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Measuring Customer Based Brand Equity: The case of Kaldi's Coffee



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Measuring Customer Based Brand Equity: The case of Kaldi's Coffee

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This is to certify that the thesis is prepared by Yonas Abebe, entitled; **Measuring Customer Based Brand Equity: The case of Kaldi's coffee**, In partial fulfillment of the requirements for the award of the Degree of Master of Arts in Marketing Management with the regulation of the University and the accepted standards with respect to originality.

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I, Yonas Abebe, hereby declare that this research paper entitled “**Measuring Customer Based Brand Equity: The case of Kaldi's coffee**” is my original work and has not been used by others for any other requirements in any other university and all sources of information in the study have been appropriately acknowledged.

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List of Acronyms

ANOVA	Analysis of Variance
B2B	Business to Business
B2C	Business to Consumer
CBBE	Customer Based Brand Equity
EC	Ethiopian Calendar
SPSS	Statistical Packages for Social Science
OBE	Overall Brand Equity
α, β	Coefficients of an Equation

Abstract

Customer based brand equity plays a vital role in contemporary marketing. Firms with high brand equity have the privilege of having higher consumer preferences, high stock returns, greater loyalty, less vulnerability to competitive marketing actions, less vulnerability to marketing crises and larger margins. This research study aimed to explore the most contributing factors that are behind the brand equity of Kaldi's coffee. The most common and widely used conceptual framework of Aaker was used. The model consists of five dimensions of brand equity namely, brand awareness, brand loyalty perceived quality and brand association. These dimensions represent customers' evaluations and reactions to the brand that can be readily understood by customers and hence they have been widely adapted to measure customer-based brand equity. A quantitative research method was applied to research the causal relationship of the brand equity measurement dimensions to that of overall brand equity. The target population was all the customers of kaldi's coffee. A Convenience sampling technique was conducted to contact the sample respondents who are the customers of Kaldi's coffee. Applying a structured questionnaire written both in Amharic and English the researcher distributed to 422 people personally. Out of the total questionnaires distributed, 386 were considered valid for analysis. The analysis was performed using frequency, mean, standard deviation, correlation and regression by means of SPSS software. Then the collected data were analyzed and interpreted. The findings show that all the four dimensions of CBBE have a positive significant effect and contribution on brand equity. Moreover, brand loyalty was found to be the higher contributor to the brand equity of kaldi's coffee. As a recommendation, companies in the coffee roasting sector must be aware of their status in the industry. Therefore, the major recommendations are Identification of the brand health in the market, the company must give their Primary attention to the concept of Brand Equity and finding ways to increase customer's loyalty. And also the company must work hard by enhancing its professionalism & genuine responsibility to increase customer's perception about its products & services quality. Finally, in terms of association, the company must build strong brand to forward in the market for long term.

Key Words: *Brand Awareness, Brand loyalty, perceived Quality Brand Association and Customer-BasedBrandEquity*

CHAPTER ONE

INTRODUCTION

This chapter presents the background of the study, statement of the problem, research questions, objective of the study, definitions of key terms, significance of the study, scope and limitations of study and organization of the research report.

1.1 Background of the study

In today's rapidly evolving, crowded and globalized marketplace, standing out from competitors is becoming increasingly important for companies. One way to stand out is by differentiating oneself from the competitors in terms of branding and positioning, and thus building brand equity.

The concept of branding is centuries old. In ancient Egypt brick-makers would "brand" their bricks as a form of identification. Also, brands were used as the means for differentiating the products by craftsmen and claiming the ownership of animals by cattle owners (McDonald, 2003). Traders would "trademark" their products to guarantee quality to consumers. Brands, however, first appeared in the early sixteenth century. They were used by whiskey distillers to "brand" their barrels when being shipped. The "brand" evolved in the eighteenth century when producers' names were replaced with names and pictures of places of origin, animals, and famous people (Farquhar, 1989). This allowed for the strengthening of the association of the brand name with the product. Consumers were able to remember products as well as differentiate between competitor products. Then, in the nineteenth century, brands were used to enhance a product's perceived value using associations. Branding evolved even further in the twentieth century with new purposes and strategies. Nowadays, companies use brands not only with an aim to differentiate the company's marketing offerings from the ones of competitors, but also to reach the minds and hearts of their customers and create special emotional connections with them.

Different researchers define brand in many ways. According to Aaker (1991) it is a distinguishing name and/or symbol (such as logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors. A brand thus signals to the customer the source of the product, and protects both the customer and the producer from competitors who would attempt to provide products that appear to be identical.

Brands provide the basis upon which consumers can identify and bond with a product or service or a group of products or services (Barwise, 1993).

From the customer's point of view, a brand can be defined as the total accumulation of all his/her experiences, and is built at all points of contact with the customer (Kapferer, 2008). A successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely (Chernatony and McDonald, 1992).

According to Keller (2003), consumer brand-knowledge can be defined in terms of the personal meaning about a brand stored in consumer memory, that is, all descriptive and evaluative brand-related information. Different sources and levels of knowledge such as awareness, attributes, benefits, images, thoughts, feelings, attitudes, and experiences get linked to a brand and its understanding by the consumer.

Also the concept of Brand equity has been defined by several authors. According to Aaker (1991) it is a set of assets (and liabilities) linked to a brand's name and symbol that add to (or subtract from) the value provided by a product or service to a firm and/or that firm's customers. In (Aaker, 1996) conceptualized the brand equity as brand equity Ten categorizing them in to four brand equity dimensions: brand awareness, brand loyalty, perceived quality and brand associations. Other proprietary assets such as patents, trademarks and channel relationships form another category supporting other brand equity dimensions (Aaker, 1991). As per Alagon & Samuel (2011) brand equity is the ability of brand associations to predispose people to choose it over others or pay more for it, both now and in the future. Farquhar, Han and Ijiri (1990) described brand equity as the added value endowed by the brand name. Keller (1993) describes two dimensions of brand equity: brand image based on strong, favorable, unique associations, and brand awareness comprising brand recognition and recall. The initial models of brand equity highlight knowledge structures developed by customers, which consequently affect their behavior and choice of goods and services in the marketplace. The further developments of brand equity models suggested by (Aaker, 1991) and (Keller, 1993) include a variety of propositions about the specific dimensions aiming to be better in capturing the brand equity of tangible goods or intangible services in the B2C setting. The alternative dimensions of models suggested for the assessment of brand equity of tangible goods include various elements such as brand perceptions, attitudes, brand preferences, choice intentions and actual choice (Agarwal and Rao, 1996).

Keller (2003), states that building brand equity is an important part of brand building. Developing further insights into the measurement of customer-based brand equity is important in the face of the prominence of branding.

Kapferer (2008), also states that there are two set of views concerning brand equity. One is customer-based and focuses on the relationship customers have with the brand (from total indifference to attachment, loyalty, and willingness to buy and re-buy based on beliefs of superiority and evoked emotions). While the other aims at producing measures in monetary values.

Keller (2003) describes that customer-based brand equity is mainly manifested by the customers' response to marketing activities done by many brands and the differential effect of one brand from the others.

Although many researches were conducted in the brand equity area in the business to consumer market, common understanding could not be achieved on the scale of measurements.

However, the essential dimensions of brand equity suggested by (Aaker, 1991) are partly utilized or conceptually reflected upon in the most of the alternative models.

A number of B2C studies adopt directly this view and focus on the development of more reliable measures for assessing the four initial dimensions of brand equity. The multidimensional nature of brand equity is in fact one of the challenges researchers are faced with, where the proposed measures are in some cases incapable to estimate the specific dimensions (Yooa B, 2001).

Kaldi's Coffee was established in 1997 E.C, by operating one outlet and now it operates 31 coffee shops in the capital Addis Ababa and other cities in Ethiopia. The company gets its name from the Abyssinian goatherd, Kaldi.

Despite the existence of a number of models on brand equity in the literature, this research has used the most commonly cited model of Aaker. The elements drawn by Aaker were applied to measure brand equity in the famous coffee company Kaldi's.

1.2 Statement of the problem

Whether a company is selling products or services, a strong brand is the most important and sustainable asset that the company could have. A company's brand strategy should always be the guiding principle behind every decision and every action (Pfoertsch, 2007).

Every day consumers make purchase decisions by choosing among large sets of related products available for sale in outlets. What factors might systematically affect how consumers make decisions among an array of products?

Within the same outlet, one may be searching for a different brand from similar types of products to meet an immediate need, while others may simply choose any of the brands.

Keller (2003) argues that Branding is the main element which induces preference and purchase intentions in many industries. In the Ethiopian coffee industry, branding is becoming an important focus area for the different coffee roasting and selling companies.

This can be observed by taking note of the recent marketing and brand building efforts which are being undertaken by them. This is also an indication that the companies are implementing a customer oriented marketing strategy.

With the current vicious competition in the marketplace, many companies are struggling to survive. From this one can notice that the companies that will survive the intense competition will be those companies whose products/ brands have a competitive advantage against their competitors. This competitive edge is the secret to survival and can be partly achieved by building strong brand equity among companies' products.

Brand equity is one of the most important concepts in marketing science, and it has well-recognized as one of the most valuable intangible assets by most firms (Erenkol and Duygun, 2010; Haoet *al.*, 2007). Brand equity is incremental utility and value endowed to a product or service by its brand name (Keller, 2003; Park and Srinivasan 1994; Yooet *al.*, 2000; Marinaovaet *al.*, 2011). High brand equity can lead customers into a positive or strong brand association; gain or increase their cash flow to the business, as well as make products differentiation in order to lead to competitive advantages (Yooet *al.*, 2000; Aaker, 1991; Keller, 1993; Marinaovaet *al.*, 2011).

Even though recently these ideas come to emanate to the brand subject, in the early times the brand itself was studied to a very minimal extent. The researches in those times that were trying to identify and attempts to understand brand equity phenomena were hampered because of the disagreement regarding what brand equity is and, more importantly, how it should be measured (Yooa B, 2001). In the early years of brand management the focus was on the 'sender end' of brand communication. It was customer based brand equity that came to the first to measure brand equity (Tilde Heding, 2009). Customer-based brand equity assumes that the brand resides in the minds of customers as a cognitive construal, which is why named to be the customer-based approach rather than on the sender side in which the marketer drives the customer as he wishes (Keller K. L., 1993).

The meanings attached to brand equity illustrate the value adding and the differentiating capabilities of brands, which are of great importance for marketing managers offering their products and services both in the B2C and B2B markets (Keller K.2013).

Although these conceptualizations of brand equity imply the applicability of the concept in both the B2C and B2B contexts, the majority of studies on brand equity and the main developments of this concept originate from the B2C context.

The initial models of brand equity highlight knowledge structures developed by customers, which consequently affect their behavior and choice of goods and services in the marketplace. The further developments of brand equity models suggested by (Aaker, 1991) and (Keller, 1993) include a variety of propositions about the specific dimensions aiming to be better in capturing the brand equity of tangible goods or intangible services in the B2C setting. The alternative dimensions of models suggested for the assessment of brand equity of tangible goods include various elements such as brand perceptions, attitudes, brand preferences, choice intentions and actual choice (Agarwal and Rao, 1996).

Beginning from one of the first studies introducing the measures of brand equity for hotels and household cleaners, to the subsequent studies examining brand equity of athletic shoes, film for cameras and color television sets, cars and televisions; and co-branded food offerings, researchers test the robustness of the brand equity scale and address the critical issues related to the measurement of the specific dimensions (Biedenbach, 2012). The multidimensional nature of brand equity is in fact one of the challenges researchers are faced with, where the proposed measures are in some cases incapable to estimate the specific dimensions (Yooa B, 2001).

After analyzing customer based-equity model applicability in the logistics sector in the Ethiopian market, (AntenehAlemu, 2015) stated some future research area as follows:

"Future studies could consider a replication of the current research and testing of the multidimensional model with the hierarchical effects in relation to B2C goods and services. The examination of the proposed models could be conducted across other industries and development of brand equity across the dimensions".

Even though some previous researchers tried to analyze customer based brand equity models in different business activities like financial services (Biedenbach, 2012)., electronic tracking systems (Kuhn, Alpert, and Pope 2008); these researches never concerned on the applicability of the customer based brand equity model in the coffee roasting business.

Based on the above research gaps and future research area forwarded by Anteneh (2015), the researcher has focused to analyze the customer based brand equity model of Aaker in the Kaldi's coffee. With this in mind, this study attempted to fill the research gap that existed by exploring the most contributing factors that are behind the brand equity of Kaldi's coffee.

1.3 Research Questions

Based on the above foundational problem statement the researcher posed the following questions to get clear picture and answer about the replication of the customer based brand equity model in Kaldi's.

Main research question

- What are the determinants of customer based brand equity in **Kaldi's** coffee. ?

Sub or Specific research questions

- How are the determinants of customer – based brand equity associated with each other?
- What is the most preferred and contributing brand equity measurement dimension from the customer's perspective?

1.4 Research Objectives

This research has the following general and specific objectives.

General Objective of the Study

This research tries to examine the causal relationships among the four dimensions of brand equity in the context of customers of **Kaldi's** coffee.

Specific Objectives of the Study

- To examine the key determinants of Customer Based Brand Equity in **Kaldi's** coffee
- To investigate the relationship that exists between the four dimensions of customer based brand equity of **Kaldi's** coffee
- To identify the most preferred and contributing brand equity dimension in **Kaldi's** coffee.

1.5 Significance of the Study

The research will contribute by being used as a reference by other researchers who want to conduct further study on the concept of customer based brand equity in the context of our country. Furthermore, it will give some high lights about the most prominent contributors of customer based brand equity and the challenges it faces, if any. Hence, all concerned parties of Kaldi's coffee may make use of the findings to know what customers think of the brand.

Findings of this study will be useful and very important for students and academicians as an input for embarking upon similar researches in the future and also the research findings will be a helpful literature reference.

1.6 Scope of the study

This study seeks to measure customer-based brand equity in Kaldi's coffee in Addis Abeba. In order to do this, Aaker's Customer-based brand equity model was employed. The study has used only the first four variables of Aaker's customer –based brand equity model which are Brand awareness, Brand Loyalty, Perceived quality, and Brand association. Since we are measuring Brand Equity from the financial perspective, the fifth variable, which is other proprietary assets, is not included. This is because other proprietary assets did not measure Brand Equity from customers' perspective; instead other proprietary assets measure Customer Based Brand Equity from company perspective. In addition to this the study was focused on measuring customer based brand equity of kaldi's coffee and assessed using descriptive and explanatory research design through questionnaire and also by using quantitative research method and deductive research approach by considering the time, energy and financial resources required to accomplish the study.

1.7 Limitation of the study

While conducting the study, the researcher faced great shortage of resources such as books, journals, and materials which could serve for secondary data purpose. In addition to this, despite the existence of several instruments, the researcher has used only questionnaire as a data collection instrument. With this method some forms of information like changes of emotions, behaviors and feelings were not understood. The other limitation was shortage of time and finance.

1.8 Definitions of Key Terms

Brand Awareness. According to (Keller 2003, p .67) brand awareness consists of two sub–dimensions: brand recall and recognition. Brand recognition is related to picking out a brand whenever some sort of cue is provided whereas recall is done when there is no cue present.

Brand loyalty provides predictability and security of demand for the firm and creates barriers of entry that make it difficult for other firms to enter the market. Although manufacturing processes and product designs may be easily duplicated, lasting impressions in the minds of individuals and organizations from years of marketing activity and product experience may not be so easily reproduced (Keller 2003, p.35)

Perceived quality is usually at the heart of what customers are buying and is often used to differentiate or position brands against others. It is also an important brand asset as, among all brand associations, only perceived quality has been shown to drive financial performance through the price premium that consumers are prepared to pay (Klopper 2011, p.38)

Brand associations are linked sufficiently strongly to the brand will depend on how the marketing program and other factors affect customers' brand experiences (Keller 2003.p.71).

Brand equity explains why different outcomes result from the marketing of a branded product or service than if it were not branded (Keller 2013, p.57)

Customer-based brand equity (CBBE) is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand in which brand knowledge is conceptualized, based on an associative network memory model in terms of two components, brand awareness and brand image (Keller 2003, p.60)

Positive Customer –based brand equity can lead to greater revenue, lower cost, and higher profit; it has direct implications for the firm's ability to command higher price, a customer's willingness to seek out new distribution channels, the effectiveness of marketing communications and the success of brand extensions and licensing opportunities (Keller2003,p.104).

1.9 Organization of the research report

This study is organized into five chapters .The chapters are comprised of: Introduction, Review of related Literature, Results and Discussion and, Summary, conclusions and recommendations.

The first chapter provides a general introduction of the study including background of the study, Statement of the problem, Research questions, Objectives of the study, Scope of the study, Significance of the study, Limitations of the study, organization of the research report and definitions of key terms.

Chapter two covers the literature relevant to the study .It includes concepts and theoretical framework, empirical literature as well as discussions on the customer's –based brand equity model and Hypothesis and conceptual framework.

Chapter three elaborates research design and methodology: the type and design of the study .It includes research method, sampling technique, data collection method and method of data analysis that will be used in the study.

Chapter four summarizes the findings of the study and discusses them in detail.

Finally chapter Five comprises of four sections which include summary findings, conclusions, limitations of the study and recommendation.

CHAPTER TWO

Review of Related Literature

This chapter provides an insight to the readers about the theoretical framework, empirical review and conceptual framework and hypothesis of the topic under study. In line with the objectives of the study, this chapter covers topics related to brand, branding, brand equity, customer based brand equity, and empirical review. Furthermore, the conceptual framework of this study is presented at the end of this chapter.

2.1. Theoretical Literature Review

2.1.1 Concept of Branding

Historically, the concept of brand was first used by the ancient Egyptian brick-makers who drew symbols on bricks for identification (Farquhar, 1990). Other examples of the use of brands were found in Greek and Roman times; at this time, due to illiteracy shopkeepers identified their shops using symbols. Moreover, in the Middle-Ages, craftsmen marked their goods with stamps as a trademark by which to differentiate their skills. The next milestone of brand evolved in North America with the growth of cattle farming as a kind of legal protection, proof of ownership and quality signals (De Chernatony and McDonald, 2003).

There are numerous definitions of a brand. According to the definition of brand by the American Marketing Association in the 1960's , "A name, term, sign, symbol, or design, or a combination of them which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors" (Hedging, Knudtzen & Bjerre 2009,). The Merriam Webster dictionary describes brand as "a class of goods identified by name as the product of a single firm or manufacturer".

Czinkota & Ronkainen (1999), also defines the word Brand is a trademark or distinctive name identifying a product or a manufacturer. It refers a name, term, symbol, sign or design used by a firm to differentiate its offerings from those of its competitors. The brand name is the vocalizable part of the brand and the brand mark is the non-vocalizable part. As per Hammond (2008), brand is defined as the total emotional experience a customer has with a company and its product or service.

In furthering this, the author describes brand as the emotional connection planted in the minds of customers who had an interaction with a company, its staff, product or service. Branding gives greater meaning to a company's name and its products.

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

There are different roles that branding plays for companies success or failure. Brands are important valuable intangible assets for companies (Kotler, 2006) which can convey positive or negative message about a product, along with indicating the company or its service to the consumer. A successful brand can create and sustain a strong positive and lasting impression in the mind of a customer. Building a strong brand will enable companies to be able to command higher prices, market share penetration by advertising, speeding up new product acceptance and resisting price erosion. In addition to these, companies with strong brands have the advantage of easily attracting dedicated employees who are loyal to the company and the brand.

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

Finally, a brand is a source of competitive advantage. In order to get competitive advantage, companies should create a benefit to customers through employing effective brand strategy. A strong brand undoubtedly does differentiate the product from similar products, having a strong brand name alone is not enough. The product itself needs to be different in some way (Blythe, 2005). A strong brand is a brand with indispensable products or with strong intangible added value (Kapferer, 2008).

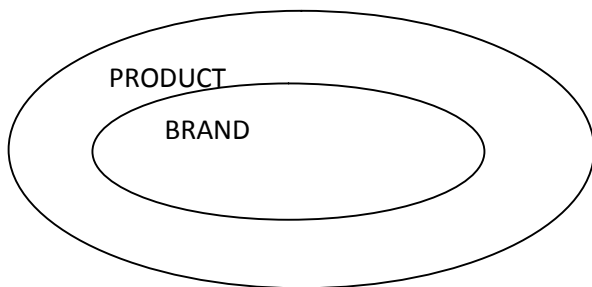
As Peter and Donnelly (2007) state, for some companies, the primary focus of strategy development is placed on brand building, developing, and nurturing activities. Thus, firms should give a due consideration for the development of a strong brand. If marketers can create a strong brand, customers' can easily be attracted to a company's offering. Moreover, branding results in more product variety and choice for consumers. It helps customers by providing much more information about products and facilitates their purchase decision.

Branding Approach

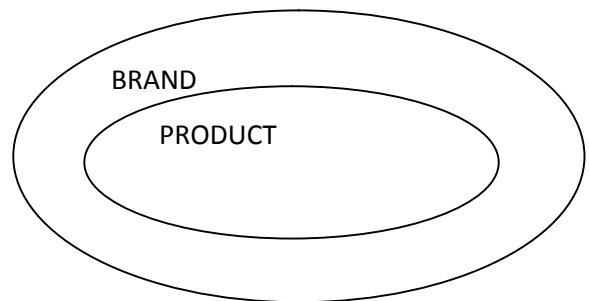
Branding approach has been widely accepted by both academic and practitioner researchers (Aaker 1991; Kamakura, Russell & Keller 1993; Krishnan 1996). The brand is seen to provide benefits to the customer in both functional needs and emotional needs, while the product can only satisfy the customer's functional needs. A brand is therefore defined as 'a product that provides functional benefits plus added values that some consumers value enough to buy' (Aaker, 1991, p. 1). These values are intangible, invisible and non-functional and are perceptions held in the mind of the consumer (Jones 1999). Stephen King (cited in Aaker 1991, p.1) states that, 'A product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless.' The two approaches are summarized below, in Figure 2.1

Figure 2.1: Two Models of the Relationship between Product and Brand

A. Brand is one attribute of product



B. Product is one attribute of brand



Source: Nguyen & Nguyen (2003)

As a consequence, brands are now seen as the key success factor in order to achieve competitive advantages for firms, through differentiation (Wood 2000).

These competitive advantages can be achieved by the brand manufacturer in terms of revenue, profit, added value or market share (Wood 2000). Moreover, the attributes that differentiate brands from other products provide the customer with satisfaction and benefits for which they are willing to pay (Wood 2000). In other words, brands create added value to both firms and customers. Brands play the key role in enhancing the value of products and protecting products from being imitated by competitors (Aaker 1991). Therefore, a strong brand is counted as a valuable asset of a company (Aaker 1991).

2.1.2 Brand Equity

Brand equity is perhaps the most important marketing concept in both academia and practice (Christodoulides and De Chernatony, 2010). Academics want to understand how brand equity is measured and what it means for a company, while practitioners want to understand how to influence consumer decisions with respect to different brand purchases in order to increase their brand equity. The term came into use during the late 1980's; and the importance of conceptualizing, measuring, and managing brand equity has grown rapidly in the eyes of practitioners and academics alike (e.g. Aaker, 1991, 1996; Aaker and Keller, 1990; Ailawadi et al., 2003; Keller, 1993, 2003.). This has resulted in "several often-divergent view-points on the dimensions of brand equity, the factors that influence it, the perspectives from which it should be studied, and the ways to measure it" (Ailawadi et al., 2003.). Consumers actually develop feelings and associations with brands and then become loyal to them due to their "added value" (i.e., their brand equity) (Barwise, 1993). Brands have become valuable assets to companies; and therefore, learning and understanding how to build, measure, and manage brand equity is of utmost importance (Kapferer, 2008).

Many different definitions and ways to measure brand equity have been proposed, and most of them are based upon Farquhar's (1989) definition: "the added value with which a given brand endows a product". Aaker (1991, 1996) defines it as a group of brand assets and liabilities that either add or subtract value to a brand. Srivastava and Shocker (1991) define it as the incremental value a brand name gives a product. Holbrook (1992) and Simon and Sullivan (1993) define it in terms of the financial impact of a brand. Keller (1993, 2003) perceives it as the differential effect that brand knowledge has on consumer response to the marketing of a brand. Park and Srinivasan (1994) define it as the incremental consumer preference for a brand.

Kapferer (1997) further defines brand equity by stating “the brand has an economic function, the value of a brand (brand equity) derives from its capacity to generate an exclusive, positive, and prominent meaning in the minds of a large number of consumers”.

Berry (2000) conceptualizes it as the differential effect of brand awareness and meaning combined with customer response to the marketing of the brand. Yoo et al. (2000) define it as the difference in consumer choice between a branded and an unbranded product given the same level of product features. Clow and Baack (2005) define it as a set of characteristics that make a brand unique in the marketplace, allows the company to charge a higher price and retain a greater market share than would be possible with an unbranded product. Although there is no universally accepted definition of brand equity, most authors agree that brand equity denotes the added value endowed by the brand to the product. Brand equity is an important concept in business practice as well as in academic research because it can be used by marketers to gain competitive advantages through successful brands.

Strong brand equity leads to opportunities for successful brand extensions, resilience against competitor’s promotional efforts, and creation of barriers to competitive entry (Farquhar, 1989).

Kotler and Keller (2006) defines, brand equity is the customer's subjective and intangible assessment of the brand, beyond its objectively perceived value. And also based on Kotler et al., (2006) definition, brand equity is the positive outcome that the customers show to the product or service. Moreover, as per the Official Marketing Science definition, brand equity is the set of associations and behavior on the part of a brand's customers, channel members and parent corporation that permits the brand to earn greater volume or greater margins that it could without the brand name. (Kapferer, 2008).

In spite of numerous different ways of defining brand equity, most authors agree that brand equity represents some form of added value which brands add to products (Rajh, Vranesevic&Tolic, 2003). According to Kapferer (1997), brand equity is a result of brand assets which include brand awareness, brand image, the perceived quality of the brand, evocations and the familiarity or appeal of the brand. These elements of brand assets bring added value to the product. The financial value of the brand (brand equity) is equal to the brand value minus the costs of branding and the costs of invested capital.

According to Rajh, Vranesevic & Tolic (2003) it is the difference between subjective and objective preferences, and this difference is attributed to the influence of the brand. Bowen and Shoemaker (1998) suggested that brand equity signifies both financial and consumers aspects. According to them, brand equity consists of brand strength and brand value. Brand strength is the set of associations and behaviors on the part of the brand's customers, channel members, and parent corporations that permits the brand to enjoy sustainable and differentiated competitive advantages. Brand value is the financial outcome of the management's ability to leverage brand strength via tactical and strategic actions in providing superior current and future profits and lower risks. It can be concluded that brand strength refers to the consumer aspect of brand equity, and brand value refers to the financial aspect of the same concept. Important academic contributors towards the concept of brand equity throughout the 1990s were Aaker (1991), Srivastava and Shocker (1991), Kapferer (1997), Keller (1993,) and Y.L & Lee (2011).

2.1.3 Brand Equity Measuring Approaches

As mentioned previously, a brand is not simply a name or logo used to differentiate a product from its competitors, but is a set of associations used to satisfy both functional and emotional demands of target customers (Nguyen & Nguyen 2003). Therefore, the value of a brand becomes important equity to manufacturers. To understand the value of brand equity, the definition of brand equity needs further investigation, as well as consideration of what really contributes to the value of a brand (Aaker 1991). That is why brand equity became an important marketing concept in the 1980s, which is one of the most topical subjects in the literature on branding. However, questions such as 'What exactly is brand equity?' and 'How can brand equity be measured?' are continually attracting both academic and practitioner researchers' attention. In other words, brand equity has not yet reached a consensus definition (Woods 1998).

According to the history of branding, the year 1988 marked a new step forward in the literature on brands, known as 'the year of the brand' (Anantachart 1998). In 1987, when it was realized that brand value had a significant impact on company business performance in terms of profitability, company equities were increased by adding brand value into the balance sheet (Anantachert 1998). A key conference, drawing participation of academics and practitioners in both marketing and finance, was conducted by the Marketing Science Institute (MSI) in 1988.

At this conference, the key issue, brand equity, was critically analyzed and discussed (Leuthesser 1988). The topic of 'brand equity' was given the highest priority for research in the period between 1988 and 1990, among MSI's members (Anantachart 1998). Many studies on brand equity were published in academic business journals (Aaker 1991; Biel 1997; Cobb-Walgren, Ruble & Donthu. 1995; Farquhar 1989) and many conferences and workshops on brand equity were conducted, such as MSI 1991 and the Advertising Research Foundation (ARF) workshop series - brand equity research day (1993), brand equity workshop (1994), key issues workshop (1995).

Although brand equity has been of particular interest in the last twenty years, there is still no consensus about what brand equity means and how a firm can measure the value of a brand (Mackay 2001). The statement by Winters (1991, p. 8) that 'There has been a lot of interest lately in measures of brand equity. However, if you ask ten people to define brand equity, you are likely to get ten (maybe 11) different answers as to what it means' is still meaningful for the current situation. The reason for this confusion is that brand equity has been defined from a number of different perspectives and for a number of different purposes (Keller 1993). The following are just some of the definitions of brand equity:

A residual value in the form of favorable impressions, attitudinal dispositions and behavioral prediction... this residual value (i.e., utility) is not explained by the measured attributes of the brand (Rangaswamy, Burke and Oliver 1993).

The differential effect that brand knowledge has on customer's perspective (emphasizing market management), brand equity is a utility not explained by measured attribute (via conjoint measurement or rating scale), loyalty (which provides a barrier to competitive entry and sustainable advantage for the firm), and a differentiated, clear image that goes beyond simple product preference (Shocker & Weitz 1988).

The set of associations and behaviors on the part of a brand's customers, channel members and parent corporations that permits the brand to earn greater volume or greater margins than it could without the brand name and that gives the brand a strong, sustainable, and differentiated competitive advantage (MSI 1988, cited in Keller 2003).

One of the popular definitions widely accepted in the branding literature is that by Aaker (1991, p. 15), in which brand equity is viewed as ‘a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers.’ The assets and liabilities in which brand equity is based must be linked to the name and/or symbol of the brand and can be usefully grouped into five categories (Aaker 1991):

- 1 Brand loyalty
2. Name awareness
3. Perceived quality
4. Brand associations in addition to perceived quality
5. Other proprietary brand assets – patents, trademarks, channel relationship, etc

There are two perspectives or approaches from which brand equity can be viewed. One is customer-based, it focuses exclusively on the relationship customers have with the brand (from total indifference to attachment, loyalty, and willingness to buy and re-buy based on beliefs of superiority and evoked emotions). According to Keller, (2003) brand equity is generated by consumers, who base their (re)purchase behaviors on the judgment of a brand's value to themselves. In other words it focuses on the customer perspective, which is defined as the relationship between the customer and the brand (Wood 2000). The other relates to suppliers, brand equity is viewed as a financial asset. It aims at producing measures in monetary values. (Kapferer, 2008). Generally it focuses on the value provided to brand owners. The following section discusses, in detail, these two main streams of brand equity research.

A. Customer Approach to Brand Equity

The customer-based approach assumes that the brand is a cognitive construal residing in the mind of the consumer (Keller K. L., 1993). This assumption indicates that the consumer is very much in control of the brand–consumer exchange. This is, however, not entirely the case. The consumer is seen through a lens borrowed from cognitive psychology and the main metaphor for man in this perspective is that of the computer.

And just like a skilled computer programmer is able to program the computer into doing as intended, the marketer who is willing to map out the brand construal in the mind of the consumer, will be able to choose exactly the right brand elements and communicate them to a consumer who will respond accordingly. These, seemingly contradictory, assumptions are what lie behind the consumer-based approach. Cognitive psychology applied to consumer research, and the associated information-processing theory of consumer choice, serve as supporting themes for the core theory of customer-based brand equity. In cognitive psychology, man is presumed to function much like a computer and the focus is on how knowledge (in the form of mental representations) is stored in and can be retrieved from memory. The information-processing theory of consumer choice focuses on explaining the process of choice. Man is supposed to have limited processing capacity, which is why the marketer should be aware to make the most efficient communication (Tilde Heding, 2009). The customer-based brand equity framework is a brand management theory that draws upon the two above themes. This framework maps brand knowledge as a cognitive construal. In order to be able to talk about customer-based brand equity, brand awareness has to exist in the minds of consumers. The brand has to be recalled and recognized. If this is the case, brand image can be mapped. Brand image consists of consumer associations depicting tangible as well as intangible aspects of the brand, also depicting attributes, benefits and attitudes. Customer-based brand equity is a comparative framework by which the favorability, strength and uniqueness of brand association can be measured against those of competing brands.

B. Financial Approach to Brand Equity

The financial approach refers to brand equity as a viable asset for manufacturers (Davis & Doughlass 1995). This asset is defined as the incremental cash flow resulting from revenues of products with a brand name over those of unbranded ones. There are three popular methods for measuring brand equity from a financial approach. The most common measures focus on stock prices and brand replacement (Myers 2003). The stock market reflects future prospects of brands by adjusting the prices of firms, then the movements in stock prices is used to capture the dynamic nature of brand equity (Simon & Sullivan 1993). The application of the second financial method, in the case of new product launches, is based on brand replacement, as funds requirements combined with the probability of success in establishing a new brand (Simon & Sullivan 1993). The third method used by the financial world is based on the annual list of world-wide brand valuations (Ourusoff & Panchapakesan 1993).

This method calculates the net brand-related profits and assigns a multiple factor based on brand strength, defined as a combination of leadership, stability, trading environment, internationality, ongoing direction, communication support and legal protection (Ourusoff & Panchapakesan cited in Myers 2003, p. 40). This is one of the most publicized financial methods (Myers 2003). The financial approach to brand equity is generally adopted by financial accountants (Wood 2000) and works best when the information is recorded and the future market response is not strong (Barwise 1993). The major disadvantage of this approach is its focus on maximizing short term goals (Aaker 1992; Davis & Doughlass 1995), for the reason that present and future investors require the quarterly report as a means to monitor the company's operating performance; consequently, a large number of senior managers are not committed to long-term brand building (Davis & Doughlass 1995). Davis and Doughlass (1995, cited in Woods 1998) also suggest that marketing strategists and planners must move away from concentrating on short-term objectives by incorporating strategies to somehow satisfy both short-term and long-term stakeholders. More dominant in the branding literature, the customer approach to brand equity, commonly referred to as customer-based brand equity, will be discussed in the following section.

2.1.4 Customer-Based Brand Equity

As per the research intent, this study has focused on the customer based brand equity literatures fully in order to substantiate the research in question. Below are some of the definitions forwarded by different scholars and authors about what is meant by customer based brand equity?

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

The determinants of customer-based brand equity were conceptualized by Aaker (1996) as five elements namely Brand Awareness, Brand Loyalty, Perceived Quality, Brand Association, and other proprietary brand assets. Among these five brand equity dimensions, the first four represent customers evaluations and reactions to the brand that can be readily understood by consumers (Yooa B, 2001), so they have been widely adapted to measure customer-based brand equity in previous studies. In summary, strong brand equity means that customers have high brand-name awareness, maintain a favorable brand image, perceive that the brand is of high quality, and are loyal to the brand. According to (Keller K., 2013), customer-based brand equity is the differential effect that brand knowledge has on consumer response to the marketing of that brand.

A brand has positive customer-based brand equity when consumers react more favorably to a product and the way it is marketed when the brand is identified than when it is not (say, when the product is attributed to a fictitious name or is unnamed). The above definition has jumbled three ideas in to one which needs more elaboration. These three concepts are: (1) differential effect, (2) brand knowledge, and (3) consumer response to marketing. In explaining the first concept, (Keller K., 2013) stated it as brand equity arising from differences in consumer response. If no differences occur, then the brand-name product can essentially be classified as a commodity or a generic version of the product in which, competition, most likely, would then just be based on price. The second point, which is one of the building blocks of the customer based brand equity model, differences in response are a result of consumers knowledge about the brand, that is, what they have learned, felt, seen, and heard about the brand as a result of their experiences over time. Thus, although strongly influenced by the marketing activity of the firm, brand equity ultimately depends on what resides in the minds and hearts of consumers. Third, customers differential responses, which make up brand equity, are reflected in perceptions, preferences, and behavior related to all aspects of brand marketing, for example, including choice of a brand, recall of copy points from an advertisement, response to a sales promotion, and evaluations of a proposed brand extension. Hence the CBBE concept approaches brand equity from the perspective of the consumer—whether the consumer is an individual or an organization or an existing or prospective customer. Understanding the needs and wants of consumers and organizations and devising products and programs to satisfy them are at the heart of successful marketing.

The second definition is the one posited by Aaker. (Aaker, 1996) in his book building strong brands defined customer based brand equity in this way: Brand equity is defined as a set of assets and liabilities linked to a brand's name and symbol that adds to or subtracts from the value provided by a product or service to a firm and or that firm's customers. (Aaker D, 1996)

Since the CBBE model considers brand knowledge as the key to creating brand equity due to its impact on creating differential for deriving brand equity, what marketers need, then, is an insightful way to represent how brand knowledge exists in consumer memory. As a result Keller has taken the associative network memory model which views memory as a network of nodes and connecting links, in which nodes represent stored information or concepts, and links represent the strength of association between the nodes. Any type of information—whether it is verbal, abstract, or contextual—can be stored in the memory network.

Brand equity arises from differences in consumer response to marketing activities. Brand knowledge is what consumers learned, felt, saw, heard, and experienced over time. The differential effect of brand knowledge is reflected in consumer perceptions, preferences, and behavior related to all aspects of the marketing of a brand. The power of a brand lies in the customer mind set. Brand equity is therefore a vital strategic bridge from the past to the future and a set of stored values that consumers associate with a product or service. These associations add value beyond the basic offering based on past investments in marketing the brand (Kapferer, 2008). According to (Keller, 1993), there is both an indirect and a direct approach to measuring customer-based brand equity. The indirect approach tries to identify potential sources of such equity, whereas the direct approach focuses on consumer responses to different elements of the firm's marketing program. The implications of customer-based research suggest that measures of customers' brand perceptions are accurate reflections of brand performance in the marketplace. Strong, positive customer-based brand equity has a significant influence on the financial performance of the firms (Kapferer, 2008).

In defining brand knowledge (Keller K.L., 1993) has stated as having two components: brand awareness and brand image. Brand awareness is related to the strength of the brand node or trace in memory, which we can measure as the consumer's ability to identify the brand under different conditions. It is a necessary, but not always a sufficient, step in building brand equity. Other considerations, such as the image of the brand, often come into play. Brand image has long been recognized as an important concept in marketing. It is consumer's perceptions about a brand, as reflected by the brand associations held in consumer memory. In other words, brand associations are the other informational nodes linked to the brand node in memory and contain the meaning of the brand for consumers. Associations come in all forms and may reflect characteristics of the product or aspects independent of the product.

2.1.5 Dimensions of customer based brand equity

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

A.Brand awareness

Aaker (1991) asserted that brand awareness is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. A link between product class and brand is involved.

Aaker (1996) added that brand awareness reflects the salience of the brand in the customers mind. Aaker mentioned several levels of brand awareness, ranging from mere recognition of the brand to dominance, which refers to the condition where the brand involved is the only brand recalled by a consumer. As per Aaker brand awareness has these levels;

Brand recognition

Brand recall

Top-of-Mind (the first-named brand in a recall task).

Brand Dominance (the only brand recalled)

Brand Knowledge (I know what the brand stands for)

Brand Opinion (I have an opinion about the brand)

Aaker (1992) added that brand awareness is an asset that can be remarkably durable and thus sustainable. It can be very difficult to dislodge a brand that has achieved a dominant awareness level. Keller also described brand awareness as the strength of the brand node or trace in memory and it consists of brand recognition and brand recall performance (Keller, Parameswaran and Jacob,2011, p.51).

Breadth and depth of awareness

As noted by Keller, Parameswaran and Jacob (2011), the depth of brand awareness measures how likely it is for a brand element to come to mind, and the ease with which it does so. It is determined by the ease of brand recognition and recall. The breadth of brand awareness measures the range of purchase and usage situations in which the brand element comes to mind and depends to a large extent on the organization of brand and product knowledge in memory. This is simply saying that this breadth is determined by the number of purchase and consumption situations for which the brand comes to mind.

Brand recognition

Keller (2003) clarified that it is consumer's ability to confirm prior exposure to the brand when given the brand as a cue. In other words, brand recognition requires that consumers correctly discriminate the brand as having been seen or heard previously.

Brand recall

Keller (2003) elucidated that it is consumer's ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or some other type of probe as a cue. In other words, brand recall requires that consumers correctly generate the brand from memory. "Different measures of brand recall are possible depending on the type of cues to help consumers. Unaided recall on the basis of "all brands" provided as a cue is likely to identify only the very strongest brands. Aided recall uses various types of cues to help consumers recall. One possible sequence of aided recall might use progressively narrower cues- such as product class, product category, and product type labels - to provide insight into the organization of consumers' brand knowledge structure" (Keller, Parameswaran and Jacob, 2011, p.377).

B. Brand loyalty

As cited by Aaker (1996), the brand strategist Scott Talgo stated that "a brand that captures your mind gains behavior; a brand that captures your heart gains commitment". Brand loyalty according to Aaker (1991) was described as a measure of the attachment that a customer has to a brand and it reflects how likely a customer will be to switch to another brand, especially when that brand makes a change, either in price or in product features.

As per Aaker (1996), when consumers acquire a more positive perception of a brand, loyalty results. A loyal customer base represents a barrier to entry, a basis for a price premium, time to respond to competitor's innovations, and a bulwark against deleterious price competition. It is a deeply held commitment to rebuy or repatronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having potential to a cause switching behavior (Oliver 1997). According to Ulas and Arslan (2006), brand loyalists have three mindsets: commitment to the brand, willingness to pay a higher price for the brand over other brands and recommending the brand to others.

Leclercq et al (2003) claimed that brand loyalty may be higher for brands, which have a larger market share.

According to Keller, Parameswaran & Jacob (2011), brands with large market share are more likely to have more loyal customers than brands with small market shares, a phenomenon called double jeopardy.

Types of brand loyalty

There are two types of brand loyalty namely behavioral loyalty and attitudinal loyalty.

Behavioral loyalty is simply repeatedly buying a brand- regardless of the reasons behind that purchasing behavior (Till & Heckler, 2008, p.107)

Attitudinal loyalty is an affection, a good emotional feeling and a sense of commitment to a brand (Till & Heckler, 2008, p.107)

Brand communities - As per Keller, Parameswaran & Jacob (2011), a brand may take on broader meaning to the customer by conveying a sense of community. Identification with a brand community may reflect an important social phenomenon in which customers feel a kinship or affiliation with other people associated with the brand, whether fellow brand users or customers, or employees or representatives of the company. A brand community can exist online or off-line. Fioroni & Titterton (2009) claimed that brand and religion have many things in common.

Religion represents the relationship which is established between a person and an indeterminate superior being. Every religion bases its appeal on man's need to believe in something which gives him a purpose in life and shows him the path he should take. Consumers consider less and less the functional aspects of a brand, while giving more and more importance to the emotional and spiritual aspects. Every religion in fact defines among its followers a sense of belonging, of community and of sharing. It is through this sense of belonging that the creed is created and strengthened. The same could be said for brands, whose resonance can allow access to a community and develop feelings of belonging to it. We are talking about communities which are almost tribal in nature, made up of people who share the same interest in a particular brand which creates a sort of parallel universe made up of its own values, languages and hierarchy. Its members are joined by the same subjectivity, passions and experiences and by means of a series of rituals they are bearers of collective actions which are lived intensely, even if they are in reality ephemeral. When Apple Computer presents one of its new products ready to be launched on the market, masses of Apple faithful crowd the place where the presentation is to be held, even sleeping there the night before, waiting to hear the new parable which the prophet Jobs is ready to tell them.

According to Patwardhan & Balasubramanian (2011) suggested that consumers do fall truly, madly, deeply in love with products and services.

These researchers found out that brand romance is a reliable, valid, and a more proximal construct that explains loyalty significantly better than attitudes. Different perspective by Azar (2013) proposed that brands may develop communities based on the sexual symbols (brand gender) attributed to their brand

C. Perceived quality

According to Keller, Parameswaran and Jacob (2011), perceived quality is customers' perception of the overall quality or superiority of a product or service compared to alternatives and with respect to its intended purpose. Zeithaml (1988) described it as being not the real quality of the product but the customer's perception of the overall quality or superiority of the product/service with respect to its intended purpose, relative to alternatives. Consumers' perceived quality of a product (or service) is based on a variety of informational cues that they associate with the product. Some of these cues are intrinsic to the product or service; others are extrinsic. Cues that are intrinsic concern physical characteristics of the product itself, such as size, color, flavor, or aroma. Consumers also use extrinsic cues such as price, brand image, manufacturer's image, retail store image, or even the perceived country of origin to evaluate quality of a product (Schiffman, Kanuk & Kumar, 2012, p.185). "Similar to brand association, perceived quality also provides value to consumers by providing them with a reason to buy and by differentiating the brand from competing brands" (Pappu, Quester & Cooksey, 2005, p.145).

D. Brand association

"Brand associations are informational nodes linked to the brand node in memory and contain the meaning of the brand for consumers" (Keller, 1993, p.3). According to Keller (2001), a company uses brand associations to evoke strong feelings in the consumer and in this way tries to differentiate itself and create a strong position in relation to the competition. The consumer uses brand association as a help to organize and control information in the memory. In this way, the associations form the starting point for the consumer's impressions and opinions of a brand and for the choices s/he makes about buying and using different brands. On the contrary Aaker (1991) claimed that consumers must first be aware of a brand to later have a set of brand associations.

As per Keller et al 2011, consumers can form brand association in a variety of ways other than marketing activities: from direct experience; through information from other commercial or nonpartisan sources such as consumer reports or other media vehicles; from word of mouth; and by assumptions or inferences consumers make about the brand itself, its name, logo, or identification with a company, country, channel of distribution, or person, place, or event.

Dimensions of brand associations

Strength of brand association: The more deeply a person thinks about product information and relates it to existing brand knowledge, the stronger the resulting brand associations will be.

Two factors that strength associations to any piece of information are its personal relevance and the consistency with which it is presented over time (Keller, Parameswaran & Jacob, 2011, p.56).

Favorability of brand association: To choose which favorable and unique associations to link to the brand, marketers carefully analyze the consumer and the competition to determine the best positioning for the brand. Marketers create favorable brand association by convincing consumers that the brand possesses relevant attributes and benefits that satisfy their needs and wants. Favorable associations for a brand are those associations that are desirable to consumers convenient, reliable, effective, efficient, colorful- successfully delivered by the product, and conveyed by the supporting marketing program (Keller, Parameswaran & Jacob, 2011, p.58).

Uniqueness of brand association: These are distinct associations not shared with competing brands. It is important to associate unique, meaningful point of difference to the brand to provide a competitive advantage and "reason why" consumers should buy it (Keller, Parameswaran & Jacob, 2011, p.58)

Keller classified brand associations into three major categories of increasing scope: attributes, benefits, and attitudes. Attributes are those descriptive features that characterize a product or service-what a consumer thinks the product or service is or has and what is involved with its purchase or consumption. Attributes are distinguished according to how directly they relate to product or service performance. Product-related attributes are defined as the ingredients necessary for performing the product or service function sought by consumers. Non-product-related attributes are defined as external aspects of the product or service that relate to its purchase or consumption. These include price, packaging, user imagery and usage imagery.

Benefits are the personal value consumers attach to the product or service attributes-that is, what consumers think the product or service can do for them.

According to Keller (1993) benefits can be further distinguished into three categories according to the underlying motivations to which they relate: (1) functional benefits,(2) experiential benefits, and (3) symbolic benefits. Functional benefits are the more intrinsic advantages of product or service consumption and usually correspond to the product-related attributes.

Functional benefits satisfy functional needs. Functional needs are defined as those that motivate the search for products that solve consumption related problems (e.g. solve a current problem, resolve conflict, and restructure a frustrating situation).

Experiential benefits relate to what it feels like to use the product or service and also usually correspond to the product-related attributes. As per Keller (2003), these benefits satisfy experiential needs such as sensory pleasure, variety, and cognitive stimulation. Keller also described symbolic benefits as the more extrinsic advantages of product or service consumption. Symbolic benefits please symbolic needs. Ghodeswar (2008) claimed that symbolic needs are desires for products that fulfill internally generated needs for self-enhancement, role position, group membership, or ego identification.

According to Keller (1993), brand attitudes are defined as consumers' overall evaluations of a brand. Brand attitudes are important because they often form the basis for consumer behavior (e.g., brand choice). Brand attitudes can be related to beliefs about product related attributes and the functional and experiential benefits, consistent with work on perceived quality (Zeithaml 1988). Brand attitudes can also be related to beliefs about non-product-related attributes and symbolic benefits consistent with the functional theory of attitudes which maintains that attitudes can serve a "value-expressive" function by allowing individuals to express their self-concepts (Keller, 1993).

Aaker (1996) on the other hand, claimed that associations can be structured around three perspectives on the brand: the brand-as-product (value), the brand-as person (brand personality) and the brand-as-organization (organizational associations). The brand-as-product perspective focuses on the brands value proposition (functional benefit). A second element of associations/differentiation, brand personality, is based on the brand-as-person perspective. For some brands, the brand personality can provide a link to the brands emotional and self-expressive benefits as well as a basis for customer/brand relationships and differentiation.

This is especially the case for brands that have only minor physical differences and that are consumed in a social setting where the brand can make a visible statement about the consumer. Till & Heckler (2008) asserted that brand personality can add a differentiating dimension to consumers' understanding of your brand- a dimension not so easily duplicated; a dimension that can serve as your brand's important point of distinction.

As noted by Aaker (1996), the brand-as-organization perspective considers the organization (people, values, and programs) that lies behind the brand.

This perspective can be particularly helpful when brands are similar with respect to attributes, when the organization is visible (as in a durable goods or service business), or when a corporate brand is involved. It can play an important role by showing that a brand represents more than products and services. Organizational associations that are often important bases of differentiation and choice include having a concern for customers, being innovative, striving for high quality, being successful, having visibility, being oriented toward the community, and being a global player.

Chen (2001) asserted that brand association can be seen in all forms and reflects features of the product or aspects independent of the product itself.

Aaker (1991) categorized brand association into 11 types:

- Product attributes

- Intangibles

- Customer benefits

- Relative price

- Use/application

- User/customer

- Celebrity/person

- Life-style/personality

- Product class

- Competitors and

- Country/geographic area

2.1.6 Sources of Brand Equity

Different sources of brand equity have been proposed by different authors. (Aaker, 1996) for example, proposes brand awareness, associations, other proprietary assets, perceived quality and loyalty.

Often though, there is no distinction made between consumer and industrial brands (Aaker, 1991) identified five sources of brand equity which (applicable across products and markets as he claims) namely brand awareness, brand associations, perceived quality, brand loyalty and other proprietary assets such as patents and trademarks.

It is notable that the first four sources of brand equity correspond to customer-based brand equity while patents and trademarks reflect firm-based brand equity. How do brand equities exist? What causes brand equity to exist? How do marketers create brand equity? In explaining these questions, (Keller K. , 2013) wrote customer-based brand equity as occurring when the consumer has a high level of awareness and familiarity with the brand and holds some strong, favorable, and unique brand associations in memory. In some cases, brand awareness alone is enough to create favorable consumer response; for example, in low-involvement decisions when consumers are willing to base their choices on mere familiarity. In most other cases, however, the strength, favorability, and uniqueness of brand associations play a critical role in determining the differential response that makes up brand equity. If customers perceive the brand as only representative of the product or service category, then they will respond as if the offering were unbranded. Thus marketers must also convince consumers that there are meaningful differences among brands. Consumers must not think all brands in the category are the same. Establishing a positive brand image in consumer memory—strong, favorable, and unique brand associations—goes hand-in-hand with creating brand awareness to build customer-based brand equity.

Keller has stated Brand Awareness as consisting of brand recognition and brand recall performance (Keller K. L., 1993): Brand recognition is consumers' ability to confirm prior exposure to the brand when given the brand as a cue. On the other hand, brand recall is consumers' ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or a purchase or usage situation as a cue. If research reveals that many consumer decisions are made at the point of purchase, where the brand name, logo, packaging, and so on will be physically present and visible, then brand recognition will be important. If consumer decisions are mostly made in settings away from the point of purchase, on the other hand, then brand recall will be more important.

For this reason, creating brand recall is critical for service and online brands: Consumers must actively seek the brand and therefore be able to retrieve it from memory when appropriate. Both (Keller, 2013) and (Aaker, 1996) posit that brand awareness has three advantages: choice advantages, consideration advantages, and learning advantages.

Choice Advantages: The first advantage of creating a high level of brand awareness is that it can affect choices among brands in the consideration set, even if there are essentially no other associations to those brands. Thus, in low-involvement decision settings, a minimum level of brand awareness may be sufficient for product choice, even in the absence of a well-formed attitude.

Consideration Advantages: Consumers must consider the brand whenever they are making a purchase for which it could be acceptable or fulfilling a need it could satisfy.

Raising brand awareness increases the likelihood that the brand will be a member of the consideration set, the handful of brands that receive serious consideration for purchase.

Learning Advantages: Brand awareness influences the formation and strength of the associations that make up the brand image. To create a brand image, marketers must first establish a brand node in memory, the nature of which affects how easily the consumer learns and stores additional brand associations. The first step in building brand equity is to register the brand in the minds of consumers. If the right brand elements are chosen, the task becomes easier.

2.1.7 Importance of Brand Equity

Brand equity is an intangible asset built up overtime by building awareness, having a well-known name or a clear identity, consistent communications, marketing to the retailers acting socially responsible, and spending on advertising and promoting the brand. Building a strong brand with significant equity is seen as providing a host of possible benefits to a firm, including greater customer loyalty and less vulnerability to competitive marketing actions and marketing crises, larger margins as well as more favorable customer response to price increase and decrease, greater trade or licensing and brand-extension opportunities (Keller, 2003). Brand equity is the positive effect of the brand on the difference between the prices that the customer accepts to pay when the brand is known compared to the value of the benefit received. There are two schools of thought regarding the existence of negative brand equity. One perspective states brand equity cannot be negative, hypothesizing only positive brand equity is created by marketing activities such as advertising, PR and promotion. A second perspective is that negative equity can exist, due to catastrophic events to the brand, such as a wide product recall or continued negative press attention. Generally speaking, the term negative brand equity may be used to describe a product or service where a brand has

a negative effect on a product level when compared to a no-name or private label product (Aaker ,1991).

2.1.8 Growing and Sustaining Brand Equity

To maintain and increase the longevity of brand equity, firms need to do the following;

Set a well-defined branding strategy: The two main tools in defining branding strategy are the brand-product matrix and the brand hierarchy. The former one represents graphically all the brands and products sold by the firm. The latter one shows the number and nature of common and distinctive brand components across the products of the firm.

Manage brand equity over geographic boundaries, cultures and market segments: When firms have market segments that are geographically dispersed as well as comprising different cultures, they need to collect data regarding the experience and behavior of these segments. This would facilitate in developing branding and marketing programs for each market segment. Apart from the above steps, other researchers articulate that "a crisis management plan should be a part of the overall strategic management plan" (Johnson & Peppas, 2013, p.20).

Handle brand equity over time: Firms need to assess what the responses of their consumers were towards the past marketing activity of the firm and the brand knowledge consumers had about the brand. Checking the responses of customer towards the current marketing activity of the firm and their brand knowledge are also vital. Obtaining this information would enable the firm to come up with a consistent marketing activity which reinforces the brand. Brand consistency is essential in maintaining the strength and favorability of brand association. But being consistent doesn't mean not making changes to marketing program. Some key elements of the marketing communication program will be kept. Keller, (2013) explained how reinforcing brand meaning depends on the nature of the brand association. For brands whose core associations are primarily product-related attributes and functional benefits, innovation in product design, manufacturing and merchandising is especially critical to maintaining or enhancing brand equity. For brands whose core associations are primarily non product-related attributes and symbolic or experiential benefits, relevance in user and usage imagery is especially critical to maintaining or enhancing brand equity.

2.1.9 Brand Equity Models

Some of the most popular practical models for measuring brand equity are the Brand Asset Valuator (BAV), the Wunderman Brand Experience Scorecard, Millward Brown Brand Dynamics, the BRANDZ model and the Resonance model.

However, the most comprehensive one available in the literature is Keller's Customer Based Brand Equity (CBBE) model (Keller, 1993, 2001, 2003).

What hasn't been verified so far is whether Keller's model can be applied in different contexts, including different industries and different markets? Empirical studies presented by Kuhn et al. (2008) support Keller's (1993) conceptualization of brand equity in the context of B2B services. In their study of financial services Yoo, B. and Donthu, N.,(2001) reconciled elements of both Keller's and Aaker's conceptual models. The five dimensions of brand equity developed by Aaker are Brand Awareness, Brand Association, Brand Loyalty, Perceived Quality, and other Proprietary assets are very well known in the brand world.

Keller model include Identity meaning, Responses, and Relationships –and specific CBBE model concepts, i.e. Salience, Consideration, performance or quality, Superiority, and Resonance stages of brand development.

2.1.10 Relationship between Brand Equity and Brand Equity Dimensions

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

I. Brand Awareness and Brand Equity; Brand awareness is an important component of brand equity. It refers to the ability of a potential buyer to recognize or recall a brand as a member of a certain product category (Aaker, 1991). According to Keller (1993), brand awareness consists of two sub-dimensions: brand recognition and recall. Brand recognition is the basic first step in the task of brand communication, whereby a firm communicates the product's attributes until a brand name is established with which to associate them. Brand awareness can be a sign of quality and commitment, letting customers become familiar with a brand and helping them consider it at the point of purchase (Aaker, 1991).

II. Brand Loyalty and Brand Equity ; Brand loyalty is at the heart of brand equity. It is the major component (Aaker, 1991). Researchers have been challenged to define and measure brand loyalty. From a behavioral perspective, it is defined as the degree to which a buying unit, such as a household, concentrates its purchases over time on a particular brand within a product category (Schoell and Gultinan, 1990). From an attitudinal perspective, brand loyalty is defined as the tendency to be loyal to a focal brand as demonstrated by the intention to buy it as a primary choice

(Oliver, 1997). According to Aaker (1991), brand loyalty adds considerable value to a brand and/or its firm because it provides a set of habitual buyers for a long period of time.

Loyal customers are less likely to switch to a competitor solely because of price; they also make more frequent purchases than comparable non-loyal customers (Bowen and Shoemaker, 1998).

III. Perceived Quality and Brand Equity; Perceived quality is the core facet across the CBBE framework (Aaker, 1996; Farquhar, 1989). It is not the real quality of the product but the customer's perception of the overall quality or superiority of the product (or service) with respect to its intended purpose, relative to alternatives (Zeithaml, 1988).

Perceived quality lends value to a brand in several ways: high quality gives customers a good reason to buy the brand and allows the brand to differentiate itself from its competitors, to charge a premium price, and to have a strong basis for the brand extension (Aaker, 1991).

Marketers across all product and service categories have increasingly recognized the importance of perceived quality in brand decisions (Morton, 1994). Kotler (1994) notes the intimate connection among product and service quality, customer satisfaction, and company portability.

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

2.2 Empirical Literature Review

This part comprises prior researches that were done within this area in the past. It discusses the rationale of the researches which have related concepts with the research questions of this study their findings, methodologies, implications and recommendations for researchers and practitioners has been discussed. There were several researches done on the Customer Based Brand Equity of different products.

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

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

Bengtsson (2011) analyzed the impact of employee role behavior and customer-employee. The paper examines whether factors related to customers perception of employees role behavior in terms of customer perceived role ambiguity, role overload, and customer-employee rapport influence the development of brand equity in the professional service context. The paper advances knowledge on B2B brand building by considering the potential role of the company employees and consequences that their behavior can lead to in this process. To conclude, the doctoral dissertation demonstrates that the brand equity perspective can serve as a valuable foundation for theoretically understanding and practically managing B2B brand building.

Abad (2012) studied The Customer Based Brand Equity in the Banking sector of Iran aiming to conceptualize the customer based brand equity in the financial service sector with respect to its effect on perception of brand. After employing Aaker's (1996) CBBE model, they found out that Perceived quality, brand loyalty, brand awareness and brand association are influential criteria of brand equity that enhances perception of brand in financial service sector.

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

Tong and Hawley (2009), researched about measuring Customer Based Brand Equity in the Sportswear market in China. Based on Aaker's conceptual framework of brand equity, they employed structural equation modeling to investigate the causal relationships among the four dimensions of brand equity and overall brand equity in the sportswear industry.

The study used a sample of 304 actual consumers from China's two largest cities, Beijing and Shanghai. The research's findings concluded that, brand association and brand loyalty are influential dimensions of brand equity and weak support was found for the perceived quality and brand awareness dimensions. Thus implying that sportswear brand managers and marketing planners should consider the relative importance of brand equity in their overall brand equity evaluation, and should concentrate their efforts primarily on building brand loyalty and image.

Hossien (2012) studied The Customer Based Brand Equity in the chocolate industry of Iran with the intention of identifying which factors are influential in building brand equity and also to measure the relationship among the dimensions of CBBE in the Iranian chocolate industry. After employing Aaker's CBBE model, the researcher found out that the brand equity of chocolate products is directly made up of two dimensions, namely brand loyalty and brand image. These two dimensions have a medium direct impact on brand equity. Other dimensions have a very small and indirect impact on brand equity that in chocolate industry of Iran.

There was a study conducted by Tenna (2013) with a title 'the importance of Brand equity in coffee shop chains of Tim Hortons and Starbucks in Canada'. Its focus was on a comparative analysis of the two coffee brands in Canada using the model developed by Aaker. This research work has investigated which of these two brands has the strongest brand equity, as well as which dimensions are most important in contributing to strong brand equity for the Canadian customer. The findings of the research showed that neither Tim Hortons nor Starbucks has stronger brand equity than the other and it is the loyalty dimension that explains both brand's equity.

In summary, past studies have examined the Aaker's brand equity model in studying consumer behavior in various industries, however; there is very little literature on the model's applicability in the beverage sector more specifically in the coffee industry in Ethiopia. Therefore this research is designed to fill this gap.

2.3 Conceptual framework

The implications of customer-based research suggest that measures of customers' brand perceptions are accurate reflections of brand performance in the marketplace. Strong, positive customer-based brand equity has a significant influence on the financial performance of the firm (Kim and Kim, 2004). Brand equity is a multidimensional concept and a complex phenomenon. Keller (2003) separated it into two components: awareness and association.

Aaker (1991, 1996) grouped it into five categories: brand awareness, brand loyalty, perceived quality, brand association, and other proprietary brand assets such as patents, trademarks, and channel relationships.

Among these five brand equity dimensions, the first four represent customers' evaluations and reactions to the brand that can be readily understood by consumers (Barwise, 1993; Yoo and Donthu, 2001), so they have been widely adapted to measure customer-based brand equity in previous studies.

In summary, strong brand equity means that customers have high brand-name awareness, maintain a favorable brand image, perceive that the brand is of high quality, and are loyal to the brand. Among several brand equity models in the literature, this study uses the one constructed by Aaker (1991), which is the most commonly cited. According to the initial model proposed by Aaker (1991), other proprietary assets were the fifth variable. For the purpose of this study this dimension will not be found relevant by the researcher. This is because other proprietary assets do not measure Brand Equity from customers' perspective; instead other proprietary assets measure brand Equity from company's perspective. With Aaker's brand equity model, this study sets out to examine the measurements of customer-based brand equity of Kaldi's coffee brand in which is shown in Figure 2.2 below.

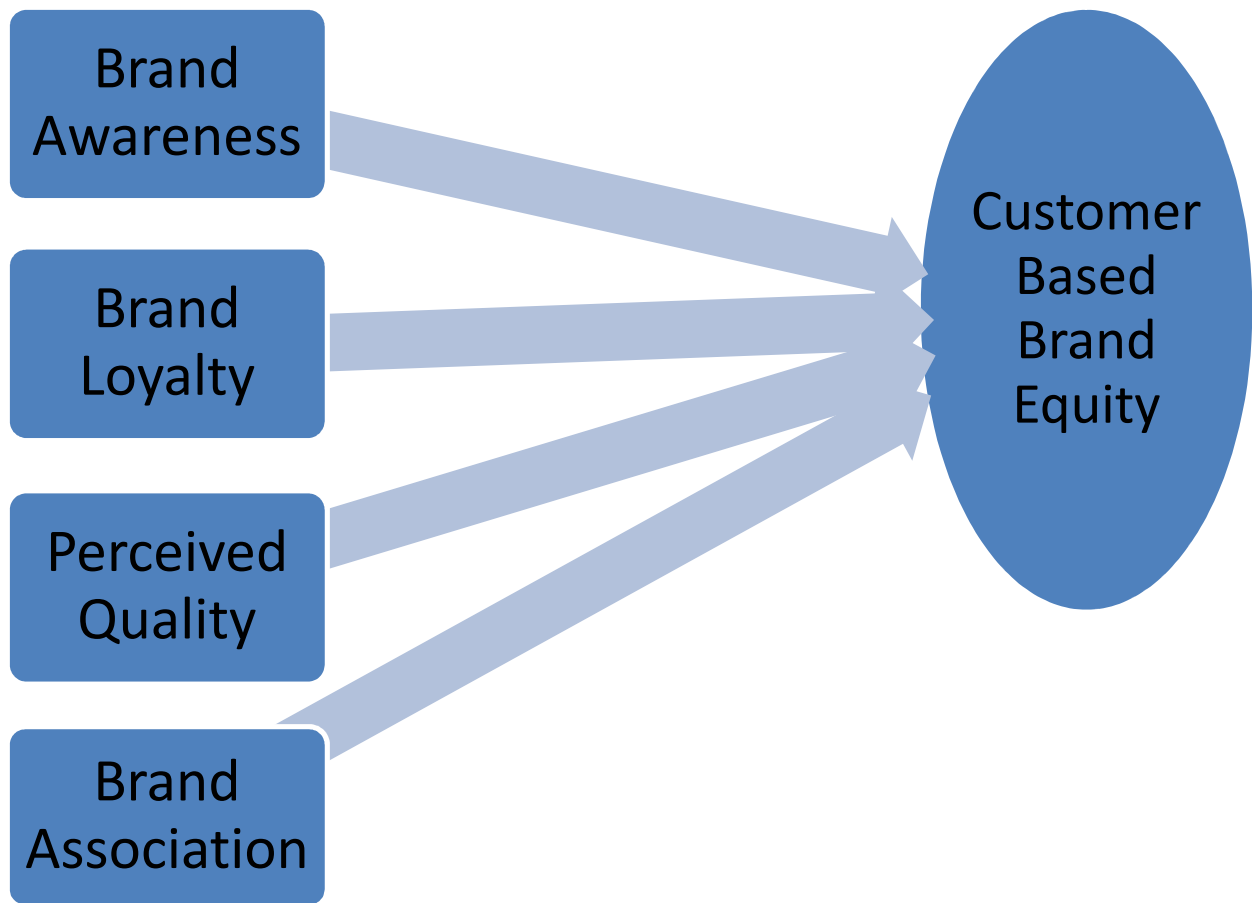


Fig.2.2 Conceptual Framework of the study adopted from- Aaker (1991)

2.4 Research hypothesis

Brand awareness; Brand awareness is an important component of brand equity. It refers to the ability of a potential buyer to recognize or recall a brand as a member of a certain product category (Aaker, 1991). According to Keller (1993), brand awareness consists of two sub-dimensions: brand recall and recognition. Brand recognition is the basic first step in the task of brand communication, whereby a firm communicates the product's attributes until a brand name is established with which to associate them. Brand awareness can be a sign of quality and commitment, letting customers become familiar with a brand and helping them consider it at the point of purchase (Aaker, 1991).

Thus, the following hypothesis is posited:

H1. Brand awareness has a significant positive direct effect on brand equity

Brand loyalty; Brand loyalty is at the heart of brand equity. It is the major component (Aaker, 1991). Researchers have been challenged to define and measure brand loyalty. From a behavioral perspective, it is defined as the degree to which a buying unit, such as a household, concentrates its purchases over time on a particular brand within a product category (Schoell and Guiltinan, 1990). From an attitudinal perspective, brand loyalty is defined as the tendency to be loyal to a focal brand as demonstrated by the intention to buy it as a primary choice (Oliver, 1997). According to Aaker (1991), brand loyalty adds considerable value to a brand and/or its firm because it provides a set of habitual buyers for a long period of time. Loyal customers are less likely to switch to a competitor solely because of price; they also make more frequent purchases than comparable non-loyal customers (Bowen and Shoemaker, 1998). Hence, the following hypothesis of the relationship between brand loyalty and brand equity is proposed:

H2. Brand loyalty has a significant positive direct effect on brand equity

Perceived quality; Perceived quality is the core facet across the CBBE framework (Aaker, 1996; Farquhar, 1989). It is not the real quality of the product but the customer's perception of the overall quality or superiority of the product (or service) with respect to its intended purpose, relative to alternatives (Zeithaml, 1988).

Perceived quality lends value to a brand in several ways: high quality gives customers a good reason to buy the brand and allows the brand to differentiate itself from its competitors, to charge a premium price, and to have a strong basis for the brand extension (Aaker, 1991).

Marketers across all product and service categories have increasingly recognized the importance of perceived quality in brand decisions (Morton, 1994). Kotler (1994) notes the intimate connection among product and service quality, customer satisfaction, and company portability. Based on the above definition and the suggested relationship of perceived quality and brand equity in the literature, the researcher has formulated this hypothesis

H3. Perceived quality has a significant positive direct effect on brand equity

Brand association; Brand association is anything linked in memory to a brand (Aaker, 1991). It is believed to contain the meaning of the brand for consumers. Brand association can be seen in all forms and reflects features of the product or aspects independent of the product itself (Chen, 2001). A set of associations, usually organized in some meaningful way, forms a brand image.

Brand associations create value for the firm and its customers by helping to process/retrieve information, differentiate the brand, create positive attitudes or feelings provide a reason to buy, and provide a basis for extensions (Aaker, 1991). CBBE occurs when customers have a high level of awareness and hold some strong, favorable, and unique brand associations in their memories. Based on this, then, the following hypothesis is posited:

H4. Brand association has a significant positive direct effect on brand equity

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

In this chapter, the researcher presents about the research approach, research method, research design, sample and sampling technique, sample size, data collection instrument, procedure of data collection and method of data analysis. Even though there are several brand equity models, this research has applied the most commonly cited model of Aaker. As cited by Tong & Hawley (2009), other researchers (Barwise, Yoo & Donthu) use the first four brand equity dimensions out of the five as they represent customers' evaluations and reactions to the brand and therefore they have been widely adopted to measure consumer-based brand equity. In addition, these brand equity dimensions are widely accepted and used by numerous researchers (e.g. Yoo et al., 2000; Kim et al., 2004; Pappu et al., 2005; Lee and Back, 2010; Pike et al., 2010; Kim and Hyun, 2011).

3.1 Research Approach

A research approach helps to decide upon issues like what, where, how much, by what means, etc., with regard to an enquiry or a research study.

Thus, research approach provides an outline of what the research is going to do in terms of framing the hypothesis its operational implications and the final data analysis.

This research has used a deductive approach as it is based on the gathered information from a literature review on that foundation the hypotheses were formulated. Later empirical information was gathered to accept or reject said hypotheses.

3.2 Research Design

A "research design is the arrangement of conditions for collections and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structures with in which research is collected; it constitutes the blue print for the collection, measurement and analysis of data"

According to Farhadi (2009) broadly classified the research design as exploratory, descriptive, and explanatory.

The author further defined exploratory research as a research approach which has a primary objective to insights into and understanding of the problem situation tackling the research and descriptive research as a type of a research approach that has a purpose to describe something. Moreover, if the research is concerned with learning of why (i.e. how one variable produces changes in another) the research is said to be explanatory. And hence to addresses the research questions, this study has used both descriptive and explanatory research design. Moreover, this research has followed a causal and cross sectional research approach.

3.3 Research Method

When conducting a research, there are different ways to consider in approaching the research problem. According to Creswell (2003), there are three research methods which involve quantitative, qualitative and combination of the two. According to Cooper et.al (2003) as cited by Farhadi (2009) quantitative research helps to determine the relationship between an independent variable and a dependent variable in a population. It also used to explain causal relationships to facilitate generalization and to predict the future whereas qualitative research methods provide a complete picture of the situation by increasing the understanding of social process and interrelations.

This research seeks to examine the relationship between brand equity and its four dimensions. As cited by Tong & Hawley (2009), other four brand equity dimensions out of the five as they represent customers' evaluations and researchers (Barwise, Yoo & Donthu) use the first reactions to the brand and therefore they have been widely adopted to measure customer-based brand equity.

In addition, these brand equity dimensions are widely accepted and used by numerous researchers (e.g. Yoo et al., 2000; Kim et al., 2004; Pappu et al., 2005; Lee and Back,2010; Pike et al., 2010; Kim and Hyun, 2011).

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

3.4 Population and Sampling Technique

All the items under consideration in any field of inquiry constitute a population. Whereas, sample technique is a definite plan for obtaining a sample from a given population.

3.4.1. Population

Population is defined as the complete set of units of analysis that are under investigation, while element is the unit from which the necessary data is collected (Davis 2000, pp. 220). As stated in the scope of the study, the research has tried to examine the applicability of CBBE model in Kaldi's coffee. Therefore the target population of the research was all customers of Kaldi's coffee.

3.4.2 Sampling Technique

It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. As a priori the researcher must decide the number of sample or sample size that she or he is going to use for the study. Sampling technique is of two types i.e. probability sampling and non-probability sampling. Probability sampling is based on the concept of random selection, whereas non-probability sampling is non-random sampling (Kothari, 2004).

The researcher selected the respondents out of the total population of customers of Kaldi's coffee through convenience sampling. Convenience sampling which also called accidental or opportunity sampling and it is a non-probability sampling technique in which a sample is drawn from that part of the population that is close to hand, readily available, or convenient (Bhattacharjeend 2012).

3.4.3. Sample size

According to Israel (2013), there are different strategies to calculate sample size. These include using census for small population, using a sample size of similar study, using published tables and using formula to calculate sample size.

The target population for this research has a vast number of customers. A similar study conducted by Tong & Hawley (2009) used a sample size of 330.

As per the on-line published table of sample size, the sample size taken for a population of more than 500,000 with a 95% confidence interval and a 5% margin of error is 384.

According to Davis (2000), a large population's sample size can be calculated by using the formula $n = Z^2 pq / e^2$

n=stands for the sample size which will be drawn

e = level of precision or sometimes called sampling error (is ranges in which the true value of the population would be estimated).

P= population proportion

q= 1-p

Z= level of confidence

The sample have been drawn from maximum variability of the population (P=0.5) with 95% level of confidence with 5% precision level.

Therefore;

$$n = 1.96^2 \times 0.5 \times 0.5 / 0.05^2 = 384$$

Many researchers commonly add 10% to the sample size to compensate for persons that the researcher is unable to contact (Israel, 2013). Sampling error is inversely related to the size of the sample (Kothari, 2004, p.154). Taking all into consideration, the researcher was able to distribute a total number of 422 questionnaires by adding 10% (on 384).

3.5 Data collection instruments

Interview, questionnaire and focus group discussions are the three known types of data collection instruments. Interview is qualitative data required to understand in-depth motivations for people's behavior or feelings (Adams 2007, pp.111). Questionnaire is a method of deciding how the sample is to be surveyed (e.g., by mail, by phone, in person) and developing the specific questions that will be used (Marczyk, DeMatteo and Festinger 2005, pp.152). Focus groups are formally organized, structured groups of individuals brought together to discuss a topic or series of topics during a specific period of time (Marczyk, DeMatteo and Festinger 2005, pp.154).

The researcher used primary data as a source of data. The means to collect the primary data was through self administered questionnaire. Because it was helpful to collect large amount of information in short period of time with larger sample size. Second, it was also the easiest method to analyze scientifically than other forms of research methods.

Finally, this method was a relatively cost effective and also can be carried out by the researcher or by any number of people with limited affect to its validity and reliability.

The questionnaire has two parts. The first part is regarding the socio-demographic data of respondents and the second part encompasses the items to measure the four dimensions of brand equity and the overall brand equity aspect which is based on work of Yoo and Donthu (2001). Apart from the first part, the rest was measured by using 5 point Likert scale ranging from "strongly agree" to "strongly disagree". Brand awareness has four items which were adopted from Aaker (1991) and Yoo & Donthu (2000). It measures the strength of the brand in a consumer's memory as reflected by the consumer's ability to identify various elements of it. Brand loyalty tries to attain consumer's overall commitment to being loyal to a brand. All items were adopted from Yoo & Donthu (2000) and Pappu et al. (2005). A measure for perceived quality has four items. They were adopted from Aaker (1991), Pappu et al. (2005). Having three items, brand association tries to measure the brand's uniqueness and favorableness and organizational associations. All the items were adopted from Aaker (1996), Keller (1993), Pappu et al. (2005) and Yoo & Donthu (2000).

3.6 Procedures of data collection

The researcher believes that legally operating translation offices have the experience and proficiency in translation, the questionnaire was translated into the local language of Amharic by one of these offices. The Amharic version of the questionnaire was delivered for those respondents who have low command of the English language.

After the translation was done, the researcher has modified the questionnaire when necessary. At the time of approaching the voluntary respondents, they were asked with which version of the questionnaire they would be at ease to fill; the English or the Amharic version and then given accordingly. The respondents were customers of Kaldi's who came to have coffee. Furthermore, the design of close ended question was comprised of 5 point likert scale and multiple choice questions.

3.7 Method of data analysis

Firstly descriptive statistical tools were used in the analysis. Descriptive analysis refers to statistically describing, aggregating, and presenting the constructs of interest or associations between these constructs.

Inferential analysis refers to the statistical testing of hypotheses (theory testing) (Bhattacharjee, 2012). Descriptive statistical tools like frequency, mean, standard deviation and cross tabulation was used. In addition SPSS version 20 has used to test the proposed hypothesis.

Correlation research type as it tests hypothesized relationships between variables. The research has tried to examine the relationship between brand equity and its four dimensions. Also the regression analysis was used to test the hypotheses.

3.8 Reliability and Validity Analysis

3.8.1 Reliability Analysis

Reliability is the degree to which the measure of a construct is consistent or dependable (Bhattacharjeend, 2012, p.57). For this study Cronbach's alpha has used to assess the internal consistency of variables in the research instrument. It is a reliability coefficient that indicates how well the items in a set are positively related to one another. In addition to these structured questionnaires with likert-scale would be used to remove unstructured answers.

Moreover, Cronbach's alpha is a coefficient of reliability used to measure the internal consistency of the scale; it represented as a number between 0 and 1 and items which scored above the acceptable value were retained. Out of the 25 copies of questionnaires sent out 20 questionnaires were completed and returned. As per Tavakol & Dennick (2011) if a test has more than one concept or construct, it may not make sense to report alpha for the test as a whole as the larger number of questions will inevitable inflate the value of alpha. In principle therefore, alpha should be calculated for each of the concepts rather than for the entire test or scale. According to Zikmund et al., (2010) scales with coefficient alpha between 0.6 and 0.7 indicate fair reliability, a Cronbach's alpha score of .70 or higher are considered as adequate to determine reliability.

An alpha coefficient of = 0.959 was obtained. Thus, the data generation was reliable and free of random errors.

Table 3.1 Reliability Analysis of the Variables

Measurement	Number of items	Cronbach's alpha
Brand Awareness	4	.813
Brand loyalty	4	.825
Perceived Quality	4	.887
Brand association	3	.857
Overall brand equity	3	.808
Reliability of all items	18	.959

(Source: Researcher's survey, 2018)

3.8.2 Validity analysis

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

According to Kothari (2004) Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it.

Based on this the content validity was verified by the professionals. In addition, pilot survey was conducted to receive feedback on the questionnaire before using it for final survey.

One additional type of validity that you may hear mentioned is face validity. Like content validity, face validity is determined by a review of the items and not through the use of statistical analyses. For this work the research advisor has looked over the tests and developed an informal opinion as to whether or not the test is measuring what it is supposed to measure.

3.9 Ethical consideration

The collection of data from human subjects raises important ethical considerations. These range from legitimacy to moral issues and usually involves trade-offs between competing pressures in a given situation.

A researcher needs to be mindful of the damage that can occur to themselves, the academic community and to the respondents when undertaking research. The key issues of concern are; physical or legal harm, deception, informed consent and privacy.

In this study, the researcher has followed all the ethical procedures. The participants in the study were selected with full consent and informed to respond for questionnaires with confidence and understanding the purpose of the thesis; and the researcher has reassured that the collected information will be kept confidential.

CHAPTER FOUR

ANALYSIS AND DISCUSSION

This chapter presents the data analysis and discussions on findings to test stated hypotheses. This research has focused on measuring Customers-Based Brand Equity in Kaldi's coffee using Aaker's Brand Equity model. As a result data were collected from the branches of Kaldi's coffee. The collected data are statistically treated in order to discover the relationship of the variables involved in the study.

4.1 Descriptive Analysis

4.1.1 Demographic Profile of Respondents

The first part of the questionnaire consists of the demographic characteristics of respondents. This part of the questionnaire requested a limited amount of information related to personal and demographic status of the respondents.

Accordingly, the following variables about the respondents were summarized and described in the subsequent table. These variables includes; gender, age, current job, frequency of coffee drinking and preference of respondents. From the total respondents, the male coffee consumers constituted the highest percentage (67.6%) while their female counterparts only constituted (32.4%) of the total respondents. This implies that the majority of Kaldi's coffee consumers are male. From this one can say that males enjoy having coffee out of their home than their female counterparts.

The age profile of respondents is led by the age group 18-35 which represents 61.9% of the sample. The next largest is the age group that is between 36 and 50 which comprises of 33.1% of the total sample. The remaining 5% includes those respondents whose ages are above 50. From this it can be said that as age increases, the consumption of coffee decreases due to various reasons.

Considering the current jobs, 53.6% of the customers of Kaldi's are employees in government or private organizations. The self- employed respondents represent 25.6% of the sample. 12.2% of the respondents are students and those who are neither students nor employees are 8.5% of the sample. From this it can be noticed that large number of Kaldi's coffee customers are employees in private or public institutions. Results of the study indicate that 44.8% of the respondents drink Kaldi's coffee on a daily basis. 20.7% of them on a weekly basis. Those who drink Kaldi's coffee occasionally and monthly account for 32.9% and 1.6% of the respondents.

From this it can be deduced that daily coffee drinkers of Kaldi's coffee are relatively loyal than those who take coffee monthly or occasionally.

With regards to preference and reason for choosing Kaldi's, out of the total respondents, 95.9% of them prefer Kaldi's coffee and 4.1% of them do not prefer it. Those who prefer Kaldi's for its taste account for 36.3%. 27.2% of the respondents choose Kaldi's as a result of its convenience. Image and price account for 24.6% and 11.9% respectively.

Table 4.1 summarizes the profile of the respondents below.

Items		Frequency	Valid Percent
Gender	Male	261	67.6
	Female	125	32.4
	Total	386	100.0
Age	18-35	239	61.9
	36-50	128	33.2
	>50	19	5.0
	Total	386	100.0
Current Job	Student	47	12.2
	Employee	207	53.6
	Self-employed	99	25.6
	Others	33	8.5
	Total	386	100.0
Frequency of coffee drinking	Daily	173	44.8
	Weekly	80	20.7
	Monthly	6	1.6
	Occasionally	127	32.9
	Total	386	100.0
Preference of kaldi's coffee	Yes	370	95.9
	No	16	4.1
	Total	386	100.0
Reason for preference	Taste	140	36.3
	Convenience	105	27.2
	Image	95	24.6
	Price	46	11.9
	Total	386	100.0

(Source: Researcher's Survey, 2018)

4.1.2 Brand Equity Dimensions

As a measurement of brand equity dimension, table 4.2 to table 4.6 presents the items from brand awareness, brand loyalty, perceived quality, brand association, and overall brand equity. All parts of the dimensions were processed, analyzed and interpreted in order to achieve the desired result. In order to analyze the respondents overall Customer Based Brand Equity, a total of 18 questions were grouped into the four dimensions of Customer Based Brand Equity which are: Brand awareness, Brand loyalty, Perceived quality and Brand association. In order to compare the respondents brand equity, descriptive statistics of mean and standard deviation are used. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. The higher the mean the more the respondents agree with the statement while the lower the mean the more the respondents disagree with the statement. In addition, standard deviation shows the variability of an observed response. Below the results are discussed one by one.

Table 4.2 Descriptive statistics of Brand Awareness

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Mean	Std. Deviation
Among competing companies, I can recognize Kaldi's easily	0.8%	7.5%	20.7%	52.8%	18.1%	100%	4.67	.849
I know Kaldi's is a coffee selling company	0%	0.8%	0%	29.8%	69.4%	100%	3.80	.515
I know Kaldi's offers variety coffee brands	2.8%	17.6%	17.4%	43.0%	19.2%	100%	3.58	1.07
When I think of having coffee, Kaldi's comes first to my mind	13.2%	11.9%	3.1%	34.2%	37.6%	100%	3.70	1.41
Brand awareness							3.94	.807

(Source: Researcher's survey, 2018)

According to the above table, the respondents who agree and strongly agree with the first item of Brand Awareness amount to 52.8% and 18.1% respectively. Those who are neutral make up 20.7%. The rest which are 7.5% and 0.8% represent those respondents who disagree and strongly disagree with the statement respectively.

For the second item, those who agree and strongly agree with the statement sum up to 29.8% and 69.4% respectively. Those who disagree add up to 0.8%. In the case of the third item, 43.0% goes to those respondents who agree and 19.2% to those who strongly agree with the statement. Those who disagree and strongly disagree make up 17.6% and 2.8% respectively while those claiming to be neutral add up to 17.4%. For the last item, 37.6% are those who strongly agree, 34.2% are those who agree, 11.9% are those who disagree and 13.2% are those who strongly disagree with the statement.

Neutral responses make up 3.1%. Despite the majority of the respondents are familiar with the brand the brand knowledge in memory as well as the depth of brand awareness seems to be lower. So, from the above table we can understand that customers of Kaldi's coffee have a good brand awareness.

According to Keller (2003) brand awareness is the customers' ability to recall and recognize the brand as reflected by their ability to identify the brand under different conditions and to link the brand name, logo, symbol, and so forth to certain associations in memory. Accordingly, the respondents were asked 4 questions related to brand awareness.

As per table 4.2. the list of items comprising of brand awareness, the mean score for the item

Among competing companies, I can recognize Kaldi's easily Scored the highest with a mean score of 4.67 While the item " I know that Kaldi's offers variety coffee brands " scored the lowest with a mean score of 3.58. The overall mean score for the Brand Awareness dimension is 3.94 which indicate that the respondents have a good brand awareness of the coffee brand they consume.

Table 4.3 Descriptive statistics of Brand Loyalty

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	mean	Std. deviation
When consuming coffee, Kaldi's will be my first choice	10.6%	14.2%	3.9%	44.6%	26.7%	100%	3.62	1.301
I would recommend Kaldi's to others	8.3%	14.8%	5.7%	38.3%	32.9%	100%	3.72	1.285
I would remain loyal to Kaldi's even though the price becomes higher than that of others	21.5%	6.5%	12.4%	40.7%	18.9%	100%	3.29	1.417
I wouldn't replace Kaldi's by other coffee brands	22.0%	4.9%	8.8%	41.5%	22.8%	100%	3.38	1.454
Brand loyalty							3.50	1.287

(Source: Researcher's survey, 2018)

According to Table 4.3, 44.6% and 26.7% of the respondents agree and strongly agree that Kaldi's will be their first choice. Those who strongly disagree and disagree represent 10.6% and 14.2% of the respondents respectively. 3.9% of the total respondents are neutral with the statement. Considering the second question, majority of the respondents recommend Kaldi's to others. 8.3% and 14.8% respectively strongly disagree and disagree on recommending Kaldi's to others.

Looking at the third question from the table above, 28.0% (adding 21.5% and 6.5%) of the respondents are price sensitive that they won't buy Kaldi's if its price becomes higher than that of competitors. On the other hand more than 59.6% of the respondents are price insensitive. Those who are neutral about the issue represent 12.4% of the respondents. When seeing the last question, 64.3% (adding 41.5% and 22.8%) of the respondents are not willing to replace Kaldi's by other coffee brands. 26.9% of the respondents will replace Kaldi's with other coffee brands and 8.8% of them are neutral.

Loyalty is a core dimension of brand equity. Aaker (1991) defines brand loyalty as the attachment that a customer has to a brand. Based on this definition, 4 items related to brand loyalty were put to the respondents.

Table 4.3 shows that I would recommend Kaldi's to others scored the highest among the list of items related to brand loyalty with a mean score of 3.72 while the respondents gave the least score of 3.29 to the item I would remain loyal to Kaldi's even though the price becomes higher than that of competitors. This clearly indicates that even though the respondents see themselves as loyal customers, they are also sensitive to price changes.

Table 4.4 Descriptive statistics of Perceived quality

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	mean	Std. deviation
Kaldi's coffee provides me a good taste	0%	3.6%	8.0%	61.7%	26.7%	100%	4.11	.693
The aroma of Kaldi's coffee gives me a refreshing feeling	0%	3.4%	6.5%	48.4%	41.7%	100%	4.28	.732
I become energized after having Kaldi's coffee	0%	0%	1.6%	47.7%	50.8%	100%	4.49	.530
Drinking Kaldi's coffee makes me active for longer hours	0%	0%	1.6%	37.8%	60.6%	100%	4.59	.523
Perceived quality							4.37	.473

(Source: Researcher's survey, 2018)

As can be seen from the table above, for the first item of Perceived Quality, 61.7% and 26.7% of the respondents agree and strongly agree with the statement respectively. 8.0% of the respondents are neutral. And 3.6% of them disagree with the statement Kaldi's coffee provides me a good taste.

For the second item of Perceived Quality, 48.4% and 41.7% agree and strongly agree with the statement respectively. Respondents claiming to be neutral amount to 6.5%. Those stating "disagreement" make up 3.4% of the respondents.

With regards to the third item, those saying "agree" and "strongly agree" amount to 47.7% and 50.8% respectively. 1.6% of the respondents are neutral. No respondent was found for a strong disagreement and disagreement for the third item of Perceived Quality. This implies that majority of the respondents feel energetic and become alert after taking Kaldi's coffee.

When looking at the fourth item, 37.8% and 60.6% of the respondents agree and strongly agree with the statement "Drinking Kaldi's coffee makes me active for longer hours. Those who were neutral represent 1.6% of the total respondents.

Perceived quality is the customer's judgment about a product's overall excellence or superiority that is different from objective quality Aaker (1996). Since it's impossible for consumers to make complete and correct judgments of the objective quality, they use quality attributes that they associate with quality. Perceived quality is hence is formed to judge the overall quality of a product.

As illustrated on Table 4.4 all of the variables of Perceived Quality scored relatively high with an overall mean score of 4.37. The respondents also gave the highest mean score to "Drinking Kaldi's coffee makes me active for longer hours with a mean score of 4.59 while they gave a low mean score of 4.11 to the item "Kaldi's coffee provides me a good taste." The results indicate that the respondents have a high level of perceived quality towards their coffee brand choice.

Table 4.5 Descriptive statistics of Brand Association

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	mean	Std. deviation
I take Kaldi's as a heritage	1.6%	0.8%	29.0%	39.1%	29.5%	100%	3.94	.869
I experience a sense of socialization at Kaldi's	3.6%	11.1%	40.7%	33.9%	10.6%	100%	3.36	.942
I feel energized after taking Kaldi's coffee	0%	3.6%	8.0%	61.7%	26.7%	100%	4.11	.693
Brand association							3.80	.690

(Source: Researcher's survey, 2018)

As can be seen from the table above, majority of the respondents take Kaldi's as a heritage. More than 50% of the respondents do not feel the sense of socialization at Kaldi's since coffee is a social drink that served in groups rather than individually.

Considering the third question, 61.7% and 26.7% of the respondents agree and strongly agree with the statement. Brand associations consist of all brand related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes (Kotler and Keller 2006) and is anything linked in memory to a brand.

Hence, 3 items related to brand association were put to the respondents. Table 4.5 shows that the respondents scored the highest for the item "I feel energetic after taking Kaldi's coffee" with a mean score of 4.11 while the lowest went to the item which states "I experience a sense of socialization at Kaldi's coffee." This implies that customers of Kaldi's consider it as a heritage and become energetic after having it but the extent of association didn't result to create feeling of socialization at Kaldi's coffee.

Table 4.6 Descriptive statistics of overall Brand Equity

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	mean	Std. deviation
Overall I am satisfied with Kaldi's coffee	4.9%	11.7%	12.2%	40.4%	30.8%	100%	3.80	1.14
Kaldi's is the leading coffee brand	7.5%	14.8%	6.5%	36.3%	34.9%	100%	3.76	1.27
Overall Kaldi's is my favored coffee brand	7.5%	16.6%	4.7%	49.7%	21.5%	100%	3.61	1.20
Overall brand equity							3.72	1.17

(Source: Researcher's survey, 2018)

As shown in the table above, respondents who agree with the first item amount to 40.4% and those who strongly agree add up to 30.8%. Those who replied "neutral" make 12.2%. From this it can be said that more than half of the respondents are satisfied with Kaldi's.

For the second item, 71.2 % (adding 36.3% and 34.9%) of the respondents believe that Kaldi's is the leading coffee brand. A total of 22.3% of the respondents do not accept Kaldi's as a leading coffee brand.

The rest (6.5%) goes to those who are neutral in their responses. For the last item, 71.2 % (adding 49.7% and 21.5%) replied that Kaldi's is their favored coffee brand. 24.1% (adding 16.6% and 7.5%) of the respondents said that Kaldi's is not their favored coffee brand and the rest 4.7% of respondents replied neutral to the statement.

In order to test the respondents overall brand equity, three items were given for the respondents to answer. As can be seen from Table 4.6, the respondents gave a low mean score of 3.61 to the item

Overall Kaldi's is my favorite coffee brand. From the above table it can be said that majority of the respondents implying that they are satisfied with Kaldi's coffee.

4.2 Inferential Statistics

4.2.1 Correlation Analysis

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

General guidelines of correlations of .01 to .03 are considered small, correlations of 0.3 to 0.7 are considered moderate, correlations of 0.7 to 0.9 are considered large and correlations of 0.9 to 1.00 are considered to be very large (Marczyk, Dematteo and Festinger, 2005). Depending on these assumptions, all basic constructs were included into the correlation analysis and a bivariate two tailed correlation analysis was done.

Table 4.7 below shows the correlation between the 4 dimensions of brand equity and the overall customer based brand equity.

		Perceived Quality	Brand Awareness	Brand Association	Brand Loyalty	Overall Brand Equity
Perceived Quality	Pearson Correlation Sig. (2-tailed)	1				
Brand Awareness	Pearson Correlation Sig. (2-tailed)	.619**	1			
Brand Association	Pearson Correlation Sig. (2-tailed)	.681**	.774**	1		
Brand Loyalty	Pearson Correlation Sig. (2tailed)	.522**	.884**	.733**	1	
Overall Brand Equity	Pearson Correlation Sig.(2tailed)	.611**	.900**	.788**	.928**	1
** . Correlation is significant at the 0.01 level (2-tailed)						

(Source: Researcher's survey, 2018)

As per table 4.7 above, the coefficients show that the four factors measuring customers based brand equity were all positively correlated with the overall brand equity within the range of 0.611 to 0.928; all were significant at P= 0.0001 level.

Out of the four independent variables, Perceived Quality showed a moderate positive relation (0.611) with Brand Equity while Brand Association showed a large level of positive relation (0.788) with the Brand Equity. The rest two variables namely, Brand Awareness and Brand Loyalty show a very large level of positive relation of 0.900 and 0.928 respectively.

Table 4.7 also shows the correlation of the independent variables within themselves. It can be noted that all variables are positively correlated with each other where the strongest correlation goes to the one between Brand Awareness and Brand Loyalty (p= 0.884) while the correlation is moderate between Perceived Quality and Brand Loyalty (p= 0.522). Brand Association also has a strong relationship with Brand Awareness (p= 0.774).

4.2.2 Test for Linear Regression Model Assumptions

4.2.2.1 Test of normality of the Data

Among the others, one of the assumptions was normality of the data should be tested before running the analysis of the data using Skewness and Kurtosis.

According to Fieled (2005), normally distributed data assumed that the data are from one or more normally distributed populations.

The rationale behind hypothesis testing relies on having normally distributed populations and so if these assumptions are not met then the logic behind hypothesis testing is flawed. Therefore, value of S (Skewness) and K (Kurtosis) and their respective standard errors were computed. An absolute value between -2 and +2 score for Skewness and Kurtosis is expected to be significant at $p < 0.05$. Large sample will give rise to small standard errors and so when sample sizes are big, significant values arise from even small deviations from normality for both skewness and Kurtosis (Fieled, 2005).

Table 4.8 Skewness and Kutosis for normality of data

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Brand awareness	386	-.764	.124	-.318	.248
Brand Loyalty	386	-.815	.124	-.796	.248
Perceived Quality	386	-.786	.124	.393	.248
Brand Association	386	-.611	.124	.845	.248
Overall brand equity	386	-.928	.124	-.333	.248
Valid N (list wise)	386				

(Source: Researcher's Survey, 2018)

As we can see from table 3.3 above all the absolute values of Skwness and the kurtosis are between -2 and +2.

4.2.2.2 Normality Assumption

Normality of a data should be tested before running the regression analysis because multiple regressions require that the independent variables in the analysis be normally distributed. According to Abate (2012) if the residuals are normally distributed, the histogram should be bell- shaped and thus this study implemented graphical methods to test the normality of data.

From the Histogram figure (see Appendix 4), it can be noted that the distribution is normal curve, demonstrating that data witnesses to the normality assumption. As the assumption holds as the histogram was a bell- shaped and the residuals were normally distributed around its mean of zero which indicates that the data were normally distributed, and the inferences made about the population parameters from the sample statistics tend to be valid.

4.2.2.3 Multicollinearity Test Assumption

In regression, multicollinearity occurs when independent variables in the regression model are more highly correlated with each other than with the dependent variable. When the independent variables the regression model is highly correlated with one another; they are basically measuring the same thing. In other words, when two variables are highly correlated, they both communicate essentially similar information. One way to assess multicollinearity is to examine correlations among the independent variables. If a correlation matrix demonstrates correlations of 0.90 or higher among the independent variables, they may be a problem with multicollinearity. Hair et al. (2006) argued that correlation coefficient below 0.90 may not cause serious multicollinearity problem, cited by Muhammed (2012). Multicollinearity can also be detected using tolerance value and variance inflator factor (VIF) value. An insignificant tolerance value point to the variable under discussion is almost a perfect liner combination of the independent variables already in the equation and that it should be dropped out from to the equation. Multicollinearity does not exist among all the independent variables provided that the tolerance value of all the independent variables was greater than 0.1 and the VIF values of all the independent variables are also less than 10. As you can see from table 4.13 below all independent variables are greater than 0.1 and the VIF value of all the independent variables are also less than 10.

Table 4.9 Multicollinearity

Model I	Collinearity Statistics	
	Tolerance	VIF
Brand Awareness	.174	5.757
Brand Loyalty	.208	4.798
Perceived Quality	.505	1.982
Brand Association	.320	3.128

(Source: Researcher's survey, 2018)

4.2.3 Regression Analysis

Table 4.9 shows that the tolerance values of all the independent variables were greater than 0.1 and the VIF values of all the independent variables were less than 10. This indicates that model I was free from multicollinearity. Hence, there was no problem of multicollinearity between the independent variables in the model. Therefore regression analysis was done. In order to see the contribution of factors that shape the customer based brand equity in Kaldi's coffee, a regression analysis was employed. Brand Equity was used as the dependent variable while the underlying dimensions of customer based brand equity were used as the independent variables. Table 4.10 provides the results of the regression analysis.

Table 4.10 Regression analysis of Brand Equity dimensions

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-1.124	.184		-6.123	.000
Brand awareness	.355	.056	.243	6.358	.000
Brand loyalty	.538	.032	.588	16.834	.000
Perceived quality	.181	.056	.073	3.240	.001
Brand Association	.203	.048	.119	4.226	.000

a. Dependent Variable: Brand Equity

b. Predictors: (Constant) Brand Awareness, Brand Loyalty, Perceived Quality and Brand Association
(Source: Researcher's survey, 2018)

Similarly, the regression table (see Appendix 3) shows the overall significance/ acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value of (.000), which is less than $p < 0.05$. Thus, the model is significant which indicates that the variation explained by the model is not due to chance.

As stated earlier, this study aims to identify the most contributing independent variable in the prediction of the dependent variable. Thus, the strength of each predictor (independent variable) contributing the criterion (dependent variable) can be investigated via standardized Beta coefficient.

The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The larger value of Beta coefficient an independent variable has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable. Brand Awareness, Brand Loyalty, Perceived quality and Brand Association were found to be a determinant of brand equity in their ascending order referring to Brand Loyalty as the most important underlying and contributing factor of Customer Based Brand Equity in Kaldi's coffee.

Table 4.11: ANOVA

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	482.601	4	120.650	887.982	.000 ^b
1 Residual	51.767	381	.136		
Total	534.367	385			

a. Dependent Variable: BE

b. Predictors: (Constant), Brand Awareness, Brand Loyalty
Perceived Quality and Brand Association

The ANOVA test is a way to find out if survey results are significant. In other words the ANOVA test helps us to figure out if we need to reject the null hypothesis or accept the alternative hypothesis. As can be seen from the table above it can be said that all the alternative hypothesis were accepted.

Table 4.12: Model Summary

Model	R	R Square	Adjusted R Square	Std.Error of Estimate	Durbin-Watson
1	.950 _a	.903	.902	.36861	1.739

- a. Predictors: (Constant), Brand Loyalty, Brand Association, Perceived Quality, Brand Awareness
- b. Dependent Variable: Overall Brand Equity

As one can see from the above Model Summary table the adjusted R Square statistic tells us the proportion of variance in the dependent variable that is accounted for by the independent variables.

In this case the coefficient of determination adjusted (R^2) was 0.902. This implies that about 90.2% of the dependent variable (i.e. Brand equity) can be explained by the independent variables (i.e., Brand Awareness, Brand Loyalty, Perceived Quality and Brand Association), leaving about 9.8% to be explained by other exogenous factors. Adjusted R^2 values also indicate the overall effect size of all the independent variables on the dependent variable. According to Table 4.11, the standardized coefficients for the four independent variables Brand Awareness, Brand Loyalty, Perceived quality and Brand Association 0.243, 0.588, 0.073, 0.119 and their significance levels are .000, .000, .001, .000 respectively which are all less than 0.05. This indicates a significant relationship between the independent variables and the dependent one. Since, coefficients of the predictor variables are statistically significant at less than five percent; alternative hypotheses related to all four dimensions of brand equity were accepted.

From the above table 4.10 we can have the following general formula for the model under the study.

The regression equation was

$$OBE = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \Sigma \dots \dots \dots (1)$$

$$OBE = \alpha + \beta_1BAW + \beta_2BL + \beta_3PQ + \beta_4BAS \dots \dots \dots (2)$$

$$OBE = -1.124 + 0.243BAW + 0.588BL + 0.073PQ + 0.119BAS + \Sigma \dots \dots (3)$$

The regression model from table 4.14 above result shows that keeping other variables constant 0.243 unit increase in Brand awareness will bring a unit increase in the brand equity of Kaldi's coffee.

0.588 unit increase in Brand loyalty will have a unit increase contribution on brand equity of Kaldi's coffee.

0.073 unit increase of Perceived quality will have a unit increase contribution on brand equity of Kaldi's coffee. 0.119 unit increase of Brand association will have a unit increase of brand equity of Kaldi's coffee.

4.2.4 Hypothesis Testing and Interpretation of Results

Table 4.13 Summary of the overall outcome of the Research Hypotheses

Hypotheses	Result	Reason
H1: Brand Awareness has a significant and positive direct effect on brand equity in Kaldi's coffee	H1: Accepted	=0.243, p<0.05
H1: Brand Loyalty has a significant and positive direct effect on brand equity in Kaldi's coffee	H1: Accepted	=0.588, p<0.05
H1: Perceived Quality has a significant and positive effect on brand equity in Kaldi's coffee.	H1: Accepted	= 0.073, p<0.05
H1: Brand Association has a significant and positive direct effect on brand equity in Kaldi's coffee	H1: Accepted	=0.119, p<0.05

(Source: Researcher's survey, 2018)

Discussion

In this section, the major findings will be summarized and the results of this research will be further elaborated.

By Looking at the demographic profile of the respondents, the consumption of Kaldi's coffee is highly differentiated. When looking into the gender profile of the respondents, it was found that male customers outnumbered their female counterparts. The second parameter of the demographic profile of respondents in this survey reveals that Kaldi's coffee consumption is also concentrated within the youngster population between the ages of 18 and 35 followed by the adult age category of 36-50. The age group which is above 50 years of constituted a smaller percentage of the total population. With regards to the current job, more than half of the respondents (53%) stated that they are employees at government or private organizations followed by self-employed groups. Those who are not employed and students share a small proportion of the respondents.

When considering the frequency of coffee drinking, this study has found that 44.8% of the respondents drink Kaldi's coffee daily, 32.9% occasionally and 20.7% of them on a weekly basis. Of these Kaldi's coffee drinkers, this study has found that the parameter taste accounts the highest reason for drinking followed by convenience. When having a look into what the respondents replied on the questionnaires, although they gave a more or less positive feedback for all the Brand Equity dimensions, questions relating to Brand Awareness and Perceived Quality received the highest mean scores while the lowest went to Brand Loyalty. The four independent variables had a positive correlation with brand equity as revealed from the Pearson's Correlation Coefficient. The coefficients of the variables indicated that the variables have different magnitudes of correlation with the dependent variable. Accordingly, Brand Loyalty and Brand Awareness had the highest correlation, while Perceived Quality got a moderate correlation.

This study is designed and carried out in order to identify and measure the underlying dimensions of Customer Based Brand Equity in Kaldi's coffee.

According to the study's findings, all the four dimensions: Brand Awareness, Brand loyalty, perceived quality and Brand Association were identified as having a contribution on the brand Equity of the respondents. The contribution of Brand Loyalty was found to be the most important.

It is a known fact that loyal customers are the first and foremost assets of a company. Unless a company gets the loyalty of its customers, other peripheral benefits such as positive word of mouth and repeat purchase will not be achieved. In this study the researcher found that brand loyalty had the greatest contribution on the brand equity of Kaldi's coffee. This result is supported in the works of Aaker (1996). Perceived Quality is also one predictor of brand equity. For the questions raised in this category, perceived quality was expected to contribute on the overall brand equity positively and significantly and the researcher also retained the hypothesis. The findings of this research are consistent with that of Abad (2012) and Hossien (2012) who found out that Perceived Quality had a positive effect or contribution on the customer's overall brand equity. Moreover, Aaker (1996), views Perceived Quality as is the core/primary facet across the CBBE framework. Similarly Zeithaml (1988) describes Perceived Quality as not the real quality of the product but the customer's perception of the overall quality or superiority of the product (or service) with respect to its intended purpose, relative to alternatives.

Nowadays, marketers across all product and service categories have increasingly recognized the importance of perceived quality in brand decisions. Brand Association and Brand Awareness were also found to be other important determinants of brand equity. Umar et.al (2012) also found out that Brand Awareness is the major dimension in determining the overall Brand Equity in the Nigerian Banking Sector.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter winds up the study undertaken so far by giving insights about summary, conclusions, recommendations and highlighting future research areas.

5.1 Summary of the Major Findings

In this chapter of the study, summary of the major findings and conclusion of the study is presented.

5.1 Summary

The primary objective of this study was to assess Aaker's Customer-based brand equity model in the case of Kaldi's coffee. In order to do this, four determinants of customers based brand equity are used. These are Brand Awareness, Brand Loyalty, Perceived Quality, and Brand Association. Hence, this study has attempted to identify which determinant has the highest contribution on the overall brand equity of Kaldi's coffee. In addition, this study has also tried to answer the research questions stated on the introduction part.

As stated above, in order to measure the customer-based brand equity in Kaldi's coffee, the study considered four determinants namely Brand Awareness, Brand Loyalty, Perceived Quality, and Brand Association. A sample size was selected using simple random technique. Based on the theoretical framework and objectives of the study, 18 items were provided in a 5 point Likert scale to the respondents. The gathered data were analyzed by means of descriptive and inferential statistics using SPSS version 20 software.

The findings of the descriptive analysis indicate that majority of the customers of Kaldi's are males and they are on the age group of 18-35.

Out of the total respondents, employees at private or government organizations dominate in number.

Daily Kaldi's coffee drinkers outweigh their weekly, monthly and occasional counterparts and coffee drinkers prefer Kaldi's more for its taste.

In the inferential statistics part the following results were achieved:

- The results indicate that although all four variables had a positive and significant effect on the overall brand equity of Kaldi's coffee, brand loyalty, brand awareness, brand association and perceived quality had contribution on brands equity respectively in the Kaldi's coffee.
- The first hypothesis which states that Brand awareness has a significant positive effect on overall brand equity of Kaldi's coffee was accepted.
- Brand Loyalty was found to be significant and the most contributing dimension of brand equity in Kaldi's coffee.
- The third hypothesis was also accepted in the same manner which claims that perceived quality has a significant positive effect on overall brand equity of Kaldi's coffee.
- The fourth hypothesis was also accepted as they claim that brand association has a significant positive effect on overall brand equity of Kaldi's coffee.
- Finally, overall brand equity was found to be positively explained by the sum of the four independent variables by 90.2 % in this study and the remaining 9.8% of the dependent variable (i.e. Overall brand equity) was explained by other exogenous variables.

5.2 Conclusions

Brand equity has received continuous attention from researchers and marketing managers and there is great abundance of models and concepts related to Brand Equity, however there are few studies based on empirical data on the beverage sector. The present study entails a detailed and empirical analysis of the sources of Brand Equity in the Kaldi's coffee. This research has used the Aaker's Brand Equity model, as the most common and well accepted framework in a specific consumption sector and market. This study was the first in its kind in Ethiopia and replication of the model out of the developed nations. Previous studies were conducted in industrial firms and service providing institutions. No beverage especially coffee related study was available. As a result, the study resulted in many appealing results.

- The findings support the customer-based Aaker's Brand Equity model. Thus, the initially proposed coffee Brand Equity sources -Brand awareness, Brand loyalty, Perceived Quality, and Brand Associations - show a significant and positive contribution on the Brand Equity of Kaldi's coffee.

- One of the objectives of this study was to find out which dimension has the most significant contribution in determining the customers-based brand equity in Kaldi's coffee and the results revealed that brand loyalty was the most significant variable affecting customers based brand equity. However, the other dimensions also have contributed CBBE but their intensity was less than the dimension of Brand Loyalty.
- The independent variables in this study have positive and significant correlation with the overall brand equity, which implies that the independent variables had effect on CBBE in the model.
- At the beginning of the study it was hypothesized that all the four determinants of CBBE had a positive and significant effect or contribution on the overall brand equity of Kaldi's coffee. After the analysis was done, the findings showed that the major dimension which contributes the customers based brand equity in Kaldi's coffee was brand loyalty. Even though the other three variables did not contribute to the overall brand equity as that of Brand Loyalty, the hypotheses drawn were accepted because they had a significant and positive effect and contribution on the overall brand equity of Kaldi's coffee. These results have been supported by the works of (Aaker D. A., 1996), as well as (Keller K. L., 1993).

5.3 Recommendations

Therefore, companies in the coffee roasting sector must be aware of their status in the industry. In order to do this, they must follow the following steps. First of all coffee roasting companies must check their brand health in the industry. This will help them to see whether brand needs rehabilitation, renovation, or extension. After checking for these situations, the company can decide what kind of measure to take.

The second aspect that can be forwarded here is brand equity is inevitable in this sector. From the findings, we have seen that, Brand Loyalty is the most contributing variable. So, it appears reasonable to use it more intensely to create a link with consumers. In this sense, social networks have proven to be an effective communication channel for developing Brand Loyalty by creating virtual communities of loyal consumers. To get the optimal benefit from its loyal customers, the company should use various techniques like arranging seats, sending gifts or mastering their coffee type choice. Therefore, the coffee roasting company should adopt and incorporate customer-centered orientation, in order to increase brand loyalty to its coffee brands.

In addition Kaldi's must involve in promotional activities and social engagements such as building a corporate social responsibility activities so that a strong brand equity is achieved.

Finally the perceived quality of Kaldi's coffee is receiving a low proportion; the coffee roasting company must work hard by enhancing its professionalism and genuine responsibility. In terms of association, the company must build strong brand to forward in the market for long term.

5.4 Directions for Future Research

This study has mainly focused on measuring customer based brand equity using Aaker's model in Kaldi's coffee. The research would have been more conclusive if it had considered more models which were specific to the coffee roasting sector. This study has covered only Kaldi's coffee. However, it would have been better if additional coffee brands were included so that a comparative study was made. Therefore any party interested in this area can study the hierarchical relationship of the antecedents of the brand equity model in other sectors.

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Appendices

Appendix 1; Questionnaire in English

Addis Ababa University
School of Commerce

Measuring Customer Based Brand Equity: The case of Kaldi's coffee

Dear respondent

My name is Yonas Abebe. I am currently conducting a research as part of a partial fulfillment of the requirements for the degree of Masters of Art in Marketing Management. The purpose of the research is to find out the factors contributing to the brand equity of **Kaldi's** coffee. All information obtained will be used for academic purpose only. Hence be assured that your responses will not be revealed to anyone. Please answer **all** the questions as they are vital for the success of this research.

For more information please contact me via **+251-911-90-86-93**. Thank you in advance for your utmost cooperation.

Part I: Demographic or Personal Information

Please reply to the following statements by showing your level of agreement / disagreement on each by putting a " " mark.

1. Gender

Male Female

2. Age

18-35 36-50 More than 50Age

3. In what type of job are you currently engaged?

Student Employee at a private or government organization

Self- employed others

4. How often do you drink coffee from **Kaldi's** ?

Daily Weekly Monthly Occasionally

5. Do you prefer **Kaldi's** than other coffee brands?

- A. Yes B. No

6. If your answer for question 5 is yes, why do you prefer **Kaldi's**?

- A. Because of its taste B. Because of its convenience
C. Because of its image D. Because of its price

Part II. Brand Equity Dimensions

Dimensions	Rating Scale				
A. Brand awareness	Strongly Disagree	Disagree	Neither agree Nor disagree	Agree	Strongly Agree
1. Among competing companies, I can recognize Kaldi's easily					
2. I know Kaldi's is a coffee selling company					
3. I know that Kaldi's offers variety coffee brands					
4. When I think of having coffee, Kaldi's comes first to my mind					
B. Brand Loyalty					
1. When consuming coffee, Kaldi's will be my first choice					
2. I would recommend Kaldi's to others					
3. I would remain loyal to Kaldi's even though the price becomes higher than that of competitors.					
4. I wouldn't replace Kaldi's by other coffee brands					
C. Perceived Quality					

1. Kaldi's coffee provides me a good taste					
2. The aroma of Kaldi's coffee gives me a refreshing feeling					
3. I become energized after having Kaldi's coffee					
4. Drinking Kaldi's coffee makes me active for longer hours					
D. Brand Association					
1. I take Kaldi's as a heritage					
2. I experience the sense of socialization at Kaldi's coffee					
3. I feel energized after taking Kaldi's coffee					
E. Overall Brand Equity					
1. Overall I am satisfied with Kaldi's coffee					
2. Kaldi's is the leading coffee brand					
3. Overall Kaldi's is my favorite coffee brand					

Appendix 2; Questionnaire in Amharic

አዲስ አበባ ዩኒቨርሲቲ
የንግድ ሥራ ትምህርት ቤት

በደንበኞች ላይ የተመሰረተ የብራንድ ዋጋ በካልዲስ ቡና አማካኝነት

ውድ ምላሽ ሰጪ

ስሜ የናስ አበበ ይባላል።ይህ ጥናት ከማርኬቲንግ ማኔጅመንት ዲፓርትመንት ማስተር ኦፍ አርትስ ዲግሪ ለማግኘት የማደርገው የማሟያ ጥናት ነው። የዚህ ጥናት ዓላማ የካልዲስ ቡና አርማ ተገቢነት ላይ አስተዋፅኦ የሚያደርጉ ጉዳዮችን ለመለየት ነው።በዚህ መጠይቅ የሚገኙት ሁሉም መረጃዎች የሚያገለግሉት ለትምህርት አላማ ብቻ ነው። ስለዚህ መልሶችዎ በሙሉ ለማንም አካል የሚገለፁ አይሆኑም። ።ሁሉንም ጥያቄዎች በመመለስ ለዚህ ጥናት መሳካት የበኩልዎን አስተዋፅኦ እንዲያደርጉ በትህትና እጠይቃለሁ። ለበለጠ መረጃ በሚከተለው የስልክ ቁጥር ሊያገኙኝ ይችላሉ፡ +251-911-90-86-93 ለትብብርዎ በቅድሚያ አመሰግናለሁ።

ክፍል 1 : ግለሰባዊ መረጃዎች

እባክዎን ለሚከተሉት መግለጫዎች የመስማማትዎን ወይም አለመስማማትዎን የግምገማዎን ምልክት በማድረግ ይግለፁ።

1. ፆታ

ወንድ ሴት

2. ዕድሜ

18-35 36-50 ከ50 ዓመት በላይ

3. በአሁኑ ሰዓት በምን የስራ መስክ ተሰማርተው ይገኛሉ?

ተማሪ በመንግስት መስሪያ ቤት ወይም በግል ድርጅት ውስጥ ሰራተኛ
በግል ስራ መስክ ሌሎች

4. የካልዲስን ቡና በምን ያህል ጊዜ ይጠቀማሉ?

በየዕለቱ በየሣምንቱ በወሩ አልፎ አልፎ

5. ከሌሎች የቡና መሸጫዎች ይልቅ የካልዲስን ብራንድ ይመርጣሉ?

ሀ. አዎ ለ. አይ

6. ለጥያቄ ቁጥር 5 መልስዎ አዎ ከሆነ ለምንድነው ካልዲስን የሚመርጡት?

ሀ. በጣዕሙ ምክንያት	ለ. በአመቺነቱና በቅርቡ ምክንያት
ሐ. ባለው ኢሜጅና ጥሩ ስም ምክንያት	መ. በዋጋው ምክንያት

ክፍል 2: የብራንድ ዋጋ ገጽታዎች

ገጽታዎች	የስምምነት ደረጃዎች				
	በጥብቅ አልስማማም	አልስማማም	ገለልተኛ	እስማማለሁ	በጣም እስማማለሁ
ሀ) የብራንድ (አርማ) ግንዛቤ					
1. ከተፎካካሪ ሌሎች ድርጅቶች ካልዲስን በቀላሉ መለየት እችላለሁ					
2. ካልዲስ የቡና መሸጫ ኩባንያ እንደሆነ አውቃለሁ					
3. ካልዲስ የተለያዩ አይነት የቡና ብራንዶችን እንደሚያቀርብ አውቃለሁ					
4. ቡና መጠጣት ስፈልግ በአእምሮዬ ውስጥ መጀመሪያ የሚመጣልኝ ካልዲስ ነው					
ለ) የብራንድ (አርማ) ታማኝነት					
1. ቡና መጠቀም ስፈልግ ካልዲስ የመጀመሪያ ምርጫዬ ነው					
2. ለሌሎች ሰዎች ካልዲስን እንዲጠቀሙ እጠቁማለሁ					
3. ዋጋው ከሌሎች ተፎካካሪ ድርጅቶቹ እየበለጠ ቢመጣም አሁንም ለካልዲስ ታማኝ ደንበኛ ነኝ					
4. የካልዲስን ቡና ብራንድ በሌሎች የቡና ብራንዶች መተካት አልፈልግም፡፡					
ሐ) ጥራትን መለየት (የሚፈለገው ጥራት)					

1. የካልዲስ ቡና ለእኔ በጣም ጥሩ ጣዕም አለው					
2. የካልዲስ ቡና ሽታው ራሱ የመታደስ ስሜት ይሰጠኛል።					
3. የካልዲስን ቡና ከተጠቀምኩ በኋላ እነቃቃለሁ።					
4. የካልዲስን ቡና ከጠጣሁ በኋላ ለረጅም ሰዓት ተነቃቅቼ እቆያለሁ።					
መ) የብራንድ (አርማ) ቁርኝት					
1. ካልዲስን እንደ ቅርስ አድርጌ እቆጥረዋለሁ					
2. ከካልዲስ ቡና ጋር የመተሳሰር ስሜት አለኝ።					
3. የካልዲስን ቡና ከተጠቀምኩ በኋላ የመነቃቃት ስሜት ይሰማኛል።					
ሠ) ጠቅላላ የብራንዱ (የአርማው) ዋጋ					
1. በጥቅሉ በካልዲስ ቡና ረክቻለሁ					
2. ካልዲስ መሪ የቡና ብራንድ ነው					
3. በጥቅሉ ካልዲስ የእኔ ተመራጭ የቡና ብራንድ ነው					

APPENDIX 3: Reliability Statistics and Tests

Case Processing Summary

	N	%
Valid	386	100.0
Cases Excluded ^a	0	.0
Total	386	100.0

a. List wise deletion based on all variables in the procedure

Reliability Statistics

Cronbach's Alpha	N of Items
.916	5

Scale: Brand Awareness Reliability

Case Processing Summary

	N	%
Valid	386	100.0
Cases Excluded ^a	0	.0
Total	386	100.0

a. List wise deletion based on all variables in the Procedure

Reliability Statistics

Cronbach's Alpha	N of Items
.876	4

Scale: Brand Loyalty Reliability

Case Processing Summary

	N	%
Valid	386	100.0
Cases Excluded ^a	0	.0
Total	386	100.0

a. List wise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.888	4

Scale: Perceived Quality Reliability**Case Processing Summary**

	N	%
Valid	386	100.0
Cases Excluded ^a	0	.0
Total	386	100.0

a. List wise deletion based on all variables in the procedure

Reliability Statistics

Cronbach's Alpha	N of Items
.935	4

Scale: Brand Association Reliability**Case Processing Summary**

	N	%
Valid	386	100.0
Cases Excluded ^a	0	.0
Total	386	100.0

a. List wise deletion based on all variables in the Procedure

Reliability Statistics

Cronbach's Alpha	N of Items
.900	3

Scale: Overall Brand Equity Reliability

Case Processing Summary

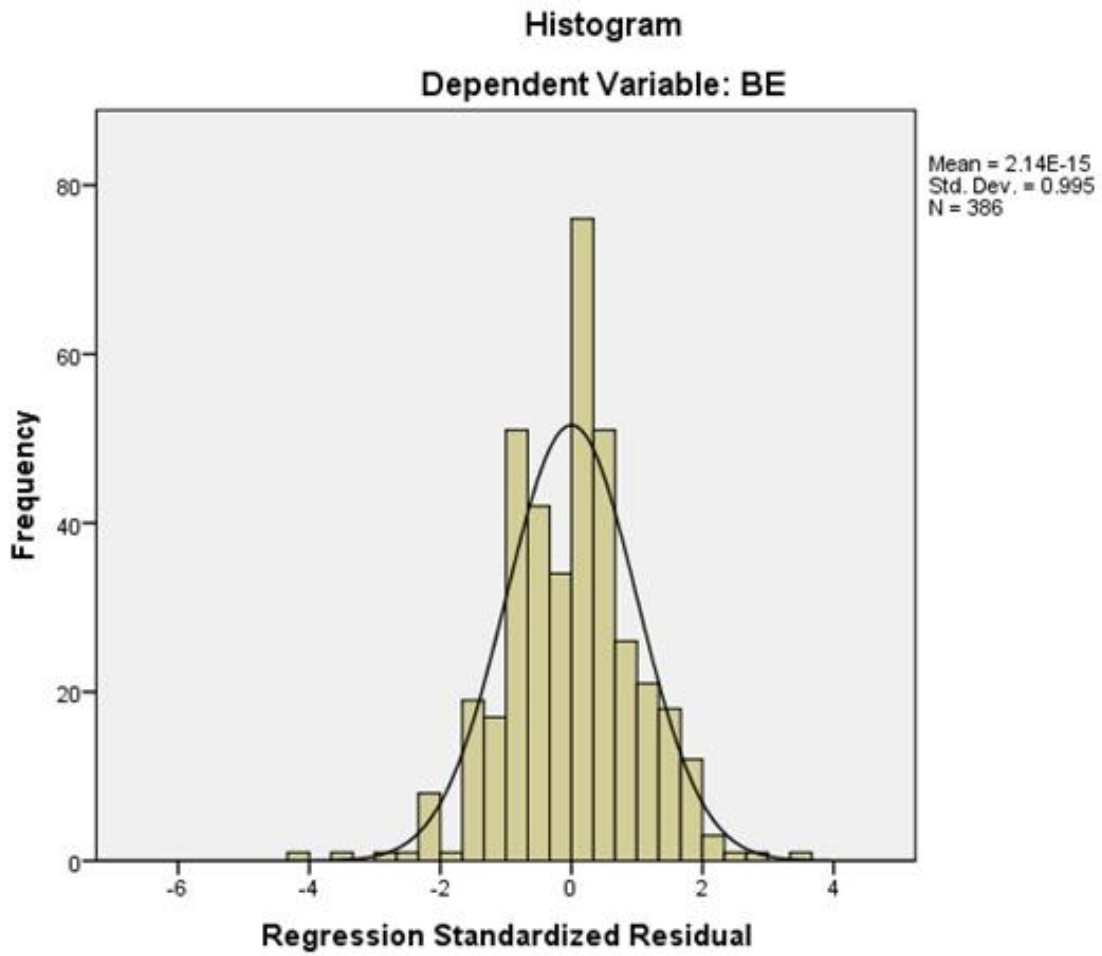
	N	%
Valid	386	100.0
Cases Excluded ^a	0	.0
Total	386	100.0

a. List wise deletion based on all variables in the Procedure

Reliability Statistics

Cronbach's Alpha	N of Items
.865	3

Appendix 4: Histogram for Normality Test of the Data



APPENDIX 5: Normal P- P Plot to Test Normality of the Data

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: BE

