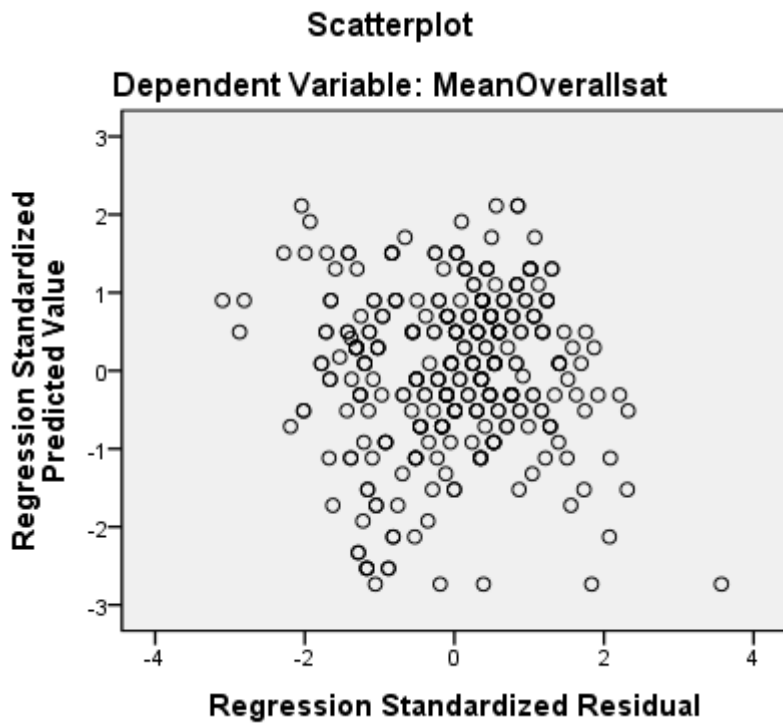


Figure:4.5. scattered residual plots for symbolic brand image benefits with customers overall satisfaction

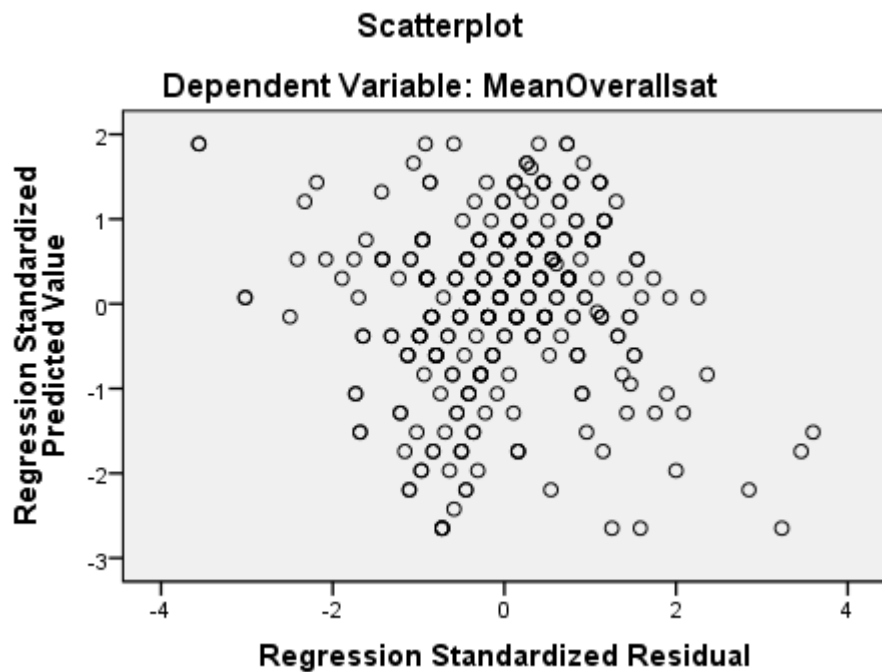


Figure:4.6 scattered residual plots for experiential brand image benefits with customers overall satisfaction

#### 4.6.4. Regression Analysis of Brand Image Benefits and Customers' Satisfaction

Multiple regression estimates the coefficients of the linear equation when there is more than one independent variable that best predicts the value of the dependent variable. Brand image benefit dimensions namely functional, symbolic and experiential benefits are the independent variables. It is also used to understand by how much each independent variable (functional benefits, experiential benefits and symbolic benefits) explain the dependent variables, customer satisfaction. The results of the regression analysis are presented as follows.

The below table shows the model summary that reports the strength of relationship between the model and the dependent variable.

##### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663 <sup>a</sup>	.439	.434	.74484

a. Predictors: (Constant), MeanExperen, MeanFunctional, MeanSymbolic

Table 4.11 Model summary

Source: Survey result

The above table shows multiple correlation coefficient of R between all of the predictor variables and the dependent variable which are brand image benefit and overall customer satisfaction is (0.663<sup>a</sup>). The table also indicates how much of the variance in the dependent variable (customers overall satisfaction) is explained by the model (which includes Functional, symbolic and Experiential brand image benefits).

The survey result shows that the independent variables explained or affect 43% of the variance of customer overall satisfaction. The model also indicates that other factors, but not these predictors can explain 57% of the variance

The below table shows the ANOVA model that is the statistical significance of the result. As sig value is less than 0.05 and the F- value (87.26) is significant, the brand image benefit ( functional, Symbolic and experiential benefits) has significantly explained the dependent variable ( customer overall satisfaction).

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	145.240	3	48.413	87.264	.000 <sup>b</sup>
	Residual	185.300	334	.555		
	Total	330.540	337			

a. Dependent Variable: MeanOverallsat

b. Predictors: (Constant), MeanExperen, MeanFunctional, MeanSymbolic

Table4.12 Anova table  
Source: Survey result

The tables below shows survey result indicating the standardized coefficients result in order to identify which predictors are significant contributors to the explained variance in the dependent variable. All the independent variables found to be positive and significant predictor of overall customers satisfaction.

The correlation coefficient shows that the Beta value is 0.092 for functional benefits, 0.130 for symbolic and 0.534 for experiential benefits meaning that experiential brand image benefits have the most significance power on customer overall satisfaction than that of functional and symbolic brand image benefits.

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

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.404	.196		2.067	.039
	MeanFunctional	.098	.049	.092	2.014	.045
	MeanSymbolic	.156	.064	.130	2.437	.015
	MeanExperen	.600	.058	.534	10.340	.000

a. Dependent Variable: MeanOverallsat

Table4.13. Correlation Coefficients  
Source: Survey result

The researcher has discovered that the degree of customer overall satisfaction can be determined by those identified variables. Consequently, the researcher, as indicated below, developed a regression model:

$$Y (\text{overall satisfaction}) = 0.404 + (0.098 \times \text{Functional benefit}) + (0.156 \times \text{Symbolic benefit}) + (0.60 \times \text{Experiential benefit})$$

#### 4.7. Hypotheses Testing

There were three hypotheses constructed in this study to answer the research question. The strength and direction of the relationship has been explained using Pearson correlation coefficient. Now to test the influence of the independent variables on the dependent variable in this case customers overall satisfaction regression analysis was used as follows.

#### Summary of the Overall Outcome of the Research Hypotheses

Hypotheses	Result	Reason
<b>H<sub>1</sub></b> . There is significant and positive relationship between functional brand image benefits and customer overall satisfaction	Supported	$\beta=0.092, p<0.05$
<b>H<sub>2</sub></b> . There is significant and positive relationship between symbolic brand image benefits and customer overall satisfaction	Supported	$\beta=0.130, p<0.05$
<b>H<sub>3</sub></b> . There is significant and positive relationship between experiential brand image benefits and customer overall satisfaction	Supported	$\beta=0.530, p<0.05$

**Table:14** hypotheses testing

#### 4.8. Discussion of Result

The objective of this study is to assess the effect of Brand Image on Customer Satisfaction the case of Horizon Addis Tyre. The study was conducted by distributing questionnaires to 384 customers of the organization.

Demographic background of the respondents for example gender, age and number of years as, frequency and percentage has been analyzed. From the total of 341 respondents the study revealed that 92% male and 7.7% of female respondents. Respondents age group also analyzed using frequency and percentage and the study shows that the age group of 18-30 was 38% , age category of 31 -45 was 46% and age category above 45 years was 15%.The age category 31 -45

found to be the dominant category. Moreover, majority of the respondents, which is 41%, has been a customer of Horizon Addis Tyre for less than three years. 27%, 13% and 17% of respondents has been customers of the company for 3 to 5 years, 5 to 10 years and more than 10 years respectively

Both Validity and reliability of research instrument was verified. The content validity of the research instrument was verified by the advisor of this research, who looked into the appropriateness of the questions and the scales of measurement. In addition, it is also as per a literature reviewed related to the subject. As for the reliability of the data collecting instrument, Cronbach alpha coefficients were computed. The result of the Cronbach's alpha for this study's instrument was found to be in the acceptance range i.e.  $>0.7$ . The Cronbach alpha coefficients were within the range from 0.71 to 0.85. Therefore, this implies that the scale was acceptable for further analysis.

The relations among the different items were measured using Pearson correlation coefficient. The result conformed that all the independent variables Brand image ( functional, symbolic and experiential brand image benefits) found to be positive and significant predictor of the dependent variable overall customers satisfaction. Functional brand image benefits are positively and significantly correlated with customers' overall satisfaction ( $r = 0.335$ ), symbolic brand image benefits are positively correlated with customer overall satisfaction ( $r=0.490$ ), and experiential brand image benefits is also positively correlated with customer overall satisfaction ( $r=0.645$ ). This research finding is consistent with previous studies such as Lahap, et.al, (2016), Lada et.al, (2018), Ibrahim(2014) and Hagos (2017).

It also showed that experiential brand image benefit have strong positive relationship with customer overall satisfaction. This result also consistent with Lada et.al, (2018) in their findings mentioned that experiential benefits are the most significant predictor towards satisfaction. In contrary, the research finding by Thakur & Singh (2012) explained that experimental and symbolic brand image benefits has no positive and significant relationship with customer satisfaction.

Symbolic brand image benefits and functional brand image benefit moderately related to customers overall satisfaction. Symbolic brand image benefit is the second most significant

predictor towards customers overall satisfaction followed by functional brand image benefit. The finding is similar with Thakur & Singh (2012) however, Lada, (2018), Ibrahim (2014), Hagos (2017) concluded in contrary that symbolic brand image benefit either negatively influence or least significant for overall customer satisfaction than functional brand image benefit.

In addition, this study found that functional brand image benefit has the lowest effect on satisfaction compared to the other variables (experiential and symbolic benefits). This means that the result contradicts with previous studies.

As for the regression analysis, the result shows that 43% of customer satisfaction is explained by brand image benefits (functional, experiential and symbolic benefits). Besides, the correlation Coefficient the Beta value for functional brand image benefits is  $\beta = 0.092$ , Beta value for Symbolic brand image benefit is  $\beta = 0.130$  and Beta value for experiential brand image benefits is  $\beta = 0.534$ . One unit change in one of the brand image benefit dimensions ( Functional, symbolic or experiential) will cause the multiple of their respective Beta value.

## CHAPTER FIVE

### SUMMARY, CONCLUSION, AND RECOMMENDATION

#### 5.1. Introduction

In this chapter; summary, conclusion, and recommendation of the study are presented. The summary of the findings was presented in an attempt to answer the research questions. Basing on the findings, pertinent conclusion was reached. Finally, In light of the findings and the conclusion, sound recommendations were forwarded.

#### 5.2. SUMMARY OF FINDINGS

The findings of the study are summarized below.

- The study revealed that 92% were male and 7.7% were female respondents.
- Majority of the respondents which is 41% has been a customer of Horizon Addis Tyre for less than three years.
- The result conformed that all the independent variables Brand image ( functional, symbolic and experiential brand image benefits) found to be positive and significant predictor of the overall customers satisfaction.
- Experiential brand image benefit have strong positive relationship with customer overall satisfaction.
- Symbolic brand image benefits and functional brand image benefit moderately related to customers overall satisfaction.
- This study discovered that functional brand image benefit has the lowest effect on satisfaction
- The result shows that 43% of customer satisfaction is explained by brand image benefits (functional, experiential and symbolic benefits).

### 5.3. CONCLUSIONS

The sample population characteristics of the study was owner or drivers of passenger cars, owner or drivers of commercial vehicles, taxi drivers , privet and government organization general service managers, purchasing managers or drivers who fitted the products of Horizon Addis tyre which were selected through non probability sampling called convenience sampling method.

Theoretically, the result of this study presents empirical evidence for the effect brand image benefits namely, functional, symbolic and experiential bran image benefits influences on customers overall satisfaction. This study adds value to the literature by empirically linking a list of determinants to the dependent variable. This study will contribute to fill the gap of scarcity of empirical evidences on the relationship between brand image and customer satisfaction particularly in the manufacturing sector.

Practically, the finding of the study proved that there is a significant and positive relationship among the dependent and independent variables. All brand image benefit dimensions was found to be significantly and positively related to customer overall satisfaction. The survey outcome verified that Horizon Addis Tyre has positive, strong and significant relationship between experiential brand image benefit and customer overall satisfaction. The study also reveled that symbolic and functional brand image benefits also positively, significantly but moderately related with customer's overall satisfaction.

This study also found out that among the three brand image benefits, experiential brand image benefit has been the most valued variable for customers followed by symbolic and functional benefit. From this, we can conclude that Horizon Addis Tyre customers give more value for experiential, symbolic, and functional benefit of brand image respectively.

## 5.4. RECOMMENDATIONS

Based upon the study, the following recommendations are suggested.

The company should create positive and favorable brand images through awareness creation on the production and commercialization of newly developed and produced technologically advanced products through different media to generate positive and favorable attitudes toward the brand.

The company should assess the elements of desirable product characteristic ,quality and brand attributes that the customers requires to position the brand positively in the minds of consumers and influence their purchase decision which is the ultimate goal of brand building.

The research findings reveal that there is a positive and strong relationship between Experiential brand image benefit and customers overall satisfaction. This implies that customers feels good, secure, and protected. Customers also found the brand Horizon dependable for use. Such qualities should be maintained and improved for the better.

The study shows that functional brand image benefit found to be the least contributor for the satisfaction of customers. As per Keller (1993), brand equity came from the customers' confidence in a brand the more brand performs its functions as designed the better customers confidence sustained. therefore, the company should signify and communicate its product and service functional value to the customers as a result, customer's perception towards functional brand image benefits will be enhanced.

It is important for the company to measure customer satisfaction time to time in order to analyze their product, services, and brand image of the product from the customer point of view for a satisfied customer would recommend the product and services to other potential customers.

Finally, to create successful brand, marketing manager should be more committed about the development of brand image and customer satisfaction through the development of branding strategy.

#### **5.4. DIRECTION FOR FUTURE RESEARCH**

Regardless of its meaningful outcomes, this study has some limitations. For instance, the research measures the model using quantitative research approach. Quantitative data cannot be accounted for non-numerical information such as human emotion, their beliefs, or imaginations. Researchers in the future can measure the contract using either qualitative or mixed method to incorporate detailed description of respondent's feelings, opinions, and experience; and interprets the meanings of their actions. Moreover, other researchers can investigate the moderating role of other possible influential variables such as brand awareness, and brand loyalty.

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# APPENDIX

**Appendix 1**  
**QUESTIONNAIRE**

**Addis Ababa University School of Commerce**  
**Graduate Program in Marketing Management**

Dear Respondent,

This questionnaire is designed to capture your feeling about Horizon Addis tyre's brand image and customer satisfaction. It is purely designed for academic purpose for the study with a title of "Effects of Brand Image on Customer Satisfaction" in partial fulfillment of Master of Arts Degree in Marketing Management in Addis Ababa University School of Commerce. Your response will be utilized confidentially. Your valid response is vital to the analysis.

**PART I: PERSONAL PROFILE**

Please circle the number corresponding to your response

1. **Gender:**                      1. Male                              2. Female
2. **Age**                              1. 18 – 30                              2. 31 – 45                              3. Above 45
3. **Numbers of years as Horizon Addis tyre customer**
1. Less than 3 Years                              2. 3-5 Years
3. 5-10 Years                                              4. More than 10 Years

## PART II: Brand Image Benefits

### Direction

The following statements relate to your feelings about Horizon Addis Tyre. For each questions, please show the extent to which you believe indicating the number from“1” to“5” representing your level of agreement/ disagreement. There is no right or wrong answer; what matters is the number that best shows your perception about Horizon Addis Tyre.

Scale of Measurement: (1) Strongly Disagree    (2) Disagree    (3) Indifferent    (4) Agree (5) Strongly Agree		Answer				
		1	2	3	4	5
<b>Functional Brand Image Benefits</b>						
1	The brand is easily available	1	2	3	4	5
2	The brand has all products that I want	1	2	3	4	5
3	The brand executes as it promise	1	2	3	4	5
4	The brand offers good product quality and reasonably priced	1	2	3	4	5
<b>Symbolic Brand Image Benefits</b>						
5	The brand image is outstanding and gives me a good impression	1	2	3	4	5
6	This is the leading brand in the market	1	2	3	4	5
7	The brand helps me to better fit in to my social group	1	2	3	4	5
8	The brand prevented me from looking cheap	1	2	3	4	5
9	Using this brand increases myself-esteem	1	2	3	4	5
<b>Experiential Brand Image Benefits</b>						
10	Using HAT’s product feels good	1	2	3	4	5
11	I feel safe with HAT’s product	1	2	3	4	5
12	This brand is dependable for use	1	2	3	4	5
13	The company provides adequate support at all time	1	2	3	4	5
14	The brand increased my frequency of use	1	2	3	4	5

## PART III: Overall Satisfaction

<b>Overall Customer Satisfaction</b>						
15	I did the right thing when I used this brand	1	2	3	4	5
16	The brand perfectly fits my expectation	1	2	3	4	5
17	The brand is an excellent brand	1	2	3	4	5
18	Overall I am satisfied with the brand HAT	1	2	3	4	5



**ክፍል ሁለት፡ምስሌ መግለጫ**

**መጨረሻ፡-**ከዚህ በመቀጠል የቀረቡት ዓርፍተ ነገሮች ስብረቱዎን ለዲህ ገመገሙትን ስሜት ያመሰክታሉ። ስብረቱ ስድራጅቱ ባለው ስመስክነት ትክክለኛ ነው ብለው የሚያስቡትን ከ1-5 ከቀረቡት ስሜቶች መካከል በማክበብ መሰለምን ይስጡ። '1' በጣም ስለማይሰማ '2' ስለማይሰማ '3' ገሰገሰ '4' ስለማይሰማ ስና '5' በጣም ስለማይሰማ።

የመለኪያ መሰፈርት		መልስ				
		1	2	3	4	5
(1) በጣም አልሰማም	(2) አልሰማም	(3) ገለልተኛ				
(4) እስማማለሁ	(5) በጣም እስማማለሁ					
<b>ተግባራዊ ጥቅሞች</b>						
1	የድርጅቱን ምርቶች በቀላሉ ማግኘት ይቻላል	1	2	3	4	5
2	ድርጅቱ የምፈልጋቸውን ምርቶች ሁሉ አለው ብዬ አምናለሁ	1	2	3	4	5
3	ድርጅቱ ለደንበኞች የገባውን ቃል ሙሉ በሙሉ ይተገብራል	1	2	3	4	5
4	ድርጅቱ በተመጣጣኝ ዋጋ ጥራት ያለው ምርት በማቅረብ ላይ ነው	1	2	3	4	5
<b>መግለጫዊ ጥቅሞች</b>						
5	የድርጅቱ ደንበኛ በመሆኔ በህብረተሰቡ ዘንድ ያለኝ ተቀባይነት እንዲሻሻል አድርጎታል።	1	2	3	4	5
6	ሆራይዘን አዲስ ጎማ ገበያውን በመምራት ላይ የሚገኝ ድርጅት ነው	1	2	3	4	5
7	የድርጅቱ ደንበኛ በመሆኔ ከጓደኞቼ ጋር በቀላሉ እንድቀላቀል አግዘኛል	1	2	3	4	5
8	የድርጅቱ ደንበኛ በመሆኔ የተሻለ አቅም ያለው ሰው መስዬ እንድታይ አድርጎኛል	1	2	3	4	5
9	የሆራይዘን አዲስ ጎማን ምርት ተጠቃሚ በመሆኔ በራስ መተማመኔን አሳድጎታል	1	2	3	4	5
<b>ተሞክሮአዊ ጥቅሞች</b>						
10	የሆራይዘንን ምርት በመጠቀሜ ጥሩ ስሜት ይሰማኛል	1	2	3	4	5
11	በድርጅቱ ምርቶች የደህንነት ስሜት ይሰማኛል	1	2	3	4	5
12	የሆራይዘን አዲስ ጎማ ምርት አስተማማኝ ነው	1	2	3	4	5
13	ድርጅቱ ለደንበኞቹ ሁል ጊዜ በቂ ድጋፍ ይሰጣል	1	2	3	4	5
14	የድርጅቱ ስም በራሱ ምርቶቹን በተደጋጋሚ እንድጠቀም አድርጎኛል	1	2	3	4	5

**ክፍል ሦስት፡ አጠቃላይ እርካታ**

አጠቃላይ እርካታ						
15	ሆራይዘን አዲስ ጎማን መምረጤ ትክክለኛ ውሳኔ ነው	1	2	3	4	5
16	ሆራይዘን አዲስ ጎማ የፍላጎቴን እንዳገኝ አድርጎኛል	1	2	3	4	5
17	ድርጅቱ በምርት እና በአገልግሎቱ የላቀ ነው	1	2	3	4	5
18	በአጠቃላይ በሆራይዘን አዲስ ጎማ ረክቻለሁ	1	2	3	4	5

## Appendix 3

### Reliability Analysis

#### Scale: Functional brand image

		N	%
Cases	Valid	335	98.2
	Excluded <sup>a</sup>	6	1.8
	Total	341	100.0

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

Cronbach's Alpha	N of Items
.775	4

#### Scale: Symbolic brand image

		N	%
Cases	Valid	329	96.5
	Excluded <sup>a</sup>	12	3.5
	Total	341	100.0

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

Cronbach's Alpha	N of Items
.715	5

#### Scale: Experiential Benefits

		N	%
Cases	Valid	332	97.4
	Excluded <sup>a</sup>	9	2.6
	Total	341	100.0

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

**Reliability Statistics**

Cronbach's Alpha	N of Items
.792	5

**Scale: Customer overall satisfaction**

**Case Processing Summary**

		N	%
Cases	Valid	338	99.1
	Excluded <sup>a</sup>	3	.9
	Total	341	100.0

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

**Reliability Statistics**

Cronbach's Alpha	N of Items
.855	4



