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Addis Ababa University School of Commerce Department of Marketing Management Post Graduate Program

INVESTIGATING THE FACTORS UNDERLYING CONSUMERS' LOYALTY OF BEER BRANDS IN ADDIS ABABA

**A Research Paper Submitted to the School of Graduate Studies of Addis
Ababa University School of Commerce in Partial Fulfillment for the
Award of Master of Arts in Marketing Management**

By: Mequanent Tesfaw

May, 2016
Addis Ababa - Ethiopia

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Advisor: Tewodros Mesfin

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Statement of Certification

This is to certify that Mequanent Tesfaw has carried out his research work on the topic entailed **“Investigating Factors Underlying Consumers Loyalty of Beer Brand in Addis Ababa”** is his original work and suitable for submission for the award of Master’s Degree in marketing Management.

Advisor: Tewodros Mesfin Signature _____ Date _____

DECLARATION

I, **Mequanent Tesfaw**, declare that the thesis entitled “**Investigating Factors Underlying Consumers Loyalty of Beer Brand in Addis Ababa**” is my original work. I have carried out the present study independently with the guidance and support of the research advisor, **Tewodros Mesfin**. Any other contributors or sources used for the study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other Institution.

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ABSTRACT

Currently breweries are spending a large sum of money to attract consumers in using their brand. Customers consider certain attributes before loyal to certain beer brand. The objective of this study was to investigate underlying factors of consumers beer brand loyalty in Addis Ababa, Ethiopia. Two sub-cities were selected from the target population of ten sub-cities by using simple random sampling method. A questionnaire survey was administered to conveniently selected 366 samples of respondents. The data were analysed using descriptive statistics, one way ANOVA, independent sample t-test and multiple regressions. The findings of the study showed that brand name, availability, promotional mixes, price, quality, Social & situational influence and packaging were identified as critical to brand loyalty decision and are major determinants of brand loyalty for the brewery sector. Brand name is the most important factor that directly influences brand loyalty. Particularly St. George beer is a top-of-mind brand for most consumers in Addis Ababa. Furthermore, the study found out that St. George beer brand is the most loyal brand followed by Habesha beer and Walia beer by the majority of beer consumers in Addis Ababa. Furthermore, in one way ANOVA result the finding of the study shows that consumers of beer who belong to different income groups, age groups and educational levels perceive the underlying factors of beer loyalty differently. Regarding the brand loyalty level, most of consumers of beer are loyal to different brands available in Ethiopia. It is good if breweries wisely choose the proper brand name that is memorable & meaningful and form associations between the brand, the product and its attributes for emerging brands. Breweries can use process of manufacturing or the quality of ingredients used in the process of brewing, test and alcohol content of beer to position their beer as having quality.

CHAPTER ONE

INTRODUCTION

This chapter introduces readers to the study of factors considered to be loyal to a particular beer brand, in Addis Ababa. It underlines the importance of the research, formulates hypothesis, its objectives and research questions. Moreover, issues related to, significance as well as scope and delimitation of the study are included in this chapter.

1.1. Background of the Study

In our increasingly complex world, Products and services are available in the innumerable counts in different varieties by the producers to all the customers and the success of a firm depends largely on its capability to attract consumers towards its brands. In particular, it is critical for the survival of a company to retain its current customers, and to make them loyal to the brand. To a large extent, the success of most businesses depends on their ability to create and maintain customer loyalty. In the first place, selling to brand loyal customers is far less costly than converting new customers. In addition, brand loyalty provides firms with tremendous competitive weapons (Mahmud and Gope, 2012). As Peter and Donnelly (2007) state for some companies, the primary focus of strategy development is placed on brand building, developing, and nurturing activities. Thus, firms should give a due consideration for the development of a strong brand. If marketers can create a strong brand, consumers' can easily be attracted to a company's offering. Moreover, branding results in more product variety and choice for consumers. It helps shoppers by providing much more information about products and facilitates their purchase decision.

Investments in the brand can endow a product with unique associations and meanings that differentiate it from other products. Brands can signal a certain level of quality so that satisfied buyers can easily choose the product again. Thus a strong brand's ability to simplify decision making, reduce risk, and set expectations is invaluable. (Keller, 2012). Brand is a strategic requirement for organizations to create more value for customers and also to create a sustainable competitive advantage (Keller, 2001). Brand loyalty is the biased (non-random) behavioural response (purchase) expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of brands and is a function of psychological processes (Jacoby, 1971) and emotional response.

Purchase decisions based on loyalty may become simplified and even habitual in nature, and this may be a result of satisfaction with the current brand(s). A base of loyal customers is advantageous for an organisation as it reduces the marketing cost of doing business (Javalgi and Moberg, 1997). Brand loyalty is considered to be important to businesses as loyal customers spend more money than non-loyal customers (O'Brien and Jones, 1995) and act as advocates for the brand by engaging in positive word of mouth (Oliver, 1999). The antecedents of brand loyalty are drawn from extant business and consumer marketing literature, and include trust, commitment, satisfaction, perceived risk and involvement.

Studies emphasize on different factors that influence consumers in the formation of their brand loyalty. Lau et al. (2006) in his article mentioned that there were seven factors that influenced consumers' brand loyalty towards certain sportswear brands. The factors were: brand name, product quality, price, style, store environment, promotion and service quality. Brand loyalty, in marketing, consists of a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service or other positive behaviours such as word of mouth advocacy (Dick and Kunal, 1994). Some drivers of brand loyalty are perceived risk, inertia, habit, involvement, satisfaction, and relationship between product or service providers (Rundle-Theile and Bennet, 2001). A series of very positive encounters will increase customer satisfaction, trust, relationship commitment and continuity (Hellier et al., 2003; Morgan and Hunt, 1994; Selnes, 1998). Aydin and Ozer (2005) stated some antecedents of customer loyalty. Corporate image, perceived service quality, trust and customer switching costs are the influential factors of brand loyalty. Moreover the results described that trust is one of the most important antecedents of brand loyalty. Although perceived service quality and perceived switching cost appeared to have the same level of influence on brand loyalty.

Because beer is often consumed in a social setting, brand image is very important. Marketing plays a major role in creating and reinforcing a brand's image and typically becomes increasingly important in highly differentiated markets. Domestic and regional brands can establish a strong base while the premium brand category becomes popular as consumers look for a better image or new tastes. Beer volumes are primarily being driven

by growing disposable income, improvements in the quality of beer, marketing and advertising activities, and a steadily growing beer-consuming population base. An ongoing trend evident in emerging and growth markets is the substitution of beer in place of traditional, local spirits. This trend is driven by rising incomes and increasing responsiveness towards brands and marketing. In addition, demographic shifts towards urbanisation and increasing westernisation of tastes among younger generations have supported the shift towards beer. In mature markets, consumption rates vary based on product differentiation, and marketing and promotional activities. Beer consumption is also affected by a range of other factors, including seasonality, weather, demographics, tax and duties, perceived health effects, responsible-use programmes, rules and regulations and the consumption of substitute products. (Carlsberg, 2008)

Western companies are cognizant of major changes in the global structure of the alcohol industry. While alcohol markets in Western Europe, North America, Australasia and Eastern Europe approach stagnation, markets in Latin America, Asia-Pacific, the Middle East and Africa are expected to grow substantially. Total volume sale of whiskies in emerging markets, for example, are set to outstrip those in traditional markets by 2018, and alcohol markets in Africa are expected to grow by 5.2% between 2011 and 2016. Hence developing countries like Ethiopia – and many others in Africa – are particularly alluring.

“Sub-Saharan Africa is not only a trillion dollar market, but the IMF forecasts it will have seven of the world’s 10 fastest-growing economies over the next five years,” the UK’s then Minister for Trade and Investment, Lord Green, remarked after Diageo’s purchase of Meta Ato Brewery in 2012. Within this market, Ethiopia represents a great opportunity, and I hope that where Diageo leads, other UK firms will follow (<http://africanbusinessmagazine.com>).

According to BGI Ethiopia which is quoted in companies website, the origin of the modern Ethiopian breweries industry dates back in the year 1922 by St. George Brewery back in time to be referred to as the ‘old days’ under the rule of Empress Zewditu Menlik and Addis Ababa was not even 3 decades old. The main beer beverage companies in Ethiopia are BGI Ethiopia (St. George, Amber and Castel beer), Heineken (Walia, Bedele

and Harar breweries), Diageo (Meta Abo and Zemen Breweries), Dashen beer, Habesha and Raya Breweries. Increase in alcoholic beverage companies have led to an increase in competition, and as a result, increase in customer centric approach to marketing.

A traditional market such as the UK's still remains attractive, with per capita consumption at a thirsty 75 liters. But the flip side of such high consumption is that there aren't many ways it can increase, especially with increasing health consciousness related to alcohol intake. Ethiopia's per capita alcohol consumption, although increasing, is still only about seven liters, up from four liters a few years ago. By way of comparison to other African countries, in Kenya per capita consumption is about 12 liters, and in South Africa it is about 59 liters (<http://africanbusinessmagazine.com>).

All came into the market to join the brand names that have made the international mark in taste and acceptability. With large volume of production and availability of such variety of brands, competition is, without doubt keen. Ethiopia looks primed to catch up, with demand for beer already expanding by 15% per annum. Demand for drink – and processed foods – is growing rapidly in places like Ethiopia due to rising incomes, favorable demographics and behavioral changes linked to urbanization.

Therefore, it is crucial for brewery production firms to correctly predict the rank of beer loyalty in the consumer's mind set in order to offer the marketing mix that is effective enough -to influence consumers undergoing adoption process to not only select their own particular brand of beer, but also to achieve a particular brand insistence in the firm's favour, over a long period of time.

Investigating the factors that influence brand loyalty can be an interesting topic for the researcher to study as the student researcher can examine the key elements that are vital to be loyal to a particular brand of beer over the others. This research paper will attempt to analyze the determinants of brand loyalty in the context of beer consumers' market.

1.2 Problem Statement

We live in an age that trends in production, product, sales, cannot guarantee the survival of a company in the market. Businesses are becoming more customer-oriented owing to the realization that customer retention and loyalty are fundamental aspects of business survival (McCullough, Berry & Yadav, 2000). The success of a firm depends largely

upon its capability to attract consumers towards its brands. In particular, it is critical for the survival of a company to retain its current customers, and to make them loyal to the brand. To a large extent, the success of most businesses depends upon ability to create and maintain customer loyalty (Krishnamurthi & Raj, 1991).

What makes a consumer to be loyal to a product, especially when there are similar products of different brands? This question becomes relevant when considered in connection with beer producing firms in Ethiopia where many different brands of beer having close attributes are sold. In the breweries industry, customer retention and acquisition is so intense due to the high levels of substitute products in any given market (Dapkevicius & Melnikas, 2009). Bruijin (2011) contends that the brewery industries all over the world are also struggling to retain their customers in an increasingly competitive market. Increase in alcoholic beverage companies have led to an increase in competition, and as a result, increase in customer centric approach to marketing.

All came into the market to join the brand names that have made the international mark in taste and acceptability. With large volume of production and availability of such variety of brands, competition is, without doubt keen. Therefore, it is crucial for breweries to correctly predict the rank of beer loyalty in the consumer's mind set. Understanding what consumers consider to be loyal to a particular beer brand is important for brewery companies; it will lead to formulate a better marketing programs. However, failure to do so may result in losing a substantial market share. Thus, it is worthy to study the factors that consumers consider to select one brand from a set alternative brands available in the market.

As far as the student researcher knowledge goes, Brand loyalty related concepts in beer industry have received little attention. However, there are experimental researches conducted by Alison & Honorata (2012) related to factors influencing brand loyalty to craft breweries in northern Carolina and the modelling of brand loyalty in Poland respectively that have shown that some antecedents of brand loyalty. Honorata (2012) in his study lists high quality of product marked with the brand, low price, high brand image, content and form of advertising, the value represented by the brand, attractive packaging, an efficient distribution system, long-standing tradition, frequent promotions, goodwill, regional proximity brand as the external factors determining the beer brand loyalty while Alison (2012) results show that while access, connection with the

community, and satisfaction are important to respondents, connection with the community, satisfaction, and uniqueness are the three factors that most align themselves with brand loyalty of brewery.

This study tried to investigate the applicability of some of these factors in our country beer brand context. But To the best knowledge of the student researcher, there exists no previous published research work on the issue of investigating factors underlining brand loyalty in a brewery industry context that assesses all beer brands here in Ethiopia. The reason behind choosing this study was to address this gap, the shifts of the consumers' loyalty from one beer brand to the other as a result of increasing the number of alcoholic beverage companies and the number consumers of this alcoholic beverage in an incredible manner and knowing which factors consumers consider to be remain loyal to a particular beer brand.

1.3. Research Questions

This study tried to answer the following questions:

- ✚ What are the potential factors underlining brand loyalty in the brewery industry?
- ✚ Which factor has strong association with loyalty of beer brands?
- ✚ Does brand loyalty vary across demographic profile?
- ✚ Which is the most loyal brand of beer among the set of brands available in the country?

1.4. Objectives of the Study

The general objective of the study was to examine the underlying factors of brand loyalty among beer consumers in Addis Ababa. The specific objectives of the study are:

- ✚ To examine the factors influencing the brand loyalty in the brewery industry
- ✚ To assess the impacts of those factors on brand loyalty
- ✚ To determine the relationship between the demographic factors with the beer brand loyalty of respondents.
- ✚ To identify the most loyal brand among the set of brands available in the country.

1.5. Significance of the Study

On the practical side, the study was help decision makers to identify the major factors that may determine the brand loyalty of customers. Such information should help the management of the brewery company in formulating appropriate marketing strategies in

order to make their customer loyal towards their brand. Due to the introduction of domestic and international brewery companies in Ethiopia, production of beer increases. This in turn stiffens the competition among existing and new brands. Therefore the results of the study helps for brewery companies and marketers by giving insight about factors that customers consider to be loyal to a particular beer brands. Theoretically the study helps the student researcher for better understanding of the subject area under consideration. Furthermore, the study gives insight for other researchers to explore and investigate more in the area, in a broader scope and wider context.

1.6. Scope and Delimitation of the Study

The study focuses on investigating factors underlining brand loyalty of customers in brewery brand only. The study included brands of BGI Ethiopia (St. George, Amber and Castel beer), Heineken (Walia, Bedele and Harar breweries), Diageo (Meta Abo and Zemen Breweries), Dashen beer, Habesha and Raya Breweries. Because of time, access, cost and other restriction the study population is limited only in Addis Ababa city. Moreover the study was also consider the age group of above 18, since the law of Ethiopian strictly forbids alcohol below the age of 18.

With regard to sample size and sampling technique used; a small sample of participants was selected through sampling technique and it may not fully represent the behaviour of the entire population (all brewery consumers). Furthermore this research focus only on factors underlining brand loyalty of customers in beer brand and the study did not include other alcoholic beverages. So that generalizing the results of the study to other alcohol beverages is not recommended.

Chapter Two

Review of Related Literature

This chapter provides an insight to readers about the theoretical view of the topics under study. In line with the objectives of the study, the chapter covers topics related to brand, brand loyalty, types of brand loyalty and the process of its formation, benefits of customer loyalty, brand preference, consumers buying behaviour and the underlining factors that the beer consumer considers to be loyal to a beer brand. In addition to this, the present chapter includes issues related with discussion on major research findings in relation to the research area (empirical literature review). Furthermore, the conceptual framework of the study is presented at the end of this chapter.

2.1 Theoretical Framework

2.1.1 The Concept of Branding

In earlier time, branding came to being as identifier of one's property from the others. There was a time when some marks were used to keep one's cattle separate from other people's cattle, so that they can identify their own herd. However, in today modern world concept of branding has come to include much more than just creating a way to identify a product or company. American Marketing Association definition of brand is the one that is supported by many authors and found in various literatures. Brand is the "name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers." Initially, Branding was adopted to differentiate one person's cattle from another's by means of a distinctive symbol burned into the animal's skin with a hot iron stamp, and was subsequently used in business, marketing and advertising. A brand is the most valuable fixed asset of a corporation.

A brand can deliver the following meaning (Kotler, 1999):

Attributes- A brand first brings to mind certain product attributes. For example, Mercedes suggests such attributes as 'well engineered', 'well built', 'durable', 'high prestige', 'fast', 'expensive' and 'high resale value'. The company may use one or more of these attributes in its advertising for the car. For years, Mercedes advertised 'Engineered like no other car in the world'. This provided a positioning platform for other attributes of the car.

Benefits- Customers do not buy attributes, they buy benefits. Therefore, attributes must be translated into functional and emotional benefits. For example, the attribute 'durable' could translate into the functional benefit, 'I won't have to buy a new car every few years.' The attribute 'expensive' might translate into the emotional benefit, 'The car makes me feel important and admired.' The attribute 'well built' might translate into the functional and emotional benefit, 'I am safe in the event of an accident.'

Values- A brand also says something about the buyers' values. Thus Mercedes buyers value high performance, safety and prestige. A brand marketer must identify the specific groups of car buyers whose values coincide with the delivered benefit package.

Personality- A brand also projects a personality. Motivation researchers sometimes ask, 'If this brand were a person, what kind of person would it be?' Consumers might visualize a Mercedes automobile as being a wealthy, middle-aged business executive. The brand will attract people whose actual or desired self-images match the brand's image.

The above definitions have something in common which explain what a brand is. Brand is an added value, which identify and differentiate a product from other brands/products. Moreover, brand will be meaningful when consumers able to create a mental association in their mind. DeChernatory and McDonald (2003) offer a definition that incorporates many scholars view. A successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely. Furthermore, its success results from being able to sustain those added values in the face of competition.

Ultimately, a brand is a source of competitive advantage. Although manufacturing processes and product designs may be easily duplicated, last impression in the minds of individuals and organizations from years of marketing activity and product experience may not be so easily reproduced. In this sense, branding can be seen as a powerful means of securing a competitive advantage (Keller, 2004). In order to get competitive advantage, companies should create a benefit to consumers through employing effective

brand strategy. A strong brand undoubtedly does differentiate the product from similar products, differentiating device but having a strong brand name is not enough. The product itself also needs to be different in some way (Blythe, 2005).

2.1.2 Brand Loyalty

The concept of brand loyalty has many definitions. Day (1969) suggests that brand loyalty cannot be defined just by the repeat purchasing patterns of one item by one consumer, stating that “these spuriously loyal buyers lack any attachment to brand attributes, and they can be immediately captured by another brand that offers a better deal, a coupon, or enhanced point-of-purchase visibility through displays and other device.”

Brand Loyalty is the consumer's conscious or unconscious decision, expressed through intention or behaviour, to repurchase a brand continually. It occurs because the consumer perceives that the brand offers the right product features, image, or level of quality at the right price. Consumer behaviour is habitual because habits are safe and familiar. In order to create brand loyalty, advertisers must break consumer habits, help them acquire new habits, and reinforce those habits by reminding consumers of the value of their purchase and encourage them to continue purchasing those products in the future. Brand loyalty, in marketing, consists of a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service or other positive behaviours such as word of mouth advocacy (Dick and Kunal, 1994).

Brand loyalty is viewed as multidimensional construct. It is determined by several distinct psychological processes and it entails multivariate measurements. Customers' Perceived value, Brand trust, Customers' satisfaction, Repeat purchase behaviour and Commitment are found to be the key influencing factors of brand loyalty. Commitment and Repeated purchase behaviour are considered as necessary conditions for brand loyalty followed by Perceived value, satisfaction and brand trust (Punniyamoorthy & Prasanna, 2007). The most elaborate conceptual definition of brand loyalty was presented by Jacoby and Chestnut (1978). There are many operational definitions of brand loyalty. In general, brand loyalty can be defined as the strength of preference for a brand compared to other similar available options. This is often measured in terms of repeat purchase behaviour or price sensitivity (Brandchannel.com, 2006). However, Jacoby and Chestnut defined true brand loyalty as having six necessary conditions which are: 1) the

biased (i.e. non random); 2) behavioural response (i.e. purchase); 3) expressed over time; 4) by some decision-making unit; 5) with respect to one or more alternative brands out of a set of such brands; and 6) a function of psychological processes (Jacoby and Chestnut, 1978).

Biased behavioural response

First, brand loyalty is a biased response. This implies that there has to be a systematic tendency to buy a certain brand or group of brands. Which means that brand choice should not follow a zero-order process. A process is zero-order if each brand is chosen by the consumer with a certain probability which is independent of the consumer's past purchase decisions. Nothing that the consumer did or is exposed to alters the probability to purchase a specific brand (Massy, Montgomery, and Morrison (1970)). Zero-order behavior is not part of the brand-loyalty construct, because this would imply that brand loyalty is beyond control by any marketing action, and hence a meaningless concept for marketing managers. Brand loyalty also entails actual purchases of a brand. Verbal statements of preference towards a brand are therefore not sufficient to ensure brand loyalty.

Expressed over time

An incidental bias towards a brand does not guarantee brand loyalty. As the process is dynamic, some consistency is needed during a certain time span. This suggests that one should not only consider the number of times a specific brand is purchased during that period, but also the purchase pattern over successive purchase occasions. As such, one can distinguish partially loyal behaviour from completely (non)loyal behaviour. Considering a purchase sequence for brands A and B, Brown (1952) distinguished consistent loyalty towards brand A (indicated by a purchase sequence AAAAAA), divided loyalty (ABABAB), and unstable loyalty (AAABBB). For brand A the situation is much dimmer under unstable loyalty than under divided loyalty. These simple examples show that the purchase pattern over a given time span contains valuable information about brand loyalty.

Decision-making unit

Brand loyalty is defined by the purchase pattern of a decision-making unit which may be an individual, a household or a firm. Important to notice is that the decision unit does not have to be the actual purchaser. For example, the purchases of a household are often

made by one of the parents, but other members of the household may also be involved in the decision process Agnew (1987). This issue becomes important when the members of a household have different product needs and use goods for different purposes. In that case, we might observe switching behaviour on the household level which represents different needs or usage purposes by different family members rather than an absence of brand loyalty.

Selection of brands

The fifth condition is that *one or more brands* are selected out of a set of brands. This condition implies that consumers may actually be loyal to more than one brand, a phenomenon observed by many researchers (e.g. Ehrenberg, 1972; Jacoby, 1971; O'Leary, 1993). Especially for low involvement goods, the consumer often does not evaluate brands on a continuous scale, but classifies them discretely as acceptable or unacceptable. If more than one brand is acceptable, an individual might be indifferent between them and exhibit loyalty to a group of brands rather than to a single brand. A problem with multi-brand loyalty is that it is hard to distinguish this kind of behavior from brand switching, especially if there are only a few brands available. An individual who buys brand A and B with the purchase sequence ABBABAAB may be defined as a multi-brand loyal consumer if more than two brands are available. But if only brands A and B can be selected, the behaviour can be interpreted as brand switching, since every brand available is used regularly.

The fifth condition also implies that in order to have brand loyalty, there must be an opportunity to choose among alternatives. Jacoby and Chestnut (1978) expressed it as follows: "Before one could speak of brand loyal, one must have the opportunity of being disloyal". As such, brand loyalty cannot exist when a brand has a monopoly position. The determination of the product category therefore becomes of major importance.

Function of psychological process

Brand loyalty is a function of psychological (decision-making, evaluative) processes. Brands are chosen according to internal criteria resulting in a commitment towards the brand, which, according to Jacoby and Chestnut (1978) is an essential element of brand loyalty. Although consumers do not always seek information actively, they do receive some information, for instance, due to advertising campaigns, which may be used to form

certain beliefs about brands. Based on these prior beliefs, brands are evaluated and some are preferred over others. In time, the consumer may develop a commitment towards a brand and become brand loyal. Hence, brand loyalty implies consistent repurchase of a brand, resulting from a positive affection of the consumer towards that brand (Motisescu & Bertonceij, 2010).

True brand loyalty exists when customers have a high relative attitude toward the brand exhibited through repurchase behaviour. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, may cost less to serve and can bring in new customers to the firm (Reichheld and Sasser, 1990). The brand loyal consumer does not attempt any kind of attribute evaluation but simply chooses the familiar brand on the basis of some overall positive feelings towards it. This overall positive evaluation stems from past experience with the particular brand under consideration.

2.1.3 Types of Brand Loyalty and the Process of its Formation

Brand loyalty is more than simple repurchasing, however. Customers may repurchase a brand due to situational constraints (such as vendor lock-in), a lack of viable alternatives, or out of convenience (Jones et al., 2002). Such loyalty is referred to as "spurious loyalty". True brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behaviour (Reichheld & Earl, 1990; Reichheld, 1993).

A second dimension, however, is whether the customer is committed to the brand. Philip Kotler, again, defines four patterns of behaviour:

1. Hard-core Loyals - who buy the brand all the time.
2. SoftcoreLoyals - loyal to two or three brands.
3. Shifting Loyalty - moving from one brand to another
4. Switchers - with no loyalty (possibly 'deal-prone', constantly looking for bargains or 'vanity prone', looking for something different). It has been suggested that loyalty includes some degree of pre-dispositional commitment toward a brand.

Analysing the degree of customer loyalty to the brand should be noted that it varies among different consumers. Furthermore, the product can be divided into categories for which consumers show a greater commitment and categories for which consumers clearly

do not show such devotion. Brand loyalty depends on the situation in which the purchase is carried out. Consumers in a particular situation may prefer a type of product that does not would choose some other time G. Foxal (1998).According to the Encyclopaedia of Advertising and Promotion the loyal consumers divided into three groups. They are:

1) consumers are loyal because of the benefits of the chosen brand, this means buyers who buy the brand, because believe, that it's the best on the market, even when they have to pay for it a higher price; they believe that the chosen brand provides them quite unique advantages,

2) consumers are loyal because of the economic value of purchase; that is those, who attach themselves to the brand because it is cheaper than the brand rivals, but this doesn't mean that the consumers are not pay attention to product quality - quality must be at least satisfactory,

3) loyal customers with a sort of "inertness" to the brand, that is those, who buy the brand from generation to generation; in this case the success of brands can be seen in its almost guaranteed a long life in the market. A similar classification is presented by Hill and J. Alexander, who distinguished five types of loyalty, namely Hill (2003) loyalty in a monopoly situation,

- Loyalty resulting from the high cost of changing suppliers,
- Loyalty induced of incentive scheme,
- Loyalty resulting from a habit,
- Loyalty resulting from fidelity

The lowest level of attachment occurs in a situation where the customer uses the services of a company because he has no other alternatives or make purchases of habit. The first of this situation takes place among others in the electricity or gas market and rail transport services. Change of supplier in these cases is simply impossible. In this case, however, the emergence of any company offering certain products or services at a level slightly higher than the current suppliers could result in his immediate replacing. In the second situation, offers knowledge and previous experience makes a routine repetition of early election. However, in this case a better offer is likely to affect to change the supplier.

The average level of customer loyalty exists among others when there is high switching costs of change of supplier, which more often characterized relations between the

companies than the relations on the B2C market. This is because any change of supplier involves incurring additional costs such as changes in logistics system, checking the quality of products or services, the introduction of new accounting data, factoring the risk of a new delivery delays and problems with reserves, agree on new complaints procedures, etc. Companies with brand loyal customers are generally more profitable, therefore, to solve problems with the existing supplier than to look new. The highest level of loyalty is characterized by customers who have already been indicated as - generate a strong personal bond with the product that is bought with real affection, expressing the emotional reaction caused by the product. Confirmation of such a division seems to be a customer rating buyers presented by Aaker (1991):

1. Buyer disloyal - sensitive to price, which is driven only by the availability or price of the products, all the brands satisfy him.
2. Buyer habitual - as happy with the brand, if there is a level of dissatisfaction, it is not high enough to stimulate change of brand, especially if it requires effort; it's a segment susceptible to the action of the competition, especially if the present offer greatly exceeds the benefits of previously offered by the chosen brand.
3. Buyer happy with the brand, which costs change it to another, such as time, money and the risks associated with the purchase, considered as very high; based on brand loyalty in this case is the relative satisfaction with the purchased product and the high perceived costs of switching brands.
4. Buyer fond of the brand, treating her as a friend; brand preferences are based on associations connected with the brand, the experiences of the use or high perceived quality; the purchaser of this segment is called a "friend of the brand", because it's emotionally attached with the brand.
5. Consumers 'involved', who are proud of being a user of the brand; brand is important to them, both from a functional point of view, and in terms of expressing their personality; their confidence is so large that they recommending the brand to others.

The company strives to maximize the effect of customer retention should focus not on their loyalty, but fidelity. Multiple purchases may be the result of habit, with very little effort. These seemingly "loyal" customers can easily become a prey to competition. Many of them evaluate their existing suppliers as high as other companies in the industry. Meanwhile, faithful customers are customers who truly committed to the supplier, whose

attitude is manifested in a specific behaviour in the market. Their resistance to treatment of competition due to from a deep conviction, that the current supplier to meet their long-term needs better than any other.

The task of enterprise, therefore, is transformation the likely buyer in so-called client-advocate, that's means a client who has for the company's full confidence and is unconditionally attached to it. Such a person with a high frequency purchases across a range of products the company and communicates their positive feelings and experiences with company for friends and family. The process of formation of customer loyalty requires a considerable commitment of businesses and a relatively long time. Through the identification of each stage and to meet specific customer needs, the company has a great chance to "offset" their buyers on the higher rungs of their loyalty, simultaneously transforming their in the company's advocate.

2.1.4 Benefits of Customer Loyalty

Loyalty to the brand or supplier regardless of whether the type or base which implies is undoubtedly one of the strategic assets of the company. Properly used can be a potential source of additional value for the company, and consequently an essential element competitive advantage. Customers who longer remain with the company are showing higher profits Kotler (1999).

Having a loyal customer gives the company a lot of benefits, which could include, among others D. Aaker (1991), P. Mudie (1988).

1. Possibility of reducing of marketing costs - costs of maintaining the satisfaction of existing - loyal customers are less than the cost to acquire new ones. Potential consumer needs motivation to change their existing brand, even if the notes alternative of purchase. The manufacturer must provide him compelling reasons to buy and use a different brand. It is estimated that the cost of maintaining an existing customer is six times lower than the cost of finding a new one J. Griffin.

2. Increasing the efficiency of commercial activities, for example, by maintaining a high level of sales, the possibility of achieving higher prices, to gain a strong bargaining position against the brokers, or better places in the shop (this benefit is particularly important when introducing new forms / varieties of the product).

3. *Attracting new customers* - satisfied customers and committed to the brand is a guarantee for a new customer, especially when he considered the purchase involves some risk; make recommendations, they influence the buying decisions. Loyalty can be equated with the mother of all profitability engines. If loyal customers are happy customers, then it is likely they are unpaid ambassadors for a company, spreading the word on how wonderful it is to do business with the company. That saves the company real money in reduced customer acquisition costs.

4. *Increasing awareness of the brand* - by the fact that existing customers have and use of the brand, they increase its brand awareness. Consumers tend to select brands they perceive to be quality brands. This also connects to repeat buying or brand loyalty. Consumers tend to continue buying brands that reward them with a good experience versus repeating the evaluation process time after time

5. *The creation of significant barriers to entry for competitors* - loyal customers are not price sensitive and easier to accept price increases for their preferred brand, they also give the time to react by the company for share rivals, do not resign immediately from the brand but give it time to make improvements, even those that have already applied the competitors.

2.1.5 Brand preference

Brand preference is a measure of brand loyalty in which a consumer will choose a particular brand in presence of competing brands, but will accept substitutes if that brand is not available(Dibb et al., 2006).It is Selective demand for a company's brand rather than product, the degree to which consumers prefer one brand over another. The percentage of people who claim that a particular brand is their choice. It represents which brands are preferred under the assumption of equality of price and availability. The term "Brand Preference" means the preference of the consumer for one brand of a product in relation to various other brands of the same product available in the market. The choice of the consumers is revealed by brand preference. Brand preference is the extent that respondents preferred and intended to stay with their service provider (Holbrook, 2001). Brand Preference is created from consumers' differentiation and comparisons between various alternatives of brands considered by them.

2.1.6 Brand preference and Brand loyalty

Brand loyalty means “extent of the faithfulness of consumers to a particular brand, expressed through their repeat purchases, irrespective of the marketing pressure generated by the competing brands. Whereas brand preference means “a measure of brand loyalty in which a consumer will choose a particular brand in presence of competing brands, but will accept substitutes if that brand is not available.

In the marketing literature, Oliver (1999) defines brand loyalty as:

“A deeply held commitment to rebuy 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 behaviour.” This definition identifies two basic dimensions of brand loyalty: behavioural loyalty or purchase loyalty, related to the repeated purchases of the brand; and attitudinal loyalty, the psychological commitment toward the brand in terms of the consumer’s disposition (Chaudhuri and Holbrook, 2001).

The term “Brand Preference” means the preference of the consumer for one brand of a product in relation to various other brands of the same product available in the market. The choice of the consumers is revealed by brand preference. Brand preference is the extent that respondents preferred and intended to stay with their service provider (Holbrook, 2001). The first three decision-making phases of brand loyalty constitute the focal point of brand preference. It describes the stated preference toward certain brands over time, accompanied by behavioural consistency (Moschis et al., 1984). Brand preference is distinct from attitudinal loyalty (Mattila, 2001); however, both assume that consumers’ strong beliefs about the brand cognitive structure enhance brand loyalty (Kim et al., 2011). Consumers’ brand preference does not exhibit the action of purchasing; however, this behaviour will be expressed later with the persistent of strong preference (Mellens et al., 1996). Heilman et al. (2000) postulate that consumers are likely to be loyal to their preferred brands. Therefore, the main theme is that brand preference is related to brand loyalty. However, brand loyalty is depicted more consistent by long-term repeat purchasing behaviour.

2.1.7 Consumer Buying Behaviour

Understanding consumer behaviour is not simple. However, studying consumer behaviour is crucial factor for companies' success. Marketers, considering that, dedicate a lot of efforts in trying to specify the exact needs and wants for their customers and target markets, they also try to determine the best products characteristics that can satisfy the target market from the consumers own perspective.

What we buy, how we buy, where and when we buy, in how much quantity we buy depends on our perception, self-concept, social and cultural background and our age and family cycle, our attitudes, beliefs values, motivation, personality, social class and many other factors that are both internal and external to us (Khan, 2007). More over consumer behavior is the consumer's decision with respect to the acquisition, consumption, and disposition of goods, services, time, and ideas by human decision-making units (Hoyer and Maclinnis, 2010). Thus in order to understand consumers buying behavior company's need to study characteristics of consumers and other influencing factors of consumers acquisition, consumption and disposition of products.

According to Krishananaik (1999), consumer behaviour attempts to understand the buyer decision making process, both individually and in groups. Also (Wayne, 2007) describe consumer behaviour; it studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand peoples' wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups and society in general. Consumer behaviour is deeply influenced by the demographics and household structures, needs, emotions, values and personality, group influences, information processing and decision making along with purchase behaviour (Henry, 2001).

A number of different factors influence consumers' buying behaviour or purchase process, such as cultural, social, personal, and psychological factors. The consumer's choice results from the complex interplay of these factors. Although the marketer cannot influence many of these factors, they can be useful in identifying interested buyers and in shaping products and appeals to serve their needs better (Kotler et al., 2005). Furthermore, though, marketers cannot control some of these factors, the factors must be taken into consideration in order to reach target consumers effectively (Kotler, 2002). Henry (2001) argue that understanding the behaviour of consumers before they made

purchase decision will help for product manufacturers and service providers to develop strategies in line with customers' actions. Particularly knowing what makes customers to prefer between brands will make the manufacturer to adapt strategies based on the influential factors and inability to analyse the antecedents hinder companies from being competitive. Hence, understanding the behaviour of consumers specially the antecedents of brand preference has to be a critical issue and concern for strategic developers.

2.1.8 Underlying Factors of Brand Loyalty

Day (1969) identifies variables for the "true brand-loyal buyer." These variables include: "consciousness of the need to economize when buying, confidence of their brand judgments, a heavy buyer of the product, and a lack of influence by price fluctuations" (p. 34). Much research (Day 1969; Jacoby and Chestnut 1978; Dick and Basu 1994) has been done on brand loyalty but the influencing factors are complex and dynamic. Dick and Basu (1994) developed a framework for customer loyalty that identified various antecedents, their influence on relative attitude, and outside influences on repeat patronage. The consequences or results garnered from this framework are the motivation to search for the specific product, resistance to counter persuasion, and marketing through word of mouth.

Although, many studies have been conducted in various product categories, literature on brand loyalty in the beer product category is relatively insignificant. Thus, the studies conducted in different product categories are considered for the selection of relevant variables/factors for this research. Therefore, in this study, eight variables are considered. These include product quality and attribute perception, price, packaging, brand availability, brand name, promotional mixes, Social and Situational influence and repeat purchase.

2.1.8.1 Quality and Attribute Perception

The quality of a product affect the consumers' ability to make a decision, because the consumer always expecting a good quality product at reasonable price (Keller, 2004). Quality refers to the degree of excellence in product or service. Quality is the most significant factor that influencing customer satisfaction and it is considered as the ability of the product to perform it specific function (Fornell, 1996). Quality also can be defined

as company's ability to conform to the requirement or needs of consumer. The interaction of product meeting or exceeding consumer expectation based on its performance is how quality is evaluated (Fornell, 1996). Performance specification generally defined how quality is judged for product. The antecedent of perceived product quality is customer expectations. Customers have certain expectations before they buy a product and even after they buy that product. The quality of the product is judged on the basis of how it meets those customer expectations. If the product totally meets customer expectations or maybe surpass expectations, it will be perceived by the customer as having very high quality. If product meets most of customer expectations, the product is also seen as having high quality. On the other hand, when product do not meet most of customer expectations it is perceived as having low quality while if it fails to meet customer expectations in any way, it is will be perceived as having very low quality.

Literatures and studies found out that the perceived quality is the major factor that enables consumers to loyal one brand over another. Quality is important for affecting brand loyalty. Because it is the portion of personal risks that a consumer takes on the decision-making process and in evaluating the purchase of a product (Hoyer and MacInnis, 2010). Moreover, Bornmark et al. (2005) found out that perceived quality help consumers to reduce the risk; the consumers trust the brand and know what they will get. Product quality allows a firm put itself distinctively in the market and charge higher price to consumer. High price for branded products are justified by consumer quality assumptions that come with the brand name. In addition it gives a competitive advantage with leads to gain in profit margin and market share. Branded products are further expected to show evidence of higher quality compared to non-branded products, and premium brands should display even greater levels of quality (Woodside, 2009). It is because branded products represent a set of promises to consumer (Keller, 1993)

Moreover, the common features between alternatives help the consumers confirm their established preferences (Chernev et al., 2001). Consumer preferences for brand are affected positively by the recalled attributes of brands with more favorable advantages to the earlier experienced brand (Niedrich and Swain, 2003).

2.1.8.2 Packaging

Packaging was considered as indicator of quality and a dominant clue in selecting a brand when the consumer is completely unaware about the brands real quality and performance. As per Etzel et al. (2006) one of the packaging purposes is to persuade consumers to buy the product- packaging can assist in getting a product noticed by consumers. In the case of convenience goods and operating supplies, most buyers consider one well brand about as good as another. Thus, if an attractive and convenience packaging differentiate such products, consumers will tend to purchase it. The physical appearance of the product, packaging and labelling information can influence whether consumers notice a product in store, examine it and purchase it (Peter and Donnelly, 2007).Packaging may be perceived as a family of activities that are concerned with the design, production and filling of a container or wrapper of the product item in such a way that the product can be effectively protected, stored, transported and identified, as well as successfully marketed (Kent & Omar, 2003). An often-overlooked component of packaging is its latent ability to reflect the product attributes to unsuspecting and otherwise disinterested consumers (Gonzalez & Twede, 2007). Most of the packaging decisions affect how consumers associate themselves with a firm's products (Del Rio; Vazquez & Iglesias, 2001). Ordinarily, packaging should be designed in such a way that the product can be handled without damaging the quality of the contents (Silayoi & Speece, 2007). Packaging should also be designed to promote product sales (Deliya & Parmar, 2012). A consumer should, without extraneous effort, be able to identify the packaging of a particular manufacturer standing on the shelf and distinguish it from other competing brands (Cronje *et al.*,2003). Non-verbal communication through packaging is an important expression through which consumers learn the thought processes since two-thirds of all stimuli reach the brain through the visual system (Zaltman,1997). Wright (2006) also acknowledges that packaging is effective in marketing products since most consumers are greatly affected by appearances and design of the product, in addition to other aspects such as touch, taste, texture and smell.

Communicating the right product and brand values on packaging is paramount in order to achieve the appropriate level of aesthetics and visual impact (Mowen & Minor, 2001). This, apparently, is where the efficacy of the effective packaging becomes evident. Due

to the importance of packaging, visual cues such as odour, information from labelling and images increase the chances of a product being sold at point of purchase (Imram, 1999).

2.1.8.3 Brand Availability or Accessibility

Within the context of consumer decision making, especially when evaluating potential alternative brands during the pre-purchase stages, the evoked set refers to the specific brands a consumer considers when making a purchase within a specific product category (Lin and Chang, 2003). Furthermore, once consumers are inside a store, little evaluation will be made of competing brands, therefore locating a brand at eye level or very close to the checkout counter, is an important facilitator of brand selection (DeChernatory& McDonald, 2003).

Products that are convenient to buy in a variety of stores increase the chance of consumers finding and buying them. When consumers are seeking low-involvement product they are unlikely to engage in extensive search, therefore readily availability is important (peter and Donnelly, 2007).

Consistency of supply and availability at convenient locations are vital for choice a brand. According to Lin and Chang (2003), convenience of a brand has a significant impact on consumers' brand choice. In other words, easy access to brands is vital when buying any product. Certainly, distribution channels and location are important to brand accessibility. Moreover, DeChernatory & McDonald (2003) states that consumers are not motivated to search out low involvement brands, manufacturers should ensure wide availability. Any out of stock situations would probably result in consumers switching to an alternative brand.

2.1.8.4 Price

Brands in most product categories have a wide range of different prices. These prices vary for a vast number of reasons (advertising, lower economies of scale, premium brand positioning, generics, and several other factors). These prices demonstrate information perceived in many different ways by consumers. A consumer might perceive a lower priced product to be considered "cheap" or having low quality, whereas a different consumer could potentially see the low cost as a good value (Hruschka, 2002; Lambert, 1972). According to Peter and Donnelly (2007), the price of products and services often influences, whether consumers will purchase them at all and if so, which competitive

offering is selected. For some offerings, higher prices may not deter purchase because consumers believe that the products or services are highly quality or more prestigious. However, many of today's quality conscious consumers may buy products based on price than other attributes. Therefore, a better understanding of how customers use price information in choosing among alternative brands within frequently bought product categories helps to evaluate it and knowing the intensity as compare to other factors or reasons.

Popular pricing strategies amongst companies (Cataluna *et al. ibid*) are used by retail establishments as an advertising appeal to attract consumers and add the advantage of ensuring consistency in sales (Alvarez & Casielles, 2005). Furthermore, the use of simple, one-dimensional prices, quoting a single figure (e.g. a standard R10.00), has made way for odd-even pricing (or psychological pricing) strategies aimed at exploiting particular information elaboration processes or perspective biases associated with specific price presentations (Boonlertvanich *ibid*). For instance, instead of pricing the product at a standard R10.00, the product is priced at R9.99. This creates an impression that consumers are paying a lower price for the product, leading to an acceleration of sales (Lamb *et al.*,2008). Often, marketers are also faced with the predicament of introducing either a fixed price or a discounted price (Abedniya, 2011). A fixed price offer suggests to a consumer that the price is non-negotiable or will remain constant whenever they decide to purchase the product (Ahmad & Vays, 2011; Nagle & Holden, 1994). The discounted price system denotes that the price of a product may be reduced marginally as and when necessary to encourage more sales (Leisen & Prosser, 2004) whereas the fixed price offer implies that the product is excluded from consumer promotions or price discounts (Boonlertvanich, 2009). Overall, it is important for marketers to choose price communication strategies, both at the point of sale and by the means of various media forms, which are capable of drawing consumers' attention to the product's value and thus inducing them to buy (Romani, 2006).

2.1.8.5 Brand Name

A brand name is the base of a brand's image. Brands with strong images are able to influence customers' choices and control the marketplace. While the image associated with a brand name can be built with advertising over time, brand managers realize that a

carefully created and chosen name can bring natural and instant value to the brand. Unrelated brand names contain no product meaning, create no constraints on the goods and services they can represent, but they often serve as poor reminders for communication effects stored in memory (Keller, 1987; Keller, 1991). Forming associations between the brand, the product, and its attributes should be the foremost task for emerging brands (Krishnan, 1996). According to Kohli and Thakor (1997), brand name is the creation of an image or the development of a brand identity and is an expensive and time consuming process.

Furthermore, brand personality provides links to the brand's emotional and self-expressive benefits for differentiation. This is important for brands which have only minor physical differences and are consumed in a social setting where the brand can create a visible image about the consumer itself. On other hand, fashion magazines and fashion press elaborate on the designer's collections to the full extent and thus reinforce better images to facilitate consumer recognition (Colborne, 1996). Consumers are usually able to evaluate each of the products and brand name attributes (Keller, 2003). It is noteworthy that this information is essential for marketing managers to make informed decisions concerning product positioning, repositioning and differential advantages.

The development of a brand name is an essential part of the process since the name is the basis of a brand's image. Brand name is important for the firm to attract customers to purchase the product and influence repeat purchasing behaviour. Choosing the proper brand name is a centrepiece in the introduction of a new product. A wisely chosen brand name can create a favourable image and help in creating and enhancing brand awareness (Keller; Heckler and Houston, 1998). Consumers tend to perceive the products from an overall perspective, associating with the brand name all the attributes and satisfaction experienced by the purchase and use of the product. Famous brand names can disseminate product benefits and lead to higher recall of advertised benefits than non-famous brand names (Keller, 2003).

Brand name is the major influencing factor to choose the branded cloths followed by Product quality and Price. Product quality, promotion, store environment and service quality as relevant factors attributable to brand loyalty. All these factors showed positive relationships with brand loyalty except style which had no relationship. Though the customers prefer branded cloths still they are price conscious.

2.1.8.6 Promotional Mixes

With more and more products and services competing for consideration by customers who have less and less time to make choices, well-known brands have a major competitive advantage in today's marketplace. Building and maintaining brand identity and equity require the creation of well-known brands that have favorable, strong, and unique associations in the mind of the consumer. Promotion can influence what consumers think about products, what emotions they experience in purchasing and using them and what behaviours they perform including shopping in particular store and purchasing specific brands. Promotion has been defined as the coordination of all seller initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea. While implicit communication occurs through the various elements of the marketing mix, most of an organization's communications with the marketplace take place as part of a carefully planned and controlled promotional program. The basic tools used to accomplish an organization's communication objectives are often referred to as the promotional mix. Traditionally the promotional mix has included four elements: advertising, sales promotion, publicity/public relations, and personal selling.

Among components of marketing integrated communication model, advertising has more identified position than the other marketing components, because costumers informed new products through advertising. In addition, advertising is minimized barriers between costumers and organization (Blech, 2001). Firms and brands actually use the goodwill and image, to gain the trust and commitment of their customers and to make them loyal. Advertising is considered as defensive strategy, through that brand loyalty builds; it helps to retain the loyal customers. Advertising spending has direct as well as indirect effect on brand loyalty. Advertisements enhance consumer knowledge and perception pertaining to the brand and ultimately strengthen the brand loyalty (Ha *et al.*, 2011). Furthermore, the literature indicates, brand loyalty and perceived quality both have positive influence on the brand, the more advertising for the brand; the more consumers have high perceived quality and loyalty for the brand (Yoo *et al.*, 2000).

Promotions framed as gains have the benefit of being segregated from the reference price, whereas promotions framed as reduced loss are seen as merely reducing the purchase price. In addition, if non-monetary promotions do not affect reference prices, they may not be seen as lowering the perception of quality or image for the brand (Sinha & Smith,

2000). Consumer sales promotions also have been classified by their effect at a cognitive and emotional level; that is, utilitarian or hedonic. Monetary promotions (e.g., coupons, rebates) primarily are related to utilitarian benefits, which have a functional and cognitive nature. Utilitarian benefits are primarily instrumental, functional, and cognitive; they provide customer value by being a means to an end. Hedonic benefits are non-instrumental, experiential, and affective; they are appreciated for their own sake, without further regard to their practical purposes.

Chandon, Wansink & Laurent (2000) Consumer sales promotions also have been classified by their effect at a cognitive and emotional level; that is, utilitarian or hedonic. Monetary promotions (e.g., coupons, rebates) primarily are related to utilitarian benefits, which have a functional and cognitive nature. Utilitarian benefits are primarily instrumental, functional, and cognitive; they provide customer value by being a means to an end. Hedonic benefits are non-instrumental, experiential, and affective; they are appreciated for their own sake, without further regard to their practical purposes (Chandon; Wansink & Laurent, 2000)

Another way of promoting brand is sponsorship as a money-making and stretchy means of communication, useful to achieve a large range of objectives by the company. Sponsorship may include sponsoring a groups or teams, events, charities, individuals, buildings and TV program for building strong brand image. Sponsorship or allowing sponsors is to make the greatest use of the investment of the company and relationship between them. There are three basic elements can be seen in sponsorship: first one is audience/consumer, second is the sponsor, and then at last the event. However audience that is gathered in the event plays a significant role throughout in the process of sponsorship of a company.

Gwinner (1997) stated that sponsors express the images of the sponsored one activity or event that are going to be a part to the sponsoring brand or the event. Sponsorship has definitely become one of the most important practices/task all over the world (Bal; Quester, and plewa, 2010).

2.1.8.7 Social and Situational influence

Media, parents, and peers all contribute to adolescent consumer socialization, with the general consensus that peers are the primary influencers, followed by media and parents. Influence by others is a factor that marketers cannot shape. A buyer can be influenced by

its culture. It includes values, preferences, and behaviour that a person gets from its family or other institutions. Another factor can be more social. This is where a person is influenced by small groups like membership groups and family (Kotler & Armstrong, 2004). As described by Kotler et al., the purchase decision can be affected by an attitude of others. Individuals are influenced by others on development of attitudes, interests, norms and purchase behaviour. These individuals conform to group norms or modify their judgments based upon others' evaluations. According to Kotler et al., (1999) personal influence plays a distinctive role in the consumers' decision process. Consumers consult each other for opinions of new products and brands and the advice of other people can strongly influence the buying behaviour. How much personal influence affects the buying behavior and choice of brand depends on the situation and the individual.

Social influence is viewed as consisting of three types of influences including informational, value expressive and utilitarian influence (Bearden and Etzel, 1989). Informational influence is perceived as enhancing one's knowledge of the environment and/or ability to cope with the aspect of the environment (Childers and Rao, 1992; Park and Lessig, 1977). It also entails observing the behaviour of others or actively searching for information from others with the appropriate expertise. Informational influence is likely to influence an individual if he or she accepts information from others as evidence about reality and desires to make informed decisions (Mangleburg et al., 2004). Utilitarian influence is when an individual comply with the preferences or expectations of others to avoid punishments or achieve rewards (Bearden and Etzel, 1982). This occurs when the individual perceives that others have the ability to mediate significant rewards or punishments, he or she believes that his or her behaviour will be known to others and is motivated to obtain the reward or to avoid punishment. Value expressive influence is concerned with an individual's motive to enhance his/her self concept (Park and Lessig, 1977). Value expressive influence is likely to influence an individual because of the desire to enhance one's ego (Park and Lessig, 1977). This could also be achieved by associating and disassociating oneself with others (Grimm et al., 1999).

In another way Social influence is viewed as consisting of three types of influences including informational, comparative and normative influence (Henry, 2001). Informational influence is perceived as enhancing one's knowledge of the environment

and/or ability to cope with the aspect of the environment (Wayne et al, 2007). Normative influence is when an individual comply with the preferences or expectations of others to avoid punishments or achieve rewards (Bearden and Etzel, 1982). This occurs when the individual perceives that others have the ability to mediate significant rewards or punishments, he or she believes that his or her behaviour will be known to others and is motivated to obtain the reward or to avoid punishment. Comparative influence is the process of self-maintenance and enrichment (Henry, 2001). The individual objective is to enhance his or her self-concept by associating with groups that will provide reinforcement and ego gratification. Comparative influence is when consumers constantly compare their attitude to those of the member of important group (Henry, 2001).

Group influence can also be a substitute for brand evaluation. According to Rosen and Olshevsky (1987) group recommendation often substitute brand evaluation. That is in most cases consumer either totally relays on group recommendation or use recommendations to narrow the choice to a few brand alternatives. Consumers often choose products or brands without evaluating them on the bases of objective attribute (Moschis, 1976).

Situational influences are temporary conditions or setting that occur in the environment at specific time and place and have demonstrateable and systematic effects on behaviour (Henry, 2001). Consumer might choose a brand based on being in different situations and will therefore be motivated to drink a certain brand (Yang et al, 2002). That consumer may face similar environments but there are several motivating conditions that play a role on brand choice depending on the consumer. The consumption situation can be the base for introducing and positioning the product. Companies can positioned their brand based on the consumption situation by gearing brand usage to specific situation. Consumers evaluate brand in different manner based on the situation and consumer preference changes according to their environment (Vezquez (2008) as cited by Ritter). Situations were varied with three possible scenarios: drinking beer with a group of friends, drinking with a date, and drinking alone (Ritter, 2008). According to Henry (2001), there are three types of situation: the consumption situation, the purchase situation and the communication situation. The consumption situation is the one in which consumer use

the brand. A consumer might serve a regular coffee to guests but may drink instant coffee when alone (Henry, 2001).

2.1.8.8 Repeat purchase

Repeat-buying is one aspect of the way in which consumers buy fast-moving goods. These are the kinds of products which are bought fairly frequently, like the various lines of food and drink, of soap and toiletries, of cigarettes and petrol, and so on, which tend to be generally available from grocery and other retail outlets. In as far as the same person buys any particular item more than once within a relatively short time-period, such as a week, a month, or a year, the notion of *repeat-buying* becomes particularly relevant. Businesses spend a lot of money on marketing campaigns to convince potential customers to buy their products or make use of their banking services for the first time. Yet the ultimate goal is to drive a relationship to the point that the experience of the customer leads to repurchase and ultimately brand loyalty.

As marketing shifts to a relationship-oriented paradigm in the last 20 years, consumer loyalty has become one of the frontiers in marketing. In managing consumer loyalty, marketers often identify repeat customers based on their purchase frequency or spending level and draw the conclusion that all repeat customers are loyal. Academic research, however, suggests a much richer picture of consumer loyalty that encompasses things such as beliefs of product superiority, brand knowledge, and positive and accessible brand reactions (Kim; Morris & Swait, 2008). It has been pointed out since more than 30 years ago that behavioural loyalty as reflected by repeat purchases does not adequately capture consumer loyalty (Jacoby & Kyner, 1973). In particular, a consumer can repeat purchase either as a choice based on positive evaluations of a brand, or as an automatic process that is driven by contextual factors that have little if any to do with the brand/company per se (Huang and Yu 1999). As a result, using repeat purchases to define loyalty may contain noises that have little if anything to do with true loyalty. Realizing these issues with repeat purchase data, researchers have taken measures to account for the different drivers of behavioural loyalty. In modelling brand loyalty, for instance, mechanisms have been devised to take into account inertia and habit (Roy, Chintagunta, and Haldar, 1996; Seetharaman & Chintagunta, 1998).

In a comprehensive discussion of consumer loyalty, Oliver (1999) defined 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 behaviour” (p. 34). Action inertia is not always driven by loyalty intentions. In particular, observed action inertia can be driven by loyalty as well as by habitual forces that are characterized by an automatic process. On surface, such habitual forces can result in repeat purchases even in the presence of competitive marketing actions, therefore, making it appear very similar to loyalty. However, when considering the effect of “situational factors” given in the loyalty definition we cited earlier, habitual repeat purchase falls short of the loyalty test. We now turn to the habit literature to formally define the similarities and differences between habit and attitudinal loyalty.

Although attitudinal loyalty and habit can both cause behavioural loyalty manifested as repeat patronage, these two forms of repetition tendency differ in the underlying psychological processes. Here, we define attitudinal loyalty as a favourable evaluation that is held with sufficient strength and stability to promote a repeatedly favourable response towards a product/brand or a store. Attitudinal loyalty is similar to strong attitudes in that it will endure, will resist attempts in contrary directions, will exert influence on the formation of related perceptions and beliefs, and will predict behavioural decisions with highest fidelity. That means, strong attitudinal loyalty is relatively stable over time and place, is resistant to the allure of alternative brands, promotes favourable brand perceptions and beliefs, and is likely to influence behaviour.

We define habit as behavioural dispositions in which past responses are triggered directly by associated contextual cues. Our definition is built on that of Beatty and Kahle (1988) which stated habit as a well-learned schema with a behavioural component and highlighted the mental association between responses and elements in the consumption process. Repeat purchase caused by consumer habit is directly cued by stable features of purchase contexts. Once habit is formed, repeat patronage is triggered automatically by contextual cues that are part of the mental association of habit, without guidance from attitudes and intentions (Ji Song and Wood 2007).

Therefore, consumers with strong habits will maintain strong disposition to repeat purchase even when attitudinal evaluation or loyalty has changed, as long as the contextual cues that trigger habitual repeat purchases remain. To demonstrate such an effect, Neal et al. (2010) found that consumers with strong popcorn eating habit ate the

same amount of popcorn at the movie theatre; regardless they were given fresh or stale popcorn. And all consumers reported that they noticed whether the popcorn was fresh or stale. Such results showed that, habitual consumers repeat their consumption when the contextual cues remain (the movie theatre) without consulting their evaluation of the product (popcorn). Ji Song and Wood (2007) demonstrated similar results that consumers with strong fast food consumption habits repeated their fast food consumption when supporting circumstances were stable, even though their intentions to consume fast food had changed.

Riley (2009) defines repeat business as encouraging customers who buy for the first time to buy again and again. The purchasing decision is affected by customer satisfaction of the service delivery of the bank or service provided and is the result of the customers like or dislike of the service after experiencing it. Marketers therefore develop alternatives to ensure that they make use of as much mediums as possible to ensure that the repeat purchases/transactional repeats stay with the firm.

2.2 Empirical Literature review

Studies emphasize on different factors that influence consumers in the formation of their brand loyalty. Lau et al. (2006) in his article mentioned that there were seven factors that influence consumers' brand loyalty towards certain sportswear brands. The factors were: brand name, product quality, price, style, store environment, promotion and service quality. Brand loyalty, in marketing, consists of a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service or other positive behaviours such as word of mouth advocacy (Dick and Kunal, 1994). Customers' Perceived value, Brand trust, Customers' satisfaction, Repeat purchase behaviour and Commitment are found to be the key influencing factors of brand loyalty. Commitment and Repeated purchase behaviour are considered as necessary conditions for brand loyalty followed by Perceived value, satisfaction and brand trust (Punniyamoorthy & Prasanna, 2007).

Furthermore Honorata (2012) in his study lists high quality of product marked with the brand, low price, high brand image, content and form of advertising, the value represented by the brand, attractive packaging, an efficient distribution system, long-standing tradition, frequent promotions, goodwill, regional proximity brand as the external factors determining the loyalty of brewing product. As clearly shown in the

study (Alison & Murray, 2012) results show that while access, connection with the community, and satisfaction are important to respondents, connection with the community, satisfaction, and uniqueness are the three factors that most align themselves with brand loyalty.

Khaled & Khonika (2012), study Factors Influencing the Extent of Brand Loyalty of Toilet Soap Users in Bangladesh found out product features, sales promotion, advertisements, availability, brand image, price, and family influence were the factors which affect brand loyalty. As depicted very well in this study, brand loyalty of toilet soap users in the study area is moderately high. 63% of the consumers are brand loyal. On the contrary only 9% of the consumers are switchers and the rest of the users are loyal among few brands. 100% of soft core brand loyals and switchers told if the soaps are not available they will choose any other brands without any consideration. 75% of the customers are influenced by the brand name and perceived brand image of the toilet soap. Brand loyalty also depends on the influence of family members. 62.96% of the consumers were found to be influenced by the family members in buying their toilet soap brands. The effect of sales promotion varied among different brand loyal groups.

Jensen and Hansen (2006) found that the effect of consumers' attitudinal loyalty on actual repeat purchase come in two different forms. First, attitudinal loyalty is a stronger brand preference that reduce variety-seeking tendency to try other products and brands, and such diminished variety-seeking tendency produce more favourable intention to repeat purchase. Second, attitudinal loyalty enhance consumer resistance to purchasing and consuming alternatives in tempting situations, including when the preferred brand or product is out-of-stock or when competing alternatives are on sale. This resistance to alternatives produces weaker intention to purchase the alternatives. In both of the above cases, in order to change the attitudinal loyalty cause of behavioural loyalty, the preference or evaluation attached to the attitudinal loyalty needs to be changed.

According to the research (unpublished) conducted by Hiruy H/selasse to investigate the key factors that can bring brand loyalty towards Harar beer in Addis Ababa, product quality, fair price, brand value, advertising, distribution, packaging, frequency of promotion, brand image and good will are major factors underlining brand loyalty. Another study (unpublished) by Nebyou (2014) identified customer satisfaction,

switching costs, brand trust, repeat purchase, brand affect, commitment, culture, perceived value, brand performance, relationship proneness, brand relevance, involvement as influences that are important influences of brand loyalty in private banking industry.

There is empirical research that shows promotion activities have indirect effects on brand loyalty through customer satisfaction, which in turn has direct effects on brand loyalty (Li-xin & Shou-Lian, 2010). According to Liao (2006), some promotions add value to the product (such as premiums, bonus packs, samples, and sweepstakes), while others (such as discounts) merely reduce the cost. Therefore, attitudes such as perceived gain or reduced loss experienced by the consumer as result of engaging in sales promotion activities might also have an effect on reference price. Monetary promotions rewards can be perceived as savings or loss reduction. On the other hand, for promotions in units other than money (e.g., samples, premiums), the benefits are more difficult to be integrated into the price reference. These promotions are then framed as gains.

Studies verified the significance of the perceived brand attributes in shaping consumer preferences. Romaniuk & Sharp (2003) differentiate between positioning the brand based on single specific attribute or using a cluster of attributes, and brand loyalty. They demonstrate that unique, single brand attribute does not enhance consumer brand loyalty. Similarly, Romaniuk & Gillard (2007) advocate that unique brand associations will not build stronger preferences. The multi-attributes brands have strong share in consumers mind affect brand preferences and loyalty.

Consumers believe that the more features a brand has increases its capability and usability (Thompson et al., 2005).

A study on the factors that influence the brand loyalty of Taiwanese adolescents with respect to purchasing mobile by Tsai-Yuan Lin (Tsai-Yuan, 2013), the results showed that the brand image of mobile phones had significant influence on brand loyalty to adolescent consumers, and “consumption behaviour” of adolescent had significant influence on brand loyalty, while brand image and consumption behaviour influenced brand loyalty through significantly mediating effect of perceived response. According to Dhurup & Dumasi, the marketing success of businesses depends on their ability to continuously enhance their products’ packaging with competitive pricing and brand awareness strategies in order to improve brand loyalty (Dhurup & Dumasi, 2014).

Furthermore Packaging positively effect brand experience and companies need to focus on packaging style thorough which they can create loyalty of their brands in customer mind and increase the profitability or performance of company (Muhammad; Sehrish& Ayesha,2013).

Moreover as Wong & Yahyah (2008), finding revealed that product quality plays a significant role in influencing consumers to be brand loyal customers. Interestingly, it is noted that this factor of product quality also plays a vital role in countries like Hong Kong. Additionally, the overall findings of this study also show that amongst others Malaysians prefer brand name, product quality, price, promotion, store environment and service quality as relevant factors attributable to brand loyalty. All these factors showed positive relationships with brand loyalty except style which had no relationship.

2.3 Conceptual Framework and Hypothesis

2.3.1 Conceptual Framework of the Study

In this research, the conceptual framework of brand loyalty and its predictors is established based on the above literature review. Determinants like product quality and attribute perception, price, packaging, brand availability, brand name, promotional mixes, social and Situational influence and repeat purchase affect brand loyalty of brewery brand. The conceptual framework that shows the variables of consumers' loyalty criteria is illustrated below.

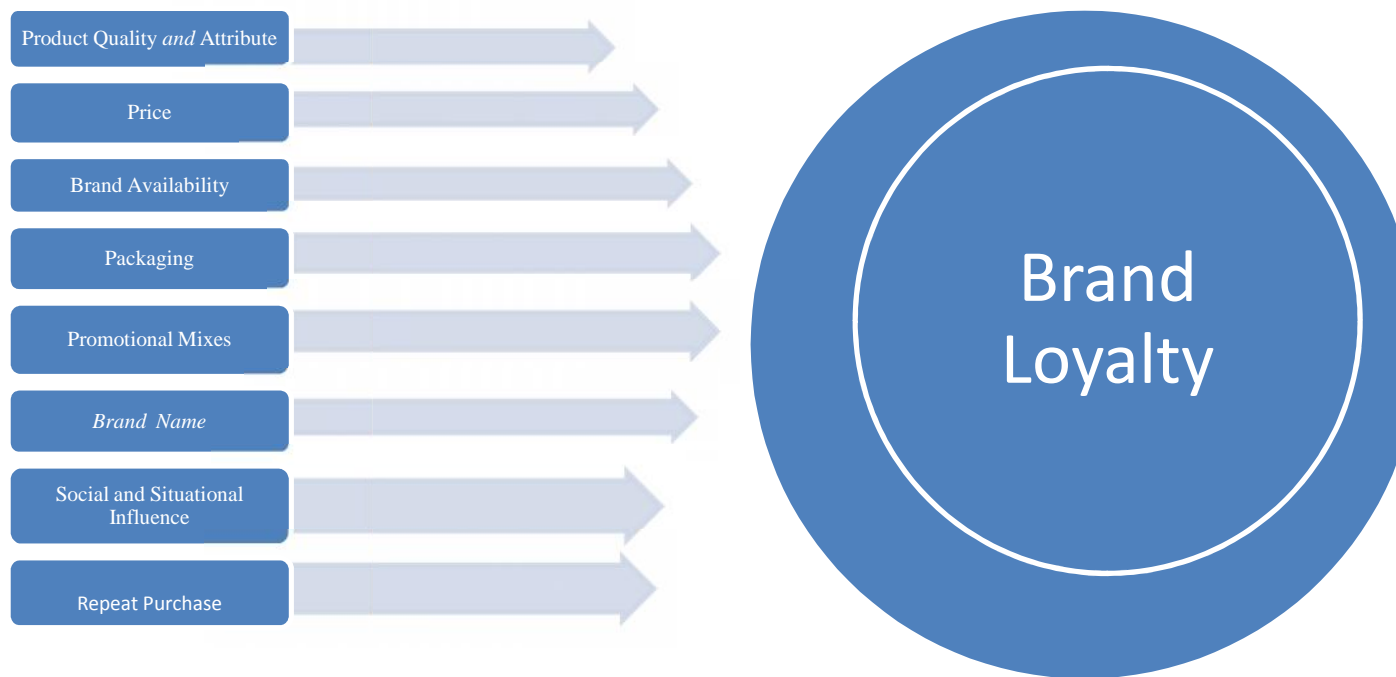


Fig.1: Conceptual Framework of the study

2.3.2 Research Hypothesis

Based on the literature review and the hypothesized connections presented in the conceptual framework the following hypotheses were formulated.

As Kristjánsson lists beer attribute are type of the beer, alcohol level, taste of the beer, color of the beer, volume of the pack (e.g. 330 ml, 500ml), calorie content, the visual design of the pack and type of the pack (e.g. bottle, can) (Kristjánsson, 2011). To the

researcher's best knowledge from these beer attributes in our country context, the color of the beer & volume of the pack of most beers are almost same and may have no impact on loyalty of consumers. Based on the above explanation the student researcher hypothesized:

H1: There is a significant direct relationship between product quality and beer brand loyalty.

With the move to self-service retail formats, packaging increases its key characteristic as the 'salesman on the shelf' at the point of sale (Silayoi & Speece, 2004). Packaging also adds exceptional value to products and is a vital product differentiation tool that has a beneficial stimulus effect on the buying behaviour of consumers (Wells, Farley & Armstrong 2007). It attracts the consumer's attention to a particular brand, enhances its image and influences consumers' perceptions about a product (Vila & Ampuero, 2007). With the above discussion in mind H2 is formulated.

H2: Beer brand packaging positively affects brand loyalty of consumers.

According to Lovelock (2010), if consumers find the store to be highly accessible during their shopping trip and are satisfied with the store's assortment and services, these consumers may become loyal afterwards. Thus, a store's atmosphere is one of the factors that could influence consumer's decision-making (Lovelock, 2010). Based on above explanation, the hypothesis is drawn as follow:

H3: There is a positive and significant relationship between consumers brand loyalty and availability /accessibility/ of beer brands.

Since price is an important instrument in shaping the performance and ultimate destiny of both the product as well as the company, it is logical to expect a positive and predictive relationship between price and brand loyalty (Dhurup & Dumasi, 2014). As per the above discussion the following hypothesis is formulated.

H4: Beer price and brand loyalty are positively related.

The strong brand actually influences consumer perception and brand loyalty primarily focuses on marketing mix variables and brand equity can be created directly or indirectly through brand image and brand attitude (Yoo *et al.*, 2000). Based on above explanation, the hypothesis is drawn as follow:

H5: There is a significant and positive relationship between beer brand name and brand loyalty of consumer.

Sponsorship of a sport personality is based on the faith that the brand sense consumers attach to the sport star can be transferred to the sponsoring brand of a particular company (Duncan, 2005; Tony, 1991) as cited by Sajid et al. (2014). Based on above explanation, the hypothesis is drawn as follow:

H6: There is appositive and significant relationship between promotional mixes and brand loyalty of beer consumers.

Bearden and Woodside (2001) identified the following consumption situation for beer: entertaining close friends at home, going to a restaurant or lounge on Friday or Saturday night, watching a sport event or favourable TV show, engaging in sport activity or hobby, taking weekend trip, working at home on the yard, house or car and relaxing at home. Based on above discussion, the hypothesis is drawn as follow:

H7: Social and situational influence has significant impact on brand loyalty of beer consumers.

Many marketers are really only interested in repeat purchase. For them, 'customer loyalty' means customers coming back for more, and they are not too fussy about the reasons why. A program that does it successfully is often called a loyalty program, with little real examination of whether people are being loyal or simply exhibiting short term self-interest. With the above explanation in mind the student researcher hypnotized that:

H8: Repeat consumption of beer brand has direct/positive/ impact on brand loyalty of consumers.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter presents a detail discussion about the type of research design employed in the study. Topics related to research paradigm, approach and method, research design, population and sampling/sample size and sampling techniques/, type of data source used, data collection method, data analysis techniques and subjects of the study are included. Explanation about the reliability and validity of study and ethical consideration are also part of this chapter.

3.1 Research Paradigm, Approach and Method

3.1.1 Research Paradigm

Research paradigm can be classified into two general categories; positivist and interpretive depending how their goal in scientific research (Anol, 2012). Positivism research paradigm was used in this study which is framework of research in which the researcher sees objects as phenomena to be studied from the outside, with behaviour to be explained on the basis of accumulated facts and observations using theories and models developed by the researchers and it focuses on the facts and formulates hypotheses and tests them against empirical evidence. In this research paradigm knowledge is discovered and verified through direct observations or measurements of phenomena; facts are stabilised by taking part a phenomenon to examine its component parts.

3.1.2 Research Approach

Research approach, is a strategy or philosophy utilized in research work (Saunders, 2009). Deductive approach was used to scrutinize phenomena based on generic theory. With a deductive strategy, the researcher deduces a hypothesis on the basis of what is known about a particular domain and of theoretical considerations in relation to that domain (Bryman & Bell, 2007). This approach is applied to develop hypotheses based on what is theoretically known about the research constructs and collect observations to

address/test the hypothesis with a data collected- a conformation /or not/ of the original theories.

3.1.3 Research Method

Research method is a method employed for collecting data to address the research questions of interest. One of the most common ways to classify research method is to make a distinction between quantitative and qualitative research (Myers, 2009). The Research method for this study was quantitative which is related to objective measurement and statistical analysis of numeric data to understand and explain phenomena (Ary, et al., 2002). In this research method, data is quantified and statistical methods are used in the data analysis that aims to give a result that are representative to the whole population. The primary goal of this research method is to seek evidence about a characteristic or a relationship and to use statistical inference to generalize obtained results from a sample to a population (Patrick, 2008).

3.2 Research Design

This study tried to identify or explain factors that determine brand loyalty. Therefore for this purpose this research used explanatory research design. Explanatory research attempts to clarify why and how there is a relationship between two or more aspects of a situation or phenomenon. On the other hand, this design was used to identify the most significant variables that respondents consider in their brand loyalty. Moreover, this research design is believed to be a suitable design to explain and describe the brand loyalty of respondents.

3.3 Population and Sampling

3.3.1 Target Population

The target population (unit of analysis) of this study comprise individual consumers of beer and purchase beer in hotel, bar, restaurant, grocery and any other places as their comfort who are the residents of Addis Ababa from both gender and aged eighteen years or older.

3.3.2 Sample Size and Sampling Techniques

Sampling Method and Sampling Procedures

The target population for this research is consumers of beer located in Addis Ababa city and are found in all ten sub cities. The student researcher believes from ten sub cities two sub cities is sufficient and was selected from the target population of ten sub cities by using simple random sampling method. Because of the large number of the sample unit, time and cost constraint, after selecting two sub cities(Kirkos and Nfas Silk), consumers of beer included in the sample study was then selected by using convenience sampling method. In addition to time and cost constraint as per the student researcher personal observation there is no critical difference between beer consumers which are found in all ten sub cities that affect their loyalty level.

Sample Size

Determining sample size is very important issue because samples that are too large may waste time, resource and money. While samples that are too small may lead to inaccurate results. Knowing the exact number of brewery customers is hardly impossible. This is because customers move in and out of the market and they are very large in number.

Determining sample size is very complex as it depends on other factors such as margins for errors, degree of certainty and statistical technique. Sample size is therefore directly proportional to the desired confidence level of the estimate (z) and to the variability of the phenomenon being investigated, and it is inversely proportional to the error that the researcher is prepared to accept (Corbetta, 2003). When the size of population is unknown and previous researches are unavailable to determine the variability of an estimate over all possible samples, thus the sample size is calculated for the list favorable case $p = q = 0.5$ (Corbetta, 2003). Indeed, as the variability is measured by pq , it is easy to see that this index assumes its highest value when $p = q = 0.50$ (Corbetta, 2003).

Since the total population is unknown and previous studies are not available, with the study title here in Ethiopia, to determine the estimate of p and q . The student researcher used the recommendation by Corbetta (2003) in determining the standard deviation, 95%

confidence interval and 5% sampling error in calculating the sample size. The resulting sample in this study was determined as follows:

$$n = \frac{z^2 pq}{e^2}$$

e^2

Where: n = required sample size

Z = Degree of confidence (i.e. 1.96)²

P = Probability of positive response (0.5)

Q = Probability of negative response (0.5)

E = Tolerable error (0.05)²

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5}{(0.05)^2}$$

$(0.05)^2$

$$n = \frac{3.8416 \times 0.5 \times 0.5}{0.0025}$$

0.0025

$$n = 384.16 \quad 384 \text{ Respondents and adding } 10\% = 422$$

Based on the sample size each 221 samples was given to each two sub-cities and sample consumers from two sub cities was selected by using convenience sampling technique.

3.4. Data Source and Method of Data Collection

Both primary and secondary data sources were used in this research as a source of data. In this research primary data was gathered through standardized questionnaire. Secondary data was collected from marketing journals, company publication and annual reports, sector research report and governmental agencies. The secondary data helped the student researcher as specific reference and explore different construct important to this study.

The primary instrument for data collection in this research was self-reported semi-structured questionnaire, which contained a mixture of closed ended and open-ended questions by approaching respondents in hotels, restaurants and bars and groceries.

The questionnaire has three parts. The first section is about personal detail which includes Age, gender, marital status, education and monthly income. Part two is related frequency of consumption, consumers beer consumption experience, loyalty ranking and level of overall loyalty of beer. Part three is related the underlying variables of brand loyalty. Eight variables were considered to see the factors that consumers use to make their brand loyalty decision. The measurement used for these variables was Likert scale (5 point likert scale).

The items generated from different literature are presented as follows:

No.	Dimension	No. Item	Source
1	Quality and attribute perception	4	Orth (2005)
2	Packaging	3	Zaltman(1997)
3	Brand availability or accessibility	3	Peter & Donnelly(2007)
4	Price	4	Orth (2005)
5	Brand name	5	Wong & Yahyah(2008)
6	Promotional mixes	9	Wong & Yahyah(2008)
7	Social and situational influence	10	Ritter (2008)
8	Repeat purchase	4	Punniyamorthy & Prasanna (2007)

Table 3.1 source of items from different literature

3.5 Validity and Reliability

3.5.1 Validity Analysis

Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. In other words, does the research instrument allow you to hit "the bull's eye" of your research object? Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure (Sounders et. al., 2003). To ensure face validity of measurement procedure pilot study was conducted to examine the face validity of

questionnaire items and to make sure the instructions in the questionnaire were adequate. The content validity was verified by the advisor of this research, who looks into the appropriateness of questions and the scales of measurement. Peer discussion was also another way of checking the appropriateness of questions. Moreover, the pilot test was conducted prior to the actual data collection that helps to get valuable comments.

3.5.2 Reliability Analysis

Joppe (2000) defines reliability as: The extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. Reliability refers to the absence of random error, enabling subsequent researchers to arrive at the same insights if they conducted the study along the same steps again (Yin,2003). In order to test the internal consistency of variables in the research instrument Cronbach’s alpha coefficient were calculated. As Zikmund, Babin and Griffin (2010) state scales with coefficient alpha between 0.6 and 0.7 indicates fair reliability. Thus, for this study, a Cronbach’s Alpha score of .60 or higher is considered adequate to determine reliability. To increase the reliability of the survey, five-scale system (Likert scale) questionnaires was used. Additionally, in order to test the internal consistency of variables in the research instrument Cronbach’s alpha coefficient was used and the variables (appendix 2.A) have 0.945 Cronbach’s alpha calculated.

Table 3.2 Reliability Statistics

Cronbach's Alpha	N of Items
.945	8

Source : survey data(2016)

3.6 Data Analysis Techniques

Data analysis is the computation of certain indices or measures along with searching for patterns of relationship that exist among the data groups. The data analysis for this research was made by using both descriptive and inferential statistics. Descriptive statistic was used to describe the data collected in research studies and to accurately characterize the variables under observation within a specific sample and frequently used

to summarize a study sample. In addition to this, Pearson correlation coefficient was used to show the correlation between the independent and dependent variables. With regard to inferential statistics, multiple regression analysis was used to test the significance contribution of each independent variable to the dependent variable brand loyalty. Moreover, one way ANOVA and independent sample T-test was used to see the mean difference among demographic profile of respondents on the factor they consider to make a brand loyalty decision.

3.7 Ethical Considerations

In the context of research, according to Saunders, Lewis and Thornhill, (2001:130), "... ethics refers to the appropriateness of your behaviour in relation to the rights of those who become the subject of your work, or are affected by it".For this research the respondents was briefed about the research topic and they identified the authors of this research. The study considered the voluntary consent of the respondents while collecting data was performed. Moreover, data collected from the respondents was used for academic research purpose and cannot be revealed to the other third party.This study avoided plagiarism practices and respected the previous studies. The complete information about the previous writers was mentioned both in the text and reference list, according to Harvard reference system.

CHAPTER FOUR

RESULTS AND DISCUSSION

This chapter presents the data analysis and discussion of the research findings. The data analysis was made with the help of Statistical Package for Social Science (SPSS v. 22). The demographic profile of the study sample, consumers brand loyalty ranking and respondents level of brand loyalty have been described using descriptive statistics. Furthermore, descriptive statistics were used to analyse variables of brand loyalty. To test hypothesis and achieve the study objectives, different inferential statistics were employed. By using T-test and ANOVA the mean difference between demographic profile of respondents and underlying factors of brand loyalty were analysed. Multiple linear regressions were also employed to test hypothesis and achieve the study objective that focuses on identifying the most important underlying factors of brand loyalty. Pearson correlation coefficient and Cronbach's alpha were used to test goodness and internal consistency of the measure.

In order to make the collected data suitable for the analysis, all questionnaires were screened to be complete. Out of the 425 distributed questionnaire 94% (398) response rate has been obtained. During data editing, the collected questionnaires was checked for errors and 32 incomplete questionnaires were identified and discarded. Therefore, out of the 398 collected questionnaires, 366 were found to be valid and used for the final analysis.

4.1. Descriptive Analysis

4.1.1. Demographic Profile of Respondents

This section summarizes the demographic characteristics of the sample, which includes age of the respondent, gender, marital status, education level, and income level. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the number of respondents, proportion of males and females in the sample, range of age, income, and education level, so that the analysis could be more meaningful for readers. In addition to this, the differences between demographic profiles of respondents on the factors they consider to be loyal to a particular brand were analyzed by using T-test and ANOVA (the detail is presented later in this chapter).

Table 4.1: Demographic Profile of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Female	106	29.0	29.0	29.0
	Male	300	71.0	71.0	100
	Total	366	100	100	
Age(in years)	18-35	334	91.3	91.3	91.3
	35-54	29	7.9	7.9	99.2
	>54	3	0.8	0.5	100
	Total	366	100	100	
Education Level	Primary Education	20	5.5	5.5	5.5
	Secondary Education	25	6.8	6.8	12.3
	Diploma	22	6.0	6.0	18.3
	First Degree	268	73.2	73.2	91.5
	Masters and above	31	8.5	8.5	100
	Total	366	100	100	
Monthly Income (in Eth. Birr)	less 2500	53	14.5	14.5	14.5
	2501-7000	199	54.4	54.4	68.9
	7001-12000	97	26.5	26.5	95.4
	>12000	17	4.6	4.6	100
	Total	366	100	100	
marital status	Single	270	73.8	73.8	73.8
	Marred	96	26.2	26.2	100
	Total	366	100	100	

Source: Survey data (2016)

Table 4.1 visualizes the demographic profile of 366 respondents. In terms of gender, 71.0% of respondents were male and 29.0% were female. The numbers of male respondents are much higher.

Regarding the age of respondents, the sample population is largely dominated by the age group of 18-35 (91.3%) followed by the group comprise age of 36-54 (7.9%). This indicates that most of the sample populations are youngsters. The rest of the respondents consist with the age of 55 and above (0.8%).

Education plays important role in influencing human action, the impulse and motives that sustain and regulate all mental activity and behavior of individual (Bytqi, 2008). Based on the educational classification 8.5% of respondents have master's degree and above, 73.2% of respondents hold a bachelor degree, 6.0 % of the population represents diploma holders, 6.8% are high school graduates, 5.5% of the total sample represent respondents with elementary and no formal educational level. This shows that more than 81.7% of the respondents are well educated.

Regarding monthly income of the respondents, 54.4% of the respondents earn a monthly income of between 2501-7000 ETB, 26.5% of the respondents earn 7001-12000 ETB, 14.5% of the respondents earn a monthly income less than 2500 ETB and the rest 4.6% earn greater than 12000 ETB.

The mainstream levels of the marital status of respondents varied between single (73.8%) and married (26.2%).

Results of demographic test show that the majority of the respondents share similar demographic characteristics. 94.5% of respondents was found to be at least completed high school, 85.5% earn greater than 2500 ETB, and 91.3% aged between 18 and 35, and are either married or single. Understanding the demographic characteristics help marketers in many ways. Even when marketers first define segments using other bases, such as benefit sought or behaviour, they must know segments demographic characteristics to assess the size of the target market and reach it efficiently (Kotler & Gary, 2012).

Regarding beer consumption of consumers, respondents were asked how frequently they drink beer. The purpose of this particular question was to know whether the respondents are the real representative of beer consumers, and as table 4.2 shows,

more or less participants of the study are regular users of beer brands. Out of the total respondents, 16.7% reported that they drink every day, 29.8% once a week, 35% more than once in a week, and the rest 18.6% reported that they use bottled in other situation than the listed.

Table 4.2 How often do you drink beer?

		Frequency	Percent
Beer brand usage	Everyday	61	16.7
	Once in a week	109	29.8
	More than once in a week	128	35
	Other (please specify)	68	18.6
	Total	366	100

Source: Survey data (2016)

Those respondents who explained that they use in other situation can be considered as the representative of occasional users of beer. The answers respondents give to the open-ended question that says other (please specify) indicate that they sometimes drink beer. As per the findings of the study, they drink beer like within weeks, months, in holidays, trips, parties and other situations.

Moreover respondents were asked for how many years they regularly drink beer to observe their drinking experience. Respondents replied from the range 6 months to 38 years, but majority were regularly drink beer for the last 2 to 10 years. This shows more or less participants of the study have enough experience in drinking beer.

On the hand respondents were asked to name the first brand that came to their mind when they think of or heard about the beer brand. As shown in table 4.3, 48.7% of the respondents recall St.George as the first brand that came to their mind followed by Habesha 17.2% and Walia 12.3%. Although researches need to be conducted to know the real reason behind St.George beer being the first to be recalled, advertisement and other promotional activities of the company might have played a great role. On the other hand, as most of respondents mentioned, long year of experience in modern brewery industry in our country and repeated exposure to brands in shops is a source of information. Therefore, the distribution strategy of St.George beer might be considered as a reason for the brand being top of mind. Furthermore, table 4.3 shows

that Dashen, Meta, Bedele, Amber and Castle are top of mind brands for 21.8 % of respondents.

Table 4.3 What is the first brand that comes to your mind when you think of brewery brand?

beer brand	Frequency	Percent
Amber	7	1.9
Bedele	14	3.8
Castle	4	1.1
Dashen	33	9.0
Habesha	63	17.2
Meta	22	6.0
St.Georg	178	48.6
Walia	45	12.3
Total	366	100.0

Source: Survey data (2016)

The success of a firm depends largely upon its capability to attract consumers towards its brands. In particular, it is critical for the survival of a company to retain its current customers, and to make them loyal to the brand. To a large extent, the success of most businesses depends upon ability to create and maintain customer loyalty (Krishnamurthi & Raj, 1991).

In the main survey consumers were asked to rank their beer loyalty. From the total respondents 96(26.2%) loyal to St. George, 90(24.6%) loyal to Habesha, 86(23.5%) loyal to Walia, 45(12.3%) loyal to Dashen, 22(6.2%) for Bedele, 16(4.4%) for Meta, 6(1.6%)to Amber, 3(0.8%) to Castle for and 2(0.5%) of the respondent Harar beer.

Furthermore respondents were asked to indicate their overall loyalty level to show their commitment or degree of loyalty to the brand. As table 4.4 shows 47.5% of the respondents are Hardcore Loyal, 28.1% are loyal to two or three brands/Soft core Loyal/, 12.6% of the respondents show no loyalty or constantly looking for bargains

or 'vanity prone', looking for something different/ Switcher/ and 11.7% of the respondents are moving from one brand to another/ Shifting Loyalty.

Table 4.4 Level of overall brand loyalty:

loyalty of beer	Frequency	Percent
no loyalty or constantly looking for bargains or 'vanity prone', looking for something different/ Switcher/	46	12.6
moving from one brand to another/ Shifting Loyalty/	43	11.7
loyal to two or three brands/Soft core Loyal	103	28.1
buy the brand all the time/Hardcore Loyal/	174	47.5
Total	366	100.0

Source: Survey data (2016)

4.2 Underlying Factors of Brand Loyalty

Eight indicators of brand loyalty were considered for the study. These eight broad antecedents were quality and attribute perception, packaging, brand availability (accessibility), price, brand name, promotional mixes, social and situational influence and repeat purchase. Each factor has incorporated their sub statements. These statements have the ability to explain the broad dimension.

One statistical approach for determining equivalence between groups is to use simple analyses of means and standard deviations for the variables of interest for each group in the study (Marczyk, Dematteo and Festinger, 2005).The mean indicates to what extent the sample group averagely agrees or does not agree with the different statement. The lower the mean, the more the respondents disagree with the statement. The higher the mean, the more the respondents agree with the statement. On the other hand, standard deviation shows the variability of an observed response from a single sample. The mean values are presented in appendix 2.1, together with standard deviation of values for each variable.

The mean score for product quality and attribute is relatively high (4.4495). This indicates that respondents consider the product quality and attribute of a brand to their loyalty decision of beer brand. Consumers make brand loyalty decision depending on the perceptions they have about the test and flavour of the beer, the alcohol level or content of beer, acceptability of the production process and consistency of the quality. All the four items that measure product quality contributes almost equally to the overall mean.

Next to product quality, the mean score of packaging is higher (3.7687). This indicates that packaging is the also important factor among consumers of beer. The result indicates that consumers give more value to package size, visual appeal and attractiveness of beer package.

Similarly brand availability contributes more to brand loyalty decision (mean score of 3.5264). The result indicates that respondents will be willing to buy any kind of beer, if they cannot get their beer brand (highest mean score 3.67).

Price with mean score of 3.4870 implies that it is the most significant factor among respondents. This result shows that the price variation among different brands of beer affect consumer brand loyalty. Consumers might seek information about the price of different brands before they make brand loyalty decision. The two items, which are related with affordability and reasonable price, contributes more to the grand mean.

Brand name scores higher mean (3.9279) and this shows brand name contributes more for respondents brand loyalty decision. From the alternatives provided, the brand name is memorable and meaningful scores higher mean (4.54) than the grand mean score. This shows that memorable and meaning full brand names have significant contribution to consumers loyalty decision.

The mean score for promotion mixes is higher (4.0386). The higher mean score indicates that, respondents consider promotional activities of different brands to make a brand loyalty decision. The statement that says Sponsorship of certain activity or event that found to be helpful to the society or individuals made me loyal to the brand (4.39) and Sponsorship of sport club that I found fan made me loyal to the beer brand(4.26) contributes the higher mean value to the overall mean

Adolescents are exposed to peer-pressure and group-think mentalities, which lead them to consuming brands that their friends and peers consume (Collins et al. 2003). This social influence stems from persuasion by attitudes and behaviours of fellow peers. As shown in appendix 2.1 the mean score for social and situational influence is 3.544. This mean score shows that social and situational influence has significant impact on consumers brand loyalty decision.

The other variable that scores higher mean (4.2869) is repeat purchase. This implies that most respondents are influenced by repeat purchase and the more they repeatedly consume brand, their intention to be loyal to that brand will increase. Specifically, consumers prefer to buy a familiar brand, as the statement - repeat consumption of the brand made me to accustom the brands test, flavour and alcohol content and this intern made me not to buy other brands that I am not loyal shows the highest mean score (4.52).

4.3 Correlation Analysis

This study employs the correlation analysis, which investigates the strength of relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo and Festinger, 2005). As per Marczyk, Dematteo & Festinger, (2005) general guidelines correlations of .01 to .30 are considered small, correlations of .30 to .70 are considered moderate, correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large ignoring negative signs. Depending on this assumption, all basic constructs were included into the correlation analysis and a bivariate two tailed correlation analysis was done.

As per table 4.5 the coefficients shows that the eight factors measuring brand loyalty of beer were all positively correlated with brand loyalty within the range of 0.426 to 0.686, all were significant at $p < 0.01$ level. From the variables Social & situational influence (0.686) and repeat purchase (0.677) have strong higher significant correlation with the dependent variable brand loyalty. On the hand from all variables package has the lowest significant correlation (0.426) with dependent variable brand loyalty.

	Level of overall brand loyalty:	Quality	Packaging	Availability	Price	Brand name	Promotional mixes	Social & situational influence	Repeat purchase
Level of overall brand loyalty :	1	.666**	.426**	.652**	.655**	.654**	.656**	.686**	.677**
Quality		1	.570**	.567**	.629**	.727**	.705**	.679**	.812**
Packaging			1	.526**	.539**	.687**	.672**	.608**	.587**
Availability				1	.703**	.610**	.768**	.750**	.616**
Price					1	.647**	.770**	.717**	.656**
Brand Name						1	.845**	.719**	.777**
Promotional mixes							1	.816**	.817**
Social & situational influence								1	.790**
Repeat purchase									1

Source: Survey Data (2016)

Table 4.5: Correlation Analysis

All independent variables show a moderate level of direct relation with the dependent variable (consumer brand loyalty). Regarding the relationship between the independent variables, table 4.5 clearly shows that figures with the symbol ** indicate that each of the variables are significantly correlated with each other at a significance level of $p < 0.01$. As shown in table 4.6 below, among correlations between independent variables brand name and promotional mixes (0.845), promotional mixes and repeat purchase (0.817), promotional mixes and Social & situational influence (0.816) and quality and repeat purchase (0.812) have higher significant correlations. On the other side packing and brand availability has lowest correlation (0.526).

4.4 Regression Analysis

In order to see contribution of factors that consumers consider to be loyal for a brand of beer, multiple linear regression analysis was employed. Multiple regression is a statistical method through which one can analyze the relationship between a dependent variable or criterion variable with the set of independent or prediction variable (Dillon, 1993). As a statistical tool multiple regression is frequently used to achieve best prediction equation for a set of variables given both dependent and the

predictors, control for confounding factors to evaluate the contribution of specific variables or set of variables and find structural relationship and provide explanation for multiple relationship (Robert, 2006).

There are three types of multiple regression models: standard, hierarchical and statistical. The standard regression models takes all studied independent variables at once and assess independent variables in terms of unique variance account for (Dillon, 1993). The disadvantage of this model however is that the independent variable might be considered an important even if it is strongly related with dependent variable, if its unique contribution in explaining the dependent variable is small (Chirchil, 1995). Hierarchical and statistical methods differ in determining the sequence of or order of data entry of the independent variable in to the regression equation (Robert, 2006). In the hierarchical method order of data entry is manually detected by logical or theoretical consideration and allows the researcher more flexibility in determining the order of entry of independent variables. In contrary the statistical method used when the researcher is unsure about the relative predictable power of the independent variable under study (Robert, 2006). Thus for this study first standard regression method was used to determine the overall predication equation and then statistical method of regression used to identify the unique contribution of each independent variable under study.

4.4.1 Testing the assumption for multiple regression

4.4.1.1 Normality Assumption

Screening data for assessing the normalization of variables is a critical step in multivariate analysis (Hair, 2010). Normality refers to the shape of a normal distribution of the metric variable (Robert, 2006). Even though there are many testes for normality all having their advantage and disadvantages, in this study histogram was used to assess normality of the data. For this study the histogram of variables are viewed for items as shown in the appendix 2.6 that fall within acceptable range.

4.4.1.2 Multicollinearity Assumptions

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are multicollinear, there is “overlap” or sharing of predictive power (Dillon, 1993). This may lead to the paradoxical effect, whereby the regression model fits the data well, but none of the predictor variables has a significant impact in predicting the dependent variable

(Robert, 2006). This is because when the predictor variables are highly correlated, they share essentially the same information. Thus, together, they may explain a great deal of the dependent variable, but may not individually contribute significantly to the model (Robert, 2006). Thus, the impact of multicollinearity is to reduce any individual independent variable's predictive power by the extent to which it is associated with the other independent variables. That is, none of the predictor variables may contribute uniquely and significantly to the prediction model after the others were included. The multicollinearity in this study was checked using the Tolerance and VIF value. As it is showed in the table(appendix 2.7) all independent variables have a Tolerance value greater than 0.1 and a VIF value less than 10. The VIF, which stands for variance inflation factor, is computed as "1/tolerance," and it is suggested that predictor variables whose VIF values are greater than 10 may merit further investigation (Robert, 2006).

4.4.1.3 No Autocorrelation

To show the auto correlation between observations Durbin-Watson test was used. It ranges the value from 0 to 4. A value near to 2 indicates non auto correlation. A value towards 4 indicates that negative auto correlation. A value towards 0 indicates positive auto correlation (Durbin-Watson,1951). As shown in appendix 2.8 this study Durbin-Watson test result is 1.938 which is closer 2. This shows that no auto correlation between observations.

4.4.2 Multiple Regression Analysis Result

Brand loyalty was used as the dependent variable while the underlying factors of brand loyalty were used as the independent variables. In order to indicate how well a set of independent variables are able to predict the dependent variable and to analyze the conceptual framework, in this study eight independent were entered to the multiple regression equation and one independent variable.

The model in the appendix 2.2 shows how much of the variance in the measurement of brand loyalty is explained by the model. Based on this, model coefficient of determination or R^2 obtained indicates that 62.5% (adjusted R square of 61.6% with estimated standard deviation 0.646) of the variation in the measurement (Consumer beer brand loyalty) function can be explained by repeat purchase (significance level less than 0.10), packaging, availability, price, quality, brand name, social &

situational influence and promotion mixes in consuming a particular beer brand. The remaining 37.5% of variations on beer brand loyalty are explained by other variables out of this model or variables which are not incorporated in this study.

To test the hypothesis of no linear relationship between the predictor and dependent variables, i.e., $R\text{-square} = 0$, the Analysis of Variance (ANOVA) is used (Robert, 2006). Appendix 2.3 presents the F statistics to test how well the regression model fits the data. If the f-statistics is big and the significance level less than 0.05 then the hypothesis of no linear relationship between the independent variable and dependent variable is rejected. Thus in this study F-statistics with 74.32 and significance value of 0.00 the regression model fits the data. Thus all the independent variables repeat purchase (significance level less than 0.10), packaging, availability, price, quality, brand name, social & situational influence and promotion mixes are linked to the dependent variable Brand loyalty.

As it is mentioned earlier in this chapter, this study aims to identify the most contributing independent variables in the prediction of the dependent variable brand loyalty. Thus, the strength of each predictor (independent) variable influence on the criterion (dependent) variable can be investigated via standardized Beta coefficient. The regression coefficient explain the average amount of change in dependent variable that caused by a unit of change in the independent variable. The larger value of Beta coefficient (ignoring any negative signs out the front) that an independent variable has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable.

Table 4.6: Regressions for Consumers Beer Brand loyalty

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-1.921	0.250		-7.684	0.000
Quality	0.305	0.088	0.204	3.453	0.001
Packaging	-0.215	0.058	-0.173	-3.714	0.000
Availability	0.349	0.072	0.273	4.855	0.000
Price	0.367	0.094	0.212	3.901	0.000
Brand name	0.370	0.083	0.305	4.477	0.000
Promotional mixes	0.304	0.100	0.269	3.042	0.003
Social & situational influence	0.250	0.091	0.182	2.747	0.006
Repeat purchase	0.200	0.102	0.145	1.971	0.050

Dependent Variable: Level of overall brand loyalty :_a

Source: Primary data from survey(2016)

The R-square value only indicates the variance in overall consumer loyalty of beer brand as it is explained by the independent variables. However, when we see the extent to which each independent variables influence the dependent variable; brand name (=0.305, p=0.000), availability (=0.273, p=0.000), promotional mixes (= 0.269, p=0.003), price (=0.212, p=0.000), quality (=0.204, p=0.001), Social & situational influence (=0.182, p=0.006), packaging(=-0.173, p=0.000) and repeat purchase(=0.145, p=0.050)in their descending order referring brand name as the most important underlying factor of brand loyalty. Repeat purchase was found to be the list variable that influences the beer brand loyalty of consumers.

Since, coefficients of the predictor variables are statistically significant at less than five percent; alternative hypotheses related with product quality, price, brand availability, brand name, social influence and promotional mixes are accepted and the remaining one alternative hypothesis (which are related with packaging) is rejected. But one predictor variable (repeat purchase) is statistically significant at less than ten percent and the hypothesis is accepted only at significant level less than ten percent.

Table 4.7: Summary of the Overall Outcome of the Research Hypotheses

Hypothesis	Result	Reason
H1: There is a significant direct relationship between product quality and beer brand loyalty.	Accepted	=0.204, p=0.001
H2: Beer brand packaging positively affects brand loyalty of consumers.	Rejected	=-0.173, p=0.000
H3: There is a positive relationship between consumers brand loyalty and availability /accessibility/ of beer brands.	Accepted	=0.273, p=0.000
H4: Beer price and brand loyalty are positively related	Accepted	=0.212, p=0.000
H5: There is a significant and positive relationship between beer brand name and brand loyalty of consumer.	Accepted	=0.305, p=0.000
H6: There is appositive relationship between promotional mixes and brand loyalty of beer consumers.	Accepted	=0.269, p=0.003
H7: Social influence has significant impact on brand loyalty of beer consumers.	Accepted	=0.182, p=0.006
H8: Repeat consumption of beer brand has direct/positive/ impact on brand loyalty of consumers.	Accepted	=0.145, p=0.050

Source: Survey Data (2016)

4.5 Underlying Factors of Brand Choice Based on Respondents' Demographics

In order to meet the objective that aims to examine if there is a difference between the demographic profile of consumers and the factors they consider in their brand loyalty decision, two inferential statistics techniques were employed. The independent t-test and one-way ANOVA were applied to compare demographic characteristics and investigate how they are related with price, package design, product quality, promotional mixes, brand availability and brand name, social & situational influence and repeat purchase. One-way ANOVA tests whether the means of all the groups are the same. T-test is used to test mean differences between two groups. In general, t-test requires a single dichotomous independent variable and a single continuous dependent variable (Marczyk, Dematteo and Festinger, 2005). Thus, t- test were used to compare

mean difference between underlying factors of brand loyalty and gender and current marital status. Similarly, ANOVA is a test of mean comparisons. In fact, one of the only differences between a *t*-test and an ANOVA is that the ANOVA can compare means across more than two groups or conditions (Marczyk, Dematteo and Festinger, 2005). Hence, One-Way ANOVA analysis between the factors of brand loyalty and four income levels, five education levels, and three age groups were executed.

4.5.1 Brand loyalty determinants based on gender

As it is depicted in appendix 2.4 below, the mean difference between male and female subjects with regard to the variable repeat purchase is -.09490. The result of independent sample t-test shows that the mean difference between male and female subjects with the variable repeat purchase is significant at p value is 0.025, which is less than 0.05. This result indicates that the only variable (repeat purchase) influence on male beer brand loyalty decision is higher than the influence the variables have on female subjects. The mean difference between female and male for the remaining seven variables is not significant as their p values are less than 0.05 (see appendix 2.4). This shows that the variables influence on brand loyalty of female and male subjects is almost similar.

4.5.3 Underlying Factors of Brand loyalty Based on Income Level

In order to find out whether there is a significant difference between the factors of brand loyalty of beer and income level, one-way ANOVA analysis was executed. The results of the analysis are presented in Table 4.8. In all eight variables, significance difference between income levels is observed. As table 4.8 shows there is significant difference between different income groups and quality, packaging, availability, brand name, price, social & situational influence, promotional mixes and repeat purchase with the value $p < 0.05$.

Table 4.8: One Way ANOVA between Income Level and Underlying Factors of Brand loyalty

		Sum of Squares	Df	Mean Square	F	Sig.
Quality	Between Groups	5.105	3	1.702	3.590	.014
	Within Groups	171.585	362	.474		
	Total	176.690	365			
Packaging	Between Groups	6.954	3	2.318	3.385	.018
	Within Groups	247.904	362	.685		
	Total	254.859	365			
Availability	Between Groups	10.370	3	3.457	5.374	.001
	Within Groups	232.874	362	.643		
	Total	243.245	365			
Price	Between Groups	3.207	3	1.069	2.990	.031
	Within Groups	129.419	362	.358		
	Total	132.626	365			
Brand Name	Between Groups	9.571	3	3.190	4.439	.004
	Within Groups	260.204	362	.719		
	Total	269.776	365			
Promotional mixes	Between Groups	13.471	3	4.490	5.447	.001
	Within Groups	298.417	362	.824		
	Total	311.888	365			
Social & Situational influence	Between Groups	10.506	3	3.502	6.389	.000
	Within Groups	198.416	362	.548		
	Total	208.922	365			
Repeat purchase	Between Groups	6.929	3	2.310	4.153	.007
	Within Groups	201.323	362	.556		
	Total	208.252	365			

* Significant at $p < 0.05$; Source: Survey Data (2016)

4.5.4 Underlying Factors of Brand Loyalty Based on Age

A one-way ANOVA tests whether the means of all the groups are the same. The test whether the groups' mean between different age groups are the same is represented by the F-ratio (which represents the variance between the groups divided by the variance within the groups). A large F ratio indicates that there is more variability between the groups (caused by the independent variable) than there is within each group (referred to as the error term). As table 4.9 shows there is significant difference between different age groups and five determinants of brand loyalty (availability $F=6.353$ & $p = 0.002$, price, social & situational influence, promotional mixes and repeat purchase). As shown table 4.9 there is no significant difference between different age groups and the rest three loyalty determinant variables (quality, packaging and brand name).

Table 4.9: One Way ANOVA between age group and Underlying Factors of Brand loyalty

		Sum of Squares	Df	Mean Square	F	Sig.
Quality	Between Groups	2.880	2	1.440	3.008	.051
	Within Groups	173.809	363	.479		
	Total	176.690	365			
Packaging	Between Groups	3.840	2	1.920	2.777	.064
	Within Groups	251.018	363	.692		
	Total	254.859	365			
Availability	Between Groups	8.226	2	4.113	6.353	.002
	Within Groups	235.018	363	.647		
	Total	243.245	365			
Price	Between Groups	3.866	2	1.933	5.449	.005
	Within Groups	128.760	363	.355		
	Total	132.626	365			
Brand Name	Between Groups	2.354	2	1.177	1.598	.204
	Within Groups	267.421	363	.737		
	Total	269.776	365			
Promotional mixes	Between Groups	12.188	2	6.094	7.381	.001
	Within Groups	299.700	363	.826		
	Total	311.888	365			
Social & Situational influence	Between Groups	3.492	2	1.746	3.086	.047
	Within Groups	205.429	363	.566		
	Total	208.922	365			
Repeat purchase	Between Groups	5.943	2	2.971	5.332	.005
	Within Groups	202.309	363	.557		
	Total	208.252	365			

* Significant at $p < 0.05$; Source: Survey Data (2016)

4.5.5 Underlying Factors of Brand Loyalty Based on Education Level

A one-way ANOVA tests whether the means of all the groups are the same. This tests whether the groups' mean between different educational levels are the same is represented by the F-ratio. ANOVA result in table 4.10 shows that all variables are perceived differently among respondents, who are in different educational groups. Therefore, there is a significant difference between educational levels with regard to their brand loyalty of beer and all beer loyalty determinant variables.

Table 4.10: One Way ANOVA between Educational Level and Underlying Factors of Brand loyalty

		Sum of Squares	Df	Mean Square	F	Sig.
Quality	Between Groups	8.317	4	2.079	4.458	.002
	Within Groups	168.373	361	.466		
	Total	176.690	365			
Packaging	Between Groups	17.026	4	4.257	6.461	.000
	Within Groups	237.832	361	.659		
	Total	254.859	365			
Availability	Between Groups	30.890	4	7.723	13.128	.000
	Within Groups	212.355	361	.588		
	Total	243.245	365			
Price	Between Groups	9.899	4	2.475	7.279	.000
	Within Groups	122.727	361	.340		
	Total	132.626	365			
Brand Name	Between Groups	11.417	4	2.854	3.988	.004
	Within Groups	258.359	361	.716		
	Total	269.776	365			
Promotional mixes	Between Groups	30.624	4	7.656	9.826	.000
	Within Groups	281.265	361	.779		
	Total	311.888	365			
Social & Situational influence	Between Groups	10.964	4	2.741	4.998	.001
	Within Groups	197.958	361	.548		
	Total	208.922	365			

Source: Survey Data (2016)

4.6 Discussion of Major Findings

On this section the major findings of the study is discussed and point out their implications. Beers are objects with relatively few attribute that physically differentiate products and brand names have been showed to have considerable importance in preference and purchase decisions (Schaefar, 1995). In addition beer is popular and is consumed both at home and as well as in public with potentially significant implication for the desired benefits (Orth, 2005). This study is designed and carried out in order to investigate underlying factors of brand loyalty among consumers of beer in Addis Ababa. According to study findings, seven factors: quality, packaging, availability, brand name, price, social & situational influence and promotional mixes were identified as critical to brand loyalty decision.

Based on the data analysis in this chapter of the study found out that quality is important factor considered by consumer in setting their beer brand loyalty. The descriptive analysis show that perceived quality has the highest mean value compared to the other determinants of brand loyalty factors(i.e. 4.4495).The correlation analysis also reveals perceived quality show the highest and positive relation (i.e 0.666) with the dependent variable Brand loyalty. The statistical multiple regression test on quality also showed that quality is a significant ($\beta=0.204$, $p=0.001$) predictor of beer brand loyalty. Even though most of beer brands in Ethiopia exhibits similar product attributes (test, alcoholic content and consistent quality) most respondents set their loyalty on quality.

As per Etzel et al. (2006) one of the packaging purposes is to persuade consumers to buy the product- packaging can assist in getting a product noticed by consumers. It attracts the consumer's attention to a particular brand, enhances its image and influences consumers' perceptions about a product (Vila & Ampuero, 2007). Moreover, studies (Sarwade and Ambedkar (2011), Deliya and Parmar (2012)) conducted in different low involvement products revealed that the aesthetic appeal of a brand usually influence consumers decision making.

The mean value of the independent variable(packaging) is 3.7687 which show significant level of importance. The correlation value proves that the variable is correlated with brand loyalty (dependent variable) by 0.426 correlation value and the

regression coefficient table reveals that the variable shows Beta value of -0.173 values with a significance level of 0.000.

In line with most academic studies such as Chimboza and Edward (2007), the current study has proven the importance of brand availability in determining consumer loyalty of beer brands the mean value of 3.5264 and the regression coefficient table reveals that the variable shows Beta value of 0.273 values with a significance level of 0.000. Moreover, Peter and Donnelly (2007) explain that products that are convenient to buy in a variety of stores increase the chance of consumers finding and buy them. When consumers are seeking low-involvement products, they are unlikely to engage in extensive search. Therefore, ready availability of brands is important for loyalty decision-making.

Price of a product was important aspect in loyalty of beer brand. This factor accounted for a mean of 3.4870, beta value of 0.212 with a significance level of 0.000. The correlation value proves that the variable is correlated with brand loyalty (dependent variable) by 0.655 correlation value. As Peter and Donnelly (2007) explanation price of products and services often influences whether consumers will purchase them at all, which competitive offering is selected. Furthermore, as per the result of the study the influence of price on brand loyalty differ across respondents in different income group. This indicates that some consumers consider price as their loyalty criteria depending on their earning. This could be because of the fact that consumers associate the price of a product with their purchasing power and status.

Consumers are usually able to evaluate each of the products and brand name attributes. Famous brand names can disseminate product benefits and lead to higher recall of advertised benefits than non-famous brand names (Keller, 2003). The mean value of the independent variable (brand name) is 3.9279 which show significant level of importance. The correlation value proves that the variable is moderately correlated with brand loyalty (dependent variable) by 0.654 correlation value and the regression coefficient table reveals that the variable shows higher Beta value of 0.305 with a significance level of 0.000. The strong brand actually influences consumer perception and brand loyalty primarily focuses on marketing mix variables and brand equity can be created directly or indirectly through brand image and brand attitude (Yoo *et al.*, 2000).

Literatures indicate that the more consumers become familiar with a certain brand; their tendency to put in their evoked set and make their choice is higher (Sundar and Pandan, 2012, Keller (2004). The descriptive value of the independent variable (promotional mixes) shows the mean value (i.e. 4.0386). It shows significant level of importance. The correlation value proves that the variable is moderately correlated with the dependent variable by 0.656 values and the Coefficient table from the regression analysis proves that the variable has 0.269 Beta value with significance of .003.

Results on the social and situational influence construct significance in affecting a beer brand loyalty shows that all measures related in assessing the social benefits a consumer get to be loyal a particular beer brand are important factor in Addis Ababa beer market. Brand loyalty changes across environment. Because the benefit sought by the consumer changes. Those consumers may want to have a refine taste while in different environment. Influence by peers, family and conformity to group norms by choosing a particular beer brand are found to be important factor in predicting beer brand loyalty ($r=0.182$, $p=0.006$). The mean value of the independent variable is 4.2869 which show significant level of importance. The correlation value proves that the variable is moderately correlated with brand loyalty (dependent variable) by 0.686 correlation value.

The descriptive analysis show that repeat purchase has the highest mean value next to product quality & attribute compared to the other determinants of brand loyalty factors(i.e. 4.2869).The correlation analysis also reveals perceived quality show positive relation (i.e 0.677) with the dependent variable Brand loyalty. According to regression analysis the coefficient table shows that the value of Beta coefficient of repeat purchase shows the least from other underlining factors of beer brand loyalty 0.145 which proves the weak independent predictor influencing the criterion (dependent variable).

To sum up the discussion, it could be concluded that brand name, availability, promotional mixes, price, quality, Social & situational influence and packaging were identified as critical to brand loyalty decision and are major antecedents of brand loyalty for brewery sector. Brand name is most important factor that directly influence brand loyalty.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

This chapter aims to review the problem of the research and conclude the findings of with regard to the objectives of the study. Recommendation that focuses on how the problem identified could be addressed is included in the present chapter. Limitation faced while conducting the study and suggestion for future researches is also included at the end of this chapter.

5.1. Conclusion

Brand loyalty, regardless of the type or base which implies undoubtedly constitutes one of the company's assets. Retain customers and build good relations with them is the goal of today's businesses. The primary purpose of this study was to examine the underlying factors of brand loyalty among beer consumers in Addis Ababa. The study empirically examines Addis Ababa beer consumers brand loyalty and the determinants behind their loyalty. Through the review of different literature on brand loyalty a total of eight dimensions that affect brand loyalty (Quality, packaging, availability, brand name, price, social & situational influence, promotional mixes and repeat purchase) were identified and tested to understand factors that affect consumer brand loyalty. These dimensions had sub elements that are provided in a likert scale and send to the selected respondents that are taken using convenience sampling technique. The gathered data is analysed by using descriptive statistics, correlation analysis and multiple regressions.

The results of regression analysis indicated that there is a significant effect of brand name, availability, promotional mixes, price, quality, Social & situational influence, and packaging depending on their order of importance from most determinant factor to the least on beer brand loyalty. From this finding, brand name is the major influencing factor since strong brand name actually influences consumer perception and brand loyalty primarily focuses on marketing mix variables and brand equity can be created directly or indirectly through brand image and brand attitude. Ease of brand availability can affect brand loyalty of beer consumers. If consumers perceive similarity of beer quality among different brands of beer, the brand which is

distributed accessed intensively can get the chance to be loyal after repeat exposure of consumption by many consumers who look for ease of availability.

With more and more products and services competing for consideration by customers, well-known brands have a major competitive advantage in today's marketplace. Moreover finding of this study revealed that promotional mixes such as advertisements, sales promotion activities, sponsorship of certain events like football teams, community support activities are a key factor for beer brand loyalty. Some seems still underestimate the role of prices, as per the study result price of a beer can determine brand loyalty of beer. Different pricing range can be used to target different group of consumers.

A further finding of the study depicted that perceived quality and its attributes does have association with brand loyalty that could enhance the loyalty of an individual towards a beer brand. On the other hand the study concluded that social and situational influences also found to be significant in determining consumers beer brand loyalty.

Packaging is the other factor that determines brand loyalty. Packaging that visually appeals, looks attractive influence buying decision of consumers. Moreover, an attractive packaging can communicate the quality of the beer; it could be either by affecting emotion of consumers or by persuading them through the label that indicate the ingredients of the beer.

Furthermore, in one way ANOVA result the finding of the study shows that consumers of beer who belongs to different income groups, age groups and educational levels perceive the underlying factors of beer loyalty differently. Regarding the brand loyalty level, most of consumers of beer are loyal to different brands available in Ethiopia. Moreover, St. George beer is a top- of- mind brand for most consumers in Addis Ababa. Furthermore, the study found out that St. George beer brand is the most loyal brand (26.2%) followed by Habesha beer (24.6%) and Walia beer(23.5%) by majority of beer consumers in Addis Ababa.

5.2. Recommendations

Basing on the findings from the study, the discussion that followed and the conclusion drawn in line with the study objectives, the following points are recommended for breweries in order to make better and informed decisions that can be used to influence the way consumers make brand loyalty decision.

It is good if breweries wisely choose the proper brand name that is memorable & meaningful and form associations between the brand, the product and its attributes for emerging brands and links to the brand's emotional and self-expressive benefits for differentiation for brands which have only minor physical differences and are consumed in a social setting where the brand can create a visible image about the consumer itself.

Since beer is like an everyday commodity, which consumers purchase and use in their day-to-day lives, companies should ensure that their brand is available intensively. Therefore, companies should start delivery of their beer brand regularly for hotels, restaurants, bars, community(kebele) lounge, super markets and other in need areas of Addis Ababa, so that any customer can find the accustomed beer brand at the shelf.

Breweries can use process of manufacturing or the quality of ingredients used in the process of brewing, test and alcohol content of beer to position their beer as having quality.

Because advertisements enhance consumer knowledge and perception pertaining to the brand and ultimately strengthen the brand loyalty, it is advisable if breweries advertise their products in a better way. In addition breweries should use sponsorship of groups or teams, events, charities, individuals, buildings and TV program for building strong brand image and use celebrities and endorsers that are specially connected with a large social group in promoting their brands.

Also breweries should identify different situation i.e. dinning hour, parties, sport events, holidays and connect their brands with different events, entities and social groups as a result emphasis the situation in which their brand should be used in their marketing communication.

Using packaging to differentiate a brand is also useful strategy. Therefore, if a company creates an attractive and convenient package, consumers can be attracted to the brand. Moreover labelling on the package can be a useful tool to attract consumers.

In Addis Ababa the price of beer is almost the same. However, for a beer brand that can be accessed by everyone proportionately, customers may expect a lower price. Therefore, if companies are interested to attract new customers to their brand they should think of adjusting their price range. This will help companies to target price conscious potential consumers.

To compete and get dominant position in competitive but growing market breweries should innovate products that cater to each of their market segments. The results of this study concluded that there is a significant variation in loyalty for different demographic groups. Thus it is recommended for breweries to reach the loyalty determinants accordingly.

5.3. Limitations and Direction

Consumer decision making varies depending on the product nature and specific situation of a customer. Therefore, there is scope for other researchers to study consumers brand loyalty decision in other product categories and in the context of other countries. Moreover, the study area in the brewery category can be conducted in the context of other countries, so that the findings of the study can be replicated. In addition in future research can also be carried out by using more variables.

Moreover, researchers can find a better result by applying additional statistical techniques, such as factor analysis-to reduce variables and increase the validity of the research

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Appendix

Appendix 1.1: Questionnaire (Amharic Version)

አዲስአበባዩንቨርሲቲ

ንግድስራተኞች

ማርኬቲንግናጅምንትትምህርትክፍል

ውድ የዚህ መጠይቅ ተሳታፊ፡-

እኔ ስሜ መኳንንት ተስፋው ሲሆን፣ በአዲስ አበባ ዩኒቨርሲቲ የንግድ ሥራ ት/ቤት የድህረ-ምረቃ ተማሪ ነኝ። በአሁኑ ሰዓት በአዲስ አበባ ከተማ የቢራ መጠጥ መለያ ደንበኝነትን(ታማኝነትን) የሚወስኑትን ምክንያቶች ለመለየት ምርምር በማካሄድ ላይ እገኛለሁ። የምርምር ሥራው ውጤት በአዲስ አበባ ዩኒቨርሲቲ በማርኬቲንግ ማኔጅመንት ለምሰራው የሁለተኛ (ማስተርስ) ዲግሪ በማሟያነት እንዲውል በማሰብ ነው። በዚህ የዳሰሳ ጥናት የሚኖርዎት ተሳትፎ በፈቃደኝነት ላይ የተመሰረተ በመሆኑ የሚሰጡኝ መረጃም ለጥናቱ ዓላማ ብቻ የሚውል ሲሆን በሚስጥር ይያዛል። እባክዎትን በመጠይቁ ላይ ስምዎትን እና የአድራሻዎትን ዝርዝር ሁኔታ መጻፍ አያስፈልግዎትም።

ስለ መልካም ትብብርዎ በቅድሚያ አመሰግናለሁ።

ክፍል አንድ፡- ጠቅላላ የግል ሁኔታን በተመለከተ (እባክዎትን እርስዎን በደምብ የሚገልፀውን በመምረጥ በባዶ ሳጥኑ ላይ ምልክት ያድርጉ)

- 1. እድሜ፡- 18-35 36-54 55 እና ከዚያ በላይ
- 2. ጾታ፡- ሴት ወንድ
- 3. የወቅቱ የጋብቻ ሁኔታ፡- ያላገባ ያገባ
- 4. የትምህርት ደረጃ፡- አንደኛ ደረጃ ትምህርት ሁለተኛ ደረጃ ትምህርት ዲፕሎማ አንደኛ ዲግሪ የማስተርስ ዲግሪ እና ከዚያ በላይ
- 5. ወርሃዊ ገቢ በኢትዮጵያ ብር፡- ከ2500 በታች 2501-7000 7001-12000 12001 +

ክፍል ሁለት

- 1. ቢራን ለምን ያህል ጊዜ አዘውትረው ይወስዳሉ? በየቀኑ በሳምንት አንድ ጊዜ በሳምንት ከአንድ ጊዜ በላይ ሌላ (እባክዎትን ይግለጹት _____)
- 2. የቢራ መጠጥ በተደጋጋሚ መውሰድ ከጀመሩ ምን ያህል ጊዜ ሆንዎታል? (ዓመታት) _____
- 3. የቢራ ዓይነትን ሲያስቡ አስቀድሞ ወደ አእምሮዎ የሚመጣል የቢራ ዓይነት የትኛው ነው? _____
- 4. በሚከተለው ሳጥን ውስጥ የተዘረዘሩትን የቢራ ዓይነቶች በመውሰድ የእርስዎን የቢራ መጠጥ መለያ ደንበኝነትን(ታማኝነትን) ቅደም ተከተል በደረጃ ያስቀምጧቸው። እባክዎን የእርስዎ ምርጫ የሆነውን ቢራ ያልተገለፀ ከሆነ ከሳጥኑ በታች በተመለከተው ቦታ ይግለጹት።

የቢራው ዓይነት	ምልክት	የቢራው ዓይነት	ምልክት
ቅዱስ ጊዮርጊስ ቢራ		ዋልያ ቢራ	
አምበር ቢራ		በደሌ ቢራ	
ካስትል ቢራ		ሀረር ቢራ	
ሜታ አቦ ቢራ		ሐበሻ ቢራ	
ዘመን ቢራ		ራያ ቢራ	
ዳሽን ቢራ		ሌላ	

5. ከላይ ከተዘረዘሩት የቢራ አማራጮች የእርስዎን የቢራ መጠጥ መለያ ደንበኝነትን(ታማኝነትን) ያመልክቱ፡-
- ሁልጊዜ ምጠቀመው ቢራ መጠጥ ደንበኛ የሆንኩትን የቢራ መለያ ብቻ ነው
 - ለሁለት ወይም ለሶስት ዓይነት የቢራ መጠጥ መለያዎች ደንበኛ(ታማኝ) ነኝ
 - ከአንድ የቢራ ዓይነት ወደ ሌላኛው የቢራ ዓይነት እዘዋውላለሁ(ተለዋዋጭ ደንበኝነት)
 - ደንበኝነት የለኝም ወይም በወቅቱ ጥሩ የሆነውን እጠቀማለሁ ወይም “ረብ የለሽ” ነው በማለዩት የተለየ ነገር መፈለግ/ወላኝ አይደለም

ክፍል ሶስት፡- የምርት መለያ ዓይነት(ብራንድ) ደንበኝነትን(ታማኝነትን) የሚወስኑ ሁኔታዎችን በተመለከተ

ከሚከተሉት ሀሳቦች ውስጥ እርስዎን ለዓይነት(ብራንድ)ታማኝ(ደንበኛ) እንዲሆኑ የሚያደርጉና ወላኝ ናቸው ብለው ከሚያስቧቸው ጋር በተያያዘ የእርስዎን ሀሳብ በደምብ የሚገልጸውን ቁጥር በመምረጥ ምልክት ያድርጉ፡- 1፡- በጣም አልስማማም፤ 2. አልስማማም፤ 3.አቋም የለኝም፤ 4.እስማማለሁ እና 5. በጣም እስማማለሁ፡፡

	የሁኔታዎች ዝርዝር	በጣም አልስማማም (1)	አልስማማም (2)	አቋም የለኝም (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
	የቢራው ጥራትና ይዘት እይታን በተመለከተ					
1	ከፍተኛ እና ሁልጊዜ ጥራቱ አንድ ዓይነት ነው የምለውን ቢራ ደምበኛ ነኝ	1	2	3	4	5
2	ተቀባይነት ባለው የጥራት ደረጃ መሰረት የተመረተ የቢራ ዓይነት እመራጣለሁ/ደምበኛ ነኝ/	1	2	3	4	5

3	ጣዕመ-ና ቃናው መልካም የሆነውን የቢራ ዓይነት ደምበኛ/ታማኝ/ ነኝ	1	2	3	4	5
4	በእኔ የቢራ የዓይነት ደንበኝነት ውሳኔ ላይ ወሳኝ የሆነ ተጽዕኖ የሚያሳድረው የአልኮል ደረጃው/ይዘቱ ነው።	1	2	3	4	5
	አስተሻሻግን በተመለከተ					
1	እኔ በምፈልገው የአስተሻሻግ መጠን ታሽጎ የሚቀርብልኝ የቢራ ዓይነትን እመርጣለሁ	1	2	3	4	5
2	የማሸጊያው መልክ ሳቢ መሆን የቢራ ዓይነት ደንበኝነቴ ላይ ተጽዕኖ ያሳድራል	1	2	3	4	5
3	የአስተሻሻጉ ሳቢነት በቢራ ምርጫዬ ጋር ጠንካራ ትስስር አላቸው	1	2	3	4	5
	የዓይነት በቀላሉ መገነትና ተደራሽነት					
1	በገበያ ላይ በሰፊው ለሚገኝ የቢራ ዓይነት ደንበኛ ነኝ	1	2	3	4	5
2	በአካባቢዬ ያገኘሁትን ማናቸውም ዓይነት/ብራንድ/ ቢራ እጠጣለሁ	1	2	3	4	5
3	በቢራ መሸጫ ቦታው ላይ እኔ የምመርጠው የቢራ ዓይነት ባይኖር ያገኘሁትን የቢራ ዓይነት እጠጣለሁ	1	2	3	4	5
	ዋጋን በተመለከተ					
1	ለእኔ ዋጋው ተመጣጣኝ ለሆነው የቢራ ዓይነት ደንበኛ ነኝ	1	2	3	4	5
2	ቢራ ለመግዛት ስወስን ዋናው ተቀዳሚ ጉዳይ የሚሆነው ዝቅተኛ ዋጋ ያለውን ነው	1	2	3	4	5
3	ለእኔ የቢራ ዓይነት እኔ የምፈልገው ከሆነ ከፍተኛ ዋጋም ቢሆን ከፍቶ ለመግዛት ፈቃደኛ ነኝ	1	2	3	4	5
4	ላወጣ በምችለው ዋጋ የቀረበውን የቢራ ዓይነት ደንበኛ ነኝ	1	2	3	4	5
	የቢራው ዓይነት ስም					
1	የቢራው ስም ዓይነት የማይረጋገጥ እና ትርጉም ያለው ነው	1	2	3	4	5
2	የቢራ ዓይነት ስሙን ስመርጥ ዋጋ አለይም	1	2	3	4	5

3	የቢራው ዓይነት ስሙ የኔን ማንነት ያንጸባርቃል	1	2	3	4	5
4	እኔ ደንበኛ የሆንኩት የቢራ መጠጥ ዓይነት ስሙጥር ስለሆነ ከእኔ ምርጫ ጋር ጠንካራ ትስስር አለው።	1	2	3	4	5
5	የቢራው ስም እና ዝናው እንድገዛው ስለሚስበኝ የሁልገዜ ደንበኛ እንድሆን አድርጎኛል።	1	2	3	4	5
የማስታወቂያ ድብልቆችን በተመለከተ						
1	እኔ ደንበኛ የሆንኩት የቢራ ዓይነት በተሻለ (ጥሩ) ሁኔታ እንዲተዋወቅ የተደረገው ቢራ ነው።	1	2	3	4	5
2	እኔ ደንበኛ የሆንኩት የቢራ ዓይነት በተደጋጋሚ ሲተዋወቅ የማየው የቢራ መጠጥ ነው።	1	2	3	4	5
3	ሳቢ እና የሚታወቅ ትውውቅ የሚደረግለት የቢራ ዓይነት ለቢራ ደንበንነት ምርጫዬ ያግዘኛል።	1	2	3	4	5
4	ስለ ቢራው ዓይነት በሚደያ በዜና መልክ፣ በመግለጫ እና በሌሎች ልዩ ፕሮግራሞች መስማቱ ለቢራው ዓይነት ደንበኛ እንድሆን አድርጎኛል።	1	2	3	4	5
5	አንዳንድ የሽልማት ዓይነቶች ወይም የነጻ ናሙና ቢራ መስጠቱ ለቢራው ዓይነት ደንበኛ እንድሆን አድርጎኛል።	1	2	3	4	5
6	ብዙውን ጊዜ በተወሰኑ ዝግጅቶች ላይ ሲቀርብ ስለማየው ወይም በሌሎች የንግድ ዓላማ በሌላቸው ፕሮግራሞች ላይ ሲጠጣ ስለማየው የቢራ ዓይነቱን ለእኔ ተመራጭ አድርጎታል።	1	2	3	4	5
7	በማስታወቂያው ላይ ያለውን ዝነኛ ሰው ስለምወደው ለቢራው ዓይነት ደንበኛ ነኝ።	1	2	3	4	5
8	እኔ የምደግፈውን የስፖርት ክለብ ስፖንሰር ስለሚያደርገው የቢራው ደንበኛ እንድሆን አድርጎኛል።	1	2	3	4	5
9	ለህብረተሰቡ ወይም እርዳታ ለሚፈልጉ ግለሰቦች ጠቃሚ የሆኑ እንቅስቃሴዎችን ስፖንሰር ስለሚያደርግ ለቢራ ዓይነቱ ታማኝ እንድሆን አድርጎኛል።	1	2	3	4	5
የማህበራዊ እና የሁኔታዎች ተጽዕኖዎችን በተመለከተ						

1	አሁን የመረጥኩትን የቢራ ዓይነት ደንበኛ የሆንኩት በህብረተሰቡ ዘንድ ተቀባይነት ስላስገኛልኝ ነው።	1	2	3	4	5
2	ሌሎች በእኔ ላይ ያላቸውን አመለካከት እንዲሻሻል ስላደረገልኝ ቢራውን እመርጠዋለሁ።	1	2	3	4	5
3	አሁን ምርጫ የሆነውን ቢራ ደንበኛ ሆነኩት የንደኞቻቸውም የቤተሰቦቻቸው ምርጫ ሰለሆነና ከነሱ ጋር ለመመሳሰል ስል ነው	1	2	3	4	5
4	ከቤት ውጭ ስዝናና ደንበኛ የሆንኩትን ቢራ ሳይሆን ሌሎች የቢራ ዓይነቶችንም እጠቀማለሁ።	1	2	3	4	5
5	ከቤት ውጭ ብቻዬን ስሆን ደንበኛ የሆንኩትን የቢራ ዓይነት እጠቀማለሁ።	1	2	3	4	5
6	በቤት ውስጥ ከንደኞቹ ጋር ስሆን ደንበኛ የሆንኩትን ቢራ ሳይሆን ሌሎች የቢራ ዓይነቶችን እጠቀማለሁ።	1	2	3	4	5
7	በቤቱ ውስጥ ከንደኞቹ ጋር ስሆን ደንበኛ የሆንኩትን የቢራ ዓይነት እጠቀማለሁ።	1	2	3	4	5
8	ከንደኞቹ ጋር ሆኜ የስፖርት ውድድሮች እና የሙዚቃ ዝግጅት ስካፊል(ስመለክት) ደንበኛ የሆንኩትን ሳይሆን ሌሎች የቢራ ዓይነቶችን እጠቀማለሁ።	1	2	3	4	5
9	ከንደኞቹ ጋር አብራ ስሆን ደንበኛ የሆንኩትን የቢራ ዓይነት ሳይሆን ሌላ ዓይነት ቢራን እጠቀማለሁ።	1	2	3	4	5
10	ከቤተሰቦቼ ጋር ስሆን ደንበኛ የሆንኩትን የቢራ ዓይነት ሳይሆን ሌላ ዓይነት ቢራ እጠቀማለሁ።	1	2	3	4	5
ተደጋጋሚ ግዢን በተመለከተ						
1	ቢራውን ዓይነት ደጋግሜ ስለጠጣሁት ደንበኛ እንድሆን አድርጎኛል።	1	2	3	4	5
2	ቢራውን ደጋግሜ በምጠጣበት ጊዜ ከነበረው ምቹ(ሳቢ) ሁኔታ ጋር ስለማያይዘው የቢራው ደንበኛ እንድሆን አድርጎኛል።	1	2	3	4	5
3	ቢየቢራውን ዓይነት ደጋግሜ በምጠጣበት ጊዜ የቢራ መለያውን መረጃ የምፈልግና የማውጠነጥን በመሆኑ ለቢራ	1	2	3	4	5

	ዓይነት/መለያው/ ደንበኛ እንደሆን አድርጎኛል።					
4	የቢራውን ዓይነት ደጋግሜ በመጠጣቴ የቢራውን ጣዕም ቃና እና የአልኮል መጠን እንደሆነው ስላደረገኝ ይህ ደግሞ ደንበኛነቱን የቢራ ዓይነት ውጫ ሌላ የቢራ ዓይነቶችን እንዳልገዛ ያደርገኛል።	1	2	3	4	5

ከላይ ከተጠቀሱት በተጨማሪ የቢራ የቢራ ዓይነት/መለያ/ ደንበኛነት ላይ ተጽዕኖ የሚፈጥሩ ተጨማሪ ምክንያቶች ካሉ ከታች በተመለከተው ክፍት ቦታ ያስፍሯቸው-----

Appendix 1.2: Questionnaire (English Version)

ADDIS ABABA UNIVERSITY

COLLEGE OF COMMERCE

DEPARTMENT OF MARKETING MANAGMENT

Dear Participant, I am Mequanent Tesfaw, a graduate student at Addis Ababa University, school of commerce. Currently, I am undertaking a research to **Investigate the Underlying Factors of Consumer Loyalty of Beer in Addis Ababa**. The research paper is intended for the partial fulfilment of Master Degree in Marketing Management at Addis Ababa University. Your participation in this survey is voluntary. The information you provide will be used only for the purpose of the study and will be kept strictly confidential. Please do not write your name or contact details on the questionnaire.

Thank you in advance for your kind cooperation.

Part 1: General Profile (please put a mark on the box that best describes you)

1. Age: 18- 35 36- 54 55 and above
2. Gender: Female Male
3. Current Marital Status: Single marred
4. Highest educational level obtained: Primary education Secondary education
Diploma First Degree Masters and above
5. Monthly income in ETH birr: Less than 2500 2501-7000 7001-12000
12001+

Part 2

1. How often do you drink beer? Everyday Once in a week More than once in a week Other (please specify) _____
2. How long have you been regularly consuming craft brewery? /years/ _____
3. What is the first brand that comes to your mind when you think of brewery brand?

4. Please rank your beer loyalty to the brewery brand, from most to least loyal brand, from the following list. If the brand is not listed please specify it in the space provided below the table.

Beer brand	Rank	Beer brand	Rank
St. George beer		Walia beer	
Amber beer		Bedele beer	
Castel beer		Harar beer	

Meta Abo beer		Habesha beer	
Zemen Brewery		Raya Brewery	
Dashen beer		Other	

5. From the above mentioned loyalty listings indicate your loyalty level:

Buy the brand all the time/Hardcore Loyal/

Loyal to two or three brands/Soft core Loyal/

Moving from one brand to another/ Shifting Loyalty/

No loyalty or constantly looking for bargains or 'vanity prone', looking for something

different /switcher/

Part 3: Underlying factors of brand loyalty

Please tick the number that best describe your opinion with the following statements associated with the determinants of your brand loyalty, **1=strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree**

	Items	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
	Quality and Attribute Perception					
1	I am loyal to beer brand, which I perceive as having high and consistence quality	1	2	3	4	5
2	I am loyal to a beer brand that is produced as per acceptable quality standard	1	2	3	4	5
3	I am loyal to beer brand that the taste and flavor good	1	2	3	4	5
4	The alcohol level/content of the beer brand has significant impact on my loyalty decision	1	2	3	4	5
	Packaging					
1	I prefer beer brand which has my preferred package size	1	2	3	4	5
2	Visual appeal of packaging influence my brand loyalty	1	2	3	4	5
3	The attractiveness of packaging has strong association to my brand loyalty	1	2	3	4	5
	Brand Availability or Accessibility					
1	I am loyal to a brand of beer, which is widely available	1	2	3	4	5
2	I consume any kind of beer I found in my surrounding	1	2	3	4	5
3	If my brand is not available in the store, I will consume any kind of brewery brand available	1	2	3	4	5

Price						
1	I am loyal to beer brand that is reasonably priced	1	2	3	4	5
2	Low price is one of my priorities when making purchase decision	1	2	3	4	5
3	I am willing to pay a higher price for the brand I am loyal.	1	2	3	4	5
4	I am loyal what is affordable for me.	1	2	3	4	5
Brand name						
1	The brand name is memorable and meaningful	1	2	3	4	5
2	Brand Name is selected apart from price	1	2	3	4	5
3	Brand name reflects my own personality	1	2	3	4	5
4	The beer brand that am loyal is reputable and has a strong association with my loyalty	1	2	3	4	5
5	The Brand name and image magnetize me to purchase and can significantly make me loyal to it	1	2	3	4	5
Promotional Mixes						
1	I am loyal to a brand, which is advertised in a better way	1	2	3	4	5
2	I am loyal to a beer brand that I frequently exposed through advertisement	1	2	3	4	5
3	I am loyal to a beer brand which has attractive and recognizable advertisement	1	2	3	4	5
4	Hearing the brand from media in the form of news, speeches and other special programs made me to be loyal to the beer brand	1	2	3	4	5
5	Some kind of prize or free sample made me loyal to a brand	1	2	3	4	5
6	I am loyal to a beer brand that I usually see while it has been used in certain events, or any other kind of non-commercial Program	1	2	3	4	5
7	I am loyal to the brand because I like the celebrity in the advertisement	1	2	3	4	5
8	Sponsorship of sport club that I found fan made me loyal to the beer brand	1	2	3	4	5
9	Sponsorship of certain activity or event that found to be helpful to the society or individuals made me loyal to the brand	1	2	3	4	5
Social and Situational Influence						
1	I am loyal to the brand because beer brand gives its me social approval	1	2	3	4	5

2	I am loyal to the brand because it improves the way I am perceived by others.	1	2	3	4	5
3	I am loyal this brand because my friends and family prefer this brand	1	2	3	4	5
4	I use different brand than the brand am loyal when I am other than home	1	2	3	4	5
5	I use the brand am loyal when I am alone other than home	1	2	3	4	5
6	I use different brand than the brand am loyal when I am home with my friends	1	2	3	4	5
7	I use the brand am loyal when I am home with my friends	1	2	3	4	5
8	I use different brand than the brand am loyal when I am watching sporting event or concert with friends	1	2	3	4	5
9	I use different brand than the brand am loyal when I am parting with friends	1	2	3	4	5
10	I use different brand than the brand am loyal when I am with my family	1	2	3	4	5
Repeat purchase						
1	Repeat exposure of consumption to the beer brand made me loyal to the brand.	1	2	3	4	5
2	When I repeatedly consume beer brand, I associate the brand with certain favorable events this intern made me loyal to the brand	1	2	3	4	5
3	When I repeatedly consume beer brand, I obsessed with the brands information and this made me loyal to the brand	1	2	3	4	5
4	Repeat consumption of the brand made me to accustom the brands test, flavor and alcohol content and this intern made me not to buy other brands that I am not loyal	1	2	3	4	5

If there are any additional factors that affect your beer brand loyalty, you can list on the space provided below.

Appendix 2.1: Descriptive statistics of the underlying variables

Variables	Mean	Std. Deviation
I am loyal to beer brand, which I perceive as having high and consistence quality	4.34	0.831
I am loyal to a beer brand that is produced as per acceptable quality standard	4.49	0.817
I am loyal to beer brand that the taste and flavour good	4.67	0.7
The alcohol level/content of the beer brand has significant impact on my loyalty decision	4.29	1.072
Quality and attribute perception	4.4495	0.69576
I prefer beer brand which has my preferred package size	3.54	0.805
Visual appeal of packaging influence my brand loyalty	3.83	1.018
The attractiveness of packaging has strong association to my brand loyalty	3.93	1.066
Packaging	3.7687	0.83561
I am loyal to a brand of beer, which is widely available	3.52	0.941
I consume any kind of beer I found in my surrounding	3.39	1.239
If my brand is not available in the store, I will consume any kind of brewery brand available	3.67	0.929
Availability & accessibility	3.5264	0.81635
I am loyal to beer brand that is reasonably priced	3.69	0.822
Low price is one of my priorities when making purchase decision	3.01	1.024
I am willing to pay a higher price for the brand I am loyal.	3.58	0.816
I am loyal what is affordable for me.	3.66	0.84
Price	3.487	0.60279
The brand name is memorable and meaningful	4.54	0.955
Brand Name is selected apart from price	3.61	0.845
Brand name reflects my own personality	3.7	1.178

The beer brand that am loyal is reputable and has a strong association with my loyalty	3.92	1.172
The Brand name and image magnetize me to purchase and can significantly make me loyal to it	3.86	1.108
Brand name	3.9279	0.85972
I am loyal to a brand, which is advertised in a better way	3.92	0.783
I am loyal to a beer brand that I frequently exposed through advertisement	3.93	0.972
I am loyal to a beer brand which has attractive and recognizable advertisement	4.08	0.987
Hearing the brand from media in the form of news, speeches and other special programs made me to be loyal to the beer brand	3.9	0.99
Some kind of prize or free sample made me loyal to a brand	4.01	1.232
Am loyal to a beer brand that I usually see while it has been used in certain events, or any other kind of non-commercial Program	3.92	1.075
I am loyal to the brand because I like the celebrity in the advertisement	3.93	1.418
Sponsorship of sport club that I found fan made me loyal to the beer brand	4.26	1.36
Sponsorship of certain activity or event that found to be helpful to the society or individuals made me loyal to the brand	4.39	1.165
Promotional Mixes	4.0386	0.92439
My loyalty to the beer brand helps me feel acceptable	4.02	1.157
I am loyal to the brand because it improves the way I am perceived by others.	3.34	1.13
I am loyal to the brand because beer brand gives its me social approval	3.71	1.181
I use different brand than the brand am loyal when I am other than home	3.16	1.143

I use the brand am loyal when I am alone other than home	4.31	0.903
I use different brand than the brand am loyal when I am home with my friends	3.24	1.03
I use the brand am loyal when I am home with my friends	3.97	0.668
I use different brand than the brand am loyal when I am watching sporting event or concert with friends	3.17	1.081
I use different brand than the brand am loyal when I am parting with friends	3.32	1.162
I use different brand than the brand am loyal when I am with my family	3.19	1.104
Social & Situational influence	3.544	0.75656
Repeat exposure of consumption to the beer brand made me loyal to the brand.	4.33	0.902
When I repeatedly consume beer brand, I associate the brand with certain favorable events this intern made me loyal to the brand	4.38	0.996
When I repeatedly consume beer brand, I obsessed with the brands information and this made me loyal to the brand	3.91	0.935
Repeat consumption of the brand made me to accustom the brands test, flavour and alcohol content and this intern made me not to buy other brands that I am not loyal	4.52	0.789
Repeat Purchas	4.2869	0.75535

Source: Survey data (2016)

Appendix 2.2: Model Summary Brand Loyalty Dimensions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790 ^a	.625	.616	.646

a. Predictors: (Constant), repeat purchase, packaging, availability, price, quality, brand name, social & situational influence, promotion mixes

Source: Primary data from survey (2016)

Appendix 2.3: ANOVA table from Brand Loyalty Dimensions

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	247.954	8	30.994	74.316	.000 ^b
	Residual	148.890	357	.417		
	Total	396.844	365			

a. Dependent Variable: Level of overall brand loyalty:

b . Predictors: (Constant), repeat purchase, packaging, availability, price, quality, brand name, social & situational influence, promotion mixes

Source: Primary data from survey (2016)

Appendix 2.4: Independent sample t-test between gender and underlying factors of brand loyalty.

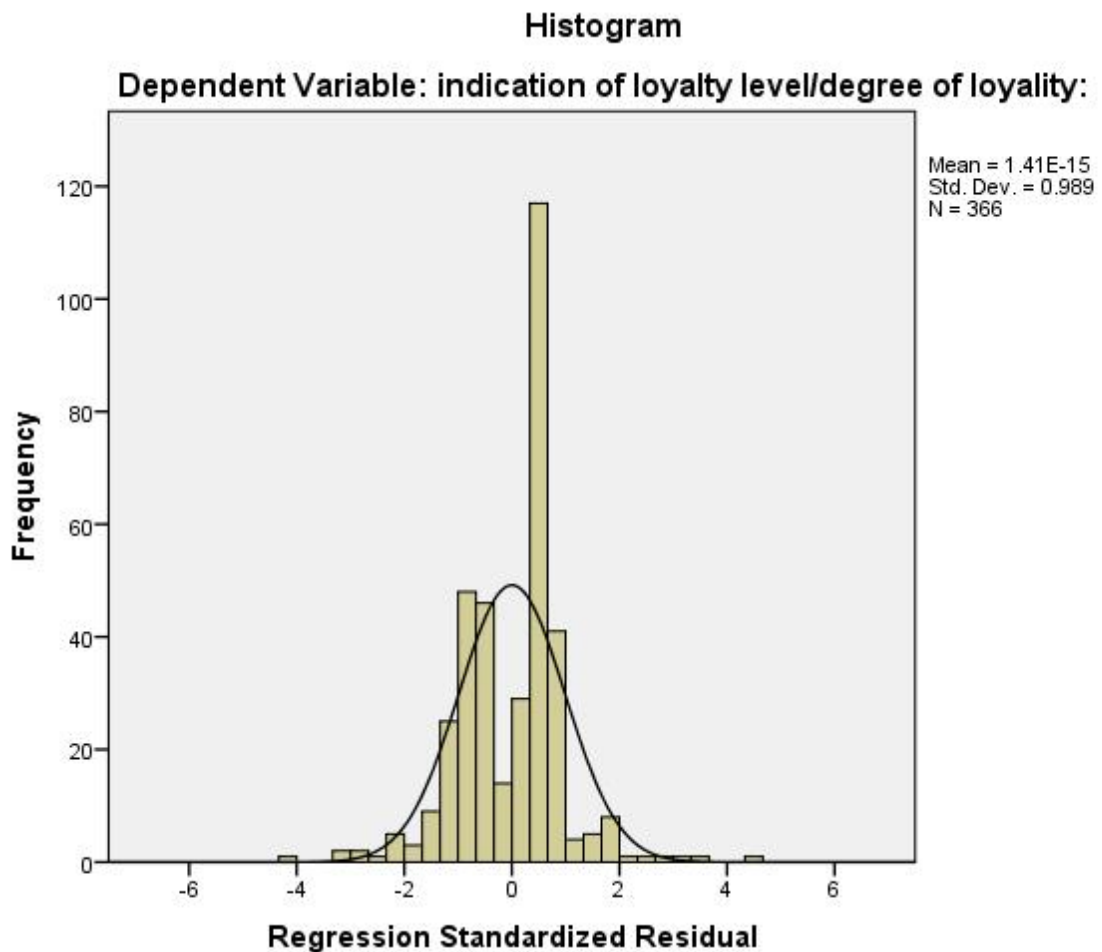
Gender	N	Mean	Std. Deviation	Std. Error Mean	F	Sig.	T	df	Sig. (2-tailed)	mean difference
Quality	female	106	4.4175	0.88353	3.73	0.054	-0.558	363	0.577	-0.045
	male	259	4.4624	0.60544			0.03762	-0.479	147.025	0.632
Packaging	female	106	3.6415	0.98098	3.6	0.059	-1.842	363	0.066	-0.177
	male	259	3.8185	0.76538			0.04756	-1.662	159.799	0.098
Availability	female	106	3.5723	0.75838	2.08	0.15	0.665	363	0.507	0.0627
	male	259	3.5097	0.84055			0.05223	0.694	215.001	0.488
Price	female	106	3.5142	0.57407	1.54	0.216	0.578	363	0.564	0.0402
	male	259	3.4739	0.61517			0.03822	0.595	208.171	0.553
brand name	female	106	3.8698	0.9554	3.31	0.07	-0.861	363	0.39	-0.085
	male	259	3.9552	0.81773			0.05081	-0.807	171.139	0.421
promotional mix	female	106	4.0346	0.94161	0.03	0.865	-0.074	363	0.941	-0.008
	male	259	4.0425	0.92013			0.05717	-0.073	191.221	0.942
Social & situational influence	female	106	3.5915	0.76707	0.36	0.549	0.738	363	0.461	0.0645
	male	259	3.527	0.75332			0.04681	0.733	192.071	0.465
repeat purchase	female	106	4.2217	0.92988	5.08	0.025	-1.09	363	0.276	-0.095
	male	259	4.3166	0.671			0.04169	-0.954	151.718	0.342

*significant at $p < 0.05$; Source: Survey Data (2016)

Appendix 2.5: Reliability Analysis of Variables

Variables	Cronbachs alpha coefficient	Number of items
quality & attribute perception	0.817	4
packaging	0.827	3
availability	0.679	3
Price	0.623	4
brand name	0.870	5
promotional mixes	0.940	9
social & situational influence	0.890	10
repeat purchase	0.851	4

Appendix 2.6: testing Normality Assumption



Appendix 2.7: Multicollinearity Assumptions

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-1.921	.250		-7.684	.000		
Quality	.305	.088	.204	3.453	.001	.302	3.316
Packaging	-.215	.058	-.173	-3.714	.000	.487	2.053
Availability	.349	.072	.273	4.855	.000	.332	3.016
Price	.367	.094	.212	3.901	.000	.356	2.809
Brand Name	.370	.083	.305	4.477	.000	.227	4.407
Promotional mixes	.304	.100	.269	3.042	.003	.134	7.454
Social & Situational influence	.250	.091	.182	2.747	.006	.241	4.157
Repeatpurchase	.200	.102	.145	1.971	.050	.194	5.154

Appendix 2.8: No Autocorrelation Assumptions

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.790 ^a	.625	.616	.646	1.938

a. Predictors: (Constant), repeatpurchase, packaging, availability, price, quality, brand name, social & situational influence, promotional mixes

b. Dependent Variable: level of overall brand loyalty