



ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

**THE EFFECT OF POSITIONING ON CUSTOMER
LOYALTY: THE CASE OF ANBESA SHOE S.C.**

BY: - FEYIDU JUHAR

**MAY, 2019
ADDIS ABABA, ETHIOPIA**

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**ARESEARCH THESIS SUBMITTED TO ADDIS ABABA
UNIVERSITY SCHOOL OF COMMERCE IN PARTIAL
FULFILMENT OF THE REQUIREMENT FOR DEGREE OF
MASTER OF ARTS IN MARKETING MANAGEMENT.**

**MAY, 2019
ADDIS ABABA, ETHIOPIA**

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
GRADUATE PROGRAM

**THE EFFECT OF POSITIONING ON CUSTOMER LOYLTY: THE
CASE OF ANBESSA SHOE SHARE COMPANY**

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of my advisor and all sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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Acknowledgments

First and for most, I would like to give my glory and praise to the Almighty ALLAH for his invaluable cares and supports throughout the course of my life and helped me since the inception of my education to its completion and enabled me to achieve my career.

Next, I'm grateful to appreciate my Advisor Dr. GetieAndualem who has taken all the trouble with me while I was preparing the paper. Especially, his invaluable and prompt advice, constructive corrections, suggestions and professional helps are highly appreciated. A special word of mouth is his credit.

My sincere and heartfelt gratitude goes to the Marketing managers of Anbesa shoe S.Co for their frank response to my interview questions and questionnaires without which this paper would not come to life.

Finally, I'm greatly indebted to my families for their encouragement and moral support, my class mate friends and also and also my best thanks goes to my friend Selamu S. (MBA) for his understanding and encouragement throughout the course.

Thank You All!!!

FeyiduJuhar

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Acronyms

SPSS: Statistical Software Package for Social Science

REL: Relevance

DIF: Differentiation

DEL: Delivery

COM: Communication

LOY: Customer Loyalty

POS: Positioning

Abstract

Positioning has been an important part of marketing since companies began to recognize the relevance of having control over their image of the brand. It is a first element to address in strategic marketing, & everything else is aligned to it. The fact that how foundational most organization recognize brand positioning to be, but just how little companies are willing to spend to get it done right. Which indicate, there is lack of knowledge of understanding of the vital role of positioning in one's business success with the relationship between positioning & customer loyalty? Therefore, the objective of this research paper is to determine the effect of positioning Relevance, Differentiation, and Delivery & Communication on customer loyalty at Anbesa Shoe S.C. Stratified Sampling Method was used & the data collection methods were documents, questionnaire & interview. A total no of 384 questionnaires were distributed to all Addis Ababa retail shops individual customers, out of it 331 questionnaires returned & properly filled. The questionnaires were analyzed using Cronbach Alpha, descriptive statistics, ANOVA, correlation & regression. Positioning relevance, differentiation, delivery & communication have a strong relationship with customer loyalty & the variability of customers overall loyalty can be explained to the extent of 75.6 % by Positioning's Relevance, Delivery & Communication but differentiation has almost negligible effect on the variability of overall customer loyalty. Finally, it was recommended that, to keep the highest customer perceived positioning or image i.e. "Durability" in its current positioning statement & to communicate effectively on few major strength of the company through assuring the actual delivery of the claimed positioning with continuous customers feedback. The negligible effect of differentiation on customer loyalty doesn't necessary to mean it has no influence since there is strong correlation between differentiation & loyalty. However, it could have been better to work more on the differentiation of the articulated value in order to increase the customer's credibility, image & loyalty level & to do further study to identify the reason behind this result.

Keywords:-Positioning, Relevance, Differentiation, Delivery, Communication, Loyalty.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Marketing concept has passed through three stages or trends, which evolved from a focus on product management in the 1950s and 1960s to a focus on customer management in the 1970s and 1980s. It then evolved further and added the discipline of brand management in the 1990s and the 2000s (Kotler, Kartajaya, and Setiawan, 2010).

In Product Centered era, the key function of marketing was to generate demand for products. The products were fairly basic and were designed to serve a mass market. Thus, in consumers' minds, many products were seen as commodities because they had no distinct positioning, which make demand scarce. Marketers realized that to effectively generate demand, "customer" should replace "product" at the heart of all marketing activities. These trends forced marketers to be Customer Oriented, in this era strategies such as segmentation, targeting, and positioning (STP), was introduced. However, to generate demand, it was no longer enough to target the customer's mind with the classic positioning model, this phenomena lead to the birth of brand management concept. The brand management concept is the extension of customer orientation concept which also defined as a consonant triangle of brand, positioning, and differentiation (Kotler, Kartajaya, and Setiawan, 2010).

From the three marketing perspectives, the customer oriented era is the birth of Modern Marketing concept. During modern marketing, marketers understood how every marketing activity should be derived from the needs, wants & values of the ultimate customer. Both customer management and brand management concept broadly holds the positioning concept. This is due to, the whole idea of positioning focused on delivering customer satisfaction than competitors through the help of marketing tools called perceptual mapping & market research. The concept positioning can be called by various terminology i.e. positioning, position, product positioning, market positioning etc., but these terms are simply "several sides of the same coin" and complement each other (Blankson&Kalafatis, 1999).

Positioning is a concept in marketing which was first introduced by Jack Trout “Industrial Marketing” in 1969 then popularized by Al Ries and Jack Trout in their best seller book “Positioning – The battle for your mind” in 1981 and subsequently, Trout and Rivkin wrote a book called “The New Positioning : The Latest on the World’s #1 Business Strategy”. Trout defined positioning as a game people play in today’s me-too market place due to consumer is overwhelmed with unwanted advertising, and has a natural tendency to discard all information that does not immediately find a comfortable slot in the consumers mind. It was then expanded into their ground-breaking first book, "Positioning: The Battle for Your Mind," in which they define Positioning as "an organized system for finding a window in the mind (Semans, 2010).

According to Morrison & Anderson, (2002) “Positioning begins with the customer. But positioning is not so much what you say about your products or company as much as it is what your customers say about you”. Kotler& Armstrong (2011), define Positioning as arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers.

Positioning also defined as the process of designing an image and value so that consumers within the target segment understand what the company or brand stands for in relation to its competitors (Baker, 2003). Even though Positioning begins with a product, the concept is about positioning a product in the mind of the customer then positioning strategy emerges as a result of the modern mentality and it is a form of expression of how certain product or brand is perceived by customers (Akpyomare et. al., 2013).

To conclude based on the above explanation, the concept of positioning is a modern customer driven marketing strategy which concentrated on delivering the highest customers’ value; providing differentiation in relative to competitors; and direct marketing communication which retain in the mind of prospective customers. A traditional approach to brand loyalty was product quality which was the major reason for brand loyalty; perceived high product quality often resulted from prolonged brand positioning based on quality association (Denoue&Saykiewicz, 2009).

According to Akpyomare, et. Al (2013), the long term overall objective of positioning is to build a brand equity, which will in turn achieve a positive long term purchase behavior. Customer loyalty is the result of successful marketing strategy in competitive

markets that creates value for consumers (Li & Green, 2010). As articulated by BOBÂLCĂ, (2013), the approach of loyalty defined as a relationship between attitude and behavior which facilitates the identification of different customers segments, according to their loyalty level and also the development of marketing strategies specially designed for acquiring specific categories of customers. Thus, based on the above elastration, customer loyalty can be entertained through Positioning because the concept positioning is the first element of marketing strategy in which others are aligned with it. As indicated by Hartmann, et. al., (2002), the results of their study emphasized on the importance of brand positioning in context of customer loyalty management. Sullival, (2011), also identified Brand Positioning role in customer loyalty in his loyalty industry news. The ability to differentiate the brand name and brand positioning in markets and also the ability to use it effectively in creating brand image and brand loyalty is the critical in international and global marketing management (Denoue&Saykiewicz, 2009). Several survey studies have been attended to assess the effect of positioning on customer loyalty in different scholars.Until now, as per knowledge of the researcher very little empirical research on the effect of positioning on customer loyalty has been conducted in Ethiopia local leather shoe sectors. Most of Ethiopian studies were conducted on the effects of positioning on customer loyalty (tirsit 2015), the impact of branding on consumer buying decision behaviour of local leather footwear products (mohammed 2015), These studies have not given sufficient information for the topic area. Taking into account the above concept of positioning the researcher explored the relationship between positioning and customer loyalty in Anbesa shoe s.co. The study contributed existing body of knowledge by testing the applicability of positioning theories in Ethiopian cases and also provided practical solution to Anbesa shoe s.co positioning related problems specifically.

1.2. Background of the Company

Anbessa Shoe Share Company is the first shoe factory in Ethiopia established in 1927 & it is recognized to be a pioneer in terms of introducing modern shoe making technology to the country. The company passed through government ownership up to today's private operation with more than 80 years of experience in shoe making. The company has two factories located in Addis Ababa & 38 different retail shops located in major cities of the country. Among thirty eight retail shop fifteen are located in Addis Ababa. It produces a variety of leather footwear for ladies, gents and children such as Moccasins, Casual, Officers, Sportive, Boots, Sandals etc; and belt & bag with more than three thousand skilled & experienced workers.

Vision

To be a leader in product quality and customer service within the leather industries.

Mission

Produce and sale leather products by using up to date production, technologies and qualified man power in order to satisfy the need and requirements of customers in leather industry sector.

Values

Anbessa code of ethics, values & beliefs guide our employees and our companies in our day to day work and help us to conduct business in accordance to this philosophy of service and corporate responsibilities.

Positioning Statement

Anbessa Shoe S.C. is well known with shoes with features of function, fashionable, comfortable, and supporting a variety of activities for locals and international customers. We have remained the leading figure in Ethiopian footwear industry by offering proven quality & competitive price with consistence service.

1.3. Statement of the Problem

It is obvious that, businesses are operating in a highly competitive market environment which demands marketers to be competitive enough in order to ensure their survival in the market. This stiff competition also changed the business principle into “the Survival of the fittest”, i.e. fit or satisfy the customer’s value first to exist in the market.

According to Kotler, (1999), it is not just a matter of being different; success comes from being different in a way that customers want. On the other hand, business success depends on how the marketing activities are customer focused and fulfill the needs, wants & preferences of the customers’ at large (Kotler et. al., 2010). In order to cope up with such marketing problems & realities, positioning could be the best solution which help marketers, to understand & address customers’ value in easiest way; to enhance companies capabilities of serving the market in a better way than rivals can do; and search for market opportunities to obtain sustainable competitive advantage over competitors.

As indicated by Kotler, et. al. (1999), the key to winning and keeping customers is to understand their needs and buying processes better than competitors do, and to deliver more value. Thus, it is possible to say customer loyalty could be achieved by effective positioning because the concept of positioning is emanated from the customer perspective through the help of tools called market research & perceptual map and also it is designed with comparison of competitors’ offer.

Different studies also mentioned how positioning is an important marketing decision that affects all marketing process; positioning is a powerful tool which allows the organization to create an image; how effective positioning has become critical in competitively packed market and how positioning have a role on customers loyalty (Sullivan, 2011; Janiszewska&Insch 2012; Hartmann, et. al 2002; Akpoyomare, et. al, 2013; and Samani, 2013). Similarly, Levi, (2011), argue brand positioning is the strong foundation of a house, but he articulate how foundational most organizations recognize brand positioning to be, but just how little they are willing to spend to get it done right. Having positioning for your market or product or brand is not enough, the main question is whether your product is well positioned in effective & efficient way within the customer set value & perception, otherwise it will have negative consequence towards the

company's goal achievement. The negative consequence started from attracting the wrong customer which might affect your business (Sullivan, 2011), and end up with positioning error such as over positioning, under positioning, confused positioning & so on (Kotler et. al, 1999). In addition to this, Sullivan, (2011) argue that that customer dissatisfaction or infidelity, not it is only due to deficiency of service you receive, but also to the fact attracting the wrong customers or bad policy to recover those who have suffered a bad buying experience with the company. However, many companies have not taken advantage of this key marketing discipline because they have internal politics, are misguided by their advisers or because they simply don't understand positioning (Semans, 2010). To emphasize the reality Semans, (2010) also acknowledge that, not positioning the organization's brand is simply not an option in today's overcrowded and over informed marketplace; hence, positioning is a crucial ingredient in the buying process and should never be left to chance. It's your opportunity to influence the market's perception of your products. There is lack of knowledge of understanding of the vital role of positioning in one's business success with the relationship between positioning & customer loyalty. In our country many companies have not taken advantage of this key marketing discipline including Anbessa shoe s.co to create loyal customer. Moreover, competition in the local leather shoe sectors is becoming fierce due to mushrooming of leather shoe factory and increased level of customer awareness and knowledge. Interview with Anbesa shoe s.co marketing manger the company production sales ratio decrease by one percent from 2018 to 2019.

Therefore, the reason why the researcher chose this research topic is, to determine in how extent positioning influence the loyalty of the customer and to investigate the effect of positioning on customer loyalty which will be done at Anbesa Shoe Share S.C.

1.4. Research Question

The research has tried to address the following basic and sub questions while doing this research paper.

1.4.1 Basic Question

What is the effect of positioning on the Customer Loyalty?

1.4.2 Sub Questions

1. What is the effect of Relevance on customer loyalty of Anbesa shoe s.co?
2. What is the effect of differentiation on customer loyalty of Anbesa shoe s.co?
3. What is the effect of delivery on customer loyalty of Anbesa shoe s.co?
4. What is the effect of communication on customer loyalty of Anbesa shoe s.co?
5. Which positioning variable has more effect on customer loyalty of Anbesa shoe s.co?

1.5. Objectives of the Study

1.5.1. General Objective

The major purpose of this research is to analyze the effect of positioning on customer loyalty at Anbesa Shoe s.co.

1.5.2. Specific Objective

1. To examine the effect of relevance on customer loyalty of Anbesa shoe s.co.
2. To examine the effect of differentiation on customer loyalty of Anbesa shoe s.co.
3. To examine the effect of delivery on customer loyalty of Anbesa shoe s.co.
4. To examine the effect of communication on customer loyalty of Anbesa shoe s.co.
5. To determine which positioning dimension has more effect on customer loyalty of Anbesa shoe s.co.

1.6. Significant of the Study

The research will have the following contributions to different parties living inside and outside the organization.

- ❖ The company would have better understanding on the vital aspects of effective positioning.
- ❖ The finding of the study would help the company's managers to know and realize their customers' perception & demand about their product.
- ❖ Managers' and subordinates' would get some insight on how "well positioned" brand enhance their customers' loyalty as well as the companies' capabilities.

- ❖ Based on the paper findings, researchers might perform further study on the underlining concepts.
- ❖ Practitionaries and scholars might get evidence how it is possible to attract and retain customer through effective positioning and understood the vital role of positioning in their daily marketing activities in order to assure sustainable company image.

1.7. Scope of the Study

The research paper had focused on the investigation of, “The Effect of Positioning on Customer Loyalty” of Anbesa Shoe Factory individual customers for all retail shops (fifty shops) located in Addis Ababa which is capital city of Ethiopia. The researcher only focused on individual customers of Anbessa Shoe S.C. since wholesalers were excluded from this research paper considering the time, cost limit & also most of them were not distribute the company’s products to the ultimate customer instead it was used for different organization’s employees as uniform i.e. the researcher acknowledged that the employees were not real or loyal customer whom purchase has been by their own personal initiation rather it is by their employer regulation. The main objective of the study were been investigates influences of major factors stated in this study that affect the customer loyalty.

1.8. Limitation of the Study

Actually, it is rare to conduct a study without any limitations and challenges. The research was conducted in one organization within the leather shoe industry. Even if the researcher understood the concept of positioning should consider the rivals exist in the industry, due to the time & cost limitation, the study hadn’t included competitors but the researcher believed that competitors’ information could be regained indirectly through Anbessa Shoe S.C customers’ questionnaire responses. This assumption could be approved by “frequency of purchase” analysis result of this paper which revealed most of the respondents’ were purchased the company’s product regularly but the rest respondents were sometimes & rarely users which indicate some of the respondents were also users of rivals products. And also the researcher faced different problems while conducting this research like;

- ◆ From the 15 retail shops supervisors; some of them were not cooperative enough which made the researcher to extend the collection date of the distributed questionnaire;
- ◆ As per the supervisors' confirmation, some customers were not also willing to respond all or part of the questionnaire which made the response rate to be decreased in somehow.

1.9. Operational Definition of Key Terms

- ❖ **Positioning:** - is how marketers want a brand to be perceived by consumers (group of consumers) in comparison to a competing brand (Lhotáková&Klosová, 2009).
- ❖ **Loyalty:** is a commitment to continue to make business with a company, on the long term, is a state of mind, a set of attitudes, beliefs or desires or loyalty is a relationship between attitude and behavior, where attitudinal loyalty is generated by satisfaction, trust and involvement and behavioral loyalty is the act of purchase (BOBÁLČÁ, 2013).
- ❖ **Relevance:** - personally meaningful (Lombard, 2007) or relevance deal with does the target audience care about your differentiation and is it important in their purchase decision making? “(Semans, 2010).
- ❖ **Differentiation:** - what makes your brand different and unique to other brands in the frame of reference, and the reason why consumers choose to purchase your brand (Semans, 2010).
- ❖ **Delivery:-**deals with to assure weather the companies actually deliver on the Differentiation or is it a promise you will be able to keep over time? (Semans, 2010).
- ❖ **Communication:** - represent the voice of the brand and are a means by which the brand can establish a dialogue and build relationships with customers (Lombard, 2007).

1.10. Organization of the Study

The arrangement of the research paper was organized into five chapters; the first chapter deal about background of the study, statement of the problem, research question, objectives of the study, significant of the study, scope of the study and organization of the study. The second chapter of the paper was concerned on presenting the review of the related literature which described the detail theoretical and empirical aspects that support and clarify the practical aspects of the study. The third chapter focused on research

design and methodology. The fourth chapter discusses about data presentation and analysis and other necessary information. The last final chapter leads the research paper to the end with summary, conclusion and recommendation.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2. Introduction

This Section presents a review of related literature to position. It Consists Of definition of positing, theoretical review, benefits of positing, positing strategy. In general, this chapter combined existing empirical research in the area of positing and summarizing the review and identifying the gap in the existing literature. Ends by explaining the conceptual frame work adopted in This Study and development of hypotheses.

2.1. Definition of Positioning

Consumers are over loaded with information about products and services. They cannot re-evaluate products every time they make a buying decision. In order to simplify their buying decision making, consumers organize products into categories that is, they 'position' products, services and companies in their minds. In other words, the general audiences receive numerous daily messages from different media, so the main consideration for any marketing position is identifying how to stand out from other competitors and impress the audience (Chang, 2013).

A product's position is the way the product is defined by consumers on important attributes—the place the product occupies in consumers' minds relative to competing products (kotler& Armstrong, 2011). In the simple expression, Positioning is what comes to mind when your target market thinks about your product compared to your competitor's products. What do you think whenever you hear a given brand name? That is your perceived position to the product (Mark, 2005). The key factor in positioning is about defining how you will differentiate your offering and create value for your market at the highest level. There are three essential methods for delivering value: operational excellence/efficiency (the lowest price), product leadership (the best product) and customer intimacy (the best solution and service) (Dickens, 2013). Another key factor in your positioning is your competition. Reviewing the features and benefits of your products or services against those of your competition helps you to see where you may or may not have a comparative advantage (Alter, 2000).

Consumers position products with or without the help of marketers. But marketers do not want to leave their products' positions to chance. They must plan positions that will give their products the greatest advantage in selected target markets, and they must design marketing mixes to create these planned positions (Kotler & Armstrong, 2011).

Semans, (2010) also argue that, not positioning the organization's brand is simply not an option in today's overcrowded and over informed marketplace. Product positioning is a crucial ingredient in the buying process and should never be left to chance. It's your opportunity to influence the market's perception of your products.

Owning a strong position in the market is challenging but you have a better chance of achieving it if you clearly define a strategy and build your brand around it. It is best to have a clear understanding of your market-demographics, segments, their pains, how well you and your competitors provide solution, how you truly provide value, and your strengths and weakness-before making this decision (Dickens, 2013).

The positioning concept has been called by similar terms such as Position, Positioning, Market Positioning, Product Positioning, brand positioning so on and these terms have been defined by different authors from different point of view which articulate the various the role, function, & importance of the concept. Blankson & Kalafatis, (1999), also share this reality by acknowledging "the various terminologies associated with the concept, i.e. positioning, position, product positioning, market positioning etc., are simply "several sides of the same coin" and complement each other". From those points of views, positioning has been described as core marketing strategy & detail of marketing mix; as the customer perception; as value proposition or value creator; as build & improve customer relationship; as competitive advantage; as image inventor; as communication or promotional tool. The followings are some of the definitions:-

Positioning as Marketing Strategy & Marketing Mix

Positioning is a fundamental element of **marketing strategy** in terms of conceptually, practically and strategically (Blankson & Kalafatis, 1999) and it involves developing a marketing strategy that aims to achieve a desired position in a prospective buyer's mind (Kurtz, 2008). A positioning strategy comprises of several related decisions/activities and it is the key outcome of the strategy development phase in the strategic marketing planning process (Akpoymare, et. al, 2013).

Dickens (2013) also indicated that, the concept of positioning is entirely strategic & it is the first element to address in strategic marketing, and everything else is aligned to it. As described by Kotler & Armstrong (2011), Designing the marketing mix—product, price, place, and promotion—involves working out the tactical details of the positioning strategy & All the company's marketing mix efforts must support the positioning strategy. In addition to this Morrison & Anderson, (2002) define Positioning as the development of a service and a marketing mix to occupy a specific place in the minds of customers within target markets. That is why SmallBizU (2002), identify the term positioning as the 5th P Marketing in Marketing Mix. In general, according to (Akpoymare, et. al, 2013), the concept of positioning is increasingly recognized as one of the foundations of all marketing, product and business strategy. At the product level, it is the desired positioning strategy for a target segment that provides the necessary inputs on product concept and design. At the marketing strategy level, positioning by segment is the pillar upon which the rest of the marketing mix program is built. Lastly, at the business unit level, the selected positioning strategy provides both the basis for the entire strategy and guidelines for the allocation of needed resources across the functional and strategic business units.

Positioning as Customer Perception

Product positioning refers to consumers' perceptions of a product's attributes, uses, quality, and advantages and disadvantages relative to competing brands (Kurtz, 2008). According to Kotler et al., (1999), A product's position is the complex set of perceptions, impressions and feelings that consumers hold for the product compared with competing products. Hence, Perceptions is the process of meaning creation where the brain identifies input patterns and recognizes certain elements as being intertwined and it is the key elements when trying to understand the formation of an image (Heding, et. al., 2009).

Positioning as Value Proposition or Creator

Positioning is part of the brand identity and value proposition that is to be actively communicated to the target audience (Semans, 2010). As indicated by Dickens, (2013), Competitive positioning is about defining how you will differentiate your offering and create value for your market. Generally, as Kotler & Armstrong (2011), the full

positioning of a brand is called the brand's value proposition—the full mix of benefits on which a brand is differentiated and positioned.

Positioning as a builder of customer relationship

Positioning is the basis for enterprises to build their brands and customer relationships (Rodrigues et. al., 2014). Semans, (2010) also advocate this role by saying, positioning is a first step to driving clarity throughout the marketing function, and hence, improving the customer relationship.

Positioning as Competitive Advantage

Brand positioning is the key to building a strong brand and gaining competitive advantage (Semans, 2010). In doing this, the organization is sending a message to consumers and trying to establish a competitive advantage that it hopes will appeal to customers in the target segment (Baker, 2003). Kotler& Armstrong, (2011), argues Positioning built on meaningful differentiation, supported by appropriate strategy and implementation, can help a company build competitive advantage.

Positioning as image inventor

Positioning is the process of designing an image and value so that consumers within the target segment understand what the company or brand stands for in relation to its competitors (Baker, 2003). Product positioning can be defined as the image of a product in the mind of the target customer in relation to competing products and other products of the same company (lexishiggins@yahoo.com). Janiszewska e t. al. (2012), also argue that positioning is vital to brand management because it takes the basic tangible aspects of the product and actually builds the intangibles in the form of an image in people's minds. The brand image typically consists of multiple concepts: perception, because the brand is perceived; cognition, because that brand is cognitively evaluated; and finally attitude, because consumers continuously after perceiving and evaluating what they perceive form attitudes about the brand (Heding et. al., 2009).

Positioning as Communication or promotional tool

The last aspect of positioning but not the least, Marketers use a positioning strategy to distinguish their firm's offerings from those of competitors and to create promotions that communicate the desired position (Kurtz, 2008). According to Levi, (2011), the role of

brand positioning falls into the domain of the marketing team or those in your organization tasked with driving marketing and/or promotional activities.

As indicated by Merwin, (2005) definition, positioning is used as a communication tool to reach target customers in a crowded marketplace. So that, Positioning is about creating a distinct place for your brand in the mind of the consumer and that key messages are derived from that position (Semans, 2010).

In general, as explained by Akpoyomare, e t. al, (2013), over the years ‘positioning’ has come to mean a lot of things and it has occasionally been used as a substitute word for branding. It encompasses and emphasizes most of the common meanings of the word position – as a place (what place does the product occupy in a given market?), as a comparative basis (how is the product performing against its competitors in various evaluative criteria?), and as a mental attitude (how does the consumer perceive the product?). Positioning also viewed from three major perspectives called “merit disciplines”: product leadership, operational superiority and customer intimacy. Some customers’ regards a company’s offering as the best product of its class, others prefers the most productive company, and many others like the company which offers the best solutions for their needs.

2.2. Theoretical Review

2.2.1. Positioning Map & Market Research

Positioning is facilitated by a graphical technique called perceptual mapping, various survey techniques, and statistical techniques like multi-dimensional scaling and correspondence analysis. These techniques position products that are perceived as similar close to one another and locate dissimilar products far apart; the position of each circle on the map indicates the brand’s perceived positioning and the size of each circle indicates the brand’s relative market share (Kotler& Armstrong, 2011). Marketers often conduct marketing research studies to analyze consumer preferences and to construct product positioning maps that plot their products’ positions in relation to those of competitors’ offerings. They can also create a competitive positioning map from information solicited from consumers or from their accumulated knowledge about a market. A positioning map provides a valuable tool in helping managers’ position products by graphically

illustrating consumers' perceptions of competing products within an industry (Kurtz, 2008).

Kotler & Armstrong (2011) argue that, in planning positioning strategies, marketers often prepare perceptual positioning maps that show consumer perceptions of their brands versus competing products on important buying dimensions. Dimensions of perceptual maps are not named by the multidimensional scaling programmers. Researchers have to interpret the dimensions themselves based on the geometric representation. Additional information may be gathered from consumers to name the dimensions. The attributes that are the most important in consumers' perceptions of a product category can be determined from survey research (Baker, 2003).

According to Alter, (2000), Price is always used as measured on one side of the matrix. On the other side, use product features that provide the most important benefits to your customers, such as quality, taste, packaging, etc. Positioning is therefore can be defined as a multidimensional exploration of mind space, to identify gaps in consumer preference maps. However, the identification of gaps does not alone ensure their attractiveness. A sophisticated blend of financial and psychological modeling is required to predict the viability of the new market position (Baker, 2003).

Marketing research can be helpful in developing improved brand positions in many ways. Having real information (as opposed to hunches or guesses) can assist the organization to come to the decisions needed to build the brand positioning statement, clearing the way to resolve internal political battles. According to Semans, (2010) some of the brand positioning elements where marketing research is helpful are the following:

- ✚ Defining the target market.
- ✚ Understanding the target market's current perceptions of your brand and Competitive brands.
- ✚ Understanding the frame of reference — from the target market's perspective.
- ✚ Defining your brand's differentiation.
- ✚ Understand which proof points are most compelling for the target audience.
- ✚ Testing position statements.
- ✚ Ensuring that positioning materials are communicating effectively.

Here, we see positioning make Customer, Competitive, and Market analysis in order to better understand the overall marketing environments by the help of the popular marketing tools called Market Research & Positioning Map. Based on the above evidence, It is also undeniable to acknowledge that the appropriate utilization of these tools lead to better understand & deliver the customer needs, wants & value which entertain the prospective customer to be loyal to a specific brand.

Therefore, one of the premises of this **research hypothesis i.e. H1:-“Relevance orDesirable** by the customer leads to Loyalty” can be acknowledged by this theory, hence Kotler, e t. al. (1999), also argue that, the key to winning and keeping customers is to understand their needs and buying processes better than competitors do, and to deliver more value.

2.2.2. Why Positioning is Important?

Product positioning is a crucial ingredient in the buying process and should never be left to chance. It’s your opportunity to influence the market’s perception of your products. Failure to proactively address product positioning is unlikely to end well. With or without your input, customers will position your product—probably based on information from your competitors, which will not flatter you (Mark, 2005). Clear, concise, meaningful product positioning also helps you cut through the relentless advertising and marketing noise of the marketplace. In your customer’s mind, product positioning gives your messages some context so they can be better heard and accepted (The Mark, 2005).

2.2.3. Objective of Positioning

The goal of product positioning is to keep your product on top of your customers’ mind when they are considering a purchase. As indicated by Mark, (2005), to be successful, product positioning must achieve the following three objectives:

- ✚ Differentiate your product from the competitions
- ✚ Address important customer buying criteria
- ✚ Articulate key product (or company) characteristics

Successful product positioning strategies should differentiate your product, address important customer buying criteria, and articulate key product attributes. To achieve all three objectives, you must have an in-depth understanding of:

- ❖ How your target market makes purchasing decisions
- ❖ How your competition positions their products
- ❖ What your product has to offer

These three interrelated elements of the Positioning Triangle must be in balance for you to attain competitive advantage. If you only understand two of the three, you still don't know enough. Conducting the following Positioning Analysis will help you develop much more effective product positioning strategies.

Step 1: Understand your target market: -Use the Target Audience Profile (TAP) template to gather and interpret this information. Learn which buying criteria your target audience uses:

- Which product features (i.e. size, speed...), if any, do they emphasize?
- Which product benefits (i.e. safety, comfort...), if any, do they emphasize?

List their buying criteria, in order of priority; if you can assign a quantitative weight to each criterion, do so. Uncovering this information typically requires primary research. If gathering data directly from your target audience is not feasible, consult with your sales force and industry experts to generate best-guess assumptions.

Step 2: Understand your competition: -Conduct primary and secondary research to determine how your competitors are positioning themselves, the strategies they're using, and how successful they have been.

Step 3: Map buying criteria against competitive positioning: -Complement the list of buying criteria to note each competitor that positions its product against that criterion. Don't be surprised to discover that:-

- Two or more competitors are battling for the same position
- A competitor is trying to position itself on multiple buying criteria (thereby risking muddy product positioning)
- One or more buying criteria are not being addressed by any competitor
- The market share leader is strongly positioned within the top priority buying criteria.

Step 4: Assess your product's strengths against the buying criteria: -Ask your customers how they rank your various strengths. Otherwise, just use your best

judgment. Review the completed Positioning analysis to determine if there are any vacant positions in the market. Is there one your product satisfies effectively? Would successfully positioning yourself there yield the returns you seek? If there are no unfilled positions (or there are but you're not interested in any of them), then you will have to decide which competitor to battle and which position you can most effectively win. Mark (2005); also suggest two important points in order to achieve the objective of positioning effectively.

- The better you understand your market and competitors, the better you will be at Positioning.
- Assess your products' positioning routinely to adapt to marketplace changes.

The objective of positioning more or less include the specific hypothesis premises of the Research in which, "Differentiate your product from the competitions" means how it is the major criteria & objective of positioning to deliver unique or distinction products from the competitors exists in the market i.e. **H2 "Differentiation"**. Secondly "Address important customer buying criteria" indicates how it is important to focus on products that "the customer value more" or products that are desirable by the target customer i.e. **H1 "Relevance"**. Thirdly, "Articulate key product (or company) characteristics" the last objective of the positioning which indicates the differentiated product from the industry competitors & the product in which relevance to the end customer should be communicated to the ultimate customer effectively i.e. **H4 "Communication"**. Thus, based on literature the book written on the title called "Differentiate or Die: - the art of art & necessary of business strategy" by Levi, (2011), the two important phrases are emphasized <Differentiation is a business imperative today not only in terms of a company's success, but also for its continued survival> and <Succinctly and effectively communicating your value proposition to customers and substantiating your claim will advance your business.>. Thus, it is imperative to conclude that, products having differentiated to competitors, more valued to customers, delivering or credible to the articulated claims leads to retain the customer or entertain the customer to be loyal to specific brand.

2.2.4. Characteristics of Positioning

Based on Mark, (2005) recommendation, during the process of generating product positioning strategies, each strategy should be periodically review against the following list of characteristics.

- ✚ Single-minded—does it convey one primary message at a time?
- ✚ Meaningful—will it connect with the target audience?
- ✚ Differentiating—does it contrast your strengths against the competition?
- ✚ Important—is it pertinent and significant to the target audience?
- ✚ Sustainable—will it resonate with the target audience well into the future?
- ✚ Believable—will it ring true with the target audience?
- ✚ Credible—can you clearly substantiate your claims?

According to Baker, (2003) there are several characteristics of a powerful brand positioning strategy. **First**, it should be centered ideally around on one functional attribute, or if necessary a couple, since the more attributes included the more difficult it is to get these registered in customers' minds. **Second**, it should be recognized, that positioning is not what is done to a brand, but rather what results in the customer's mind. In other words, it is myopic to just focus on brand development. Rather, there should be a balanced perspective, evaluating what the customer registers about the brand, and then fine-tuning the brand until there is better alignment between the intended positioning and the resultant positioning. **Third**, the brand positioning should focus on functional benefits valued by customers, rather than those valued by managers. It is too easy to focus on features which have more to do with reflecting the organization's competencies, rather than taking time to involve the customer in the development process.

2.2.5. The Processes of Positioning

As explained by Levi, (2011) the brand positioning process involves the following five steps:

- ◆ Identifying the business's direct competition (could include tertiary players that offer your product/service amongst a larger portfolio of solutions)
- ◆ Understanding how each competitor is positioning its business today (e.g., claiming to be the fastest, cheapest, largest, the #1 provider, etc.)

- ◆ Documenting the provider's own positioning as it exists today (may not exist if start up Business)
- ◆ Comparing the company's positioning to its competitors' to identify viable areas for Differentiation
- ◆ Developing a distinctive, differentiating and value based brand positioning statement, key messages and customer value propositions. In broaden context, Dickens, (2013) also identifies six sequential steps in positioning & the resulted one general steps:-

Step 1: Profile your market

- ◆ Document the size of your market
- ◆ Identify your major competitors and how they're positioned
- ◆ Determine whether your market is in the introductory, growth, mature, or declining Stage of its life. This "lifecycle stage" affects your strategy.

Step 2: Segment your market

- ◆ Understand the problems that your market faces. Talk with prospects and customers, or Conduct research if you have the time, budget and opportunity.
- ◆ Uncover their true wants and needs-you will learn a great deal about what you can deliver to solve their problems and beat your competitors.
- ◆ Group your prospects into "segments" or "personas" that have similar problems and can use your offering in similar ways. By grouping prospects into segments or personas, you can efficiently market to each group.

Step 3: Define how you deliver value

- ◆ At the highest level, there are three core types of value that a company can deliver;operational efficiency (the lowest price), product leadership (the best product), or customer intimacy (the best solution and service). Determine which one you are best equipped to deliver; your decision is your method for delivering value.

Step 4: Evaluate your competition

- ◆ List your competitors. Include any that can solve your customers' problems, even if the Competitors' solutions are much different from yours- they are still your competitions.

◆ Rate yourself and your direct competitors based on operational efficiency (price), product leadership and customer intimacy. It is easy to think you are the best, so be as impartial as you can be.

Step 5: Stake a position

- ◆ Identify areas where your competition is vulnerable.
- ◆ Determine whether you can focus on those vulnerable areas-they are major opportunities.
- ◆ Make a decision on how to position your offering or company.

Step 6: Select the mindshare you want to won, and create your strategy to achieve it

◆ Review the components of your market and evaluate what you want to be known for in the future. Condense all your research and analysis into the “one thing” that you want to be known for, and design your long term strategy to achieve it.

Next steps

Develop a brand strategy to help you communicate your positioning and solidify your value every time you touch your market. Together, these two strategies are the essential building blocks for your business.

2.2.6. Types of Positioning Strategies

According to Mark, (2005), there are seven established product positioning strategies.

- ◆ **Against a Competitor:** Positioning your product directly against a competitor’s typically requires a specific product superiority claim.
- ◆ **Away from a Competitor:** Positioning yourself as the opposite of your competitor can help you get attention in a market dominated by some other product.
- ◆ **Benefits:** This strategy focuses on a benefit your product provides to your target audience.
- ◆ **Product Attributes:** Highlighting a specific attribute of your product can also be Compelling. Such as luxury, economy, etc.
- ◆ **Product Categories:** Comparing your product to a product in a different category can be an effective way to differentiate yourself.
- ◆ **Usage Occasions:** This kind of positioning stresses when or how your product is used by your target audience.

◆ **Users:** Focusing on the unique characteristics of specific users can also be effective. In relation to this Semans, (2010) has identified ten bases for positioning commonly in use: Premium – quality, exclusivity; Value – cost effective, more for less; Traditional – proven, stable, often evokes another time or place, Innovative – new ideas, advances in technology or business practices; Lifestyle – current or inspirational; Problem-solver – satisfies unmet needs; Ease of Use – convenient, simple; Stylish – aesthetics; Performance – excels in a critical area, out-performs competition; Biggest – largest, most comprehensive. When aggregately seen, as indicated by Janiszewska, (2012), there are three basic types of brand positioning which form the foundation of the positioning strategy:

Functional positions: refers primarily to functional, differentiating brand features of rational nature which include Solve problems, Provide benefits to customers & Get favorable perception by investors (stock profile) and lenders.

Symbolic positions: refers primarily to the target group's emotions. It mainly focuses on Enhancing its image, identity, affinity, affective fulfillment, ego identification, belongingness, social acceptance and life fulfillment of the target group. Therefore, the brand provides the audience with emotional support.

Experiential positions: The third type of positioning is based on the target group's experience accumulated in contacts with a brand. This contact may be sensuous (referring to the senses) or cognitive (referring to the need of knowledge and development). Feelings and the satisfaction level related to contacts with a place brand largely determines the brand's image. Experiencing a brand is a valuable source of shaping target's group attitudes.

2.2.7. Repositioning

Sometimes changes in the competitive environment force marketers to reposition a product. According to Kurtz, (2008) repositioning is changing the position of a product within the minds of prospective buyers relative to the positions of competing products. As indicated by Akpoyomare, et. al, (2013), Product or market positioning is dependent on the attitudes of the target market, and the internal conventions of the organizations. Marketing management, either tries to change product specifications according to that

attitude, or tries to change the attitudes of the market. However, changing goods is easier and cheaper than changing consumers. Therefore, when the attitude of the market is so negative the product may need to be re-position. Most of the time repositioning is done in response to shifts in consumer preference and to created new marketing campaigns to appeal to different segments of the population. Although repositioning, may even be necessary for already successful products or firms in order to gain greater market share (Kurtz, 2008). Hence, loyalty is a relationship between attitude and behavior there must be a strong attitudinal commitment for a brand for true loyalty to exist (BOBÂLCĂ, 2013). The **general hypothesis** of the study can be acknowledged by this theory due to the positioning concept is highly dependent on the attitude of the prospective customer.

2.2.8. Positioning Framework

Every business ought to have a differentiating and succinct brand positioning framework (or platform). Unfortunately, the majorities of today's businesses do not have such a messaging construct and leave their brand positioning up to chance. This is a dangerous way to navigate the tumultuous waters of business. According Levi, (2011) to a brand positioning framework of messages is powerful tool which consists of a positioning statement, supporting key messages, proof points and customer value propositions. A business armed with such a dynamic and powerful mechanism has what it needs to prime its sales and marketing engine for true market distinction and success. An effective brand positioning platform not only helps to guide your organization forward and to further distinguish you in your marketplace, but it also helps keep everyone in your organization on the same page in terms of key messages and sales/marketing rhetoric.

Successful utilization of your brand positioning platform helps to ensure increased success for your business in a number of ways, including:-

- You are effectively differentiating yourself from your competition.
- You are continually communicating your differentiation throughout all of your

Communication tools and channels.

- You are building brand consistency among customers and prospects.

These are all critical success factors in business today – especially during times like these, when customers have so many choices and you need to do what you can to stand out from the competition (Levi, 2011).

In addition to this Levi, (2011) also discover the Five-Phase Message Development Process

Phase 1: SWOT Analysis

Phase 2: Analysis of Current Messages Utilized: yours and your key competitors’

Phase 3: Identify Your Company’s Key Differentiators and Most Viable Positioning Stance

Phase 4: Build Your Messaging Framework

Phase 5: Integrate the New Messages into Your Business Development Engine: sales and marketing Tools.

The point here is that create highly-differentiating, very succinct and extremely powerful messages that clearly articulate the value of your products and services. Such strong, differentiating and value based messaging is almost as critical to a business’s success as the viability of the products and services it sells. Without either, cannot imagine a business would be able to run at full steam. It may be doing well, but could certainly be performing even better with the right messages in hand. Do not let your business fall victim to weak brand positioning. Do something about it (Levi, 2011).

*The whole idea of positioning framework emphasized on how effective communication through articulation of customer value leads to success in business; hence the paper last hypothesis i.e.H4 “**Communication** leads to loyalty” will be evidenced by the above literatures.*

2.2.9. Customer Loyalty

Customer Loyalty is a behavioral result of consumers’ preferences for a specific brand from a set of similar ones. Loyalty is a commitment to continue to make business with a company, on the long term, is a state of mind, a set of attitudes, beliefs or desires. loyalty also defined as “the proportion of times a purchaser chooses the same product or service in a specific category compared to the total number of purchases made by the purchaser in that category, under the condition that other acceptable products or services are

conveniently available in that category”. It is also defined as “deeply held commitment to re-buy the favorite product or service in the future, in spite of situational influences and marketing efforts which can modify the behavior” (BOBÂLCĂ, 2013). According to (Li & Green, 2010), to be loyal, the customer must consistently confirm that his other expectations about the goods or services are met. Second is the affective sense (favored attitude) in which consumers are repeatedly satisfied from purchasing decisions. Third is the cognitive stage that consumers have a behavioral intention – committed deeply to buy. The intention leads to the fourth stage of action i.e. behavior.

*Hence, positioning is the foundation of marketing strategy (Dickens, 2013) & the overall objective of marketing strategy is to deliver value to customers as well as build a long term and mutually profitability relationship with customers (Li & Green, 2010); it is imperative to acknowledge the **general hypothesis** of the research which entail the relationship between the concept positioning & customer loyalty.*

2.2.9.1. Bi Dimensional Approach

Under this view, loyalty is a relationship between attitude and behavior, where attitudinal loyalty is generated by satisfaction, trust and involvement and behavioral loyalty is the act of purchase. The strongest conceptualization of loyalty explains both psychological and behavioral dimensions. This is a practical view and also is strongly argued in many marketing studies. The approach of loyalty as a bi-dimensional construct facilitates the identification of different customers segments, according to their loyalty level and also the development of marketing strategies specially designed for acquiring specific categories of customers (BOBÂLCĂ, 2013). BOBÂLCĂ, (2013) also list the reasons for including customers ‘attitudes in defining the loyalty concept are (a) it is necessary and useful to make the distinction between the customers with attitudinal loyalty and the one who are not loyal at the attitudinal level in order to identify the clients most vulnerable to change their behavior. (b) a simple behavioral definition does not explain the causes of this process. Although loyalty is measured by the behavior, in reality it is about attitude. Without a continuous relationship with the client and without a direct feedback, his needs, his attitudes, his intentions cannot be understood. Loyalty is a bidirectional process: in order to have customers, a company must offer loyalty. A company cannot

build loyalty only by its communication techniques; every aspect of the business is an important factor for this purpose. Attitudinal loyalty is investigated in terms of attitudes, preferences, commitment and intentions. It reflects cognitive, affective and co native predispositions of the individual to continue the relationship with a company or a brand. The marketing researchers believe that, there must be a strong attitudinal commitment for a brand for true loyalty to exist; this is a favorable set of beliefs connected with brand purchase (BOBÂLCĂ, 2013).

*Thus, the **general hypothesis** of the research which entail “there is positive link between positioning & customer loyalty” can be justified, since positioning is made on customer mind, to influence the perceived value, preference & attitude of the customer; similarly, according to the above definition the significant part of loyalty is the attitude of the customer. In addition to this the **3rd Hypothesis of the research i.e. Credibility or Delivery** advocated by the above literature since if the company cannot deliver (not loyal to) its promises it is impossible to get loyal customer.*

The behavioral dimension is often based on quantitative indices: the number of purchases from one company, the buying frequency, retention level, the amount spent for the products of one specific company, the client share (the rate of money spent for products/services of one certain company from the total amount spent for that category of product/service), the number of clients who have chosen the buy from the competing companies. The researchers usually measure the intentions as an indicator of current behavior. Intentions are perfectly conscious and they are measured based on the determinants controlled by the subjects, such as motivations, attitudes and preferences (BOBÂLCĂ, 2013). As conclusion of BOBÂLCĂ, (2013), the intensity of these attitudes represents a key predictor of the repeating purchase. An expanded perspective of “attitude defines loyalty” indicates the existence of a relation between clients and brands. Measuring attitudes means involving customer’ feelings for a brand or a company, the buying intentions or the recommendation intentions but the global loyalty phenomenon cannot be understood without the act of buying. Both dimensions are necessary in order to understand and measure the loyalty construct. Clients who manifest attitudinal loyalty are less capable of spread negative information about the brand. Involving and analyzing

the consumers attitudes make loyalty not just a larger construct (loyalty is a process and not just an act) but also a practical one.

2.2.9.2. Multi-Dimensional Approach

In this view, the three loyalty dimensions (cognitive, affective, co native) that affect the repeated purchase (the behavior). It has been told that these elements are affected by situational variables and that they represent permanent characteristics of the individuals. In order to analyze loyalty, the structure of the consumer's beliefs, affect and intentions must be examined. However, there is a distinction between true brand loyalty, multi-brand loyalty, repeated purchase false loyalty and casual purchase. The initial model of loyalty involves the following aspects: (a) information possessed by the consumer must highlight the advantage of one brand upon other brand – cognitive dimension; (b) consumers must love the brand – affective dimension; (c) consumer must consider buying a specific brand and not another one – the intention. In the first stage, loyalty is based on available information for selecting the favorite offer, having as choosing criteria: costs, benefits and quality. The next level incorporates affective aspects. Attitudes are formed based on the cognitive elements. It is hard to influence loyalty because it is based not only by cognitive aspects (what the customer knows about the products, brands, company) but by affective factors (satisfaction, involvement, preferences, desires). The third stage involves co native loyalty (intention or the commitment to have certain behavior). Co native loyalty is more powerful than affective loyalty but it is still vulnerable and can be affected by repeated discontents about the company or the products. The fourth stage is building behavioral loyalty, the concrete manifestation of loyalty as a result of former steps. The consumers develop a habit or a routine answer behavior and acts “on his own”. The first three steps can have as a result the consumer's consent to act (to buy, to search the favorite offer). One of the specific hypothesis of the research can be adequately advocated by the above literature, since it emphasized the role of delivering “favorite offer” based on the customer selected criteria leads to loyalty i.e. H1 “Relevance”.

2.2.10. Positioning and Customer Loyalty

To build profitable relationships with target customers, marketers must understand customer needs better than competitors do and deliver more customer value. To the extent that a company can differentiate and position itself as providing superior customer value, it gains competitive advantage (Kotler & Armstrong, 2011). Similarly according to Kotler, et. al. (1999), the key to winning and keeping customers is to understand their needs and buying processes better than competitors do, and to deliver more value. *Since, positioning is initially a customer driven marketing strategy which intended to satisfy the need & wants of customers, it is obvious that the probability of satisfied customer to being Loyal to a specific brand will be increased this is also acknowledged by BOBÁLCÁ, (2013), which articulate, Researchers confirm the positive influence of the trust and satisfaction on loyalty. Thus it is logical to say the **general hypothesis** of the research can be accompanied by this truth.* As indicated by Denoue & Saykiewicz, (2009), a traditional approach to brand loyalty was product quality which was the major reason for brand loyalty; perceived high product quality often resulted from prolonged brand positioning based on quality association. In general, the long term overall objective of positioning is to build a brand equity, which will in turn achieve a positive long term purchase behavior (Akpyomare, et. al. 2013). Based on Akpyomare, et. al. (2013) elaboration, Product positioning has been an important part of marketing since companies began to recognize the relevance of having control over their image of the brand. The long term overall objective of positioning is to build a brand equity, which will in turn achieve a positive long-term purchase behavior. Within the long term purchase behavior, a brand will achieve a superior market share, and good return on business and marketing investment. *Since, as the overall objective of positioning is to build brand equity in which brand equity is created by loyal customers (Denoue & Saykiewicz, 2009) & also the positioning objective also encompasses “long term purchase behavior” which is the determinant of loyal customer; thus the researcher **general hypothesis** can be answered by the above literatures.* Akpyomare, (2013) also articulate, Effective positioning helps, firms attract new customers in the short run, and helps build customer-brand relationships in the long run. In addition, effective positioning by the firms in the same strategic group decreases direct competition and offers potential customer's choices in the market even

Li & green (2010), confirm Customer loyalty is the result of successful marketing strategy in competitive markets that creates value for consumers. *Since positioning is the first element in strategic marketing which other marketing activities align with it Dickens (2013) & it is customer oriented marketing strategy which dig to know the customer perception; thus, customer loyalty will be entertained as the result of the marketing activity so that the **general hypothesis** of this research also appreciated by this literature.*

2.2.11 Determinant of Effective/Strong Positioning

Effective Brand Positioning is contingent upon identifying and communicating a brand's Uniqueness, differentiation and verifiable value. It is important to note that "me too" brand positioning contradicts the notion of differentiation and should be avoided at all costs. This type of copycat brand positioning, only works if the business offers its solutions at a significant discount over the other competitors (Dickens, 2013). Akpoyomare, et. al. (2013) acknowledge that effective positioning decreases direct competition by avoiding the commodity trap of competing totally on price alone and offers potential customer's choices in the market. Akpoyomare also added effective positioning has to be centered on meeting the bundle of current and expected benefits sought by the target segment and as a basis on which a product is likely to be differentiated from its competition. Besides the above explanation Lhotáková & Klosová (2009) conclude, to be effective, brand positioning needs to resonate with the customer, differentiate the brand from competitors, and represent what the organization can and will do over time. According to Semans (2010), a strong brand position can pass through these four filters: Relevance, Differentiation, and Delivery & Communication.

Relevance

Relevance measures whether the positioning value proposition is favorable or desirable by the prospect customers or not. According Semans, (2010) relevance in positioning questions the following two questions: - "Does the target audience care about your differentiation and Is it important in their purchase decision making?" " The development of effective benefit – centered positioning involves three things. **First**, you have to understand what benefits are sought by the consumers and what the relative importance

of those benefits is. **Second**, you have to understand how consumers perceive a firm and its product in relation to competitors on the basis of the benefits sought by consumers. **Third**, a firm has to know what products and services are bought and consumed by consumers (Akpoyomare, et. al, 2013).

Regarding the value proposed to the customer, Levi (2011), argue value should take a front seat to features and functionality every single time. Why, then, do businesses continue to sell features, while customers purchase based on value? Businesses today sell features, while buyers today purchase value. If you focus your brand messaging on the latter, you will significantly distinguish yourself from your competition and put your business in a much better position to close sales opportunities. Li & Green Value leads consumers to become a firm's customers, and with higher levels of value for customers to be loyal customers.

Differentiation

Differentiation is simply what makes your brand different and unique to other brands in the frame of reference, and the reason why consumers choose to purchase your brand (Semans, 2010). According to him differentiation have two question:- Does the target market really believe you are different (superior) to your competitors? Are your competitors able to make the same claim? In the context of business, it is what a company can hang its hat on that no other business can claim. Differentiation in today's over-crowded marketplace is a business imperative, not only in terms of a company's success, but also for its continuing survival (Levi, 2011). Companies should differentiate themselves effectively enough. Effective positioning has to be centered on meeting the bundle of current and expected benefits sought by the target segment and as a basis on which a product is likely to be differentiated from its competition (Akpoyomare, et. al, 2013). A difference is worth establishing if it is: Important, Distinctive, Superior, Communicable, Pre-emptive, Affordable and Profitable (Takamoto, Akihiro, 2003)

Delivery

Delivery means weather the positioning proposed by the company delivered to the end customer as promised. According to Semans, (2010), Delivery answers the following two questions: - can you actually deliver on the differentiation? Is this a promise you will be able to keep over time? Based on Kotler& Armstrong, (2011), positioning the company

calls for concrete action, not just talk. Companies often find it easier to come up with a good positioning strategy than to implement it. All the company's marketing mix efforts must support the positioning strategy. If the company decides to build a position on better quality and service, it must first deliver that position. Thus, a firm that seizes on a more-for-more position knows that it must produce high quality products, charge a high price, distribute through high-quality dealers, and advertise in high-quality media. It must hire and train more service people, find retailers who have a good reputation for service, and develop sales and advertising messages that broadcast its superior service. This is the only way to build a consistent and believable more-for-more position.

Communication

Once it has chosen a position, the company must take strong steps to deliver and communicate the desired position to its target consumers (Kotler& Armstrong, 2011). Specially, If the company have a highly technical position, will need to educate the market on the position; if the company are going to have consumers change, will need better plan on havingsignificant resources available to achieve your position (Semans, 2010). Semans also suggest that, if your brand position is clearly and definitively selected and communicated (internally to your organization and externally to the market), your marketing programbecomes more focused, effective and efficient, yielding an improved return on yourmarketing spend. Based on Levi, (2011) explanation, so many businesses expend the vast majority of their staff and financial resources on developing and refining the company's product and service offerings. While this is obviously a critical component of business success, one's own offerings are worthless if their value is not properly articulated and appreciated. According to him, the fact that 90 percent of businesses fail within the first five years, it is not necessarily because of a poor product or inadequate execution rather, in many more cases it is due to poor communication of value. You cannot assume that your target buyer inherently understands the value of your "flux capacitor", for example. The benefits are likely quite clear to you; but, perhaps, your buyer knows very little about the merits of owning such a product and how it can be of value to his/her company. Again according to Semans (2010) list another way of looking at evaluating positions comes from Jennifer Rice, of Fruitful Strategy, who recommends **the "4D's Rule" as strong brand positioning:**

Is it desirable by consumers?

This question demands any business to investigate whether the intended positioning is desirable by the consumer or not. According to Akpoyomare, et. al, (2013) Company must take cognizance of the benefits that customers seek and which are not offered by competitors but are **desired by the target market**. Janiszewska, (2012) also added the essence of positioning, namely assuming a desired position in the audience's awareness by owning a specific set of associations in the context of competition. Even (BOBÂLCĂ, 2013) admit a **favorable** set of beliefs connected with brand purchase. Thus, product must be identified in the best way by the customers; otherwise it will lose credibility and will not be remembered sufficiently (Akpoyomare, et. al, 2013). This rule of strong brand position have similar concept with the above variable which is described as a filter of effective positioning variable i.e. "Relevance".

Is it deliverable by the company?

This question assures weather the articulated benefit actually delivered by the company or not. Based on Kotler& Armstrong, (2011) justification, solid positions cannot be built on empty promises. If a company positions its product as offering the best quality and service, it must actually differentiate the product so that it delivers the promised quality and service. Companies must do much more than simply shout out their positions with slogans and taglines. They must first live the slogan. But marketing promises count for little if they are not backed by the reality of the customer experience. This rule of strong brand position, have the same meaning with the above variable which is described as a filter of effective positioning variable i.e. "Delivery".

Is it distinctive by the competition?

This question also asks if the claim aspired by the company is unique or different from the industry it operated or from the completion exist in the ultimate market. This rule of strong positioning is the same as the above variable which is described as a filter of effective positioning variable i.e. "Differentiation"

Is it durable over time?

The last question in the 4D rule of strong position asks if the positioning which is desirable by the customer, deliverable by the company & distinctive by the competition

has a consistency over time. Again, this rule is one part of delivery variable from the four filter of strong positioning described above which asks whether you will be able to keep the promise over time. Janiszewska, (2012) also describe the three feature of effective positioning by articulating, different experts emphasize that positioning should be credible, significant to the audience, differentiating from the competitors and allowing for the organization's growth. From these, let us see what credibility is because others are clear & similar with the above ideas.

Credibility

Brand credibility is the brand's consistency in keeping the promises it makes. This consistency should refer to the brand's personality and values which are constant elements; they do not change even in the face of dramatic changes in the environment (Janiszewska, 2012). According to him, Lack of credibility is also reflected in the audience's involvement in the brand which may be of key importance to place brands. It is extremely difficult to regain lost credibility; the process is very time-consuming and expensive. One should also bear in mind that brand credibility does not exclude its aspiration-related nature. To a target group, a brand's aspiration nature is an important factor determining the brand's perception and affecting its image.

*Based on the above theories, customer oriented positioning is so important hence, Yaacob,(2013) justify that “effective customer management of a business firm has been found to contribute significantly to customer retention, customer loyalty, and customer reputation”. Thus, one of the hypotheses of this paper i.e. **H1 “Relevance or desirable”** is advocated by the above literature. The above theory also advocate, one of a specific premises of the research hypothesis i.e. **H3“Credibility or Delivery”**; since the above paragraph entertain “effective position should not be build on empty promise or undeliverable claim”, so that, in order to retain the customer as loyal as possible the position that valued by the customer must delivered as promised. The last but not the least, based on the initial & basic concepts of “Differentiation or Diminish: the art and necessary of Business Positioning” book; “Differentiation is a business imperative today, not only in terms of a company's success, but also for its continuing survival”; “Truly understanding how and why you and your business are better than the competition's is essential to true business success”; and “Succinctly and effectively communicating your*

value proposition to customers and substantiating your claims will advance your business” the three hypothesis of this paper i.e. H2 “Differentiation”, H3 “Credibility or Delivery”, H4 “Communication” have also advocated by the literature. Therefore, For sure if a product offering consider the ultimate customer & designed based on the customer desire (relevance or favorable); if a company product is unique among the rivals (uniqueness or differentiation), if it is assured the customer value is deliverable as promised (Delivery or credibility) & finally if this superior value is communicated effectively to the ultimate customer (communication); the result will be undeniable to assure the positioning will lead to business successes.

2.3 Empirical Literature Review

Some related studies are conducted by different researchers in different parts of the world. However, there are limited numbers of studies conducted in Ethiopia on effect of positioning on customer loyalty like the effects of positing on customer loyalty (tirsit 2015), the impact of branding on consumer buying decision behavior of local leather footwear products(mohammed 2015), These studies have not given sufficient information for the topic area.

Researchers’ tries to manipulate the undeniable role & impact of strong positioning to the Business success, not only in terms of single functional activity but to the overall organizational achievement. In general expression, Semans (2010), in his Polaris Marketing Research, Inc. prove the powerful aspect of the concept positioning as Brand positioning is difficult work — but the pay-off is obvious. A strong, clearly differentiated brand returns improved customer satisfaction and loyalty, lower cost of sales and more efficient operations and competitive inoculation. That being said, it should be noted that brand positioning, because it is fundamental to marketing strategy, should also be coordinated with and tied to corporate strategy. Unless the entire organization is supportive of and contributing to the brand position, it is unlikely to succeed.

Also in Semans (2010), research which was cited by Jennifer Rice summarization “Positioning is hard work. It is not the domain of an ad agency or marketing department. It is aligning the corporate mission and structure to one that best supports customers, connects with them and creates customer evangelists.”

Research which has done by Rodrigues et. al., (2014), on Asian Journal of Business and Management Sciences for the research tile “Brand Loyalty Influence Factors: Positioning and Brand Identity Comparison” aims to analyze which are the most relevant variables in consumer loyalty, with the aim of studying the positioning X brand identity process. The result of the research is brand positioning (internal environment) to variable product (variety) is the tool that most influences the loyalty of its consumers. Also found that for the brand identity (external environment) the product factor is the most efficient and effective tool used by the brand (www.ajbms.org).

According to Janiszewska, (2012), positioning should be credible, significant to the audience (relevance or favorable), differentiating (unique) from the competitors and allowing for the organization’s growth. This is due to positioning effectiveness depends on how the position is favorable, differentiation & creditable which are the key dimensions of well positioned brand (Christoph&Adamantios et. al., 2007).

Li & Green (2010), in Journal of Management and Marketing Research investigate on the title called “A mediating influence on customer loyalty: The role of perceived value”. At the beginning they emphasize Customer loyalty is the result of successful marketing strategy in competitive markets that creates value for consumers. Then they continue articulating how positioning plays a critical role in formulating a marketing strategy, by evidencing the definition “positioning is the firm’s differentiation of its offerings as perceived by consumers in comparison to competing products (goods and services).” Since, the purpose of this research was to advance the understanding of customer loyalty by examining the literature and determining consumer perception of marketing strategy and the mediating role of customer value. As Customer perceived value is critical to driving market share and increase customer loyalty. This perception is created by the firm’s marketing strategy by having the appropriate marketing mix for the right position in the intended target market (segment).

A research which is made by Samani, (2013) in the title “The role of customer-linking, Brand Position, and New service development on customer loyalty in Internet Banking”, the research result showed that there are significant relationship between customer-linking, brand position and new service development with customer loyalty.

The last but not the least, as indicated by Hartmann, et. al (2002), on the title “The effect of brand positioning on customer loyalty: an empirical study of the Iberdrola case”. This paper analyses the effect of brand positioning on customer loyalty. Based on data of a survey of clients of the energy utility Iberdrola, the study measures the loyalty effect of the company’s perceived positioning. The analysis results confirm a significant relationship between the dimensions of positioning and the different rates of loyalty, and stress the importance of proper positioning for managing customer loyalty. In this regard, Janiszewska&Insch, (2012), added positioning should be credible, significant to the audience, differentiating from the competitors and allowing for the organization’s growth.

2.4. Conceptual Framework

The research hypothesis derived from the concept positioning itself with the very determinants & feature of effective positioning called Relevance, differentiation, Credibility & Communication.

The general hypothesis of the below conceptual model is drawn from the below exemplary theoretical concept acknowledged by different authors.

- ✚ The traditional approach to brand loyalty was product quality which was the major reason for brand loyalty; perceived high product quality often resulted from **prolonged brand positioning** based on quality association (Denoue&Saykiewicz, 2009). Hence, Positioning is an evolution, build and maintained over time and their benefits come back over timer as well (Semans, 2010).
- ✚ The long term overall objective of positioning is to build brand equity, which will in turn achieve a positive long term purchase behavior (Akpoymare, et.al, 2013). Hence, Brand loyalty one of the important benefit of Brand equity.
- ✚ Customer loyalty is the result of successful marketing strategy in competitive markets that creates value for customers (Li & Green, 2010). Hence, Positioning is a first element of marketing strategy in which everything else is aligns with it (Dickens, 2013). Marketing mix are the tactical details of the positioning strategy (Kotler&Armstrong, 2011).

The specific hypothesis of the below conceptual model is also emanated from the positioning concept itself i.e. Relevance, Differentiation, Delivery & Communication. Hence, these four variables are identified by different authors as:-

- ✚ Filters of strong positioning (semans, 2010); Rule of strong brand positioning (semans, 2010); Objective of positioning (mark, 2005); Key dimensions of well positioned brand (Christoph&Adamantios et. al., 2007); Feature of effective positioning (Janiszewska, 2012).

POSITIONING THROUGH

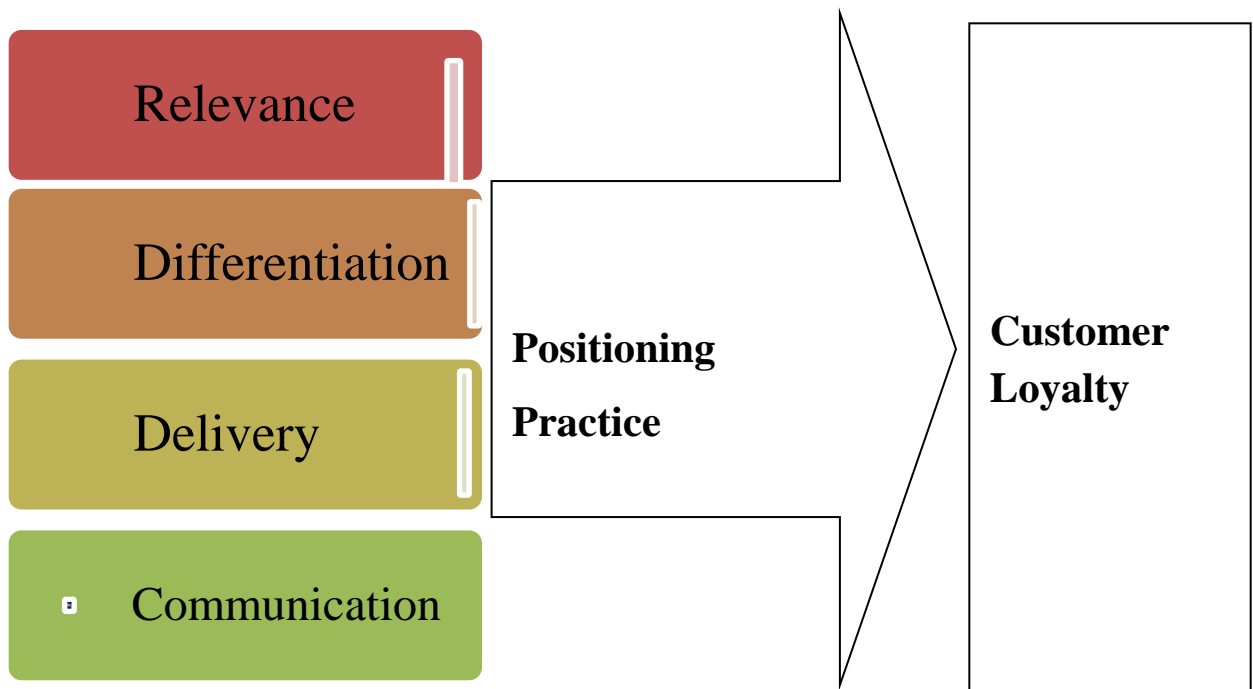


Figure 2.1: Conceptual Framework

In general the ultimate objective of this hypothesis to see or assure how the concept positioning through the important variable Relevance, Differentiation, Credibility & Communication lead us to the Customer Loyalty.

2.5 Hypotheses Development

The major objective of this study was to analyze the effect of positioning on customer loyalty at Anbessa Shoe s.co. To achieve the objectives of this study the hypotheses were

presented in this section. Hypothesis were also developed in order to see the relationship of the independent variables (Relevance, Differentiation, Delivery and Communication) and the dependent variable i.e. customer loyalty in Anbessa shoe s.co. The description of both dependent and independent variables with related hypothesis is discussed below.

2.5.1 Dependent Variable

The dependent variable is some aspect of the subject's behavior assessed to reflect the effects of the independent variable. The dependent variable is the experimental counterpart to a response variable (Neumann, 2007). In this study the dependent variable is customer loyalty in Anbessa shoe s.co as explained below.

2.5.1.1 Customer Loyalty

Customer loyalty is the most important goal of implementing positioning activities. Oliver (1997) defined customer loyalty as a deeply held commitment to re-buy a preferred Product/service consistently in the future, thereby causing repetitive same-brand or same brand set purchasing, despite situational influences and marketing efforts having the potential to cause Switching behavior. Customer loyalty is the only dependent variables of the study.

2.5.2 Independent Variables

An independent variable is that variable whose values or levels the experimenter selects to determine what effect this independent variable has on the dependent variable. The independent variable is the experimental counterpart to a predictor variable (Neumann, 2007). In this study, the five independent variables are Relevance, Differentiation, Delivery and Communication as explained below.

2.5.2.1 Relevance

Relevance is the major component of positioning. According to Akpoyomareet. al. (2013), effective positioning has to be centered on meeting the bundle of current and expected benefits sought by the target segment. Based on the justification of BOBÂLCĂ, (2013), loyalty is based on available information for selecting the favorite offer. Finally Li & Green conclude Customer perceived value is critical to driving market share and

increase customer loyalty. Therefore, in this regard, the next hypothesis is formulated to see the effect of Relevance on customer loyalty.

H1: Relevance (Desirability) has positive & significance effect on customer loyalty

2.5.2.2 Differentiation

Differentiation is a feature of positioning most frequently referred by practitioners and theoretical (Janiszewska, 2012). Semans (2010), also argue Differentiation is the key element of brand positioning. According to Levi (2011), Differentiation is a business imperative today, not only in terms of a company's success, but also for its continuing survival. Thus in this regard the second hypothesis is formulated.

H2: Differentiation has positive & significance effect on customer loyalty

2.5.2.3 Delivery

Brand credibility is key feature of positioning which determines the brand's consistency in keeping the promises it makes. When a brand's actual potential and capabilities are not Supported, the audience is inevitably disappointed and the brand loses its credibility. Brand credibility has a brand's aspiration nature which is an important factor determining the brand's perception and affecting its image (Janiszewska, 2012).. It is in this regard the following is hypothesized in this study.

H3: Delivery (Credibility) has positive & significance effect on customer loyalty

2.5.2.4 Communication

After companies assure the relevance, differentiation and credibility of the positioning, it would be mandatory to communicate the position to the market (Kotler& Armstrong, 2011). Levi,(2011) also argue **communication is obviously a critical component of business success**, one's own offerings are worthless if their value is not properly articulated and appreciated. Thus in this regard the next hypothesis is formulated.

H4: Communication has positive & significance effect on customer loyalty

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3. Introductions

This chapter deals with the research methodology that is used in this study. It encompasses research design, research approach, population of the study, sources of data, data gathering instruments and the reasons for why those methods are chosen in comparison to the other alternative methods were discussed. At the end it presents the regression model, measurement of the variables, data analysis methods and the validity and reliability of the study.

3.1 Research Design

Research design is the structure that guides researchers in their investigation into a phenomenon (Kotzar, Seuring, Muller, & Reiner, 2005). This paper discussed on the effect of positioning on customer loyalty at Anbessa Shoe S.C. To see the effect of positioning on customer loyalty at Anbessa Shoe S.C both descriptive and explanatory study design were used. The study used descriptive analysis because the researcher interested to describe the effect of positioning on customer loyalty. And also explanatory survey method was employed with the assumption that it can help to explain and interpret the relationships between variables that are Relevance, differentiation, delivery and communication (independent variables) and loyalty (dependent variable).

3.2 Research Approach

A research approach can be categorized as quantitative research approach, qualitative research approach and mixed research approach. In this paper the researcher adopted mixed method research approach to examine the effect of positioning on customer loyalty at Anbessa Shoe S.C to convergence across qualitative and quantitative methods (triangulating data sources). Therefore, employing this approach was used to neutralize or cancel the biases (limitations) of applying any of a single approach and a means to offset the weaknesses inherent within method with the strengths of the other method (Creswell, 2003, pp. 15 & 217). In addition, adopting of mixed method research approach in this research provided the best understanding of a research problem because it opens the door

to multiple methods of data collection and to both generate the findings to a population and develop a detailed view of the meaning of a phenomenon or concept for individuals (Creswell, 2003, pp. 12-22). This research approach posed the researcher to the challenges the need for extensive data collection, the time intensive nature of analyzing both text and numeric data, and the requirement for the researcher to be familiar with both quantitative forms of research (Creswell, 2003, p. 210). Concurrent procedure were employed in undertaking this research in which, converges quantitative and qualitative data in order to provide a comprehensive analysis of the research problem. Moreover, the researcher was collected both forms of data at the same time during the study and integrates the information in the interpretation of the overall results (Creswell, 2003, p. 16). This study has determined to assess the effect of positioning on customer loyalty in Anbesa shoe S.co so a survey method was employed. A survey design provides a quantitative or numeric description of trends, attitudes, or opinions of a population. It is a means of collecting information, usually through self-report using questionnaires or interviews. In this study surveys was administered to sample of the populations of respondents that are retail shop customer.

3.3 Population and Sample size of the Study

The population of the research was Anbesa Shoe Share Company's all retail shops' individual customers located in Addis Ababa. The reason why the researcher hadn't included the whole sellers of Anbesa Shoe share co., considering, most of the company whole-sellers were not distribute the products to the ultimate customer instead they used it to their own employees for uniform purpose. Therefore, since the researcher assumed individual end customer are the true loyal customers who purchase products based on their own aspiration, need & desire. Therefore, the study of this paper only focused on the retail shops customer around Addis Ababa.

As previously discussed the population size of this study is unknown since the student researcher cannot get the list of those populations who purchased the company product over the past five years in Addis Ababa. Hence, the sample size for unknown and large population could be calculated using $n = Z^2 P (1-P)/e^2$ formula (Cochran, 1963).

P = the frequency of purchase over the past five years is 0.5 or 50% (where P is maximum)

e = the tolerable error is 0.05 or 5%

Z = the level of confidence is 95% which is 1.96 of standard deviation

$$n = (1.96)^2 \cdot 0.5 \cdot (1-0.5) / (0.05)^2 = 384.16 \text{ or } 384.$$

Therefore, as per the above evidences, the researcher had taken a sample size of **384** by distributing 26 questionnaires for the 15 sales outlet shops of Anbessa Shoe Share Company located in Addis Ababa.

To increase the response rate, the researcher also briefed the 15 retail shops supervisors about the content of the questionnaire with the company benefit from the research result evidencing the attached instruction of the company’s managers for supporting the study. Furthermore, the response rate also improved by redistributing the un-responded questionnaires to the shops supervisor & researcher by extending the collection date.

Table 3.1 Sample sizes of the population & its response rate

| NO | Shops Name | Distributed Questionnaire | Returned Questionnaire | Percentage of Returned Questionnaire |
|--------------|---------------|---------------------------|------------------------|--------------------------------------|
| 1 | Arada | 26 | 24 | 92.30 |
| 2 | Piassa No 1 | 26 | 25 | 96.15 |
| 3 | Piassa No 2 | 26 | 23 | 88.46 |
| 4 | Ambassador | 26 | 23 | 88.46 |
| 5 | Legehar | 26 | 25 | 96.15 |
| 6 | Merkato No. 1 | 26 | 22 | 84.61 |
| 7 | Merkato No. 2 | 26 | 22 | 84.61 |
| 8 | Teklehaimanot | 26 | 23 | 88.46 |
| 9 | Gofa | 26 | 24 | 92.30 |
| 10 | Saris | 26 | 23 | 88.46 |
| 11 | Lideta | 26 | 25 | 96.15 |
| 12 | Hayahulet | 26 | 23 | 88.46 |
| 13 | Gulele | 26 | 24 | 92.30 |
| 14 | Ayer Tena | 26 | 22 | 84.61 |
| 15 | Asko | 20 | 17 | 85 |
| TOTAL | | 384 | 345 | 89.84 |

Source: own survey (2019)

From the total sample size of **384** distributed questionnaire 89.84% of the questionnaire was returned & properly filled by the respondent.

3.4. Sampling Technique

Stratified Sampling Technique was applied to select individual customers from the 15 retail shops located at different part of Addis Ababa. This sampling technique is appropriate for this research, hence it increase the representativeness of the sample from each stratum. Kothari, (2004), also evidenced that stratified sampling technique is used to obtain a representative sample, if a sample is to be drawn does not constitute homogenous group. Based on this, each retail shops were considered as a stratum & from the 15(fifteen) retail shops the researcher had taken 26 customers to fill the structured questionnaires based on Disproportionate Stratified Sampling technique. To enhance the response rate & accuracy, the sampling technique also supported by all retail shops supervisors through distributing the questionnaires to their customers as a comment for their products. Furthermore, the response rate also improved by redistributing the unresponded questionnaires to the retail shops supervisor & the researcher by extending the collection date.

3.5 Data Sources, Collection Instruments, and Procedures

3.5.1. Data Source

Both primary and secondary data sources were used in order to generate relevant information to the research. When collecting the primary data, interview & questionnaires were used. Interview was conducted with Marketing Manager of Anbessa Shoe S.C. & the Questionnaires were distributed to sample sales outlet shops individual customers of the company located in Addis Ababa. The secondary data was collected from the company manuals, brushers, web-site and published & unpublished documents of the company in order to seek information about company positioning strategy.

3.5.2. Data Collection Instruments

The primary data of this study were collected using both questionnaire and interview.

The questionnaires were designed to both close ended and open ended. Mixed questionnaires have many merits; the most important of this advantage is its considerable

flexibility (McNabb, 2005). Questionnaires were distributed to all sales outlet shops individual customers of the company located in Addis Ababa. The retail shop customer was selected as respondents because they are believed to be knowledgeable about company products and can provide important information about company product positioning. The questionnaires were structured based on those used by (Christoph&Adamantios et. al., 2007) and (semans, 2010).With regard to the close-ended questions five point Likert scale were used to provide range of responses for respondents to determine the level of agreement or disagreement for all specific objectives. Whereas semi structured interview also employed with Marketing Manager of Anbessa Shoe S.C because they are key persons directly related to marketing strategy (positioning). The researcher chose semi-structured interview because of its flexibility and believes as that it is more appropriate to capture the ideas of the interviewee in a particular topic and it allows interviewees to go into as much depth as they feel. Furthermore, the semi-structured interview allows the interviewer to explore deeply and ask more questions that are not written down. Questions in the interview guides were developed based on literature review relevant to the issue and the specific objectives. Purposive selection technique was applied to select interviewees based on their knowledge, involvement and role in the positioning process. The secondary data was collected from the company manuals, brushers, web-site and published & unpublished documents of the company.

3.6 Measurement of Variables and the Regression Model

As it is already mentioned above the dependent variable in this study is customer loyalty by Anbesa shoe s.co. loyalty is measured with 4 items from the scales developed using the five-point Likert Scale of “1-Strongly Disagree”, “2-Disagree”, “3-Neutral”, “4-Agree” and “5-Stronly Agree”. As per the previously existing literature, it is possible to measure these variables by primary data Questionnaire. This measure is expected to bring a reliable result after the collection of the data and its analysis.

The regression model below reveals that there is a relationship between one dependent variable (loyalty) against four independent variables (relevance, differentiation, delivery, and communication) and therefore, multiple regression analysis have been used for the

study. As shown in the appendix there is 8 questions to capture relevance, 6 questions for capture differentiation, 7 question to capture delivery and 6 questions to capture communication. The full regression model for the empirical investigation in estimating the effect of positioning on customer loyalty at Anbessa Shoe S.C is given as:

$$LOY_i = \beta_0 + \beta_1 RELV_i + \beta_2 DEF_i + \beta_3 DEL_i + \beta_4 COM_i$$

Where:-

LOY_i = customer loyalty by Anbesa shoe S.Co

RELV_i = Relevance

DEF_i = Differentiation

DEL_i = Delivery

COM_i = Communication

β₀ = Constant or intercept

β₁ = the coefficients for Relevance

β₂ = the coefficients for Differentiation

β₃ = the coefficients for Delivery, and

β₄ = the coefficients for Communication

3.7 Data Analysis

Data analysis gives compelling reasons to reduce bias and to assist the study to make fair analytical conclusions that rules out misinterpretations Yin (1994). As explained in the preceding part, the research is designed to follow a mixed method. To this end, both qualitative and quantitative analyses were used. Data collected using questionnaire were analyzed through descriptive statistics, frequency distribution, correlation and multiple linear Regression using Statistical Package for the Social Scientists (SPSS).

The descriptive statistical results were presented by tables, frequency distributions and percentages to give a condensed picture of the data. This achieves through summary statistics, which includes the means, standard deviations values which are computed for each variable in this study. The other analysis method correlation coefficient was used to determine the relationships between variables that are Relevance, differentiation, delivery and communication (independent variables) and loyalty (dependent variable) by Anbesa shoe s.co. And also multiple regression analysis was used to investigate the effect of

independent variables (Relevance, differentiation, delivery and communication) on customer loyalty by Anbesa shoe s.co. The basic objective of using regression equation on this study was to make the researcher more effective at describing, understanding, predicting, and controlling the stated variables. Furthermore, various diagnostic tests such as normality, heteroscedasticity, autocorrelation and multicollinearity test were conducted to decide whether the model used in the study is appropriate and fulfill the assumption of classical linear regression model. The SPSS was used to find out percentages, mean values, frequencies, correlations, regression, etc. as main means for summarizing the data. Data collected from the interview and reviews of documents were interpreted qualitatively.

3.8 Validity and Reliability of the study

3.8.1 Validity of the study

The term validity defines the degree of stability and consistency that is attributable to the Conclusion drawn from the study which is likely to be confirmed by a different researcher (Yin, 1994:36). Yin (1994) suggested using multiple sources of evidence as the way to ensure construct validity. This study used multiple sources of data including questionnaire, interview and document review that helps to cross validate the data.

In addition, the study used instruments developed by (Denoue&Saykiewicz, 2009) and (semans, 2010). Since questions are tested up on their clarity and understand ability and significant conclusions are drawn using those questions.

3.8.2 Reliability of the study

To ensure that the study is reliable, the study relied on diverse and renowned authors of positioning in the literature review. Comparisons of various conclusions made by various studies were carefully examined. In order to keep the reliability the researcher chose all respondents which are related with the issue.

The Cronbach's Alpha is the most well accepted reliability test tools applied by social researcher. The closer Cronbach's Alpha to 1.0, the higher the internal consistency reliability (Sekaran, 2003) As shown in the table 3.2 below, the variables under study, for all constructs are confirmed as greater than 0.7, which shows a good and acceptable

reliability respectively. Therefore it can be concluded that the items are well correlated with each other and show good reliability and consistency.

Table 3.2: Cronbach's Alpha Results

| Variables | Item | Cronbach's Alpha |
|------------------|-------------|-------------------------|
| Relevance | 8 | .874 |
| Differentiation | 6 | .731 |
| Delivery | 7 | .786 |
| Communication | 6 | .789 |

Source: Own Survey Data, 2019

3.9 Ethical Considerations

When questionnaires are distributed to respondents, first inform on the introduction part of the paper about the title and objective of the study. Besides to develop respondents confidence they has been informed that their responses be kept confidentially and the information uses only for academic purpose.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4. Introduction

This chapter is about data analysis and discussion of research findings. The analysis and discussions were done with understanding of research objectives which includes; investigate the effect of positioning on customer loyalty. In this section, the results of the study are discussed by **triangulating** the different sources results: questionnaire results, and interview and document review results.

A total of 384 questionnaires were distributed to customer at all the 15(fifteen) sales outlet shops of Anbessa Shoe S.C. located in Addis Ababa. 345 questionnaires were returned, of which 14 were discarded or rejected because of missing data & improper response. Therefore, the numbers of usable questionnaires were 331 and as a result the response rate was 86.19%.

As indicated in the previous chapter, survey was the main strategy of inquiry effect of positioning on customer loyalty in Anbesa shoe s.co. To this end, the results obtained from the survey were analyzed through frequency distribution, descriptive statistics, correlation and multiple linear regressions.

4.1. Background Information of Respondents

The respondents' demographic features included three key features which were: the respondent's gender, Age and academic level. Descriptive statistics were used to analyze The background information of participants

Table 4.1 Demographic Characteristics of Respondents

| | | Frequency | Percent |
|----------------------------------|------------------------|-----------|---------|
| Gender | Male | 215 | 64.95 |
| | Female | 116 | 35.5 |
| | Total | 331 | 100.0 |
| Age | 18-25 years | 88 | 26.58 |
| | 26-35 years | 105 | 31.72 |
| | 36-45 years | 76 | 22.96 |
| | 46-55 years | 45 | 13.59 |
| | > 55 years | 17 | 5.13 |
| | Total | 331 | 100.0 |
| Qualification/Level of Education | Elementary | 14 | 4.2 |
| | High School | 56 | 16.9 |
| | Certificate | 55 | 16.6 |
| | College Diploma | 93 | 28.1 |
| | 1 st Degree | 87 | 26.3 |
| | MA/Msc | 26 | 7.9 |
| | Total | 331 | 100.0 |

Source: Researcher Survey Result, 2019

Table No 4.1, shows that out of the 331 respondents 215 representing 64.95% of the respondents were Male while 116 representing 35.5% of the Respondents were females. This indicates a higher number of male in the distribution. The disparity between the number of male and female respondents is not too wide. This close representation signifies that whatever information obtained from these two categories of respondents will be highly representative of people.

When we show that the age of the subjects eighty eight (26.58%) of them were between 18 & 25 years; 105 (31.72%) of them were between 26 & 35 years, 76 (22.96%) of them were between 36 & 45 years, 45 (13.59%) of them were between 46 & 55 and 17 (5.13%) of them were greater than 55. Looking at this table at a glance one would realize that adults

dominated the participants of this study and this has indeed contributed to the quality of opinions gathered.

Another demographic measure used in this study is educational level of the respondents. The response on the educational level of respondents is summarized in the above table. Out of the total respondents 26.3% had bachelor's degree. Those who had masters were 26 representing 7.9% of the respondent's whiles 28.1% of the respondents had attained Diploma level education. This shows the education level of the research sample is significantly good. It indicates they can giving a valid response for the questions raised because they have at least first degree in Business fields. The high literacy level of respondents helped the researcher in getting good, well-informed and quality responses from respondents.

Table 4.2 Customer Duration

Customer Duration

| | Frequency | Valid Percent |
|------------------|-----------|---------------|
| < 2 years | 113 | 34.13 |
| 2-6 years | 109 | 32.93 |
| Valid 7-10 years | 41 | 12.38 |
| above 10 years | 68 | 20.4 |
| Total | 331 | 100.0 |

Source: Researcher Survey Result, 2019

Table No 4.2 show that concerning the respondents customer duration 113 (34.13%) of the respondents were customer for less than 2 years; 109 (32.93%) of them were customer between 2 & 6 years; 41 (12.38%) of them were customer between 7 & 10 years; and 68 (20.4%) were customer for greater than 10 year. thus one can say that most of the respondents have enough knowledge to wetness about the company product.

Since one of the paper objective was to study the customer loyalty as a result of company Positioning, in order to identify the loyalty level of the customer with relation to their frequency of purchase (i.e. frequency of purchase is one of the indicator of customer loyalty), the study measured purchase frequency of the respondents.

Table 4.3 Respondents' Product Purchase Frequency

Frequency of Purchase

| | Frequency | Valid Percent |
|-----------------|-----------|---------------|
| Valid Regularly | 152 | 45.9 |
| Sometimes | 142 | 42.9 |
| Rarely | 37 | 11.2 |
| Total | 331 | 100.0 |

Source: Researcher Survey Result, 2019

Table 4.3 show that, 152 (45.9%) of the respondent purchased the company's product "Regularly"; 142 (42.9%) of the respondents were bought "Sometimes"; and 37 (11.2%) of the respondents were purchased "Rarely" .it reveal that majority of the customer purchase the company product regularly it argue the company have loyal customer.

Respondents' Knowledge about the Type of Product Produced

Another item measured was the respondents' knowledge & information about the type of the products produced by the company. This item were necessary because as communication is one determinant of effective or strong positioning, this item response result help the researcher in investigating the effort of the company communication to disperses important information to its customers.

Table 4.4 Respondents' Knowledge about the Type of Product Produced

Types of Product

| | Frequency | Valid Percent |
|---------------------------|-----------|---------------|
| Valid Ladies shoe | 18 | 5.4 |
| Gents shoe | 27 | 8.15 |
| all | 238 | 71.9 |
| Ladies and gents | 21 | 6.3 |
| Ladies and children | 11 | 3.3 |
| Ladies,gents and children | 16 | 4.9 |
| Total | 331 | 100.0 |

Source: Researcher Survey Result, 2019

Table No 4.4 show that, 238 (71.9%) of them replied “Ladies, Gents, Children shoe, belt & bag); 27 (8.15%) of them responded “Gents Shoe”; 18 (5.4%) of them responded “Ladies, Gents & Children”; 21 (6.3%) of them respond “Ladies & Gents”;one (3.3%) of them replied “Ladies, Gents & Bag” and one (4.9%) of them replied “Gents, Children, Belt & Bag”. Therefore, according to Table 4.4 result in aggregation fifty nine (29.1%) of respondent haven’t had the right information & knowledge about the company products which indicate the company should work in its communication aspect.

The interview & documents also evidenced that the products produced by the company are Ladies, Gents, Children shoes, Belt & Gag. The interviewee also accepts the new productions haven’t communicated well as expected to be & there is production shortage to accompany all variety products needed by the customer.

Based on the interview made with the marketing manager the company wants to be perceived by their customers as quality, fashionable, comfortable, durable, fashionable & family choice & the company have been using the current positioning statement for below 5 years. This positioning statement promotes the company’s products as well known with fashionable, comfortable, quality & offering competitive price with consistence service. This indicated that, even though were some agreements, when the researcher compared the findings, there was a gap between the company positioning & the perceived positioning. the company claiming its products are “fashionable” but the customers were demanding “to add & update fashionable model & design” (noting there was a lag or delay consistently to update its model & design with current market situation); the company articulate offer competitive price but some customers still demanding the price to be affordable; the company assume its products as family choice but respondents demands to “increase female & children fashionable model & design”. The researcher also observed that in all Addis Ababa retail shops females & children shoes were relatively low in number & variety.

4.2 Effect of positioning on customer loyalty in Anbessa shoe s.co.

The first objective of this paper was to identify the effect of positioning on customer loyalty in Anbesa shoe s.co. In this section, a dependent variable of the study which was customer loyalty against the four independent variables which were Relevance,

Differentiation, Delivery and Communication in related to adoption of positioning was investigated through survey result. The subsequent sections presents the results of descriptive statistics, the Pearson correlation analysis and regression model respectively.

4.2.1. Descriptive Statistics

The table 4.5 below shows the descriptive statistics results of corresponding 331 total observations of four independent variables which could potentially influence the effect of positioning on customer loyalty and dependent variable, customer loyalty in Anbesa Shoe s.co. It also describes the overall nature of variables employed in the study and their interpretation is presented as follows.

Table 4.5 Descriptive statistics of the effect of positioning on customer loyalty

Descriptive Statistics

| | N | Minimum | Maximu m | Mean | Std. Deviation |
|---------------------|-----|---------|-------------|--------|-------------------|
| Relevance | 331 | 2.25 | 5.00 | 3.6224 | .70740 |
| Differentiation | 331 | 2.00 | 5.00 | 3.6042 | .47528 |
| Delivery | 331 | 3.00 | 5.00 | 3.9253 | .48697 |
| Communication | 331 | 2.67 | 5.00 | 3.7407 | .56985 |
| Loyalty | 331 | 3.00 | 4.91 | 3.8954 | .56095 |
| Valid N (list wise) | 331 | | | | |

Source: SPSS result

1. According to Best, (1977), standard deviation of the score from 1-1.80 is lowest, from 1.81- 2.61 is lower, from 2.62-3.41 is average/moderate, from 3.42-4.21 is good/high, and 4.22-5 is considered very Good.

2. Besides, the decision rules used in the analysis was average mean less than 3 was considered as low, average mean equal to 3 was considered as medium and average mean greater than 3 was considered as high. (Best and Khan 1995).

4.2.1.1 Relevance

The respondents of this study were asked regarding the first independent variables of Relevance influence on customer loyalty. According to the survey result the mean and standard deviation for the Relevance shows 3.62 & 0.707 respectively. According to (Best and Khan 1995) standard, the mean values were indicated greater than its moderate value of 3 which means the respondent's perception on Relevance on customer loyalty in Anbesa shoe s.co is high. It implies that the respondents had positive acceptance on the company's product relevance. The findings of this study in related to Relevance against customer loyalty were consistent with previous related study forwarded by (Levi, 2011). In the survey result in argue value should take a front seat to features and functionality every single time and relevance play an important role to measure customer loyalty.

4.2.1.2. Differentiation

In related to the second independent variable of the study, the respondents were asked their opinion about the assumption of differentiation influence on customer loyalty. The survey result shows almost all of the respondents stated their agreement on the issues raised and the mean distribution was 3.60 which are greater than its moderate value of 3 and the standard deviation of 0.475 which is less than 1. According to (Best and Khan 1995) standard the mean values were indicated the respondent's perception on differentiation on customer loyalty in Anbesa Shoe s.co is high. This implies that differentiation plays important roles on measuring customer loyalty in Anbesa shoe s.co. The finding of this study was consistent with the findings of previous related studies carry out by Semans (2010), in their findings they had stated A strong, clearly differentiated product returns improved customer satisfaction and loyalty, lower cost of sales and more efficient operations and competitive inoculation.

4.2.1.3 Delivery

The respondents of this study also asked regarding the third independent variables, delivery affects the customer loyalty. According to the survey result majority of the respondents provide an agreement on the issues raised and the mean distribution of delivery was 3.92 which are greater than 3 and the standard deviation of 0.48 which is less than 1. It has a high value in (Best and Khan 1995) standard. This implies that the

respondent actual experience of the Positioning Delivery as promised was inclined to positive or moderate agreement.. Similarly, the findings of this study was consistent with the conclusion of previous related studies which were carry out by different authors such as Kotler& Armstrong, (2011),. If the company decides to build a position on better quality and service, it must first **deliver** that position.

4.2.1.4 Communication

Respondents were asked to give their opinion about the fourth independent variable communication affects customer loyalty in Anbessa shoe s.co. As shown in table 4.5 above, the majority of the respondents were agreed with the mean distribution of communication was 3.74 which are greater than 3 and the standard deviation of 0.56 which is less than 1. It has a high value as per (Best and khan1995) standard. It implies that if company has good way of communication it will affect customers loyalty. The findings of this study in related to relationship between communication and customer loyalty was consistent with the conclusion of previous related studies which were carry out by (Kotler& Armstrong, 2011). They argue that the company position strategy is communicated effectively to the ultimate customer (communication); the result will be undeniable to assure the positioning will lead to business successes.

4.2.2 Pearson Correlation Analysis

Pearson correlation is used to examine relationships between two or more variables. It measures the strength and direction of a relationship between variables. The p-value, in Pearson Correlation analysis, attempts to provide a measure of the strength of results of a test, in contrast to a simple reject or do not reject decision.

In Pearson correlation analysis the value of strength of relationship (r) plays an important role in determining the level of relationships among variables. The significance level, $p < 0.01$ is also used to establish the relationship. The correlation coefficient of effect of positioning on customer loyalty and customer loyalty was computed and presented below: the table shows the relationship between the dependent variable and independent variables as well as the relationship among independent variables.

As shown in table 4.6 below, explanatory variables tested in this study, it is evident that there is a significant correlation between the independent variables (relevance, differentiation, delivery, and communication) and the dependent variable (customer loyalty). For this study a criterion rule given by (Bartz, 1999) was used. Bartz described the strength of the association between the variable as below.

Table 4.6 Interpretation of r value

| Value of r | Description |
|----------------|-------------|
| 0.80 or higher | Very high |
| 0.6 to 0.8 | Strong |
| 0.4 to 0.60 | Moderate |
| 0.2 or 0.4 | Low |
| 0.20 or lower | Very low |

Table 4.7 Pearson Correlation Analysis

| Independent Variables | No. of Observations | Customer loyalty | |
|-----------------------|---------------------|---------------------|-----------------|
| | | Pearson Correlation | Sig. (2-tailed) |
| Relevance | 331 | .605 | .000 |
| Differentiation | 331 | .631 | .000 |
| Delivery | 331 | .666 | .000 |
| Communication | 331 | .803 | .000 |

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

* . Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS correlation result

As shown in table 4.7 above the coefficient of correlation between Relevance and customer loyalty in Anbessa shoe s.co is 0.605. It shows that there is strong and positive relationship between them. The relationship is significant at 0.01 level of significance. This implies that a good positioning relevance on customer loyalty have a positive significant influence on customer loyalty of the company.

The coefficient of correlation between differentiation and customer loyalty by Anbessa shoe s.co is 0.631. The above table reveals that there is strong relationship between differentiation and dependent variable. The relationship is significant at 0.01 level of significance. The other variable employed in the study was delivery. The coefficient of correlation between delivery and customer loyalty by Anbessa shoe s.co was 0.666. It shows that there is strong and positive relationship between them. The relationship is significant at 0.01 level of significance. This implies that the good delivery strategy have a significant positive influence on effectiveness of customer loyalty.

The coefficient of correlation between the four independent variable communication and customer loyalty by Anbessa shoe s.co is 0.803, which indicates that there is very strong positive correlation between them and the relationship is significant al 0.01 level of Significance. This implies that the presence of better communication channel have a significant positive influence on effectiveness of customer loyalty.

4.2.3. Multiple Regression Analysis

Assumptions for Multiple regression analysis

Through a correlation analysis it is identified that there is a significant relationship between independent and the dependent variable. In this section, in examining the effect of positioning on customer loyalty in Anbessa shoe s.co, the researcher used a regression analysis to test the effect of four independent (explanatory) variables on the dependent (explained) variable i.e. customer loyalty. Thus, in this study the researcher used multiple regression analysis, in which tests have been made to examine whether one or more independent variables influence the variation on dependent variable.

The researcher undertook the diagnostic tests for the assumption of classical linear regression model (CLRM) before directly going to the multiple linear regression models. The objective of the model is to predict the strength and direction of association among the dependent and independent variables. Thus, in order to maintain the validity and robustness of the regression result of the research in CLRM, it is better to satisfy basic assumption CLRM. When these assumptions are satisfied, it is considered as all available information is used in the model. However, if these assumptions are violated, there will be data that left out of the model (Brooks, 2008). Accordingly, before applying the model

for testing the significance of the slopes and analyzing the regressed result, normality, multicollinearity, autocorrelation and heteroscedasticity tests are made for identifying misspecification of data if any so as to fulfill research quality.

4.2.3.1 Normality Test

One of the diagnostic tests for CLRM assumption of normality assumption was tested by this study. The CLRM assumes that the error term is normally distributed with the mean of error being zero as positive error will offset the negative error. This assumptions of linear regression analysis is that the residual are normally distributed, at the mean of zero and standard deviation of one .All of the results from the examine command suggest that the residual or the error term are normally distributed.

Table 4.8 Normality test
Residuals Statistics^a

| | Minimum | Maximum | Mean | Std. Deviation | N |
|----------------------|---------|---------|--------|----------------|-----|
| Predicted Value | 3.1428 | 5.0876 | 3.8954 | .48877 | 331 |
| Residual | -.59369 | .47643 | .00000 | .27526 | 331 |
| Std. Predicted Value | -1.540 | 2.439 | .000 | 1.000 | 331 |
| Std. Residual | -2.144 | 1.720 | .000 | .994 | 331 |

a. Dependent Variable: Loyalty

Source: SPSS result

4.2.3.2 Multicollinearity Test (Collinearity)

The other test which is conducted in this study is the multicollinearity test. This test mainly checked by Collinearity diagnostics using SPSS which is the variance inflating factor (VIF). The VIF indicates whether a predictor has strong linear relationship with the other predictor(s). Field (2000) suggests that value of 10 is good value at which to worry and also if the average VIF is greater than 1, then multicollinearity may be biasing the regression model. Related to the VIF is the tolerance statistics, which is a reciprocal of

VIF (1/VIF). Such values below 0.2 are worthy of concern. Considering the regression model for this study correlation matrix of all of the predictor variables less than 0.80 or 0.90 and the tolerance statistics values are all below 1 as such no multicollinearity is observed in this model.

As shown in table 4.9, since our model VIF is less than two we can conclude that model of the study free of Multi collinearity problem.

Table- 4.9 Collinearity diagnostics using VIF

Coefficients ^a

| Model | Standardized Coefficients | t | Sig. | Collinearity Statistics | | |
|------------|---------------------------|------|--------|-------------------------|------|-------|
| | Beta | | | Tolerance | VIF | |
| (Constant) | | .457 | .648 | | | |
| 1 | Relevance | .318 | 10.241 | .000 | .765 | 1.307 |
| | Differentiation | .060 | 1.195 | .233 | .290 | 3.444 |
| | Delivery | .157 | 4.168 | .000 | .518 | 1.930 |
| | communication | .528 | 8.746 | .000 | .203 | 4.929 |

a. Dependent Variable: Loyalty

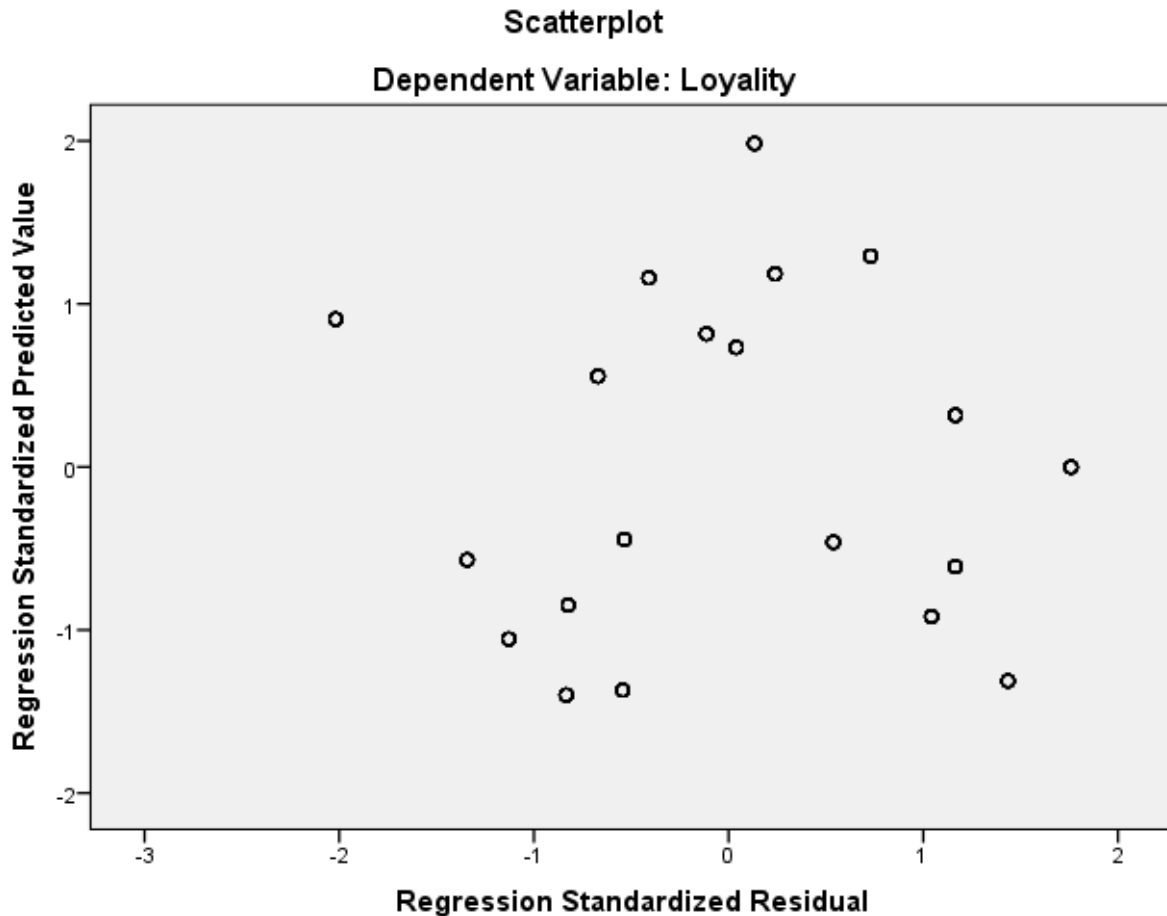
Source: SPSS result

4.2.3.3 Heteroscedasticity Test

One of the important assumptions of the classical linear regression model is Heteroscedasticity. As noted by brooks (2008) Heteroscedasticity assumption state that the disturbances u_i appearing in the population regression function are homoscedasticity; that is, they all have the same variance. The variance of each disturbance term u_i , conditional on the chosen values of the explanatory variables, is some constant number equal to σ^2 . This is the assumption of Heteroscedasticity, or equal (homo) spread (scedasticity), that is, equal variance (Gujarati, 2004). If the error term u_i do not have constant variance its said to be there is Heteroscedasticity problem. Heteroscedasticity makes your parameter estimates no longer BLUE – they are still unbiased, but no longer have a minimum variance. Unfortunately, SPSS does not have built in procedure to test

for heteroscedasticity. The test can be done by writing some codes. Despite not having built in procedure to test for heteroscedasticity, we can plot standardized residuals (ZRESID) against the standardized predicted values (ZPRED). If there is no heteroscedasticity, the plot should look random. As shown below in the plot the residuals have a random pattern, which signifies that there is no sign of heteroscedasticity.

Figure 4.1:-Test for Heteroscedasticity



Source: SPSS result

4.2.3.4 Auto correlation Test

The last important diagnostic test which is performed in this research is autocorrelation test. According to Chris Brooks (2008) it is assumed that the errors are uncorrelated with one another. If the errors are not uncorrelated with one another, it would be stated that they are 'auto correlated' or that they are 'serially correlated'. This assumption was tested by Durbin Watson (DW) test of autocorrelation. If the D.W can up to zero to four, on

which statistics has value two indicates there is no serial correlation to the model, if D.W less than two there is positive serial correlation and if D.W close to zero indicates perfect positive serial correlation. And if D.W greater than two, there is negative serial correlation and if it is close to four perfect negative serial correlation. That is a D.W value of 1.5 to 2.5 is desirable in any model to say it is free from serial correlation (Richard, 2015).

Table-4.10 DW test result test of autocorrelation

Model Summary b

| | |
|--------|---------------|
| | Durbin-Watson |
| Result | 1.646 |

Source: SPSS result

The above table shows the DW test statistic value for the model was 1.646 for a total observation of 331 responders with 4 regresses. This indicates that the study model within the acceptable D.W value range & close to perfect positive serial correlation, which was between the desirable interval of between 1.5 and 2.5 Therefore, we can conclude that there is no evidence of autocorrelation in the study.

Table 4.11 Goodness of fit through R Square

Model Summary^b

| Model | R Square | Adjusted R Square | Change Statistics | | | | |
|-------|----------|-------------------|-------------------|----------|-----|-----|---------------|
| | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .759 | .756 | .759 | 256.957 | 4 | 326 | .000 |

a. Predictors: (Constant), communication, Differentiation, Relevance, Delivery

b. Dependent Variable: Loyalty

Source: SPSS regression result

Model fit explains how much the independent variable explains the dependent variable. They measure the proportion of the variation in dependent variable explained by the model. But since adjusted R² is the modification for the limitation of R² the value of the adjusted R² is considered to measure the fitness of the model. The model summary as

shown in above table 4.11, the value of adjusted R-square which represents 0.756 of variance in customer loyalty is explained by the independent variables relevance, differentiation, delivery and communication. When expressed in percentage, 75.6% of the variation in customer loyalty can be explained by the independent variables in the model. This outcome empirically indicates it is providing a good fit to the data and the independent variables.

Table 4.12 testing the model through ANOVA (Goodness of fit statistic)
ANOVA^s

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 78.834 | 4 | 19.709 | 256.957 | .000 ^b |
| | Residual | 25.004 | 326 | .077 | | |
| | Total | 103.838 | 330 | | | |

a. Dependent Variable: Loyalty

b. Predictors: (Constant), communication, Differentiation, Relevance, Delivery

Source: SPSS result

Table 4.12, shows whether the proportion of variance explained in the first table 4.11, is significant. It also tells whether the overall effect of the four independent variables on customer loyalty is significant. The sig. (or p-value) is .000 which is below the .001 level; where F-value is 256.957. Hence, it can be conclude that the overall model is statistically significant, or that the variables have a significant combined effect on the dependent variable.

Table 4.13 Regression analysis on Independent and Dependent Variable**Coefficients a**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-----------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| (Constant) | .070 | .154 | | .457 | .648 |
| 1 | | | | | |
| Relevance | .252 | .025 | .318 | 10.241 | .000 |
| Differentiation | .071 | .060 | .060 | 1.195 | .233 |
| Delivery | .181 | .043 | .157 | 4.168 | .000 |
| communication | .519 | .059 | .528 | 8.746 | .000 |

a. Dependent Variable: Loyalty

Source: SPSS regression result

As per the coefficient table 4.13, the result of standardized regression equation (Beta weight) for Relevance, Differentiation, Delivery & Communication were 0.318, 0.060, 0.157 & 0.528 respectively. This shows that the effect of positioning communication is greater than positioning relevance; positioning relevance is greater than positioning delivery in explaining the variability of overall customer loyalty. But the effect of differentiation was not statistically significant since sig. value greater than the p-value 0.05 i.e. 0.233. Accordingly, the relative importance of independent variable in contributing the variation of overall customer loyalty was found to be significant for Relevance, Communication and delivery at p-value 0.000. Since, the effect of independent variable i.e. “differentiation” was not significant ($P > 0.233$), we can say that about 75.9% of the variability of the overall customer loyalty was explained by the three variable, Relevance, Communication & delivery. Therefore, this particular finding confirms the Hypothesis H1, H3, & H4 that Relevance, delivery & Communication has a positive & significance effect on Customer Loyalty is accepted hence the p-value < 0.05 i.e. sig=.000 the null hypothesis is rejected. Although, a hypothesis H2 that differentiation has significance effect on customer loyalty was rejected hence the p value > 0.05 i.e. sig. =0.233. Based on the significance result of the three independent variables of positioning, the General Hypothesis that Positioning has positive & significance effect

on Customer loyalty is accepted. Finally, the model fit regression equation of customer loyalty became:-

$$\text{LOY} = 0.070 + 0.318x_1 + 0.060x_2 + 0.157x_3 + 0.528x_4 + e$$

Where: x_1 = positioning relevance

x_2 = positioning communication

x_3 = positioning differentiation

x_4 = positioning delivery

e = sampling error

4.2.4. Hypothesis Testing and Interpretation of the Results

This section of the study aims to find out the effect of positioning on customer loyalty in Anbessa shoe s.co. This particular section presents the results of the study indicated by statistics, using regression analysis and the effect of each independent variable tested is discussed and analyzed. The results show that there are significant relationship between independent variables such as Relevance, Differentiation, Delivery & Communication, and the dependent variable. Even though most of the hypotheses are supported, the study found that there is a weak relationship between differentiation and customer loyalty. The hypotheses testing based on regression model output is discussed below.

Hypothesis 1

The regression result shows a significant positive relationship between customer loyalty and relevance, with a regression coefficient of 0.318, t-statistic of 10.241, and P-value of 0.000. This indicated relevance has 0.318 beta coefficient, which shows that if relevance is increased by 100%, customer loyalty by Anbessa shoe s.co will be increased by 31.8% by controlling other factors constant. Since the beta coefficient of relevance has a large magnitude of positive sign, it has a positive effect on customer loyalty in Anbessa shoe s.co. Relevance is statistically significant at 1 percent significance level because the p-value was 0.000 which is less than 1%. Thus the regression analysis results show that relevance has a great influence for the customer loyalty in Anbessa shoe s.co and the

result is consistent with the hypothesis of the study. Therefore, H1 hypothesis is accepted. The finding of this study was consistent with the conclusions forwarded by Mark (2005) "Address important customer buying criteria" indicates how it is important to focus on products that "the customer value more" or products that are desirable by the target customer. To deliver desirable product and create more value for customer have strong implications for customer loyalty.

Hypothesis 2

The regression result shows there is a weak relationship between differentiation and customer loyalty with a regression coefficient of 0.060, t-statistic of 1.195 and P-value of 0.233. It shows differentiation has a beta coefficient of 0.060 which indicates that if differentiation is increased by 100%, customer loyalty by Anbessa shoe s.co will be increased by 6% by controlling other factors constant. However, the p-value of the variable was 0.000 and this indicates that the effect of this variable on customer loyalty was statistically insignificant at 5% significance level. Therefore, the second hypothesis is rejected. The result is consistent with the findings of Dickens, (2013). They founds that differentiation may or may not affects customer loyalty in different company.

Hypothesis 3

The regression result shows a significant positive relationship between customer loyalty and delivery, with a regression coefficient of 0.157, t-statistic of 4.168 and P-value of 0.00. This shows delivery has beta coefficient of 0.157, which indicates that an increase in the delivery increased at 100% will increase customer loyalty by 15.7% by controlling other factors constant. The positive sign of beta coefficient of delivery variable has indicated that it has a positive effect customer loyalty. Delivery is statistically significant at 5 percent significant level because the p-value was 0.000 which is less than 5%. This indicates that delivery influences customer loyalty and the result is consistent with the hypothesis of the study. Therefore, the third hypothesis is accepted.

This implies that lack of proper delivery strategy will affect customer loyalty in Anbessa shoe s.co. The result was also consistent with a number of prior empirical evidences forwarded by Semans, (2010), and Kotler& Armstrong, (2011) found similar result. They found that delivery have played a significant role in bringing of customer loyalty.

Hypothesis 4

The regression result shows a significant relationship between communication and customer loyalty, with a regression coefficient of 0.528, t-statistic of 8.746 and P-value of 0.000. This indicates communication has 0.528 beta coefficient, which shows that an increase in the communication at 100% will increase customer loyalty by 52.8% by controlling other factors constant. Since the beta coefficient has a positive sign, it has a strong positive effect on dependent variable. Communication is statistically significant at 5 percent significant level because the p-value was 0.000 which is less than 5%. Thus, from the result it can be conclude that communication influences the customer loyalty and it is consistent with the hypothesis of the study. Therefore, the fourth hypothesis is also **accepted**. The findings of this study are consistent with previous studies of (Li & Green, 2010). Customer loyalty is the result of successful communication strategy in competitive markets that creates value for customers.

Table 4.14 summary of hypothesis

| Hypothesis | Beta value | T value | Sig value | Decision to accept or reject |
|--|--------------|---------------|-------------|------------------------------|
| H1: Relevance (desirability) has positive & significance effect on customer loyalty. | 0.318 | 10.241 | .000 | Accept |
| H2: Differentiation has a positive & significance effect on customer loyalty. | 0.060 | 1.195 | .233 | Rejected |
| H3: Delivery (Credibility) has a positive & significance effect on customer loyalty. | 0.157 | 4.168 | .000 | Accept |
| H4: Communication has a positive & significance effect on customer loyalty. | 0.528 | 8.746 | .000 | Accept |

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

5. Introduction

This chapter reviews the summary , conclusions , of the findings that have been obtained, where it presents the results of the analyses and the classification of the dimensions of positioning which it have impacts on customers' loyalty of Anbessa shoe s.co, recommendations for it, accordingly .

5.1 Summary of the findings

The purpose of this study was to examine the effect of positioning on customer loyalty in the Anbessa shoe s.co; it was also explanatory, descriptive and quantitative in nature, which was conducted from November 2018 to May 2019. The demographic result of the study indicates that educational background of the respondents out of the total respondents 26.3% were holders of first degree and above which indicates majority of the customer are well educated. And also majority of the respondents (65.95%) who participate in this survey were male. the sample size was taken from the population of retail customers of Anbessa shoe s.co, who were all retail shop in various geographical locations of Addis Ababa, that the researcher discuss with, he initiated to conduct this research to investigate the positioning dimensions such as Relevance, Differentiation, Delivery and Communication of Anbessa shoe s.co, in order to discover whether these dimensions has had the intended strengthening effect on customer loyalty, by analyzing the relationship of every construct in the theoretical framework loyalty to provide the outcome measures for the hypotheses .The following hypothesis was derived and tested.

H1: Relevance (desirability) has positive & significance effect on customer loyalty.

H2: Differentiation has a positive & significance effect on customer loyalty.

H3: Delivery (Credibility) has a positive & significance effect on customer loyalty.

H4: Communication has a positive & significance effect on customer loyalty.

The previous chapter presented in detail the extent of positioning dimensions impact on customer loyalty in Anbessa shoe s.co as it perceived by customers of the sample of the

respondents. In this section of the chapter the findings of the respondents is presented in summarized and informative manner. The respondents were asked to answer the effect of the four dimensions of positioning in their loyalty to the factory. the researcher have tested the questionnaires before he goes to the analysis by using the reliability test and the result showed that, the coefficient alpha for this study's instrument was found to be 0.771% . Since all the dimensions are greater than 0.76%, it is acceptable for further analysis. The assessments made on the dimensions was made by analyzing the independent variables i.e. Relevance, Differentiation, Delivery and Communication and dependent variable i.e. customer loyalty by using correlation and regression analysis there in. Accordingly, as it is depicted in table 4.7., 4.8, and 4.14 and the correlation analysis results stated below all positioning dimensions have high relationship magnitude with customer loyalty

➤ **correlation analysis**

- **Relevance and customer loyalty**

Relevance dimension and customers' loyalty are related with strong relationship ($r = 0.605^{**}$).

- **Diffentiation and customer loyalty**

Diffentiation dimension and customers' loyalty are related with relatively strong relationship ($r = 0.631^{**}$).

- **Delivery and customer loyalty**

Delivery dimension and customers' loyalty are related with strong relationship ($r = 0.666^{**}$).

- **Communication and customer loyalty**

Communication dimension and customers' loyalty are related with a Very strong relationship ($r = 0.803^{**}$).

Eventually the four dimensions of positioning were also assessed their extent of explanation to customer loyalty jointly and independently using multiple regression analysis, but before the researcher has made the regression analysis, the independent variables were tested multicollinarity .as it indicted in the table 4.10 it is in a safe position because the VIF results showed that all independent variables are not more than 9 point,

then after as the multiple regression analysis shows below and depicted in the tables of the previous chapter all independent variables explain the dependent variable with different extent

➤ **Multiple regression analysis**

- **The Joint result of regression positioning dimensions and customer loyalty**

All four positioning dimensions jointly determine 75.9 % of customer loyalty.

- **Relevance and customer loyalty**

It is pointed out that 31.8% of customers' loyalty is explained by Relevance

- **Diffentiation and customer loyalty**

It is possible to state that 6% of customers' loyalty is explained by Diffentiation.

- **Delivery and customer loyalty**

It is possible to conclude that 15.7 % of customers' loyalty is explained by Delivery.

- **Communication and customer loyalty**

It is possible to state that 52.8% of customers' loyalty is significantly and highly explained by Communication.

Finally the regression analysis result, when the overall customer loyalty was regressed on the four independent variables, the three independent variables (Relevance, Delivery, & Communication) contribute to statistically significant level at p-value 0.000. The score of the coefficient correlation determination (R²) is 0.756 which indicate, 75.6% of the variability of overall customer loyalty was explained by the three independent variables. Beta weight score indicated that the effect of positioning communication is greater than that of positioning relevance; the effect of positioning relevance & delivery in explaining the variability of overall customer loyalty. The other variables that were not considered in this study contribute about 24.4% of the variability of customer loyalty.

5.2 Conclusion

The main objective of this study is to examine the concept of four dimensions of the positioning such as Relevance, Differentiation, Delivery and Communication towards customers' loyalty in Anbessa shoe s.co. Based on previous theories and researches regarding positioning and its outcomes, this study shows that there is a clear association

between positioning and customer loyalty, which helps to deeply understand the relationship and interaction between positioning and customers' loyalty.

Positioning is viewed as a strategy to attract, maintain and enhance customer relationships.

The findings support the examination points that positioning dimensions can enhance the quality of a buyer-seller relationship and in turn increase customer loyalty. Relevance, Differentiation, Delivery and Communication are not the only the desired outcomes of positioning but also the background of customer loyalty. According to the Pearson correlation analysis, it can be evidently seen as that the four positioning dimensions namely trust Relevance, Differentiation, Delivery and Communication are positively related to customer loyalty in Anbessa shoe s.co. The relationship looks like the following.

5.2.1 Positioning and customer's loyalty

1. Relevance:

The level of Relevance is high from the perception customers of Anbessa shoe s.co in the all retail shop of Addis Ababa with proportional Correlation level of Relevance high (60.5%). The product of the factory are relevance (favourable) to the customer, the company is consistent in providing quality product, the customers have confidence in the company's product quality, the company fulfils its obligation to customers in the customers experience, the factory taken as reliable entity, the company is always honest to the customer, the company has the ability to meet its promises, all these causes enhance the Relevance underpinning in the customer's eye.

2. Differentiation

The level of product Differentiation is high from the perception customers of Anbessa shoe s.co in the all retail shop of Addis Ababa with proportional Correlation level of (63.1%), The company promise always to provide good and unique products, the company offers personalized services to meet customers' need , makes certain that, the ethical principles are based on integrity and transparency , flexible in serving customer' needs, and the relationship with the company is based on mutual commitment ,The company's commitment to its customers is always focus on providing favourable and

available place , all these reasons increase the commitment level in the customer's behaviour.

3. Delivery

The level of product Delivery is relatively moderate from the perception of customer's Anbessa shoe s.co in the all retail shop of Addis Ababa, where the level of Delivery is highly correlated in (66.6 %).Where the customers of the company believes that the factory deliver the promise product, all of these things enhance Delivery in the mind of company' customers.

4. Communication

The level of Communication is highly related from the perception of customers of Anbessa shoe s.co, where the level of proportional highly correlated in Communication (80.3%), the company tries to build good communication channel to target customer to inform and update the company any information like product change, about police and procedure.

The study has analyzed the data collected through questionnaire from sales outlet shops individual customers of the company located in Addis Ababa; interview was conducted with Marketing Manager of Anbessa Shoe S.C.As well as from the company manuals, brushers, web-site and published & unpublished documents of the company. Questionnaire data were analyzed using frequency distribution, descriptive statistics, correlations, and multiple linear regression and data from interview and document reviews were interpreted qualitatively through adopting concurrent mixed method research approach to convergence across qualitative and quantitative methods (**triangulating data sources**).

This empirical study has been conducted to critically examine the effect of positioning on customer loyalty in Anbessa shoe s.co. The Pearson correlation and multiple linear regression analysis have been used for the study and using the survey result of the study, it is possible to conclude that relevance, differentiation, delivery and communication. Are factors that are significant affect the customer loyalty in Anbessa shoe s.co? While

differentiation has no statistically significant effect on customer loyalty in Anbessa shoes s.co.

On the regression analysis part, it is clearly shown that positioning explains customer loyalty. The results showed that there is a significant relationship between positioning and customer loyalty ($p < 0.05$). This means Relevance, Differentiation, Delivery and Communication, determine customer loyalty. An R-Square of 0.759 was obtained indicating that the three positioning practices jointly determine 75.9 % of customer loyalty. Each independent variable is also regressed against customers' loyalty and the result shows that all the independent variables can explain the dependent variable i.e. customer loyalty.

5.3 Recommendations

The findings of this research also important evidence for managers who take charge of positioning. It is helpful for marketers to understand the effectiveness of positioning from consumer's perspective. In light of the findings and conclusions made above, the following possible recommendations are suggested as being valuable to the Anbessa shoe s.co for improving positioning activities to assure customer loyalty. Here are some of the proposed recommendations for managers to be considered in order to improve and reinforce customer's loyalty in Anbessa shoe s.co. In Anbessa shoe s.co the four positioning underpinnings namely (Relevance, Differentiation, Delivery and Communication,) need to be enhanced and reinforced in order to keep and increase the loyal customers Through the following:

- ✓ More efforts are needed to improve the level of product relevance by making the product comfortable, quality, fashionable, competitive price, and consistency product with the competitor.
- ✓ According to the regression analysis, from the four independent variable presented by the researcher, positioning differentiation didn't affect the customer loyalty significantly which means differentiation has almost negligible effect on the variability of overall customer loyalty. Contrary to this finding, the literature or study appreciated the role of positioning differentiation on the customer

loyalty. The reason behind this result could be, either the company differentiation hasn't matched the customers' expectation or it might be respondents consider it as basic production activity. Since, there was a strong correlation between differentiation & customer loyalty at perfectly significant level, it could have been better to make further research on these particular issues. However, it could have been better to work more on differentiation of the articulated value in order to increase the customer's credibility, image & loyalty level.

- ✓ The independent & dependent variable individual questioner mean score result indicated, there was relatively a low mean score for “loyalty for fashionable product differentiation” & “designed based on major purchase criteria” related question. Similarly, the open ended survey result also indicated, most of the respondents were still demanding the company “to update & add fashionable & modern design”. Therefore,
- ✓ It could have been better to measure & judge the fashionable of any products in accordance with the customer expectation; competitors exist in the industry; & current market situation. And also it is advisable to practice the concept of positioning map in addition to the market research in order to clearly understand the perceived positioning of the ultimate customer compared with the rivals exist in the industry.
- ✓ The company should actually deliver its claim, in accordance with the current market situation & fulfil the demand of its customers'. Hence, Kotler& Armstrong (2011), justified that solid position cannot build on empty promise it calls for concrete action, not just talk. so it could have been better to work more on delivery of the articulated value in order to increase the customer's credibility, image & loyalty level by opening retail shop in available everywhere, by developing proper distribution channel for customer and etc.
- ✓ Concerning, the communication of the company positioning; the type of product produced survey result indicated that (24.8%) of respondent haven't had the right information & knowledge about the company products type. The individual question mean score also evidenced that there was relatively low mean score for the “loyalty for communication” related question. This communication gap means

a lot for the company since, as per Levi, (2011) recommendation, communication is obviously a critical component of business success, one's own offerings are worthless if their value is not properly articulated and appreciated. So that, the company should effectively articulate & appreciate its products with assuring the delivery of the products as communicated to the customer in order to increase the customer loyalty level. As per the information gained through interview, the company wants to be perceived by its customers as family choice. Contrary to this, the demand survey result indicated that, the 2nd higher customer demand was "to increase female & children fashionable model & design. Similarly, as per the researcher observation, the number & variety of female & children shoes relatively fewer than that of the males. These findings indicate that, the company should increase the production of fashionable female & children products to realize both the customer demand & the company position.

- ✓ Most of the mean score of the dependent & independent variable has been accumulated on the midpoint & inclined to agree. This figure can be interpreted as there was a gap between the company positioning & the customer perceived positioning. Therefore, in order to have progressive level of customer loyalty, the company should be also loyal to the ultimate customer in delivering the promised product; then carry out continuous customer need assessment survey & match their demand; finally, assure consistence communication & performance.
- ✓ Anbessa shoe s.co should careful planning, identifying knowledge gap regarding positioning and periodically update their produced product.
- ✓ More efforts are needed to improve the level of commitment, where customers must be the core of the marketing process, must be given a special attention, the company is flexible in serving the customers' needs, offers price reduction for existing customers, offering personalized services to satisfy the customers Once they are satisfied with the services that were provided by the company, they will communicate about the company or services to the other customers.
- ✓ Developing good communication channel with their customer through dealing with customers in a caring fashion, giving individualized attention to the customers, understand their specific needs and having the customers' best interest

at heart. the company should has also operating hours which are convenient to all customers In other words company employees must treat their customers, in the way they would like to be treated.

- ✓ It is also advisable to management to keep customers informed about changes that take place in the company well in advance instead of leaving them to know by chance.
- ✓ Anbessa shoe s.co should give greater attention to both getting new customers and retaining the existing ones in the advertisement and other promotional activities by using positioning as strategy.

It is also recommended that the company should have the system to ask customers to comment about the service (product) either verbally or in writing about their satisfaction. Collecting feedback is not an end by itself; the company should analyze the feedback periodically and must use them as a means of problem identification.

- ✓ Anbessa shoe s.co should invest in its employees, especially on the retail shop sales, to motivate them to serve customers best. Retail shop sales employees should be trained to act in a manner that recognizes customers as a valuable asset. To motivate employees and get their commitment, the company should offer them a challenging work, attractive salary that recognizes the contribution of their effort towards the overall success of the business. Besides these, actions to make them participate in decision making activities, to provide an opportunity to learn and advance, and reward for their contribution have a lot to play in employees' motivation.

In general, Anbessa shoe s.co should make the whole system on work with customers' preferential .As it is known, customers are the reason for the survival of the factory. So, the company is expected to invest more on to produce quality fashionable comfort product to attracting new customers and retaining the existed ones. The company should recognize the importance of positioning strategy in creating loyal customers and implement properly.

5.4. Suggestion for Future Studies

This study was focused mainly on effect of positioning on customer loyalty and the research found three important factors affecting customer loyalty in Anbessa shoe s.com. Positioning is a broader scope of company marketing strategy which cannot be dealt with only by those used four factors. Furthermore since Anbessa shoe s.co is the largest shoe factory in the country, other factors may be affect customer loyalty other than in this study. So the researcher suggested future studies could be conducted with others variables and contextual factors.

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Appendices

9) የአንበሳ ጫማ ፋብሪካ የምርት ዋና መለኪያ ተኮሮች በጊዜ ላይ ምን እንደሻሻሉ
 በጊዜ ላይ መር አስተያየት ይሰጣሉ?-----

ክፍል 2፤

| የመጠይቅ አርፍተ ነገር | በጊዜ ላይ እስማማለሁ | እስማማለሁ | እርፅኞች አይደሉም | አልስማማም | በጊዜ ላይ አልስማማም |
|--|---------------|--------|-------------|--------|---------------|
| 1) የአንበሳ ጫማ ፋብሪካ ምርቶች አሰራር፣ ቅርንጫፍ ገጽ የሚቀርቡት የእኔን ፍላጎት ባሟከለ ሁኔታ ነው። | | | | | |
| 2) የፋብሪካው ምርቶች ተሰፋፋይ በእኔ ጋር የምርጫ መንገዶች መሠረት ነው። | | | | | |
| 3) በፋብሪካው የሚቀርቡት የምርት ዓቅሞች ከእኔ የምርት ምኞትና ፍላጎት ጋር ትስስር አለው። | | | | | |
| 4) ፋብሪካው አለኝ ለሚላቸው የጫማ ምርት ልዩነቶች ፍላጎት አለኝ። | | | | | |
| 5) የፋብሪካው ምርቶች ዋና መለኪያ ተኮሮች፣ አሰራር፣ ቅርንጫፍ እንዲሁም በጊዜ ላይ ምቹና ተስማሚ ነው። | | | | | |
| 6) ምርቶቹ በእኔ ከፍተኛ በጊዜ ጋር መመዘኛዎቼን ያሟላሉ። | | | | | |
| 7) ፋብሪካው የሚያቀርበው የጫማ ምርት በጊዜ ላይ ዓቅሞች ለመፅደቅ እንትጠቅም ምክንያት ሆነውኛል። | | | | | |
| 8) የፋብሪካው በጊዜ ላይ የወደፊት የጫማ ምርት ፍላጎቴን በጥቅሉ ያሟላል። | | | | | |

ክፍል 3፤

| የመጠይቅ አርፍተ ነገር | በጊዜ ላይ እስማማለሁ | እስማማለሁ | እርፅኞች አይደሉም | አልስማማም | በጊዜ ላይ አልስማማም |
|---|---------------|--------|-------------|--------|---------------|
| 1) የአንበሳ ጫማ ፋብሪካ ምርቶች ከሌሎች የጫማ አምራሮች ጋር ሲነፃፀር ልዩና ተፈጻሚ ለሆኑ መለኪያ ተኮሮች አሉት። | | | | | |
| 2) ፋብሪካው በአገራችን የጫማ ኢንዱስትሪ ጋር መሪ ስም እንዲሁ እንዲሆን እስማማለሁ። | | | | | |
| 3) የአንበሳ ጫማ ፋብሪካ አለኝ የሚላቸው ጋር የምርት መለኪያ ገፅታዎች በሌሎች ተፈጻሚ የጫማ አምራሮች ለመሰራት ጠቅሟል። | | | | | |
| 4) ስለ ፋብሪካው የጫማ ምርት ለየት ያለ ነገር አውቃለሁ። | | | | | |
| 5) የፋብሪካው ለየት ያለ የጫማ ምርት ከሌሎች ተፈጻሚ የጫማ አምራሮች | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| ቀደምት ናቸው። | | | | | |
| 6) የጫማው የምርት ልዩነቶች ዋጋቸው ተመጣጣኝና ተወዳዳሪ ነው። | | | | | |

ክፍል 4፤

| የመጠይቅ አርፍተ ነገር | በ□ም እስማማለሁ | እስማማለሁ | እርፅ□ኛ አይደለሁም | አልስማማም | በ□ም አልስማማም |
|--|------------|--------|--------------|--------|------------|
| 1) የአንበሳ ጫማ ፋብሪካ ለደንበኞች ቃል በገባው መሠረትና ቀ□□ነት ባለው ሁኔታ የጫማ ምርቶችን ለደንበኞች ተደራሽ ያደርጋል □□ም □ቀርባል። | | | | | |
| 2) ፋብሪካው አለኝ የሚለው የጫማ ጥራትና ጥንካሬ ቃል በገባው የጥራት መጠን መሰረት ለተ□ ቃሚ□ □ቀርባል። | | | | | |
| 3) ኛብሪካው አለኝ የሚለውን ምቹና ፋሽን የሆኑ የጫማ ምርቶችን ተጨባጭና ተፈጻሚ በሆነ መልኩ ለተጠቃሚው ያቀርባል። | | | | | |
| 4) ፋብሪካው በሚሰራው የጫማ ምርት ማስታወቂያ መሰረት ለደንበኞቹ ምርቶቹን በተመጣጣኝ ዋጋ ያቀርባል። | | | | | |
| 5) ኛብሪካ□ በሚ□ስተ□□ቀ□ □ተለ□□ የምርት ዓይነትና ቁ□ታ መሰረት ቀጣይነት ያለው የጫማ ምርት በገበያ ላይ በብቃት □ቀርባል። | | | | | |
| 6) ፋብሪካው አለኝ የሚለውን የምርት ዋና ቶንታች በሚያቀርበው የጫማ ምርት፣ ባለው ዋጋ፣ ምርቶቹን በሚያስራጭበት ምርጫና በሚጠቀመው የማስተዋወቂያ አማራጮች የተደገፈ ነው። | | | | | |
| 7) ኛብሪካ□ ለተ□ ቃሚ□ ሊ□ቀርብ ቃል የገባው የጫማ ምርት ውጤቶች ከምርቱ ተጠቃሚች □ቅታዊ ልምት □ር □ተ□መዐ ናቸ□። | | | | | |

ክፍል 5፤

| የመጠይቅ አርፍተ ነገር | በ□ም እስማማለሁ | እስማማለሁ | እርፅ□ኛ አይደለሁም | አልስማማም | በ□ም አልስማማም |
|---|------------|--------|--------------|--------|------------|
| 1) የአንበሳ ጫማ ፋብሪካ የምርቶቹን ዓይነትና ቶንታ ፅልን በሆነ መልኩ ለተጠቃሚቹ □ስተላልኛል። | | | | | |
| 2) በኛብሪካ□ ላ□ እ□ተለ□□□ □መ□□-ን የጫማ የማምረት አቅም በደንብ ተረድቼዋለሁ። | | | | | |
| 3) □ኛብሪካ□ □ና □ና የምርት መለያ ገፅታች ወይም መልኮች በአግባቡ ለደንበኞች ተ□□ቀ□ል። | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| 4) የፋብሪካውን የጫማ ምርቶች የግል ማድረግ □ለ□ን □ቀሜታ አ□ቃለሁ:: | | | | | |
| 5) ኛብሪካ□ ለብጢ□□ በሚ□ስተላል□□ መልዕክት ላይ የምርቱን የተለያዩ ደረጃች፣ክ ፍሎችና አይነቶች በሚገባ ማስተዋወቅ ችለዋል:: | | | | | |
| 6) ፋብሪካው ከሚያስተዋውቀው የተለያዩ □□ ማ ምርቶች □ቅታዊ መረጃና እውቀት እንዲኖረኝ እረትቶኛል:: | | | | | |

ክፍል 6፤

| የመጠይቅ አርፍተ ነገር | በ□ም እስማማለሁ | እስማማለሁ | እርፅ□ኛ አይደለሁም | አልስማማም | በ□ም አልስማማም |
|--|------------|--------|--------------|--------|------------|
| 1) ለአንበሳ ጫማ ፋብሪካ ምርቶች መልካም የሆነ አመለካከትና ተነሳሽነት አለኝ:: | | | | | |
| 2) □አንበሳ □ ማ ኛብሪካ ምርቶች □□ፅሜ እንትቱ □ቁር□ኛ ያደረገኝ ጫማቹ አስ□ላቶና አግባብነት ያለው በመሆኑ ነው:: | | | | | |
| 3) □አንበሳ □ ማ ኛብሪካ ምርቶች ለመፅ□ት እንጅቅት ያደረገኝ የጫማ ምርቱን □ሚ□መርተ□ □እኔን ፍላጎት ባማከለ መልኩ በመሆኑ ነው:: | | | | | |
| 4) ኛብሪካ□ን □□ ማ ምርቶች እንት□□□ ያደረገኝ የምርቱ ቅርፅ፣ ዋና መለ□ ተንታኝና ዘይቤ ለመጠቀም ምቹ በመሆናቸው ነው:: | | | | | |
| 5) ኛብሪካ□ ምርቶች ለመፅ□ት እንት□ልፅ ያደረገኝ የጫማ ምርቱ ከተወዳዳሪ ምርቶች የተሻለ ጥንካሬና ጥራት ስላለው ነው:: | | | | | |
| 6) የፋብሪካውን ምርት የምመርጥበት ምክንያት በአገር ውስጥ ካሉ የጫማ ኢንዱስትሪ መሪ የሆነ እ□ታና □ተሻለ ልምት ስላለው ነው:: | | | | | |
| 7) የፋብሪካውን ምርት በተደጋጋሚ የምገዛው ጫማቹ ተመጣጣኝ ዋጋ ስላላቸው ነው:: | | | | | |
| 8) ኛብሪካ□ን ምርት ሌሎች እንጅቱት አስተያየት የምሰጠው ወይም የምመሰክረው ፋብሪካው ለማቅረብ ቃል የገባውን ፋሽንና ምቹ የሆነ ጫማች በማቅረቡ ምክንያት ነው:: | | | | | |
| 9) ፋብሪካው ተከታታ□ነትና ቀ□□ነት ባለው መልኩ የምርቱን ፍሬ ነገሮች ስለሚ□ስተ□□ቅ □ምርቶቹ እትቶች ላ□ ተሳታኝ እንትሆን አትርጋኛል:: | | | | | |
| 10) ኛብሪካ□ን ምርት እንትቱ□ እንጅቱም ለሌች እንጅቱት የምመክረው ፋብሪካው አለኝ ብሎ ያስተዋወቀውን የጫማቹን □ና □መለ□ ተንታኝ በተፅዕርና በተፊ ባ□ እ□ነት ሆኖ ስላቸውት | | | | | |

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|--|--|--|--|--|--|
| ነው። | | | | | |
| 11) ለኛ-ብሪካፍ ምርቶች ታማኝ ደንበኛ የሆንኩት ፋብሪካውም አለኝ ለሚለው የጫማቹ ስያ ስሙን ጽድቅ፣ በማስተካከል ጽድቅ ስያ ስሙን ለማድረግ ለሚሰጡ ሁሉም ቦታ ታማኝ በመሆኑ ነው። | | | | | |

Appendices

Appendix A

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

MASTERS DEGREE IN MARKETING MANAGEMENT

QUESTIONNAIRE FOR CUSTOMERS

Annex I: Questionnaires

Dear respondent

The purpose of this study is to **assess the effect of positioning on customer loyalty at Anbessa Shoe Share Company** and to find out problems related to the subject matter under the research topic and also to have practical knowledge related to the topic. As this study is meant only for academic purpose, the provided information from your honor will be kept confidential. I, therefore, kindly beg you to fill this questionnaire honestly and accurately. The correct information you provide, determines the acceptable quality of the study that is its reliability. I would like to express my great gratitude in advance for your willingness for sparing your time to provide the prompt responses in filling these academic use questionnaires.

1) No need to write your name on the questions paper.

2) Please put “√” mark for your response.

3) If there is any question please contact the researcher through the following address

FeyiduJuhar Tel.0912791478, E-mail:- feyidujuhar@yahoo.com, feidujuhar@cbe.com.et

Part I: - General Profile of Respondents.

Part II: - Positioning relevance related questions

| Statement from Survey | Strongly Agree | Agree | Not Sure | Disagree | Strongly Disagree |
|--|-----------------------|--------------|-----------------|-----------------|--------------------------|
| 1) Anbessa Shoe Share Co. products are designed & offered based on my demand. | | | | | |
| 2) The company products are identified in accordance with my best way of preference. | | | | | |
| 3) The product's benefits offered by the company match my desire. | | | | | |
| 4) I care about the company's product differentiation claims. | | | | | |
| 5) The feature, design & style of the company's products are favourable. | | | | | |
| 6) The products address my important buying criteria. | | | | | |
| 7) The products values or benefits proposed by the company are Important in my purchase decision making. | | | | | |
| 8) The company meets my bundle current & expected benefits. | | | | | |

Part III: - Positioning Differentiation related questions

| Statement from Survey | Strongly Agree | Agree | Not Sure | Disagree | Strongly Disagree |
|--|-----------------------|--------------|-----------------|-----------------|--------------------------|
| 1) Anbessa Shoe Share Co. products are different & unique from competitors exist in the shoe industry. | | | | | |
| 2) I believe the company known for a certain "something" leading figure in our country shoe industry. | | | | | |
| 3) I think competitors are not-able to make the product feature claims as | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| Anbesa shoe share co. | | | | | |
| 4) I Know special thing about the company's product. | | | | | |
| 5) The company differentiation is pre-emptive than competitors. | | | | | |
| 6) The company's product differentiation is affordable. | | | | | |

Part IV: - Positioning Delivery related questions

| Statement from Survey | Strongly Agree | Agree | Not Sure | Disagree | Strongly Disagree |
|---|-----------------------|--------------|-----------------|-----------------|--------------------------|
| 1) Anbesa Shoe Share Co. delivers its products as promised with consistence product & customer service. | | | | | |
| 2) The company actually delivers the proven quality & durability it claims. | | | | | |
| 3) The company's claims of being fashionable & comfortable shoe products are actionable or real. | | | | | |
| 4) The company delivers the articulated value of having competitive price. | | | | | |
| 5)The company has consistency communication & performance. | | | | | |
| 6) The company's features claims are supported by the products it offers, the price affixed to it, the distribution it chooses & the promotion media it uses. | | | | | |
| 7) The company's promises are related to the reality of the customer experiences. | | | | | |

Part V: - Positioning communication related questions

| Statement from Survey | Strongly Agree | Agree | Not Sure | Disagree | Strongly Disagree |
|--|-----------------------|--------------|-----------------|-----------------|--------------------------|
| 1) Anbesa Shoe Share Co. products are clearly & definitively communicated to the customer. | | | | | |
| 2) I inherently understand the value of the company's changing capacitor. | | | | | |
| 3) I believe the value of the company's product features are articulated & appreciated well. | | | | | |
| 4) I know the merits of owning the company's products. | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| 5) The company communication makes me to know the levels, category & types of its products. | | | | | |
| 6) The company's communications help me to have updated information & knowledge about the company's product. | | | | | |

Part VI: - Customer perception on existing positioning.

| Statement from Survey | Strongly Agree | Agree | Not Sure | Disagree | Strongly Disagree |
|---|-----------------------|--------------|-----------------|-----------------|--------------------------|
| 1) I have positive attitude & aspiration towards Anbessa Shoe Share co. products. | | | | | |
| 2) I am committed to re-buy Anbessa shoe Share co. products based on its product relevance. | | | | | |
| 3) I intended to purchase Anbessa shoe Share co. products because it produce its products based on my desired demand. | | | | | |
| 4) I love the company's products because the designed feature, style & benefits are favourable to use it. | | | | | |
| 5) I intended to buy the product because of its durability & quality than competitors. | | | | | |
| 6) The reason why I prefer to buy the company's products is because it has the leading figure & more experience in shoe industry. | | | | | |
| 7) I re-buy the company's product due to the company offer competitive price. | | | | | |
| 8) I recommend the company's product to others because of keeping its promise to deliver fashionable & comfortable products. | | | | | |
| 9) I have involvement in the company products progress for the company also has consistence communication with its core product. | | | | | |
| 10) I buy & recommend the company's products because I know & experience the company's communication. | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| 11) I am loyal to the company's products for the company also loyal to its claims, advertising & positioning. | | | | | |
|---|--|--|--|--|--|

Appendix B

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
MASTERS DEGREE IN MARKETING MANAGEMENT**

Annex II: Interview

The intent of this interview is to explore information regarding the effect of positioning on customer loyalty in Anbessa shoe s.co and to have sufficient response to the research problem in addition to questionnaires distributed to retail shop customer. The interview will be made with marketing manager of Anbessa shoe s.co. The information you provide in response to the items in the interview will be used as part of the data needed for a study on the effect of positioning on customer loyalty in Anbessa shoe s.co.

I would like to assure you that the information you provide will be accessible only to the academic purpose. Your involvement is regarded as a great input to the quality of the research results. Hence, I believe that you will enlarge your assistance by participating in the study.

Your honest and thoughtful response is invaluable

I thank you very much in advance for your cooperation and sacrificing your valuable time!!!

Kind regards,

FeyiduJuhar

A. Interviewee's Profile

Date of interview: _____ Location: _____

Time started: _____ Time completed: _____

Current position in the Bank _____

B. General Questions

1. How does Anbessa Shoe Share Co. want to be perceived by the customer?
2. How much does the organization benefit from the customer perception analysis and Marketing research; for what purpose does the company utilize this information and What marketing opportunities does your company get from it?
3. How do you cope up with the dynamic nature of the environment?
4. What are your customers buying criteria & how much do you exert to know customer Buying criteria which are to be addressed?
5. What is your company unique or distinctive feature or benefit related to your competitor and what are your competitive advantages?
6. Does the company actually deliver the promised product accordance with?
7. Do you think that the organization communicate its key product value & benefit to its Customers?
8. What are the company's inputs to entertain or enhance the loyalty level of its ultimate? Customers& what is your opinion about the company's positioning relevance, differentiation, delivery & communication.

Appendix C

Correlations

| | | Relevance | Differentiation | Delivery | Communication | Loyalty |
|-----------------|---------------------|-----------|-----------------|----------|---------------|---------|
| Relevance | Pearson Correlation | 1 | .208** | .442** | .388** | .605** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 |
| | N | 331 | 331 | 331 | 331 | 331 |
| Differentiation | Pearson Correlation | .208** | 1 | .433** | .827** | .631** |
| | Sig. (2-tailed) | .000 | | .000 | .000 | .000 |
| | N | 331 | 331 | 331 | 331 | 331 |
| Delivery | Pearson Correlation | .442** | .433** | 1 | .648** | .666** |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 |
| | N | 331 | 331 | 331 | 331 | 331 |
| Communication | Pearson Correlation | .388** | .827** | .648** | 1 | .803** |
| | Sig. (2-tailed) | .000 | .000 | .000 | | .000 |
| | N | 331 | 331 | 331 | 331 | 331 |
| Loyalty | Pearson Correlation | .605** | .631** | .666** | .803** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | |
| | N | 331 | 331 | 331 | 331 | 331 |

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

Appendix D

Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|------------------|-----|---------|---------|--------|----------------|
| Relevance1 | 331 | 2.00 | 5.00 | 3.5891 | 1.07326 |
| Relevance2 | 331 | 2.00 | 5.00 | 3.5468 | 1.07875 |
| Relevance3 | 331 | 2.00 | 5.00 | 3.6012 | .92008 |
| Relevance4 | 331 | 2.00 | 5.00 | 3.5982 | .97166 |
| Relevance5 | 331 | 1.00 | 5.00 | 3.6435 | 1.16246 |
| Relevance6 | 331 | 2.00 | 5.00 | 3.6012 | .79651 |
| Relevance7 | 331 | 2.00 | 5.00 | 3.7039 | .89947 |
| Relevance8 | 331 | 2.00 | 5.00 | 3.6949 | .79807 |
| Differentiation1 | 331 | 2.00 | 5.00 | 3.7130 | .66909 |
| Differentiation2 | 331 | 2.00 | 5.00 | 3.5619 | .55454 |
| Differentiation3 | 331 | 1.00 | 5.00 | 3.7311 | .63977 |
| Differentiation4 | 331 | 2.00 | 5.00 | 3.6828 | .56055 |
| Differentiation5 | 331 | 1.00 | 5.00 | 3.4592 | .91154 |
| Differentiation6 | 331 | 1.00 | 5.00 | 3.4773 | .93189 |
| Delivery1 | 331 | 2.00 | 5.00 | 3.8248 | .76641 |
| Delivery2 | 331 | 2.00 | 5.00 | 4.1511 | .85004 |
| Delivery3 | 331 | 2.00 | 5.00 | 3.8459 | .91311 |
| Delivery4 | 331 | 3.00 | 5.00 | 4.0483 | .58576 |
| Delivery5 | 331 | 2.00 | 5.00 | 3.8520 | .72142 |
| Delivery6 | 331 | 3.00 | 5.00 | 3.7553 | .62080 |
| Delivery7 | 331 | 3.00 | 5.00 | 4.0000 | .63246 |
| Communication1 | 331 | 2.00 | 5.00 | 3.8489 | .73122 |
| Communication2 | 331 | 3.00 | 5.00 | 3.6495 | .65447 |
| Communication3 | 331 | 2.00 | 5.00 | 3.8580 | .65210 |
| Communication4 | 331 | 3.00 | 5.00 | 3.8520 | .65539 |
| Communication5 | 331 | 1.00 | 5.00 | 3.5921 | 1.02387 |
| Communication6 | 331 | 1.00 | 5.00 | 3.6435 | 1.06733 |
| Loyalty1 | 331 | 2.00 | 5.00 | 4.2024 | .74557 |
| Loyalty2 | 331 | 2.00 | 5.00 | 3.9940 | .84205 |
| Loyalty3 | 331 | 2.00 | 5.00 | 3.9879 | .90110 |
| Loyalty4 | 331 | 2.00 | 5.00 | 3.6918 | .72314 |
| Loyalty5 | 331 | 3.00 | 5.00 | 4.0967 | .54190 |
| Loyalty6 | 331 | 2.00 | 5.00 | 3.9456 | .80720 |
| Loyalty7 | 331 | 2.00 | 5.00 | 3.8943 | .70345 |
| Loyalty8 | 331 | 2.00 | 5.00 | 3.9456 | .91952 |

| | | | | | |
|--------------------|-----|------|------|--------|--------|
| Loyalty9 | 331 | 1.00 | 5.00 | 3.6375 | .96687 |
| Loyalty10 | 331 | 2.00 | 5.00 | 3.8006 | .87532 |
| Loyalty11 | 331 | 2.00 | 5.00 | 3.6526 | .96773 |
| Valid N (listwise) | 331 | | | | |